

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30/09/2012 RM'000	30/09/2011 RM'000 Restated	30/09/2012 RM'000	30/09/2011 RM'000 Restated
<b>Revenue</b>	704,113	734,004	704,113	734,004
Cost of sales	(657,393)	(671,071)	(657,393)	(671,071)
<b>Gross profit</b>	46,720	62,933	46,720	62,933
Operating expenses	(32,914)	(33,211)	(32,914)	(33,211)
Other operating income/(expense)	3,994	(3,715)	3,994	(3,715)
<b>Profit from operation</b>	17,800	26,007	17,800	26,007
Finance costs	(7,791)	(8,346)	(7,791)	(8,346)
Share of (loss)/profit of associates	(1,402)	46	(1,402)	46
<b>Profit before taxation</b>	8,607	17,707	8,607	17,707
Taxation	(1,491)	(4,120)	(1,491)	(4,120)
<b>Profit for the period</b>	7,116	13,587	7,116	13,587
<b>Attributable to:</b>				
Owners of the company	7,094	14,060	7,094	14,060
Non-controlling interests	22	(473)	22	(473)
<b>Profit for the period</b>	7,116	13,587	7,116	13,587
<b>Earnings per ordinary share (sen): -</b>				
- Basic and fully diluted	1.7	3.4	1.7	3.4

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30/09/2012 RM'000	30/09/2011 RM'000 Restated	30/09/2012 RM'000	30/09/2011 RM'000 Restated
<b>Profit for the period</b>	7,116	13,587	7,116	13,587
Fair value gain/(loss) on available-for-sale financial assets	2,139	(8,405)	2,139	(8,405)
Foreign currency translation differences for foreign operations	(1,276)	(321)	(1,276)	(321)
<b>Total comprehensive income for the period</b>	<b>7,979</b>	<b>4,861</b>	<b>7,979</b>	<b>4,861</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the Company	7,958	5,340	7,958	5,340
Non-controlling interests	21	(479)	21	(479)
<b>Total comprehensive income for the period</b>	<b>7,979</b>	<b>4,861</b>	<b>7,979</b>	<b>4,861</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

	As At End of Current Quarter 30/09/2012 RM'000	Restated As At End of Preceding Financial Year 30/06/2012 RM'000	As at beginning of preceding Financial Year 01/07/2011 RM'000
<b>ASSETS</b>			
Property, plant and equipment	786,532	804,725	695,096
Goodwill on consolidation	30,256	48,991	48,991
Investment in associates	90,072	17,847	17,768
Other investments	32,458	31,510	2,771
Deferred tax assets	4,590	13,909	10,331
Tax credit receivables	16,236	18,044	22,136
<b>Total non-current assets</b>	<b>960,144</b>	<b>935,026</b>	<b>797,093</b>
Inventories	673,586	700,842	1,040,568
Trade and other receivables	227,009	228,534	252,348
Current tax assets	10,465	11,031	14,169
Derivative financial assets	1	-	199
Deposits, cash and bank balances	86,511	66,490	199,401
<b>Total current assets</b>	<b>997,572</b>	<b>1,006,897</b>	<b>1,506,685</b>
<b>TOTAL ASSETS</b>	<b>1,957,716</b>	<b>1,941,923</b>	<b>2,303,778</b>
<b>EQUITY</b>			
Share capital	411,467	411,467	411,467
Reserves	450,178	442,220	484,754
<b>Total equity attributable to owners of the Company</b>	<b>861,645</b>	<b>853,687</b>	<b>896,221</b>
Non-controlling interests	(1,506)	(1,527)	-
<b>TOTAL EQUITY</b>	<b>860,139</b>	<b>852,160</b>	<b>896,221</b>
<b>LIABILITIES</b>			
Borrowing	50,203	24,619	-
Retirement benefits	23,557	29,543	28,174
Deferred tax liabilities	20,115	19,790	29,026
Deferred income	20,230	20,611	22,136
<b>Total non-current liabilities</b>	<b>114,105</b>	<b>94,563</b>	<b>79,336</b>
Retirement benefits	700	725	772
Trade and other payables	175,971	266,547	294,574
Borrowings	806,801	727,850	1,032,870
Current tax liabilities	-	-	5
Derivative financial liabilities	-	78	-
<b>Total current liabilities</b>	<b>983,472</b>	<b>995,200</b>	<b>1,328,221</b>
<b>TOTAL LIABILITIES</b>	<b>1,097,577</b>	<b>1,089,763</b>	<b>1,407,557</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,957,716</b>	<b>1,941,923</b>	<b>2,303,778</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	← Attributable to owners of the Company →									
	← Non-distributable →						Distributable			
	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 30 September 2012</b>										
<b>At 1 Jul 2012, as previously reported</b>	411,467	35,852	30,000	50	(5,556)	2,005	370,490	844,308	(1,527)	842,781
Effect of adoption of MFRS 1	-	-	-	-	-	-	9,379	9,379	-	9,379
<b>At 1 July 2012, as restated</b>	411,467	35,852	30,000	50	(5,556)	2,005	379,869	853,687	(1,527)	852,160
Other comprehensive income/(expense)										
- fair value gain/(loss) on available-for-sale investment	-	-	-	-	2,140	-	-	2,140	(1)	2,139
- foreign currency translation differences for foreign operations	-	-	-	-	-	(1,276)	-	(1,276)	-	(1,276)
Profit for the period	-	-	-	-	-	-	7,094	7,094	22	7,116
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	-	2,140	(1,276)	7,094	7,958	21	7,979
<b>At 30 September 2012</b>	411,467	35,852	30,000	50	(3,416)	729	386,963	861,645	(1,506)	860,139

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	← Attributable to owners of the Company →																			
	← Non-distributable →						Distributable													
	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity										
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000										
<b>Preceding year corresponding period ended 30 September 2011</b>																				
<b>At 1 July 2011, as previously reported</b>	411,467	35,852	30,000	50	3,221	-	403,685	884,275	-	884,275										
Effect of adoption of MFRS 1	-	-	-	-	-	-	11,946	11,946	-	11,946										
<b>At 1 July 2011, as restated</b>	411,467	35,852	30,000	50	3,221	-	415,631	896,221	-	896,221										
Other comprehensive (expense)/income																				
- fair value loss on available-for-sale investment											-	-	-	-	(8,399)	-	-	(8,399)	(6)	(8,405)
- foreign currency translation differences for foreign operations											-	-	-	-	-	(321)	-	(321)	-	(321)
Profit for the period											-	-	-	-	-	-	14,060	14,060	(473)	13,587
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	-	(8,399)	(321)	14,060	5,340	(479)	4,861										
<b>At 30 September 2011, as restated</b>	411,467	35,852	30,000	50	(5,178)	(321)	429,691	901,561	(479)	901,082										

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Current Year To-date	Restated Preceding Year Corresponding Period
	30/09/2012 RM'000	30/09/2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,607	17,707
Adjustments for:-		
Depreciation and amortisation	19,227	21,236
Net financing cost	7,676	8,146
Share of loss/(profit) of associates	1,402	(46)
Other non-cash items	147	15,116
Operating profit before changes in working capital	37,059	62,159
Changes in working capital		
Net change in current assets	(30,388)	(64,713)
Net change in current liabilities	(88,591)	(93,646)
Retirement benefits paid	(457)	(656)
Interest paid	(6,790)	(7,941)
Taxation paid	(1,378)	(3,667)
<b>Net cash used in operating activities</b>	(90,545)	(108,464)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(46,587)	(11,692)
Acquisition of other investments	-	(33,895)
Investment in the associates	(361)	-
Net cash inflow from disposal of subsidiaries	9,411	-
Interest received	71	157
Dividend received	7	13
<b>Net cash used in investing activities</b>	(37,459)	(45,417)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of borrowings	139,832	(4,223)
<b>Net cash generated from/(used in) financing activities</b>	139,832	(4,223)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	11,828	(158,104)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	57,901	190,970
<b>EFFECT ON FOREIGN EXCHANGE</b>	1,041	(321)
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	70,770	32,545

**SOUTHERN STEEL BERHAD (5283-X)**



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

---

**The figures have not been audited**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	<b>30/09/2012</b>	<b>30/09/2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits, cash and bank balances	86,511	60,217
Bank overdraft	(15,741)	(27,672)
	<hr/> 70,770	<hr/> 32,545

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

**The figures have not been audited**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2012, which were prepared under the Financial Reporting Standards (“FRS”).

The Group’s interim financial report for the 1<sup>st</sup> quarter ended 30 September 2012 is the first set of interim financial report prepared in accordance to MRFS 1 “First-time adoption of Malaysian Financial Reporting Standards”, the date of transition is 1 July 2011.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012 except for the following :

(a) Property, plant and equipment

The Group measured its property, plant and equipment (“PPE”) at cost, less any accumulated depreciation and any accumulated impairment losses. However, one of the subsidiaries measured its property at valuation, which basis valuation is adjusted at Group level to cost basis in line with the Group policy. Upon transition to MFRS, the Group has elected to apply the optional exemption for this subsidiary so that the entire Group has the uniform accounting policy of stating the PPE at cost. At the date of transition to MFRS, PPE stated at revalued amount in the aforesaid subsidiary was regarded as deemed cost and the relevant revaluation surplus was recognised to the retained earnings.

(b) Income tax

Previously, unutilised reinvestment allowance (“RA”) was not recognised as deferred tax assets (“DTA”). Upon transition to MFRS, the Group regarded the RA as analogous to a government grant, and hence the accounting treatment of IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” is being adopted. As at the date of transition, the unutilised RA was recognised as a tax credit receivables and deferred income accordingly.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**
**The figures have not been audited**
**1. Basis of preparation (Continued)**

The reconciliation of financial statements for comparative periods and of financial statements at the date of transition under MFRS are provided below:

**Condensed Consolidated Statements of Financial Position**
*Reconciliation of the affected financial caption reported as at 1 July 2011*

	As previously reported at 01/07/2011 RM'000	Effect of adoption of MFRS		As restated at 01/07/2011 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Reserves	472,808	11,946	-	484,754
Property, plant and equipment	683,150	11,946	-	695,096
Tax credit receivables	-	-	22,136	22,136
Deferred income	-	-	22,136	22,136

*Reconciliation of the affected financial caption reported as at 30 June 2012*

	As previously reported at 30/06/2012 RM'000	Effect of adoption of MFRS		As restated at 30/06/2012 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Reserves	432,841	11,946	(2,567)	442,220
Property, plant and equipment	792,779	11,946	-	804,725
Tax credit receivables	-	-	18,044	18,044
Deferred income	-	-	20,611	20,611

**Condensed Consolidated Statements of Comprehensive Income**
*Reconciliation for the quarter ended 30 September 2011*

	As previously reported for the quarter ended 30/09/2011 RM'000	Effect of adoption of MFRS		As restated for the quarter ended 30/09/2011 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Other operating expense	(4,096)	-	381	(3,715)
Profit before tax	17,326	-	381	17,707
Tax expenses	(1,749)	-	(2,371)	(4,120)
Profit after tax	15,577	-	(1,990)	13,587

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**1. Basis of preparation (Continued)**
**Condensed Consolidated Statements of Comprehensive Income (Continued)**

*Reconciliation for the year ended 30 June 2012*

	As previously reported for the year ended 30/06/2012 RM'000	Effect of adoption of MFRS		As restated for the year ended 30/06/2012 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Other operating income	23,660	-	1,524	25,184
Profit before tax	13,771	-	1,524	15,295
Tax expenses	(6,533)	-	(4,091)	(10,624)
Profit after tax	7,238	-	(2,567)	4,671

**Condensed Consolidated Statements of Changes in Equity**

*Reconciliation of the affected financial caption reported as at 1 July 2011*

	As previously reported at 01/07/2011 RM'000	Effect of adoption of MFRS		As restated at 01/07/2011 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Retained earning	403,685	11,946	-	415,631

*Reconciliation of the affected financial caption reported as at 30 September 2011*

	As previously reported at 30/09/2011 RM'000	Effect of adoption of MFRS		As restated at 30/09/2011 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Retained earning	419,735	11,946	(1,990)	429,691

*Reconciliation of the affected financial caption reported as at 30 June 2012*

	As previously reported at 30/06/2012 RM'000	Effect of adoption of MFRS		As restated at 30/06/2012 RM'000
		RM'000 Note 1(a)	RM'000 Note 1 (b)	
Retained earning	370,490	11,946	(2,567)	379,869

**2. Qualification of audit report of the preceding annual financial statements**

The audit report for the preceding annual financial statements was not qualified.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**3. Seasonality or cyclical nature of interim operations**

The business operations of the Group are affected by both cyclical factors in the construction industry as well as festive seasons.

**4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

**5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in the prior financial years.

**6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the quarter under review and financial year-to-date.

**7. Dividend paid**

There was no dividend paid during the quarter under review and financial year-to-date.

**8. Operating Segments**

The Group's segmental report for the financial year-to-date is as follows: -

	Steel products RM'000	Investment holding and others RM'000	Total RM'000
<b>Segment profit</b>	9,218	791	10,009
Included in the measure of segment profit are:			
External revenue	703,480	633	704,113
Depreciation and amortisation	(19,221)	(6)	(19,227)
Finance cost	(7,791)	-	(7,791)
<b>Reconciliation of segment profit to consolidated profit</b>			<b>RM'000</b>
Reportable segments			10,009
Share of loss of associated companies			(1,402)
Consolidated profit before taxation			8,607

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

---

**The figures have not been audited**

**9. Material events not reflected in the financial statements**

There are no material subsequent events to be disclosed as at the date of this report.

**10. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except as announced on 30 August 2012, that Southern Speciality Wire Sdn Bhd (“SSW”) and Southern Wire Industries (Malaysia) Sdn Bhd (“SWI”) ceased to be subsidiaries of Southern Steel Berhad (“SSB”) but remain as indirect associated companies in line with the establishment of a Joint Venture company in Singapore, Bekaert Southern Wire Pte Ltd (“Bekaert Singapore”). The joint venture company established with NV Bekaert SA (“NV BK”), in which SSB now holds directly 45% and NV BK holds 55%, is for the manufacture and sale of specified steel wires in the ASEAN region.

**11. Contingent liabilities or contingent assets**

There are no contingent liabilities or contingent assets as at the date of this report.

**12. Review of performance**

For the quarter under review, the Group recorded revenue of RM704.1 million and profit before taxation (“PBT”) of RM8.6 million respectively compared with revenue of RM734.0 million and PBT of RM17.7 million recorded in corresponding quarter of the previous financial year ended 30 June 2012. The lower revenue and profit for the quarter under review was mainly due to lower selling price.

**13. Material changes in profit before taxation against the immediate preceding quarter**

The Group’s revenue and PBT for the quarter under review were RM704.1 million and RM8.6 million respectively as compared with the preceding quarter’s revenue and profit before taxation of RM764.2 million and RM32.1 million respectively. The lower revenue and profit for the quarter under review was due to lower selling price.

**14. Prospects**

The continuing Euro zone debt crisis and slow down in China’s growth rate are still affecting market sentiment and demand. In the local market, the Malaysian government’s anti-dumping investigation against five countries has provided some relief to downward price pressure. Thus, while the conditions will remain challenging for the rest of the year, the Board believes that the performance of the Group will improve in the second half of the year, in tandem with the implementation pace of various projects under the Malaysian Economic Transformation Program and 10<sup>th</sup> Malaysia Plan.

**15. Profit forecast/profit guarantee**

This note is not applicable.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**
**The figures have not been audited**
**16. Profit before taxation**

	Current Year Quarter 30/09/2012 RM'000	Current Year To-date 30/09/2012 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Finance income	(115)	(115)
Gross dividend income from other investments	(7)	(7)
Depreciation and amortization	19,227	19,227
Allowance for impairment loss on trade receivables	1,060	1,060
Allowance for inventories obsolescence	1,308	1,308
Gain on disposal of subsidiaries	(4,781)	(4,781)
Gain on foreign exchange	(1,611)	(1,611)
Fair value gain on derivatives instruments	(80)	(80)
Impairment of property, plant and equipment	-	-

**17. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2012 RM'000	Preceding Year Corresponding Quarter 30/09/2011 RM'000 Restated	Current Year To-date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000 Restated
Current taxation (Malaysian):				
- Current year	(3,397)	(4,661)	(3,397)	(4,661)
Deferred taxation:				
- Current year	1,906	541	1,906	541
	(1,491)	(4,120)	(1,491)	(4,120)

The Group's effective tax rate for the quarter under review was lower than statutory tax rate mainly due to certain income of the Group were not subject to tax.

**18. Corporate proposal**

There are no corporate proposal announced but not completed as at the date of this report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**

The figures have not been audited

**19. Group's borrowings and debt securities**

Particulars of the Group's borrowings and debt securities as at 30 September 2012 are as follows: -

	<b>RM'000</b>
Unsecured long term borrowings	50,203
Unsecured short term borrowings	806,801
	<u>857,004</u>

**20. Changes in material litigation**

There are no material litigations as at the date of this report.

**21. Dividend**

- (a) The Board has declared a first interim dividend of 2.0 sen per share tax exempt for the quarter ended 30 September 2012 of the financial year ending 30 June 2013 (1st quarter 2011/2012: 5.0 sen per share tax exempt) to be paid on 18 December 2012 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 4 December 2012.

This is to inform that a Depositor shall qualify for the entitlement only in respect of: -

- (i) shares transferred into the Depositor's securities account before 4.00 p.m. on 4 December 2012 in respect of ordinary transfers; and
  - (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (b) For the financial year-to-date, dividend of 2.0 sen per share tax exempt has been declared (2011/2012: 5.0 sen per share tax exempt).

**22. Earnings per ordinary share**
**(a) Basic earnings per ordinary share**

The basic earnings per ordinary share for the quarter under review/financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM7,094,000 (1<sup>st</sup> quarter 2011/2012: RM14,060,000) and the weighted average number of ordinary shares during the quarter of 419,417,208 (1<sup>st</sup> quarter 2011/2012: 419,417,208).

**(b) Diluted earnings per ordinary share**

The Group has no dilution in its earnings per ordinary share in the quarter under review/financial year-to-date as there are no dilutive potential ordinary shares.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012**
**The figures have not been audited**
**23. Realised and unrealised profits/(losses) disclosure**

The retained profits as at 30 September 2012 and 30 June 2012 are analysed as follows:-

	As At End of Current quarter 30/09/2012 RM'000	Restated As At End of Preceding Financial Year 30/06/2012 RM'000
Total retained profits of the Company and the subsidiaries:-		
-Realised	435,001	510,530
-Unrealised	(17,486)	(5,600)
	417,515	504,930
Total share of retained profit of associated company:		
- Realised	10,979	12,195
- Unrealised	152	152
	11,131	12,347
	428,646	517,277
Less: Consolidation adjustments	(41,683)	(137,408)
Total Group's retained profits	386,963	379,869

 By Order of the Board  
 Southern Steel Berhad

 Ting Kok Keong  
 Company Secretary

 Penang  
 19 November 2012