



SOUTHERN CABLE

(Registration No. 201901011439 (1320767-M))
(Incorporated in Malaysia)



ANNUAL REPORT 2023

SOUTHERN CABLE GROUP BERHAD



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Design with specification, manufacture with integrity.

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CORPORATE PROFILE

**OUR CABLES
AND WIRES,
LIGHT UP
THE NATION**

Southern Cable has an established track record as a manufacturer of cables and wires. Our extensive portfolio includes cables and wires used for power distribution and transmission, communications, as well as control and instrumentation applications.

Our cables and wires are used across various industries that range from power distribution and transmission, building and construction, infrastructure, telecommunications, manufacturing and processing industries including oil and gas processing and petrochemical plants.

Established in 1993, Southern Cable's reputation was built on the team's commitment to quality, technical expertise and customer-centric services.

SOUTHERN CABLE GROUP BERHAD

DAYA
FORWARDING
SDN. BHD.

SOUTHERN
CABLE
SDN. BHD.

NEXTOL
POLYMER
SDN. BHD.

689

APPROXIMATE
NUMBER OF
EMPLOYEES

1993

ESTABLISHED
IN YEAR

OUR VISION



To be the leading company that takes pride in innovation and inspiration through smart cable manufacturing services while aspiring to become one of Southeast Asia's most sought-after suppliers in infrastructure development.

OUR MISSION



To produce superior quality cables and wires through accredited methods such as SIRIM QAS International certification while providing trustworthy services on our extensive cables and wires portfolio.

CORPORATE INFORMATION

BOARD OF DIRECTORS

RIZVI BIN ABD HALIM
Independent Non-Executive Chairman

TUNG ENG HAI
Managing Director

WONG MENG KEE
Executive Director

FAWIZA BINTI FAIZ
Non-Independent Non-Executive Director

WONG KAR WAI
Non-Independent Non-Executive Director

EUGENE LEE CHENG HOE
Independent Non-Executive Director

DAPHNE CHOY GAIK CHOO
Independent Non-Executive Director

LOH AYE LI
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Eugene Lee Cheng Hoe (Chairman)
Daphne Choy Gaik Choo
Wong Kar Wai
Loh Aye Li

NOMINATION AND REMUNERATION COMMITTEE

Daphne Choy Gaik Choo
(Chairperson)
Eugene Lee Cheng Hoe
Loh Aye Li

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM Practising Certificate No.
201908001272)

Lee Siew Fun (MAICSA 7063623)
(SSM Practising Certificate No.
202008000735)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No : (03) 7725 1777
Fax No : (03) 7722 3668
Email : cms_cospec@yahoo.com

HEAD OFFICE

Lot 42, Jalan Merbau Pulas
Kawasan Perusahaan Kuala Ketil
09300 Kuala Ketil
Kedah Darul Aman
Tel No : (04) 416 1600
Fax No : (04) 416 1599
Website : www.southerncable.com.my
Email : sc@southerncable.com.my

EXTERNAL AUDITORS

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[201906000600 (LLP0019411-LCA) &
AF 0117]
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No : (03) 2297 1000
Fax No : (03) 2282 9980

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
[199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No : (03) 7890 4700
Fax No : (03) 7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
AmBank Islamic Berhad
Alliance Bank Malaysia Berhad
Bangkok Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : SCGBHD
Stock Code : 0225

CORPORATE STRUCTURE



SOUTHERN CABLE

100%

SOUTHERN
Southern Cable
Sdn. Bhd.

Manufacture of cables
and wires, and related
products and services

100%

NEXTOL
Nextol Polymer
Sdn. Bhd.

Manufacture of
plastic compounds

100%

DAYA
Daya Forwarding
Sdn. Bhd.

Manufacture and
trading of wooden
cable drums

5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY					
For the Financial Year Ended 31 December (RM '000)	2019	2020	2021	2022	2023
STATEMENT OF COMPREHENSIVE INCOME SUMMARY					
Revenue	656,687	562,727	659,939	875,879	1,053,081
Gross Profit	67,222	55,896	39,242	51,715	73,877
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	52,996	43,108	27,570	36,378	57,705
Operating Profit	46,693	36,410	20,151	28,201	48,504
Profit Before Tax (PBT)	39,324	30,014	14,310	19,859	39,049
Profit After Tax (PAT)	28,549	21,262	10,906	14,544	29,437
STATEMENT OF FINANCIAL POSITION SUMMARY					
Property, Plant and Equipment	18,162	24,551	43,559	51,956	54,633
Right-of-use Assets	53,275	46,572	43,375	40,389	44,435
Investment Properties	536	530	523	517	510
Inventories	62,133	88,955	182,529	223,256	144,096
Cash and Short Term Deposits	56,600	129,420	35,411	21,872	96,009
Other Assets and Non-Current Assets	180,400	158,224	205,310	232,542	265,899
Total Assets	371,106	448,252	510,707	570,532	605,582
Equity Attributable to Owners of the Group	176,006	267,261	274,967	287,832	315,042
Loans and Borrowings	154,633	124,990	166,730	217,738	195,733
Other Current and Non-Current Liabilities	40,467	56,001	69,010	64,962	94,807
Total Equity and Liabilities	371,106	448,252	510,707	570,532	605,582
Financial Indicators					
Gross Profit Margin (%)	10.2%	9.9%	5.9%	5.9%	7.0%
EBITDA Margin (%)	8.1%	7.7%	4.2%	5.1%	5.5%
Operating Margin (%)	7.1%	6.5%	3.1%	3.2%	4.6%
PBT Margin (%)	6.0%	5.3%	2.2%	2.3%	3.7%
PAT Margin (%)	4.3%	3.8%	1.7%	1.7%	2.8%
Gearing (Net of Cash) (times)	0.56	Net Cash	0.48	0.68	0.32
Basic Earnings per Share (sen) ⁽¹⁾	3.57	2.66	1.36	1.82	3.68
Net Assets Per Share (RM) ⁽¹⁾	0.22	0.33	0.34	0.36	0.39 ⁽²⁾

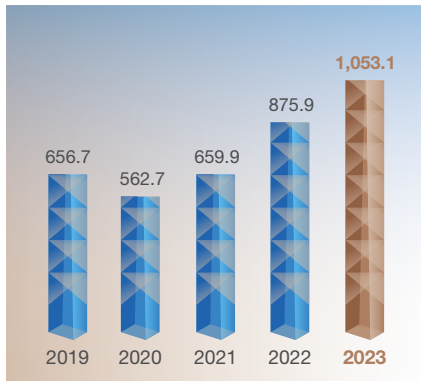
Note:

(1) Based on enlarged share capital of 800,000,000 shares in issue as at 31 December 2020.

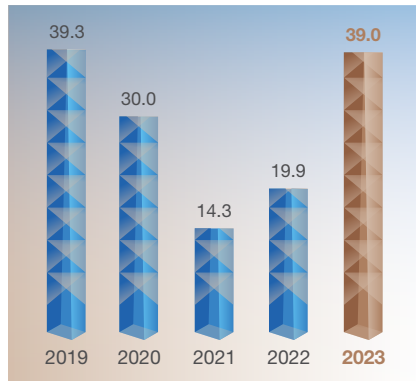
(2) Based on enlarged share capital of 800,050,000 shares in issue as at 31 December 2023.

5-YEAR FINANCIAL HIGHLIGHTS

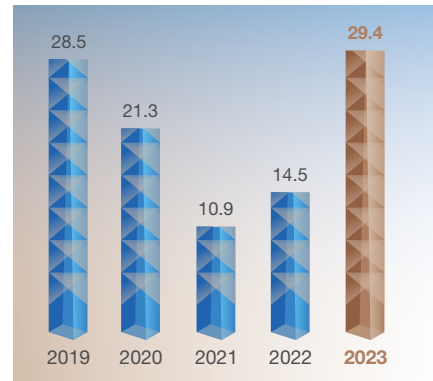
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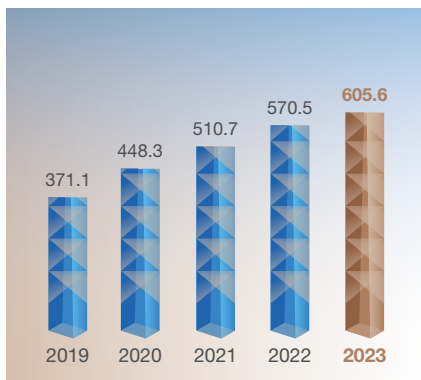
REVENUE (RM' mil)



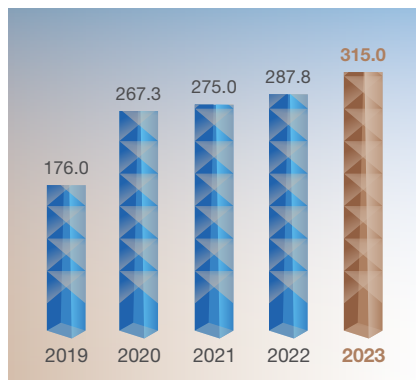
PROFIT BEFORE TAX (RM' mil)



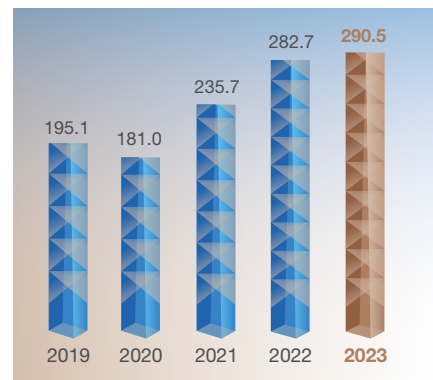
PROFIT AFTER TAX (RM' mil)



TOTAL ASSETS (RM' mil)

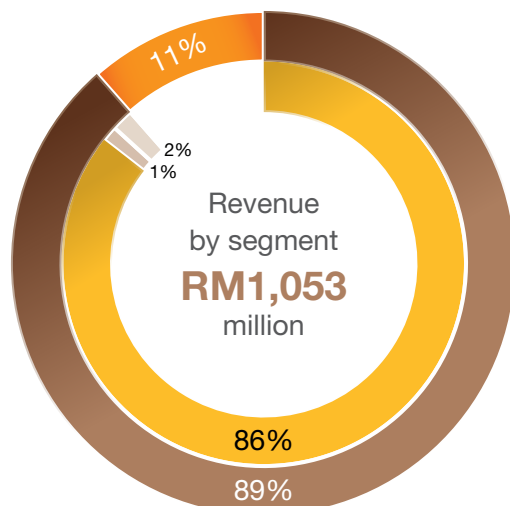


SHAREHOLDERS' EQUITY (RM' mil)



TOTAL LIABILITIES (RM' mil)

FYE2023 PERFORMANCE



0.75 sen
per share
final dividend

Payout Ratio
20.4%
of FYE2023
Net Profit

- Cables and Wires
- Power
- Communications
- Control & Instrumentation
- Related products and services

CHAIRMAN'S STATEMENT

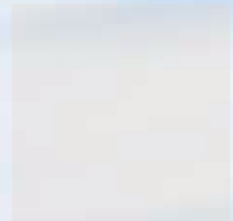
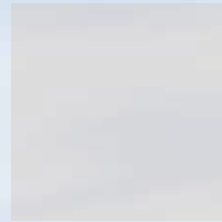
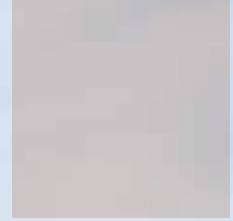
“

Dear Esteemed Shareholders,

Southern Cable Group Berhad (“Southern Cable”) and its subsidiaries (“the Group”) achieved a record revenue of more than RM1 billion in the financial year ended 31 December 2023 (“FYE2023”). The accomplishment was attributed to the available production capacity, which we have built up over the years, to meet the significant increase in demand for cables and wires in the country.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for FYE2023.

”



CHAIRMAN'S STATEMENT

Cont'd

ECONOMIC REVIEW

Southern Cable's commendable performance came on the back of an environment that was plagued with uncertainty, such as increasing interest rates, political conflicts in Eastern Europe, and new tensions in the Middle East.

The management showed great resilience and tenacity in weathering the storm and stirring the company towards profitability despite global issues causing worldwide supply shortages and trade disruptions.

The company's ability to buck the trend came at a time when no industries worldwide were spared by the global turbulence evidenced by the IMF report that showed that world GDP growth had slowed to 3.1% in 2023 from 3.5% in 2022. Malaysia, too, was affected as its GDP growth rate slowed to 3.7% in 2023, compared with 8.7% in 2022, according to Bank Negara Malaysia.

OPERATION HIGHLIGHTS

Operationally, Southern Cable's net profit in FYE2023 more than doubled to RM29.4 million, attributed to higher sales volume and stable raw material prices.

The Group secured fresh contracts totaling over RM500.0 million from Tenaga Nasional Berhad and Telekom Malaysia Berhad in the same year.

Encouraged by the growing demand, in FYE2023, Southern Cable invested in new machinery to increase the annual cable and wire production capacity by 21% to 40,780 km, from 33,780 km previously, at the manufacturing facility in Kuala Ketil, Kedah. The higher capacity was mainly for producing low-and medium-voltage power cables and wires to meet the growing demand and support the nation's infrastructure developments.

Meanwhile, the Group has two new buildings currently under construction. These additions will significantly boost the annual production capacity of cables and wires for power, and control & instrumentation applications, as well as the annual production capacity of plastic compounds to offer more varieties of insulation for the Group's cables and wires.

DIVIDENDS

With the commendable profit for the year, the Board of Directors of Southern Cable is pleased to propose a final dividend of 0.75 sen per share in respect of FYE2023. This amounts to a dividend payout of RM6.0 million representing 20.4% of FYE2023 net profit attributable to shareholders, surpassing our policy of distributing at least 15% of the annual net profit attributable to shareholders.

The dividend will be subjected to shareholders' approval during the forthcoming annual general meeting.

FORWARD OUTLOOK

2023 was a buoy year for Southern Cable, so will 2024. As at 31 December 2023, the Group has strong orders in hand amounting to RM829.0 million, which will provide us with financial visibility until 2026. With the accelerated developments from various sectors, including power transmission and distribution, telecommunication, construction, and oil & gas, the Group is expecting more business opportunities to drive growth in the financial year ending 31 December 2024.

Meanwhile, Southern Cable is aiming to capitalise on the growing demand for power cables and wires from Malaysia's National Energy Transition Roadmap objectives. The Group will strive for continued excellence in providing the nation with a wide range of cables and wires to support infrastructure development, thereby reinforcing our leading position in this sector.

Nonetheless, 2024 still presents some economic challenges, and we remain circumspect. We will closely monitor the price volatility of our raw materials and supply chain to ensure our business operations remain unaffected.

Among the challenges that we face are the ongoing global geopolitical tensions in Eastern Europe and the Middle East, but still, the IMF's World Economic Outlook report in January 2024 predicts a steady global GDP growth of 3.1% in 2024 supported by resilience in emerging markets and developed economies.

Similarly, Bank Negara Malaysia's quarterly report released in February 2024 projected the country's GDP to expand between 4% and 5% in 2024, driven by sustained growth in domestic demand and enhanced external demand.

APPRECIATION

I want to extend my sincere thanks to the Board of Directors, management, and all members of the Southern Cable team. Your dedication reflects a firm commitment to our vision and helps uphold our position as one of the country's top cable and wire manufacturers.

Additionally, I am grateful to our shareholders, clients, and business partners, as well as the financial institutions, agencies, and regulatory bodies that have consistently supported Southern Cable.

MR. RIZVI BIN ABD HALIM

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Dear esteemed shareholders,

Southern Cable Group Berhad (“Southern Cable”) and its subsidiaries (“the Group”) had an impressive performance in the financial year ended 31 December 2023 (“FYE2023”). The positive performance was attributed to the robust demand for cables and wires, in line with the nation’s accelerated developments in power transmission and distribution, construction, and infrastructure sectors.

The geopolitical tensions in Eastern Europe and the Middle East have not affected us, as our primary revenue drivers are still from Malaysia. The supply chain for our raw materials, including copper, aluminium, and plastic compounds, remains uninterrupted, as most of our suppliers are in Malaysia, Indonesia, Thailand, China, and Australia.

In FYE2023, the Group continued to expand, investing in new machinery, and setting up new factory buildings at our existing manufacturing facilities in Kedah. It was fortunate the increased capacity over the year was able to meet the growing demand, helping us to achieve more than RM1.0 billion in record revenue.

BUSINESS OVERVIEW

Southern Cable is in the business of manufacturing cables and wires, and the production and/or trading of other related products and services. Our entire manufacturing process is supported by in-house activities to ensure production efficiency and our product quality meeting clients’ needs.

1) Manufacturing of Cables and Wires

Southern Cable Sdn Bhd (“SCSB”), a wholly-owned subsidiary of Southern Cable, manufactures cables and wires, and related products and services in a 473,380 square-foot production facility in Kuala Ketil, Kedah Darul Aman.

As part of our commitment to the quality and safety of our products in accordance with the industry standards, we hold accreditations and certifications, from various organisations, such as TÜV SÜD, UL Solutions, SIRIM, Energy Commission of Malaysia, and the Fire and Rescue Department Malaysia. Additionally, our products have certificates of product acceptance from Tenaga Nasional Berhad (“TNB”) and comply with either Malaysian Standards, International Electrotechnical Commission standards, or British Standards.

Furthermore, we have established a loyal customer base from various industries, with notable customers including major public utilities and telecommunication providers such as TNB and Telekom Malaysia Berhad (“TM”).

To meet our customers’ requirements and specifications, we can manufacture a wide range of cables and wires in line with industry standards:

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

- **Power cables and wires**

We manufacture power cables and wires that accommodate electrical transmission from 300 Volts up to 132 Kilovolts, which are used by various sectors such as power utilities, transportation, renewable energy, petrochemical plants, and other factories or operations that require a direct supply of electricity for their operations.

Our power cables and wires are used in electrical systems to distribute and transmit power, which can be seen in overhead and underground power distribution networks, as well as for internal wiring within buildings.

We are a registered supplier with TNB, Sabah Electricity Sdn. Bhd., Sarawak Energy Berhad, and PETRONAS; in addition to being a TÜV SÜD certified supplier of low voltage solar photovoltaic (PV) power cables, and a UL certified supplier of aluminium building cables and wires to the United States. We have also been registered with the Construction Industry Development Board of Malaysia (CIDB) under category G7 since 2016, which allows us to bid for projects of any amount in Malaysia.

- **Communications cables and wires**

Our communications cables and wires, including telephone cables, coaxial cables, and alarm cables, are mainly supplied to the telecommunications industry. Additionally, our products are used in communications equipment, network devices, and electronic devices.

We are a registered supplier with TM.

- **Control and instrumentation cables and wires**

In addition, we manufacture control and instrumentation cables and wires that are primarily used for controlling and automating processes, by obtaining and transmitting data and communications among various devices. These cables and wires are used to connect machinery, equipment, instruments, and process control systems.

All manufacturing and processing industries that are automated, as well as modern buildings, amenities, and infrastructure, use control and instrumentation cables and wires. Among others, they include power generation, oil and gas, petrochemical and chemical plants, as well as oil and gas platforms and marine vessels.

2) **Related products and services**

Our related products and services complement our cable and wire manufacturing business. This includes the sale of aluminium rods, plastic compounds and wooden cable drums. We are also engaged in the trading of cables and wires, copper strips, as well as the supply of electrical devices and accessories such as rectifier systems for the telecommunications sector.



MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

Furthermore, our manufacturing process is integrated with key supporting activities such as furnace and continuous casting to produce copper and aluminium rods, as well as other facilities to produce plastic compounds and wooden cable drums.

These supporting activities enable us to control the quality of our material input and process efficiency, contributing towards effective management of the manufacturing costs of our cables and wires, as well as minimising potential interruptions in the manufacturing process to ensure timely delivery to our customers.

1) Furnace and continuous casting

At SCSB's existing facility, we have two electric furnaces and one gas-fired furnace. These furnaces are used to produce copper and aluminium rods, which serve as core materials for transmitting mediums for our cables and wires.

2) Plastic compounding

We also provide processes for insulation, bedding and sheathing layers for our cables and wires.

Nextol Polymer Sdn. Bhd., a wholly-owned subsidiary of Southern Cable, located in Sungai Petani, Kedah Darul Aman, is involved in the manufacturing of plastic compounds such as Polyvinyl chloride (PVC) and Medium-density Polyethylene (MDPE) compounds.

3) Wooden cable drum manufacturing

Daya Forwarding Sdn. Bhd., a wholly-owned subsidiary of Southern Cable, operates within SCSB's existing facility in Kuala Ketil, Kedah, and is involved in the manufacturing and trading of wooden cable drums used for coiling our cables and wires for storage and delivery to customers.

Overall, Southern Cable is capable of providing full service from manufacturing to delivery of our cables and wires.



OPERATIONS REVIEW

Southern Cable maintained a high utilisation rate with expanded capacity in FYE2023. Besides that, we secured notable contracts from TNB and TM, as well as maintained a strong in-flow of purchase orders from EPCC (engineering, procurement, construction, and commissioning) contractors and resellers.

- **Higher cable and wire annual production capacity to cater for growing demand**

The Group in FYE2023 has executed expansion plans by investing RM6.3 million in new machinery to enlarge the annual production of our existing cable and wire facility in Kuala Ketil, Kedah, increasing by 21% to 40,780 km from 33,780 km previously.

The additional capacity will not only enable Southern Cable to produce more low-and medium-voltage power cables and wires but also position us favourably to take advantage of the growing cable and wire demand in Malaysia.

- **Cable and wire demand remains robust**

The Group saw the utilisation rate increase to 85% on an enlarged annual capacity of 40,780 km in FYE2023 versus 82% of 33,780 km in the previous year, with power cables and wires contributing the largest portion of our production.

As at 31 December 2023, our orders in hand stood at RM829.0 million, which comprised of:

- o Order book of RM547.1 million from long-term contracts. Our long-term contracts have a typical duration of 1 year or more, such as the newly secured contract to supply underground cables and conductors worth RM332.1 million to TNB from July 2023 to July 2024.
- o Unbilled purchase orders of RM281.9 million. Our purchase orders are typically short-term orders that can be delivered in less than a year. In FYE2023, we procured new purchase orders amounting to RM773.5 million, compared to RM759.6 million in the previous year.

Our power cables and wires remained the highest revenue contributor, accounting for 86.5%, or RM910.7 million, of revenue in FYE2023, supported by increasing demand from power utility companies, EPCC contractors, resellers, and others. The remaining 13.5%, or RM142.4 million, came from sales of communication, control and instrumentation cables and wires, as well as related products and services.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

FINANCIAL OVERVIEW

Southern Cable achieved for the first time a revenue exceeding RM1.0 billion in FYE2023, supported by increased orders from the power transmission and distribution, and infrastructure sectors.

- **Statements of Profit or Loss and Other Comprehensive Income**

With the higher utilisation rate on an enlarged capacity in FYE2023, the Group's revenue rose 20.2% to more than RM1.0 billion versus RM875.9 million in the previous financial year ended 31 December 2022 ("FYE2022"), mainly on higher sales volume of power cables and wires, as well as contribution from increased sales of control and instrumentation cables and wires, aluminium rods, and rectifier and battery systems.

Segmentally, the contribution from power cables and wires grew 21.6% to RM910.7 million from RM749.0 million previously. Likewise, sales of related products and services increased 3.2% to RM103.7 million from RM100.6 million a year ago, while revenue from control and instrumentation cables and wires rose 93.5% to RM29.7 million from RM15.3 million in FYE2022. However, revenue from communication cables and wires decreased 18.5% to RM9.0 million, from RM11.0 million a year ago on lower sales volume.

Geographically, the Group's sales to domestic market made up 97.0%, or RM1.0 billion, of FYE2023 revenue, an increase of 20.1% from RM850.2 million a year ago. Meanwhile, sales to overseas markets made up 3.0%, or RM31.7 million, of FYE2023 revenue, rising 23.8% from RM25.6 million previously, with sales mainly to the United States and Thailand.

Along with the higher revenue, the Group's profit before tax and net profit in FYE2023 climbed by 96.6% and 102.4% to RM39.0 million and RM29.4 million, respectively, from RM19.9 million and RM14.5 million previously. The improvement was mainly attributed to product mix and lower plastic compound prices.

- **Statement of Financial Position**

Southern Cable's financial position remains healthy, with total assets expanding 6.1% to RM605.4 million as at 31 December 2023 from RM570.5 million a year ago, on higher investment in new machinery, trade and other receivables, and cash and cash equivalents.

Total liabilities increased 2.7% to RM290.4 million as at 31 December 2023, from RM282.7 million a year ago, on higher trade and other payables, and tax liabilities.

Shareholders' equity climbed 9.5% to RM315.0 million from RM287.8 million previously on higher retained earnings.

Our net gearing ratio has reduced to 0.32 times as at 31 December 2023 in comparison to 0.68 in FYE2022. The improvement was attributed to 10.1% lower total borrowings and 339.0% higher cash and cash equivalents of RM195.7 million and RM96.0 million, respectively, from RM217.7 million and RM21.9 million previously.

RISKS

- **Economic risks and geopolitical conflicts**

The demand for the Group's cables and wires can be impacted by challenging and uncertain global economic scenarios, such as supply chain disruptions, changes in government policies, a slowdown in national power and infrastructure development, as well as international-level conflicts that may adversely affect global commodity prices significantly.

- **Supply and foreign exchange risks**

The Group faces risks in the availability and price fluctuation of raw materials, including copper, aluminium, plastic compounds, and sawn timber. Additionally, imports of raw materials are subject to foreign exchange translation risks.

- **Labour supply risks**

The availability of manpower can impact our overall manufacturing output. A decrease in foreign labour supply in Malaysia could affect our operation efficiency, resulting in a lower utilisation rate in producing cables and wires. This is because more than 40% of the Group's workers in the manufacturing division are foreign labour.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

- **Contract risks**

Any delays, cancellations, or reduction in the contract value of our orders secured or failure by the customer to raise any purchase orders would also affect our future financial performance, cash flow position and profitability.

- **Technological changes**

The rapid advent of disruptive technologies may potentially bring about substantial changes in our cable and wire manufacturing processes. Any delay or failure to adopt new technologies may affect our product development and production capabilities, or our overall competitiveness in the sector.

GROWTH STRATEGIES

Southern Cable remains committed to growing our business for the long term, by undertaking the following strategies:

- **Expanding production capacities**

With the demand for cables and wires growing in tandem with the nation's infrastructure development, we remain committed to expanding our production capacities to prepare ourselves for new business opportunities.

The structural work for our new cable and wire manufacturing building on Lot 38 has been completed and has progressed to the machinery installation phase in the first half of 2024.

The new factory, located within SCSB's existing facility in Kuala Ketil, Kedah, will provide an additional 5,000 kilometres ("km") of annual capacity, producing cables and wires for power, and control and instrumentation applications.

Additionally, the installation of a new production line at our existing factory building was completed in March 2024, providing us with an extra 1,200 km of annual capacity to produce MV power cables and wires. Overall, our total annual cable and wire capacity will increase by 15% to 46,980 km by 2025, from 40,780 km previously.

We are also expecting our plastic compounding factory on PT 4845 to begin construction work in the first half of 2024, providing us with an additional 4,200 MT of annual capacity. The new plastic compound factory will enable us to produce a new range of plastic compounds, including Polyolefin (PO), Polyethylene (PE), and Cross-Linked Polyethylene (XLPE).

The new plastic compounds will not only increase our plastic insulation options for customers but also help reduce costs. This new factory is targeted to be completed in the second half of 2024 and will increase our annual plastic compounding capacity by 54% to 12,000 MT, from 7,800 MT currently.

- **Expanding product range for the US market**

We are seeing healthy growth in orders from our customers in the US. In FYE2023, Southern Cable delivered more than RM14.0 million of power cables and wires, from RM3.0 million previously as shipments only started in November 2022 at that time.

To stay aligned with the demands of the US market, we maintain regular communication with the distributor, addressing their requirements for additional orders or new products. Presently, the Group is actively pursuing UL certification for a range of building cables used for power distribution in residential, commercial, and industrial buildings.

Aside from expanding our overseas revenue, the Group sees this as an opportunity to better understand the US market and its industry requirements. This also showcases our ability to produce international-standard cables and wires, broadening our product range to cater to a larger customer base in the future.

APPRECIATION

We extend our gratitude to the Board of Directors, management team, and staff for their dedication and hard work in enhancing Southern Cable's performance amidst challenging conditions.

Furthermore, I want to convey our gratitude to our esteemed shareholders for their trust in us. Your confidence motivates us to remain steadfast in pursuing our long-term growth strategies.

MR. TUNG ENG HAI

Managing Director

SUSTAINABILITY STATEMENT

The measures outlined in this Sustainability Statement represent the Group's efforts to instil good practices across our operations, aimed at preserving the natural environment, bringing greater good to the community, and delivering financial profits.



SUSTAINABILITY STATEMENT

Cont'd

Company Profile

Southern Cable has an established track record as a manufacturer of cables and wires. Our extensive portfolio includes cables and wires used for power distribution and transmission, communications, as well as control and instrumentation applications.

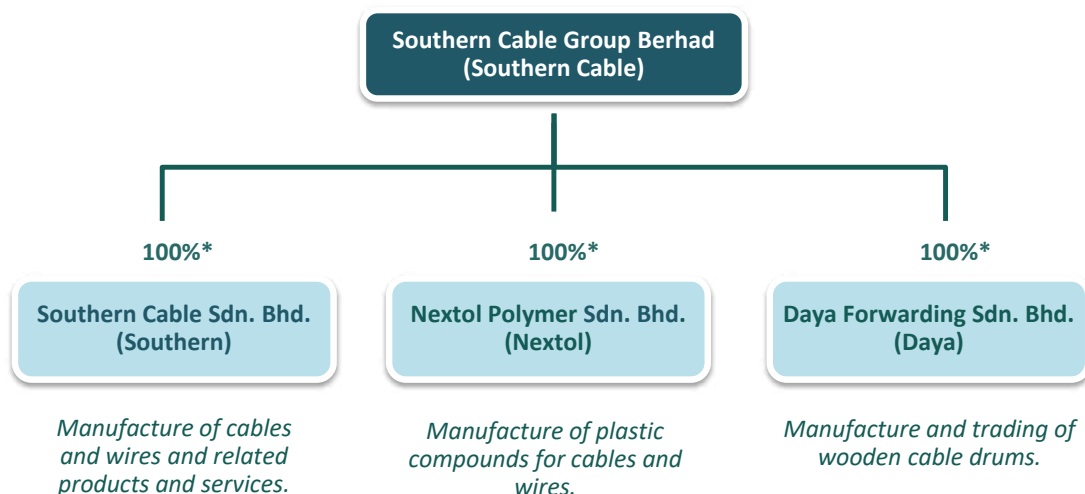
Our cables and wires are used across various industries that range from power distribution and transmissions, building and construction, infrastructure, telecommunications, manufacturing and processing industries including oil and gas processing and petrochemical plants.

Established in 1993, Southern Cable's reputation is built on the team's commitment to quality, technical expertise and customer-centric services.



Our Group

We are based in Kedah, Malaysia, with the following corporate structure:



Note:* The percentages indicate Southern Cable Group Berhad's ownership of the respective subsidiaries.

SUSTAINABILITY STATEMENT

Cont'd



Scope of Reporting

Southern Cable's Sustainability Report encapsulates the sustainability efforts carried out by our Group. Our commitment lies in fostering positive impacts and addressing Economic, Environmental, Social and Governance (ESG) challenges as well as aligning with the disclosure requirements specified in the Bursa Malaysia Sustainability Reporting Guide 2022 (3rd edition).

This report covers the ESG performance and impact of our subsidiary, **Southern Cable Sdn. Bhd.** (Southern), based in Malaysia, from **1 January 2023** to **31 December 2023**. We have also incorporated the performance of **Daya Forwarding Sdn. Bhd.** (Daya) and **Nextol Polymer Sdn. Bhd.** (Nextol) in specific sustainability matters as outlined in the report. This report has been assured by Sustainability Steering Committee (SSC). Essentially, this report serves as an overview, documenting notable progress, achievements and challenges encountered during the year 2023.

This sustainability report has undergone a review conducted by the company's internal auditors and has been subsequently approved by the Board of Directors. This review covers all indicators sustainability listed within this report, encompassing all the three subsidiaries that are covered by the scope stated above.

Guidelines and References

Main Guide: Bursa Malaysia

Supplementary Guide & Reference: UN SDGs



Feedback

We value feedback from all our stakeholders. Kindly share your feedback and suggestions by reaching out to us at:



+60 4416 1600



sc@southerncable.com.my

SUSTAINABILITY STATEMENT

Cont'd

GOVERNANCE STRUCTURE

The Group acknowledges the crucial role of a sustainability governance structure in maintaining continued success. A sustainability governance structure functions under a set of roles and responsibilities that guides the Group in integrating sustainability efforts into our day-to-day operations. It also helps the Group stays on track with our sustainability goals.

Below is the sustainability governance structure for Southern Cable:

Sustainability Governance Structure



SUSTAINABILITY ADVISORY BOARD

- Comprises of Independent Non-Executive Directors
- Oversees comprehensive sustainability initiatives
- Guides strategic direction and decision-making within the sustainability framework



SUSTAINABILITY STEERING COMMITTEE (SSC)

- Comprises of Managing director, Group General Manager, Group Financial Controller and General Manager
- Supervises the Group's sustainability matters and performance
- Reviews, supports and provides guidance on sustainability strategies and plans, collaborating closely with the sustainability working group for effective implementation



SUSTAINABILITY WORKING GROUP (SWG)

- Comprises of HR Manager, QMS Engineer, Safety Health and Environment Officer, Maintenance Manager, Senior Executive, Senior Payroll Executive and Secretary
- Drives the implementation of sustainability strategies and plans across the Group, supporting the SSC
- Actively tracks efforts and performance in various sustainability matters within the Group

SUSTAINABILITY STATEMENT

Cont'd

KEY STAKEHOLDER ENGAGEMENT

At Southern Cable, we actively engage with multiple stakeholders including our employees, customers, vendors, suppliers, regulators, certification bodies, local communities, shareholders, media and more, through various formal and informal channels. Regular interactions with our stakeholders not only strengthen our relationships but also provide crucial insights that could improve our sustainability strategies.

Below are the key topics of interest, engagement approaches and the frequencies for each group of stakeholders:

Topics of Interest	Engagement Approach	Frequency
 Employees		
<ul style="list-style-type: none"> • Career development • Equal opportunity • Occupational health and safety 	<ul style="list-style-type: none"> • Training programmes • Educational programmes • Safety inspections 	<ul style="list-style-type: none"> • Monthly/As needed • Monthly/As needed • Monthly
 Customers		
<ul style="list-style-type: none"> • Product quality • Timely delivery 	<ul style="list-style-type: none"> • Satisfaction surveys 	<ul style="list-style-type: none"> • Quarterly/As needed
 Vendors/Suppliers		
<ul style="list-style-type: none"> • Competitive pricing • Reliability 	<ul style="list-style-type: none"> • Supplier assessment 	<ul style="list-style-type: none"> • Annually/As needed
 Regulators/Certification Bodies		
<ul style="list-style-type: none"> • Corporate governance • Regulatory compliance • Certifications 	<ul style="list-style-type: none"> • Audits • Site visits 	<ul style="list-style-type: none"> • Annually/As needed • Annually/As needed
 Local Communities		
<ul style="list-style-type: none"> • Social development • Employment opportunities 	<ul style="list-style-type: none"> • Community events • Charity 	<ul style="list-style-type: none"> • Quarterly/As needed • Quarterly/As needed
 Shareholders		
<ul style="list-style-type: none"> • Corporate developments • Financial performance • Growth plans 	<ul style="list-style-type: none"> • Annual Report • Annual General Meeting • Fund/analyst briefing • Investor relations website 	<ul style="list-style-type: none"> • Annually • Annually • Quarterly/As needed • As needed
 Media		
<ul style="list-style-type: none"> • Corporate reputation • Corporate news 	<ul style="list-style-type: none"> • Interviews • Press releases 	<ul style="list-style-type: none"> • Quarterly/As needed

SUSTAINABILITY STATEMENT

Cont'd

MATERIALITY ASSESSMENT

In compliance with Bursa Malaysia's Sustainability Reporting Guide 2022 (3rd Edition), we have reviewed our sustainability matters in 2023 to include the mandatory Common Sustainability Matters (CSMs). Through collaborative discussions with representatives from the SSC and the SWC, a total of thirteen (13) key sustainability matters were identified as relevant and important to the Group. We will continue to review our material matters annually.

We then conducted a survey using the identified key sustainability matters and drawing input from 92 stakeholders across different stakeholder groups. With the outcome of the materiality assessment, we have developed a materiality matrix guided by a 3-step process which is visually represented below:

Step 1 Identification

Internally, we revisited previously disclosed sustainability matters, assessing their relevance and impact on the Group's business over the short and long term.

Externally, we referred to Bursa Malaysia's Sustainability Reporting Guide to ensure the inclusion of the mandatory CSM.

Step 2 Prioritisation

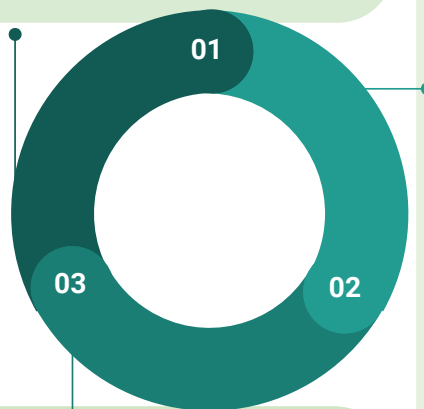
Online materiality surveys were created and distributed to the Southern Cable Leadership Team as well as key internal and external stakeholders.

This survey is aimed at evaluating the:

- **Significance of the impact** of each sustainability matter in the aspects of economic, environmental, social & governance.
- **Influence of each sustainability matter** on the assessment and decisions of the stakeholders.

Step 3 Approval

The outcomes from the materiality survey were mapped out in the form of a Materiality Matrix. This was then shared with the SWC for validation before gaining approval from the SSC. This comprehensive process ensures that our materiality analysis reflects the most relevant and impactful sustainability matters for Southern Cable.



SUSTAINABILITY STATEMENT

Cont'd

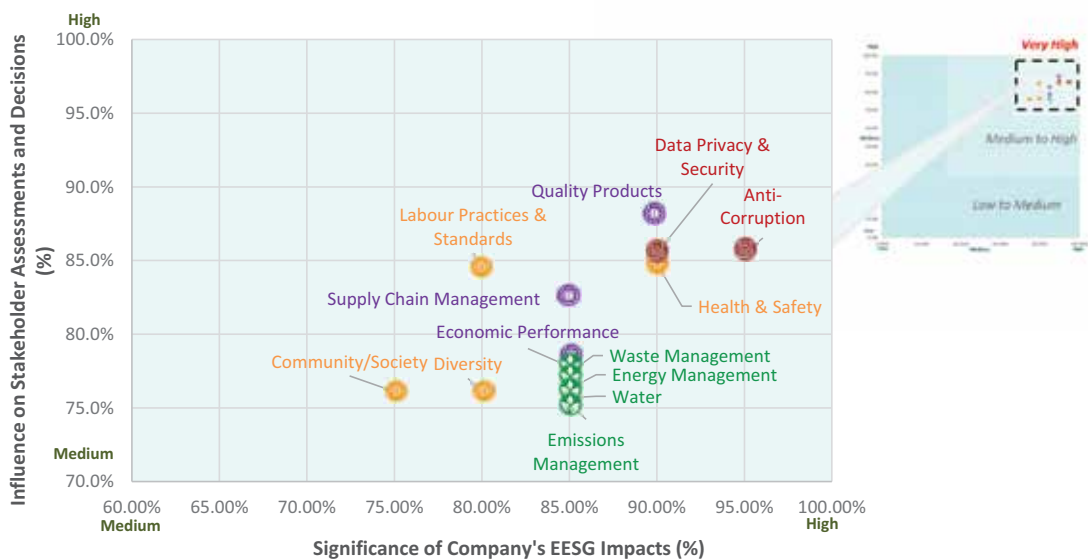
MATERIALITY MATRIX

Southern Cable’s Materiality Matrix is illustrated in Figure 1 below. Sustainability matters positioned to the far right signify the most significant EESG impact on the Group. The higher these matters are on the graph, the more influence they exert on stakeholder decisions.

Mapped in the top-right section of the materiality matrix, Southern Cable has recognised thirteen (13) material matters as 'very high priority'.

In this report, we will share why these sustainability matters are important to us and disclose our progress in managing them.

Figure 1: Materiality Matrix



Legend (not in order of importance):

 ECONOMY	 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
1. Economic Performance	4. Waste Management	8. Community / Society	12. Anti-Corruption
2. Quality Products	5. Energy Management	9. Diversity	13. Data Privacy & Security
3. Supply Chain Management	6. Water	10. Health & Safety	
	7. Emissions Management	11. Labour Practices & Standards	

SUSTAINABILITY STATEMENT

Cont'd

UNDERSTANDING SUSTAINABILITY MATTERS

The 13 identified sustainability matters hold varying levels of significance for our stakeholders and contribute to different United Nations Sustainable Development Goals (UN SDGs). We have aligned our sustainability matters with the relevant UN SDGs, as well as with what matters most to our stakeholders:

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
 ECONOMY			
1	Economic Performance	Employees, Shareholders, Vendors/Suppliers	 
2	Quality Products	Customers	 
3	Supply Chain	Vendors/Suppliers	 
 ENVIRONMENT			
4	Waste Management	Shareholders, Regulators/Certification Bodies, Local Communities	
5	Energy Management	Shareholders, Regulators/Certification Bodies	
6	Water	Shareholders, Regulators/Certification Bodies	
7	Emissions Management	Regulators/Certification Bodies	
 SOCIAL			
8	Community / Society	Local Communities, Media	
9	Diversity	Employees	
10	Health & Safety	Employees, Regulators/Certification Bodies	
11	Labour Practices & Standards	Employees, Regulators/Certification Bodies	
 GOVERNANCE			
12	Anti-Corruption	Shareholders, Regulators/Certification Bodies	
13	Data Privacy & Security	Shareholders, Regulators/Certification Bodies, Customers, Vendors/Suppliers	

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC

At Southern Cable, we recognise the importance of maintaining profitability and facilitating growth for our company's long-term success. Despite facing economic challenges such as higher energy costs and volatile raw material prices, our experienced team has effectively managed these hurdles, ensuring the quality and efficiency of our manufacturing process while remaining profitable.

Additionally, we prioritise not only generating value for our stakeholders but also fulfilling our responsibility as a corporate citizen by contributing to the economic development of the communities where we operate. This commitment aligns with the nation's Shared Prosperity Vision 2030 (SPV 2030), aiming to achieve sustainable growth and equitable distribution across income groups, ethnicities, regions and supply chains in Malaysia.

In this section, we will delve into how we manage material matters in the economic aspect.

Material Matters	Why They Matter to Us	What Do We Do About It
Economic Performance	To achieve consistent profitability and growth for business continuity, attract investors and enhance the local economy	<ul style="list-style-type: none"> • Generating economic value through our products • Distributing the value among our stakeholders
Quality Products	To achieve customer satisfaction, expand market presence and enhance global competitiveness	<ul style="list-style-type: none"> • Implementing quality control procedures
Supply Chain Management	To ensure the reliability and quality of incoming materials as well as on-time delivery of our products	<ul style="list-style-type: none"> • Optimising resource utilisation • Implementing sustainable policies



SUSTAINABILITY STATEMENT

Cont'd







ECONOMIC PERFORMANCE

We recognise that our responsibility in achieving economic performance extends beyond our organisation's wellbeing; we also feel compelled to contribute to the economic growth of the nation. To fulfil this commitment, we prioritise generating economic value by offering quality products, ensuring consistent profitability and fostering growth for the continuity of our business. Additionally, we believe in sharing the value created with our stakeholders. Through effective resource management and responsible financial practices, we aim to strengthen our organisation's overall financial health, attract investors and other stakeholders as well as enhance the local economy.

Generating and Distributing Value to Stakeholders

It is important to the Group that our resources and operational input are carefully managed to allow us to create and distribute value to a spectrum of stakeholders as shown in Figure 2.

Figure 2: Value Generated and/or Distributed to Stakeholders

Value Generated and/or Distributed to		
 Customers	 Employees	 Shareholders
RM1,053 million	RM33.5 million	RM2.2 million
 Community (Inc. Sponsorship)	 Nation (tax)	 Vendors
RM27,500	RM1.8 million	RM907 million

For our customers, it means providing quality products and services that meet their needs and expectations. In 2023, we have generated RM1,053 million worth of value for our customers, typically depicted as our revenue. Our employees benefit through paid wages and growth opportunities. Last year, we allocated RM33.5 million in employee distributions. Our shareholders benefit from consistent returns on investment and positive long-term growth prospects. Consequently, we distribute value to them in the form of dividends. The community reaps rewards from our philanthropic support and Corporate Social Responsibility (CSR) initiatives. Additionally, our tax payments contribute to national economic growth. Our carefully selected vendors also play a crucial role in our value chain, enabling us to effectively generate value through our products and services.

Measures	2021 (RM)	2022 (RM)	2023 (RM)
Direct economic value generated	659,939,334.60	875,879,440.11	1,053,081,099.47
Economic value distributed			
• Payment to employees	25,511,702.80	27,546,892.71	33,529,356.77
• Amount of taxes paid	7,050,863.00	5,176,647.00	1,767,700.00
• Payment to vendors	739,156,512.12	905,963,315.57	907,640,453.05
• Payment of dividends	3,200,000.00	1,680,000.00	2,240,000.00
• Community investments	47,000.00	28,650.00	27,500.00

SUSTAINABILITY STATEMENT

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QUALITY PRODUCTS

In managing our supply chain, we prioritise producing quality products by implementing rigorous quality control processes and investing in product development. This is measured by our high satisfaction scores.

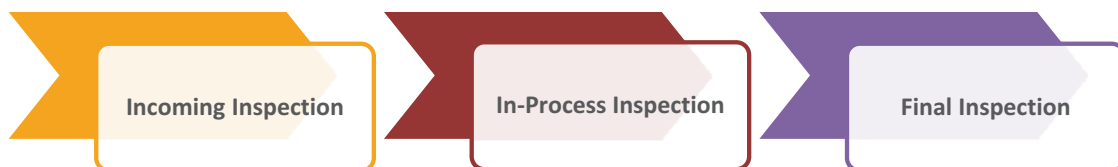
Customer Satisfaction and Quality Control

This year, our customer satisfaction score increased from 95% in 2022 to 97% in 2023, as shown in Figure 3. Majority of our customers that participated in the survey rated our services with a 5 or above (out of 10). For scores that were below 5, we took immediate action to address the concerns of customers who had provided critical feedback.

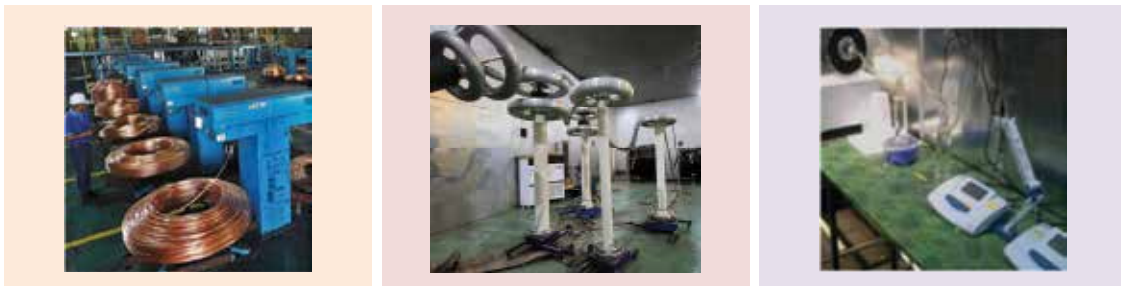


This alignment between feedback received and our quality control highlights our commitment to continuous improvement in product and customer satisfaction. In doing so, we ensured that our products not only meet, but exceed customer expectations. Figure 4 below shows our quality control assessments throughout our manufacturing processes to meet high-quality standards.

Figure 4: Quality Control Processes



We have a three-step process when it comes to our quality control. There are several main tests conducted during our quality control procedures. These include appearance checks, thickness and conductivity tests. Additionally, we conduct high-voltage testing on our copper and aluminum cables. Apart from this, we adhere to an internal 'Inspection Testing Procedure' document. Within this process, our customers, if requested, are allowed to be present to witness the testing to ensure that all our products are in acceptable condition before it is sent.



As part of our commitment to producing quality products, we have strategically invested in lab testing facilities and procured on-line testing equipment for product testing in our extrusion line to ensure we meet our customer expectations.

SUSTAINABILITY STATEMENT

Cont'd

SUPPLY CHAIN MANAGEMENT

In managing our supply chain, we carefully balance quality, cost and the availability of resources or materials throughout the entire supply chain, from suppliers to consumers. This approach is essential in creating a sustainable supply chain as it enables us to streamline our operations, control costs and minimise environmental impact while maintaining the reliability and quality of incoming materials as well as ensuring timely delivery of our products.

Sourcing from Local and Foreign Suppliers

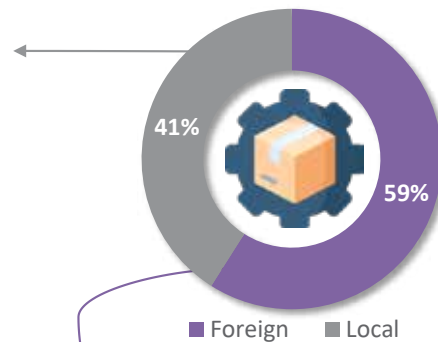
Due to the scarcity and economic viability of local supplies, we source most of our resources or raw materials from overseas suppliers, this can be seen in figure 5. Having to prioritise the quality of our products, we believe that this approach currently maintains product excellence, while also considering cost and continuity of production.

Figure 5: Expenditure on Local and Foreign Suppliers

41% of our spending goes to local suppliers, primarily due to several factors:

- **Limited local supply** for materials such as Cross-linked polyolefin (XLPO), Cross-linked polyethylene (XLPE) and Polyethylene (PE).
- **Comparatively higher local prices**
- **Limited resources**, like copper and aluminium raw materials. Local suppliers in Malaysia currently lack the capability to produce copper cathode and aluminium ingots, offering only copper and aluminium rods.

That said, we are constantly on the lookout for better resources from local suppliers before sourcing abroad. Besides this, we are aiming for Nextol to start producing XLPE and PE plastic materials to replace sourcing.



59% of our spending is allocated to overseas suppliers.

At the same time, we are exploring the feasibility of building and/or collaborating with businesses within our supply chain in order to better manage our risks and create potential opportunities.

Sustainable Supply Chain Practices

Southern is committed to minimising our environmental impact across all aspects of our operations, we implement the following procurement policies:



Risk Mitigation

Risk mitigation is managed by ensuring procurement efficiency and maintaining vendor relations.



Global Sourcing

We look for good quality materials at an acceptable price and acquire advanced technology for production of cables.



Supplier Optimisation

We use benchmarks on suppliers performance. We also identify suppliers that are improving and building a stronger bond with them.

SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMENT

At Southern Cable, we understand the importance of protecting and preserving the environment. To us, the four key matters are important; water, emissions, energy and waste management. We prioritise environmental responsibility by minimising water consumption through efficient practices and innovative ideas. Our commitment extends to reducing our carbon footprint by prioritising cleaner energy sources, embracing renewables and minimising energy consumption to enhance sustainability. Additionally, we focus on waste reduction, reuse and recycling initiatives at every production stage to minimise waste generation and optimise resource utilisation. Environmental consciousness is embedded in our operations, ensuring a sustainable future for both our business and the planet.

Material Matters	Why They Matter to Us	What Do We Do About It
Waste Management	To responsibly handle waste in accordance with Environmental Quality Regulations	<ul style="list-style-type: none"> Ensuring waste is disposed off properly according to regulations and recycling of materials to reduce waste
Energy Management	To lower expenses and promote environmental sustainability through the reduction of greenhouse gas emissions	<ul style="list-style-type: none"> Implementing cost-effective alternatives and renewable energy
Water	To maintain uninterrupted production and operations while conserving water resources	<ul style="list-style-type: none"> Using alternate water sources, collecting and reusing water from production
Emissions Management	To safeguard the health of employees and promote the wellbeing of the community	<ul style="list-style-type: none"> Switching to lower emission alternatives such as natural gas



SUSTAINABILITY STATEMENT

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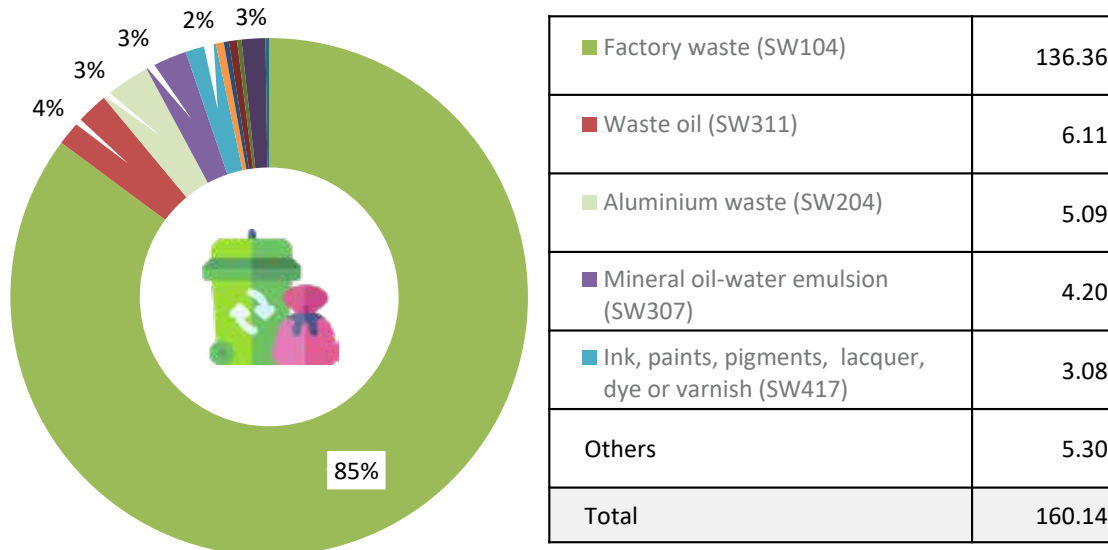
WASTE MANAGEMENT

Southern is deeply committed to being environmentally responsible by managing waste to reduce our impact on the environment. We follow the Environmental Quality (Scheduled Wastes) Regulations 2005, putting emphasis on reducing waste, recycling and proper disposal. We work with contractor licensed by the Department of Environment Malaysia to make sure we dispose our manufacturing waste properly. These are the steps we take to protect our surroundings and environmental standards.

Waste Generated

We follow the Environmental Quality (Scheduled Waste) Regulations 2005 for scheduled waste as the guide when establishing our specific waste disposal procedures. Anything outside of this classification falls under general waste. Our general waste is managed by sending it to a Malaysia DOE approved contractor for disposal. In order to reduce our waste material, we have introduced a new initiative: repurposing waste materials, such as XLPE (Cross-linked polyethylene) within our cable manufacturing processes. Additionally, we are proactively identifying alternative contractors for scheduled waste disposal to mitigate any potential disruptions in our waste management operations. Figure 6 below showcases the main types of waste that we handle.

Figure 6: Main Components of Scheduled Waste (Tonne)



As we are in the manufacturing industry, a lot of our waste comes from the factory, as indicated above. This consists of dust, slag or ash that contains metal residue (mainly copper and aluminium). We send our waste material to be recycled to reduce significant wastage. Currently this is not being tracked and we will be looking at improving our tracking of recycling materials.

Measures	Unit	2021	2022	2023
Total waste generated				
• Scheduled waste	Tonne	167.59	203.84	160.14
• General and non-hazardous waste/effluent	Tonne	158.40	252.80	265.60

SUSTAINABILITY STATEMENT

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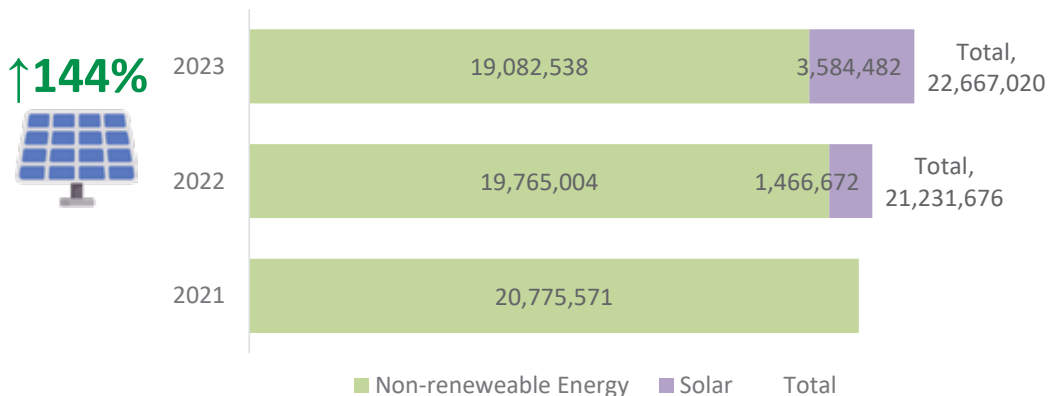
ENERGY MANAGEMENT

At Southern, we actively manage and optimise our energy consumption to promote environmental sustainability and lower expenses. We prioritise responsible energy choices, favouring renewable sources to enhance operational efficiency. This commitment is essential in our pursuit of environmental sustainability.

Energy Consumption

Southern has had an increase in energy consumption over the years due to an increase in production. Because of that we have enhanced our energy efficiency by implementing rooftop solar panels in production and operations in 2022, thus making our practices cleaner. There was a 144% increase in Solar power used in 2023 compared to 2022. Nevertheless, energy audits and assessments are conducted to pinpoint high energy consumption areas, aiding in electricity cost savings.

Figure 7: Total Energy Consumed (kWh)



Total Savings from Renewable Energy in 2023



3,584,482.40 kWh

Is equivalent to*

RM 1.27 Mil
savings in electricity bills



298
homes being run for a year

982,050
smartphones being recharged



32,825
TVs powered

*Base figures used for calculation derived from these links:

<https://www.energysage.com/electricity/house-watts/how-many-watts-does-a-phone-charger-use/>

<https://www.energysage.com/electricity/house-watts/how-many-watts-does-a-tv-use/>

SUSTAINABILITY STATEMENT

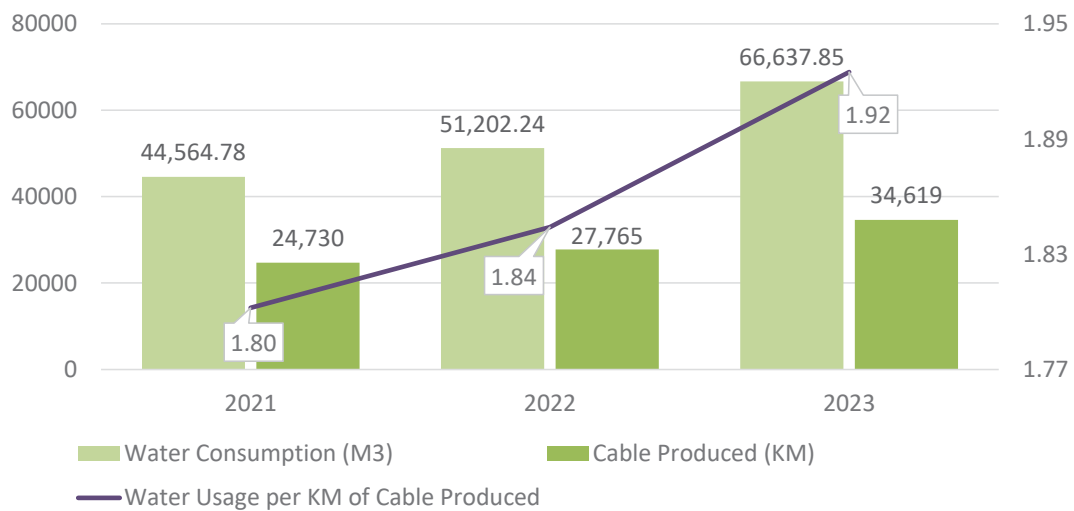
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WATER

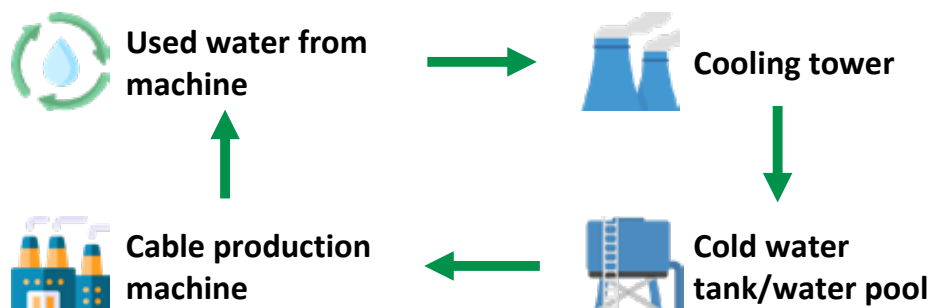
At Southern, we focus on maintaining uninterrupted production and operations while conserving water resources. In the efforts of achieving our goal, we have found a few ways to help conserve water such as relying on alternative water sources. Our strategies for sustainable water practices highlight our dedication to resource efficiency.

Water Usage

Figure 8: Efficiency of Water Usage



Southern has had a significant increase in production and demand since 2021. Due to this, additional machinery was added leading to an increase in total water consumed. In order to reduce the amount of water that's used, we have undertaken more initiatives towards reusing water within our operations. This process can be seen below.



After the water from the extrusion machine (a machine used to solidify cable insulation using cold water) has been used, this water is sent to the cooling tower to be then used in other operations. Some water is sourced from rainwater collected in an uncovered/open water pool, and is used to cool cables and in toilets.

SUSTAINABILITY STATEMENT

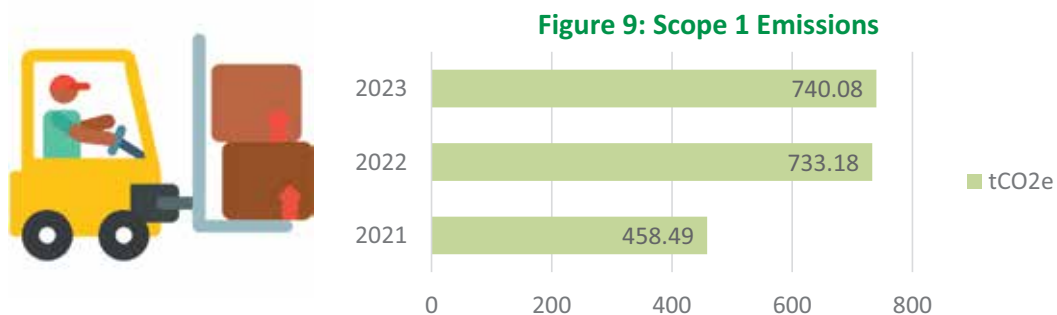
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EMISSIONS MANAGEMENT

We are deeply committed to the health and wellbeing of our employees and the communities we serve. Thus, we acknowledge our environmental footprint. We aim to mitigate the adverse effects of extreme weather, habitat loss and rising sea levels through the use of lower emission resources. Our focus on making responsible energy choices not only minimises our environmental footprint but also adds value to our operations.

SCOPE 1 Direct Emissions

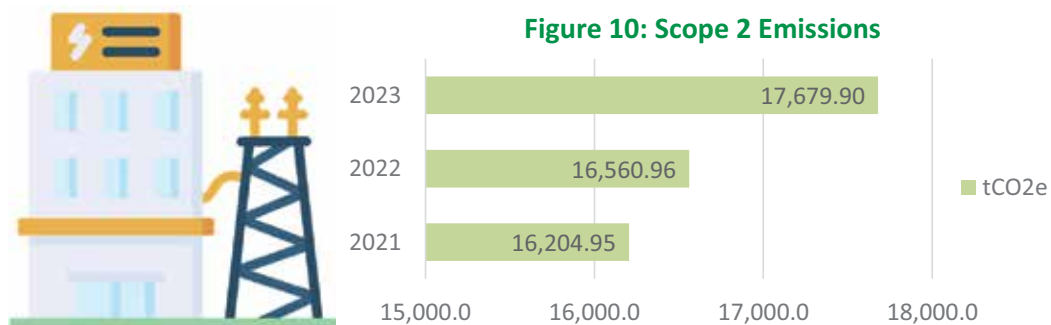
Emissions from vehicles/machinery owned by the company.



Increase in production has resulted also in an increase in carbon emissions. However, we have been proactive in enhancing our emission efficiency by shifting towards resources with lower emissions. We have been using natural gas in our furnaces since 2018 instead of diesel. Natural gas emits about half as much carbon dioxide as coal and 30% less than diesel*, with significantly fewer pollutants per unit of energy.

SCOPE 2 Indirect Emissions

Emissions from electricity used for operation of the company.



Similarly for indirect emissions, there is an increasing trend due to rising production. In order to better manage this, we have decided to separate our facilities between low-powered and higher-powered equipment, this helps us to keep track of each facility's consumption. To help offset our environmental impact, we implemented rooftop solar panels to boost electricity generation at a lower cost and emission rate. Despite a 25% rise in cable production, our scope 2 emissions only increased by 7%.

*Statistic derived from this link:

<https://genserveinc.com/2022/07/03/comparing-diesel-vs-natural-gas-industrial-generators/#:~:text=However%2C%20natural%20gas%20emits%20lower,the%20atmosphere%20than%20diesel%20generators>

SUSTAINABILITY STATEMENT
Cont'd

EMISSIONS MANAGEMENT

SCOPE 3 Indirect Emissions

Emissions as a result of transport and vehicles not directly owned by the company.

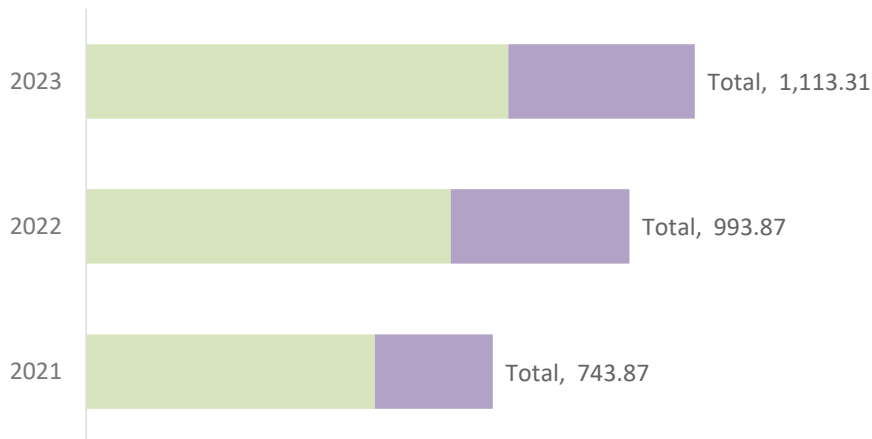


The surge in scope 3 emissions can be attributed to the increase in flights taken for business travel. The majority of this portion of emissions are a result of business trips to the United States (US). We have surveyed the US as an area to expand our business to. 4 employees had gone for a period of 2 weeks to visit customers and to conduct a market feasibility study.

The rest of these flights were within Asia, this includes international flights to Vietnam, Philippines, Indonesia and Singapore. Domestic flights include trips to and from Penang, Sabah and Sarawak prompted by the establishment of a new branch in Sarawak in March 2023.

Employee commute is defined by travel done by employees to and from work using their personal vehicles.

Figure 11: Total Emissions Produced Through Business Travel & Employee Commute (tCO2e)



	2021	2022	2023
Employee Commute	527.95	666.74	772.06
Business Travel	215.92	327.13	341.25
Total	743.87	993.87	1,113.31

SUSTAINABILITY STATEMENT

Cont'd



SOCIAL

Our most precious resource is our workforce. We invest in our workforce growth by providing them with the necessary skills and knowledge to contribute effectively to their advancement and the growth of Southern Cable's business. We are committed to nurturing a positive work culture and creating a safe, healthy and conducive work environment for our workforce. Through this, we aim to cultivate employee loyalty, positively impact communities and pave the way for long-term sustainability and success.

Material Matters	Why They Matter to Us	What Do We Do About It
Community / Society	To demonstrate corporate responsibility and build sustainable development of the community	<ul style="list-style-type: none"> Engaging in Corporate Social Responsibility (CSR) initiatives Providing assistance to staff affected by natural disasters
Diversity	To create a diverse and rich culture and nurture creative abilities	<ul style="list-style-type: none"> Embracing inclusive hiring practices across demographics
Health & Safety	To mitigate workplace hazards and ensure the well-being of the workforce for enhanced productivity	<ul style="list-style-type: none"> Implementing safety compliance programmes and workplace surveys to identify, assess and address hazards
Labour Practices & Standards	To contribute to the well-being of society, ensure business stability, foster innovation and build long-lasting reputation	<ul style="list-style-type: none"> Adhering to Employment Act, for fair employee evaluations Providing employee support programmes



SUSTAINABILITY STATEMENT

Cont'd

COMMUNITY/SOCIETY

The Group values the importance of community engagement and encourages employees to connect and contribute positively to society. Through volunteer activities and engagement programmes, employees are empowered to leverage their passion, knowledge and skills for the betterment of the community. Observing the group's impact fosters a stronger connection to its purpose and values among employees, which leads to increased engagement, productivity and long-term benefits for both the company and its stakeholders.

Corporate Social Responsibility

In 2023, the Group's Corporate Social Responsibility (CSR) initiatives included donations to the family of deceased employee and Pertubuhan Pembasmian Jenayah Narkotik Malaysia (PHNM) – Kempen Bebas Dadah & Jenayah, contributions to temples (Temple Tow Boo Keng) and volunteer efforts within vicinity. For instance, we donated to Bomba Kuala Ketil to support operation as volunteer firefighters in Kuala Ketil. This aid benefits the community until help arrives from Sungai Petani, which is approximately 25km away. The total amount invested in the community for CSR and donations amounted to RM 14,300, benefiting a total of 4 key beneficiaries. The positive social impacts include fostering good relationships with local authorities, enhancing the group's brand and public trust and fulfilling social responsibility by assisting the local community during natural disasters.

4

Key beneficiaries



Bomba Kuala Ketil



Donation to the family of deceased employee



Temple Tow Boo Keng
Kuala Ketil



Pertubuhan Pembasmian Jenayah Narkotik Malaysia (PHNM) –
Kempen Bebas Dadah & Jenayah



Ms. Song, our Group Financial Controller, is presenting the cheque to the representative of Bomba Kuala Ketil



Ms. Song, our Group Financial Controller, is presenting the cheque to the representative of Temple Tow Boo Keng Kuala Ketil

SUSTAINABILITY STATEMENT

Cont'd

DIVERSITY

At Southern Cable, we prioritise diversity for sustained business growth, fostering creativity, innovation and resilience. By embracing diversity, we strive to create an environment where every individual feels valued, respected and empowered to contribute his/her unique talents and perspectives to our collective success. Below is a brief overview of our current diversity status and initiatives for the year.

Diversity in our Workforce: Gender

Southern Cable prioritises diversity in our workforce and is committed to unbiased recruitment practices. We ensure equal opportunities for all individuals, irrespective of gender, race or age and promote an inclusive and fair workplace. Figure 12 below shows the overall employees in the company. Hiring decisions are made based on factors such as nature of the job, relevant experience, education, skills and attitude.

Figure 12: Overall employees

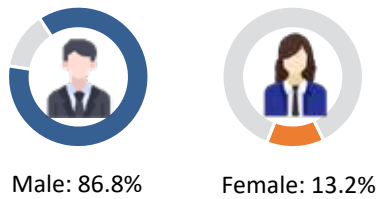
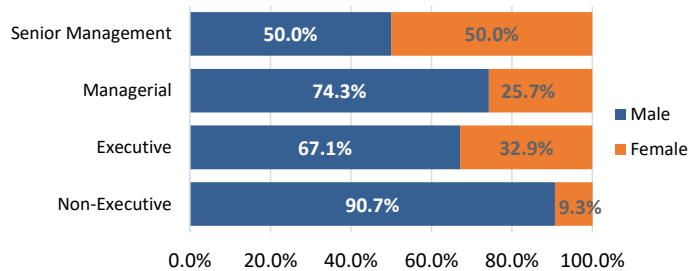


Figure 13: Gender by position

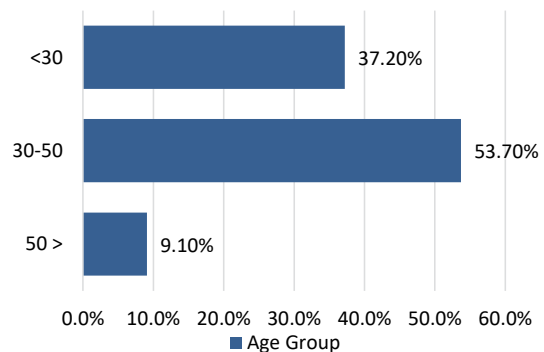


Due to the physically demanding nature of our industry, it is not surprising to observe a higher proportion of male employees at the non-executive level as shown in Figure 13. However, we still strive to have more female employees in the group, especially in less physically demanding work. At the senior management level, we have managed to achieve a balanced representation of male and female employees.

Diversity in our Workforce: Age

Southern Cable’s workforce consists of both young and experienced individuals. Generally, younger employees bring in fresh and innovate ideas with their higher adaptability to technological advancements, while experienced employees provide valuable industry knowledge, expertise and institutional memory, serving as mentors and facilitating knowledge transfer and skill development, contributing to the Group’s growth and success.

Figure 14: Age Group of Employees



SUSTAINABILITY STATEMENT

Cont'd

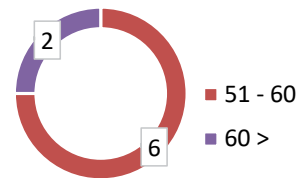
DIVERSITY

Composition of Directors



Our current board's gender distribution leans towards male representation, with 62.5% of board members being male and 37.5% female. Our directors, mostly aged 51-60, are selected due to their extensive experience, diverse leadership roles and market knowledge.

Figure 15: Number of Directors based on Age Group

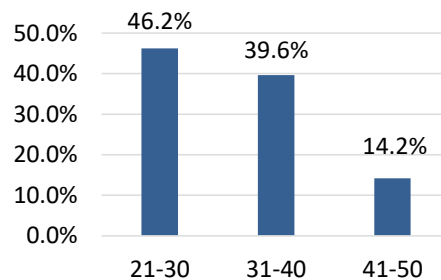


Diversity in New Hires

During the financial year, we expanded our workforce by hiring an additional 106 employees. We have intentionally recruited individuals from various age groups, including the younger generation (21-30), mid-career (31-40) and middle-aged (41-50).



Figure 16: Age Group of New Hires



People with Disabilities

The Group embraces and values all contributing individuals, including people with physical disabilities. We do our utmost best to ensure that our employees with physical disabilities are respected and feel included. These employees are assigned with light duty works and accompanied by other employees to ensure safety. Their responsibilities include setting up machines, monitoring operations and preparing documents for the operational processes.

SUSTAINABILITY STATEMENT

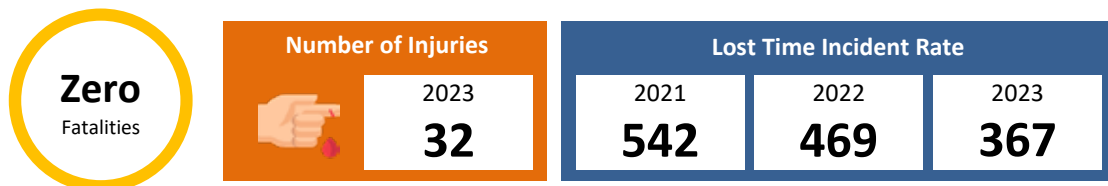
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HEALTH & SAFETY

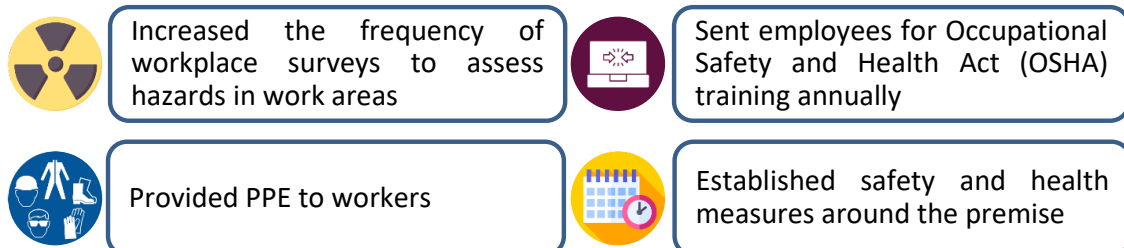
We firmly believe that our success depends on maintaining a healthy and safe workforce. A safe working environment promotes operational efficiency by reducing the frequency of accidents, incidents and near misses. This leads to fewer disruptions, lower absenteeism and decreased downtime, allowing Southern to maintain continuity in its operations and meet production targets. Below is a snapshot of our safety performance for the year.

Safety Performance

There have been no fatalities recorded within our organisation for the past three years. The number of injuries declined from 34 in 2022 to 32 in 2023 while Lost Time Incident Rate (LTIR) also decreased to 367 in 2023 per one million man hours worked compared to 542 in 2021. This helps us to assess our safety performance and identify areas for improvement.



The improved safety performance is a result of the Group's health and safety measures and consistent efforts to maintain a safe workplace. Therefore, we have increased our spending on employees' health and safety. Below are some examples:



These proactive approaches have minimised workplace incidents, enabling Southern to maintain production targets, fulfill orders and sustain revenue. We also conducted work area surveys 27 times, a notable increase from the 18 surveys conducted in 2022. These surveys aimed at identifying, assessing and addressing hazards in the workplace. Additionally, 47% of our employees completed OSHA training, enhancing their ability to mitigate risks and ensure safety.

27 Work area surveys have been conducted

47% Employees completed OSHA Training

SUSTAINABILITY STATEMENT

Cont'd

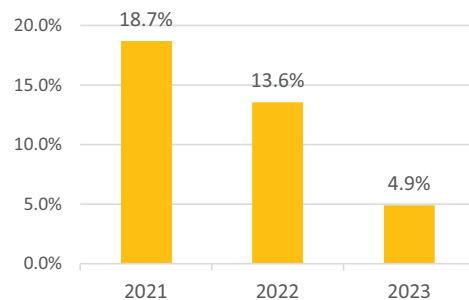
LABOUR PRACTICES & STANDARDS

Labour Practices and Standards are important to the sustainability of the Group as they ensure employee happiness. Compliance with these standards also enhances productivity, attracts and retains talent and builds reputation and trust. By prioritising fair labour practices, Southern creates a positive work environment, fosters employee satisfaction and drives long-term success and sustainability. Indirectly, this reduces turnover rates and recruitment costs in the long run.

Employee Turnover Rate

Figure 17 illustrates a decreasing trend in Southern Cable's employee turnover rate over the years. This shows a positive indication of improved employee satisfaction which will foster a positive workplace culture and increased productivity. It also reduces any costs associated with recruiting and training of new employees.

Figure 17: Employee Turnover rate



Employee Appraisal

Employee appraisal serves as a valuable tool for assessing the performance and growth of our employees. Through our annual performance appraisals, we can identify strengths, areas for improvement and training needs and ensure that our workforce remains skilled and competent. We practice giving salary increments, adjustments, promotions and annual bonuses for all employees.

Stable Workforce

Southern Cable maintains a predominantly permanent workforce, with 62.55% of employees with permanent positions and the remaining 37.45% being contract or temporary workers.

This suggests a commitment to maintaining a stable workforce that is sustainable in productivity, quality and operational continuity.

Human Rights Violations

The absence of human rights violations over the past three years underscores our commitment to upholding human rights standards and fostering a safe and respectful workplace environment. This would invariably lead to positive boosts in employee morale, satisfaction as well as retention. Generally, employees are more likely to remain loyal to the Group and perform at their best when they feel valued and respected.

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Human rights violations

SUSTAINABILITY STATEMENT

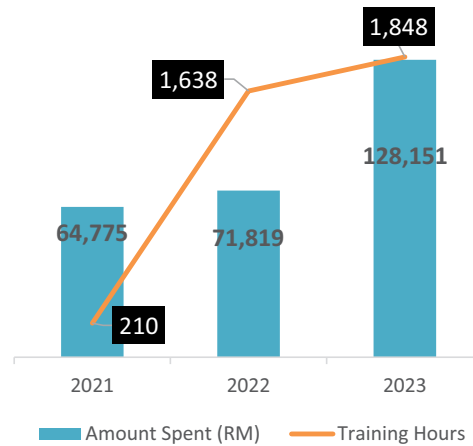
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LABOUR PRACTICES & STANDARDS

Training & Development

Figure 18 shows the Group’s dedication to employee growth and career advancement by increasing the training hours. The average amount spent on training and development also increased from RM64,775 in 2021 to RM128,151 in 2023 which is a 97.8% increase. This improves productivity by ensuring that employees have the knowledge and skills needed to carry out their responsibilities effectively

Figure 18: Training Hours



Our goal is to create a work atmosphere that encourages the professional development of employees and enhances their job satisfaction. Below are some of the trainings held in 2023:

- Emergency Response Team Training
- Electrical Engineering For Non Electrical Engineer
- Incident Commander & Crisis Management Team Development
- Basic Fire Fighting & Emergency Response Plan and Preparedness
- Effective Leadership & Communication Skills
- ISO 9001:2015 Internal Audit
- Safe Lifting Practise Overhead Travelling Crane
- Basic Occupational First Aid, CPR & AED Training
- Sustainability Business Strategy Training & Workshop



SUSTAINABILITY STATEMENT

Cont'd



GOVERNANCE

At Southern Cable, we hold ourselves to the highest standards of governance, recognising the critical importance of transparency, integrity and accountability in our operations. Our commitment to anti-corruption ensures that ethical business practices are upheld at every level of our organisation.

We have implemented robust policies and procedures to prevent bribery, fraud and other corrupt activities, encouraging a culture of honesty and fairness. Additionally, safeguarding the privacy and security of data is as important to us as it is to our customers. We adhere to data protection regulations and employ technologies to safeguard sensitive information, ensuring the trust and confidence of our stakeholders.

Material Matters	Why They Matter to Us	What Do We Do About It
Anti-Corruption	To build trust and reputation, we prevent bribery, comply with laws and inspire customer confidence.	<ul style="list-style-type: none"> • Conducting anti-corruption training • Implementing anti-corruption initiatives
Data Privacy & Security	To protect and manage data and information owned by the company and clients securely	<ul style="list-style-type: none"> • Improving firewall • Improving currently owned internet security systems



SUSTAINABILITY STATEMENT

Cont'd

ANTI-CORRUPTION

Anti-Corruption Initiatives

To strengthen our commitment, we require each employee to sign a staff declaration form during orientation. In 2024, we are committed to having more anti-corruption trainings. Our efforts have yielded significant results, as evidenced by the absence of any anti-corruption cases, contract terminations, or legal issues in 2023.

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- Confirmed incidents of **corruption**
- Corruption-related **contract terminations**
- Corruption-related **legal cases**

5

Anti-corruption awareness initiatives

- Gifting policies
- Anti-bribery & Corruption policies
- Whistle blowing policies
- Cross checking invoices
- Purchase order checks

Southern requires that all individuals promptly report any violations of laws or using designated channels outlined in the Whistleblowing Policy. This requirement applies to everyone associated with the Group, including employees, contractors and suppliers. Compliance with this policy is mandatory for all activities, regardless of location or cultural practices.

- **Anti-Bribery policy** to inform all employees of their actions and to take precautions when dealing with clients, suppliers, business associates, third parties, authorities and colleagues alike.
- **Whistleblowing policy** to ensure that any instance of corruption or bribery can be reported safely without jeopardising any employee, client, partner and third party's safety and work.

DATA PRIVACY & SECURITY

The Group is dedicated to safeguarding data integrity and confidentiality in an era of rising cyber threats and privacy issues. We prioritise data privacy and security to maintain customer trust, ensure regulatory compliance and mitigate data breach risks. This section includes our data protection policies, encryption protocols, employee training and incident response procedures.

Data Security

The Group has maintained a clean record with **zero substantiated complaints regarding data privacy and security**. We have implemented several initiatives and policies to guarantee the safety of stored data such as an encryption protocol. This is handled by the software **Veeam**, which involves backup and replication of data. Our IT administrators oversee data sharing within the Group, ensuring access is restricted to those who require it. Additionally, stringent policies govern company devices, preventing the download of unauthorised applications and closely monitoring internet activity. Recently, we have upgraded our firewall and security systems to minimise data leakage risks. We have moved our antivirus protection from on-premise to the cloud, ensuring that all employees are covered including those who work remotely.

SUSTAINABILITY STATEMENT

Cont'd

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	100.00	88.00
Managerial	Percentage	0.00	100.00	3.00
Executive	Percentage	0.00	100.00	24.00
Non-Executive	Percentage	0.00	100.00	15.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	50,500.00	28,200.00	14,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	9	10	4
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	0.00	0.00	0.00
Senior Management Above 50	Percentage	100.00	100.00	100.00
Managerial Under 30	Percentage	2.78	2.70	2.86
Managerial Between 30-50	Percentage	41.67	40.54	42.86
Managerial Above 50	Percentage	55.55	56.76	54.28
Executive Under 30	Percentage	32.86	37.33	38.16
Executive Between 30-50	Percentage	50.00	45.33	47.37
Executive Above 50	Percentage	17.14	17.34	14.47
Non-Executive Under 30	Percentage	50.00	44.70	39.65
Non-Executive Between 30-50	Percentage	46.91	51.89	55.96
Non-Executive Above 50	Percentage	3.09	3.41	4.39
Gender Group by Employee Category				
Senior Management Male	Percentage	55.56	50.00	50.00
Senior Management Female	Percentage	44.44	50.00	50.00
Managerial Male	Percentage	77.78	78.38	74.29
Managerial Female	Percentage	22.22	21.62	25.71
Executive Male	Percentage	70.00	70.67	67.11
Executive Female	Percentage	30.00	29.33	32.89
Non-Executive Male	Percentage	90.54	91.02	90.70
Non-Executive Female	Percentage	9.46	8.98	9.30
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.33	83.33	62.50
Female	Percentage	16.67	16.67	37.50
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	20,775.57	21,231.68	22,667.02
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	542.00	469.00	367.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	54	77	47

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT

Cont'd

SUSTAINABILITY PERFORMANCE REPORT *cont'd*

Indicator	Measurement Unit	2021	2022	2023
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	0	21	28
Managerial	Hours	56	307	308
Executive	Hours	136	546	785
Non-Executive	Hours	9	764	727
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	25.44	29.99	37.45
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Managerial	Number	3	5	4
Executive	Number	11	16	15
Non-Executive	Number	245	226	101
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	25.53	28.18	40.00
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	44.564780	51.202240	66.637850

DIRECTORS' PROFILE

RIZVI BIN ABD HALIM Independent Non-Executive Chairman

Mr. Rizvi Bin Abd Halim, a Malaysian, male, aged 55, is our Independent Non-Executive Chairman. He was appointed to our Board on 28 May 2019.

He obtained his Diploma in Hotel and Catering Management from Institut Teknologi MARA ("MARA") in 1990. During his time in MARA, he underwent the Reserve Officer Training Unit (ROTU) programme where he was commissioned as a second lieutenant army officer. In 1992, he graduated from Indiana State University, United States of America with a Degree of Bachelor of Science in Business Administration. In 1995, he also obtained his Master of Business Administration from Ohio University, United States of America.

He brings with him over 27 years of experience in corporate board, corporate finance, corporate banking, capital market and syndication and capital market regulations.

He began his career in Bank Bumiputra Malaysia Berhad (now part of CIMB Bank Berhad) as an Account Manager in the Corporate Banking Department from January 1995 to December 1996. From January 1997 to March 2000, he joined Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) as an Assistant Manager in the Capital Markets and Syndications Department. Subsequently in April 2000, he joined the Securities Commission of Malaysia ("SC") as a Senior Executive in the Equities-Corporate Finance Department. He left the SC as a Senior Manager in March 2012.

In October 2014, he was appointed as an Independent Non-Executive Director of Ni Hsin Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He was subsequently re-designated as an Independent Non-Executive Chairman on 1 March 2017. On 22 November 2017, he was further re-designated as an Executive Director, a position he holds to date. His responsibility as an Executive Director includes overlooking the company's food and beverage service and EV bike assembly divisions.

Other than the directorship as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia. He has attended all four (4) Board Meetings held during the financial year ended 31 December 2023 ("FYE2023").

TUNG ENG HAI Managing Director

Mr. Tung Eng Hai, a Malaysian, male, aged 65, is our Managing Director, appointed to our Board on 4 April 2019. He is responsible for overseeing the strategic business planning, development and operations of our Group, which includes setting our Group's direction, formulating corporate development plan and driving our business growth. In addition, he is also involved in overseeing the daily on-site operations and operational related matters.

He completed the Senior Three Electronics Course in Han Chiang High School, Pulau Pinang in 1978.

He began his career with Leader Cable Industry Sdn. Bhd. (now known as Leader Cable Industry Berhad) ("Leader Cable") in October 1978 as a Production Planning Clerk cum Personnel Clerk, subsequently, he was promoted to Deputy Factory Manager in January 1989. Subsequently in July 1991, he was transferred to Universal Cable (M) Berhad as Deputy General Manager.

In August 1994, he was transferred to Leader Universal Holdings Berhad ("Leader Universal") as a Product Development and Planning Director and in June 2001, he was transferred back to Leader Cable as a Senior Director until June 2002. He subsequently took a career break from July 2002 to September 2003.

In October 2003, he joined our Group as a General Manager where he assumed the overall responsibility of the technical and plant operations management. He subsequently took over the business of Southern Cable Sdn. Bhd. and in September 2010, he assumed the role of Technical Advisor where he was primarily responsible for providing technical advisory as well as managing the overall operational activities of our Group.

In October 2016, he assumed his current position as our Managing Director. He is responsible for the overall performance of our Group. He brings with him approximately 45 years of working experience in the cable and wire industry.

He holds directorships in several private limited companies. He does not any hold directorship in other public companies and listed issuers in Malaysia. He has attended all four (4) Board Meetings held during the FYE2023.

DIRECTORS' PROFILE

Cont'd

WONG MENG KEE

Executive Director

Mr. Wong Meng Kee, a Malaysian, male, aged 64, is our Executive Director. He was appointed to our Board on 4 April 2019. He is responsible for the overall business management and administration of our Group.

He graduated with a Secondary School Honour Graduation Diploma from St. Columba College, Canada in 1981 and a Diploma in Business Administration (Hons) from The Toronto School of Business, Canada in 1986.

He began his career in 1987 in a sole proprietary outfit, namely Wong Hong Fong, his family trading business such as aluminium milling hardware and round bar where he was responsible to oversee the operation of the business.

He was appointed as a Director of Southern Cable Sdn. Bhd. ("Southern") in August 2001. He also joined Daya Tembaga Sdn. Bhd. ("Daya Tembaga") in October 2001 as an Operation Manager, a company involved in trading, recycling and reclaimed metals. Subsequently, he was appointed as a Director of Daya Tembaga in January 2002. As a Director of Daya Tembaga, he was in charge of the overall business of the company including strategic formulating, operational decisions making and ensuring that the company meets its business targets. He resigned as a Director of Daya Tembaga in March 2003.

As a Director of Southern, he was responsible to oversee the business operations of Southern. He assumed his current position as Executive Director of our Company in April 2019.

He brings with him approximately 37 years of working experience in business management.

He holds directorships in several private limited companies. He does not hold any directorship in other public companies and listed issuers in Malaysia. He has attended all four (4) Board Meetings held during the FYE2023.

FAWIZA BINTI FAIZ

Non-Independent Non-Executive Director

Ms. Fawiza Binti Faiz, a Malaysian, female, aged 54, is our Non-Independent Non-Executive Director. She was appointed to our Board on 14 July 2023.

She graduated with a Degree of Bachelor of Accountancy with Honours from the University Utara Malaysia in 1996.

She began her career at Montereze Golf & Country Club as an Accounts Assistant in 1999 where she was primarily responsible for the preparation of the company's financial documents such as financial statements and accounting records. She left Montereze Golf & Country Club in 2001 and joined Asian Composites Manufacturing Sdn. Bhd. as an Accounts Executive in May 2002. She was mainly responsible for the preparation of the financial statements. She left Asian Composites Manufacturing Sdn. Bhd. in May 2007.

In May 2015, she was appointed as a Director of Southern Cable Sdn. Bhd. She further assumed her current position as a Business Development Advisor in November 2019.

She is a Director of Semangat Handal Sdn. Bhd. ("Semangat Handal") since June 2015 and a substantial shareholder of Southern Cable Group Berhad ("Southern Cable") by virtue of her shareholdings in Semangat Handal pursuant to Section 8(4) of the Companies Act 2016. Presently, Semangat Handal is the major shareholders of Southern Cable.

She does not hold any directorship in other public companies and listed issuers in Malaysia. She attended two (2) Board Meetings held during the FYE2023 since her appointment to the Board on 14 July 2023.

DIRECTORS' PROFILE

Cont'd

WONG KAR WAI

Non-Independent Non-Executive Director

Mr. Wong Kar Wai, a Malaysian, male, aged 59, is our Non-Independent Non-Executive Director. He was appointed to our Board on 28 May 2019 and is a member of the Audit and Risk Management Committee.

He qualified as a management accountant with the Chartered Institute of Management Accountants, United Kingdom in 1994, Chartered Financial Consultant (Malaysia) admitted by The Malaysian Insurance Institute and The American College since 2003. In year 2004, he was certified as a Registered Financial Planner by the Malaysian Financial Planning Council. He is also a certified Estate Planning Practitioner by Rockwills Corporation Sdn. Bhd. and Estate Planning Practitioners Limited (Singapore), in collaboration with The Society of Wills Writers & Estate Planning Practitioners (United Kingdom).

He has approximately 6 years of experience in the banking industry and approximately 22 years of experience in the insurance industry.

He started his career with Ban Hin Lee Bank Berhad (now part of CIMB Bank Berhad) in January 1985 as a Trade Finance Clerk. From 1986 to 1990, he was involved in internal audit.

In January 1991, he joined Leader Cable Industry Sdn. Bhd. (now known as Leader Cable Industry Berhad) ("Leader Cable") as a Finance Officer. In January 1992, he was promoted as the Group Finance Manager of Leader Universal Holdings Berhad ("Leader Universal"), the holding company of Leader Cable. In February 2001, he left Leader Universal.

In April 2001, he joined Hong Leong Assurance Berhad in April 2001 as a life insurance agent and became the general insurance agent later in March 2006. Subsequently in April 2009, he became a general insurance agent for Overseas Assurance Corporation (Malaysia) Berhad (now known as Great Eastern General Insurance (Malaysia) Berhad). He is also a Member of Million Dollar Round Table (MDRT) since 1999, a trade association set up to help insurance brokers and financial advisors to establish best business practices and develop ethical and effective ways to increase client interest in financial products, specifically risk based products.

He does not hold any directorship in other public companies and listed issuers in Malaysia. He has attended all four (4) Board Meetings held during the FYE2023.

EUGENE LEE CHENG HOE

Independent Non-Executive Director

Mr. Eugene Lee Cheng Hoe, a Malaysian, male, aged 55, is our Independent Non-Executive Director. He was appointed to our Board on 28 May 2019 and is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

He obtained his Bachelor of Economics (majoring in Accounting) from Macquarie University, Sydney, Australia in 1992. He became a member of the Malaysian Institute of Accountants and a Certified Practising Accountant with CPA Australia since 1996. He is also a Registered Financial Planner under the Malaysian Financial Planning Council since 2014.

He has extensive corporate advisory experience, particularly in corporate strategy and planning and investment banking.

He began his career in March 1992 with Coopers & Lybrand (now known as PricewaterhouseCoopers) as a Tax Assistant and became Audit Semi Senior before he left in February 1995. He then joined Arab-Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad) as an Executive in the Corporate Finance Division from February 1995 to 2004. In September 2004, he joined the Corporate Planning and Development Department in MISC Berhad as a Senior Manager and was thereafter promoted to General Manager in September 2006 before he left the company in June 2008. From July 2008 to March 2009, he was involved in strategy and corporate advisory services under Atreus Consulting, a sole proprietorship.

From April 2009 to February 2010, he assumed the role of Head, Financial Advisory, Strategic Advisory of Maybank Investment Bank Berhad ("MIBB") and Director/Executive Vice President of BinaFikir Sdn. Bhd., a subsidiary of MIBB. From March 2010 to October 2010, he assumed the role of Senior Manager, Corporate Affairs in HL Management Co Sdn. Bhd. He served as an Independent Non-Executive Director of Fiamma Holdings Berhad from December 2018 to October 2022.

He is currently a Director of Atreus Consulting Sdn. Bhd., a private limited company, where he is involved in strategy and corporate advisory services.

He does not hold any directorship in other public companies or listed issuers in Malaysia. He has attended all four (4) Board Meetings held during the FYE2023.

DIRECTORS' PROFILE

Cont'd

DAPHNE CHOY GAIK CHOO

Independent Non-Executive Director

Ms. Daphne Choy Gaik Choo, a Malaysian, female, aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 28 May 2019. She is also the Chairperson of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

She obtained her Bachelor of Arts degree in 1990 and Bachelor of Laws degree in 1992 from the University of New South Wales, Australia. She was admitted to the High Court of Malaya as an Advocate and Solicitor in 1993. She is a mediator registered under the Malaysian Mediation Centre, a member of The Chartered Institute of Arbitrators and an Adjudicator registered with the Asian International Arbitration Centre.

She has approximately 31 years of experience in the legal profession. She began her legal career in 1993 as an associate in the litigation department of Messrs. Shearn Delamore & Co. where her main area of practice was civil litigation. She left the firm to set up her own practice, Choy & Associates in 1997. Her main area of practice is civil litigation.

She does not hold any directorship in other public companies and listed issuers in Malaysia. She has attended all four (4) Board Meetings held during the FYE2023.

LOH AYE LI

Independent Non-Executive Director

Ms. Loh Aye Li, a Malaysian, female, aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 14 July 2023. She is also a member of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

She holds a Bachelor of Social Science (Hons.) from University Sains Malaysia in 1988 and a Bachelor of Laws (Hons.) from University of London in 1997. She is also a Certified Credit Personnel issued by Institut Bank-Bank Malaysia.

She began her career at Malayan Banking Berhad in various departments including Office of Senior Economist, Corporate Banking and Business Banking for 25 years. She left Malayan Banking Berhad as Deputy Head of Penang Business Centre in 2015. In 2019, she joined B.U. Developments Sdn. Bhd. as a Sales & Marketing Manager cum Human Resource Manager and left in 2020.

Currently, she is with May Partners & Consultancy Sdn. Bhd. involved in recruitment and investment support.

She does not hold any directorship in other public companies and listed issuers in Malaysia. She has attended two (2) Board Meetings held during the FYE2023 since her appointment to the Board on 14 July 2023.

Notes:-

- 1) None of the Directors have family relationship with other Directors or major shareholders except for the following:-
 - a) Mr. Tung Eng Hai is the spouse of Mdm. Ooi Gaik Bee and brother of Ms. Tung Cheng Im, the major shareholders of the Company.
 - b) Mr. Tung Eng Hai is the brother-in-law of Mr. Wong Meng Kee, a Director and major shareholder of the Company.
 - c) Mr. Wong Meng Kee is the spouse of Ms. Tung Cheng Im, a major shareholder of the Company and he is also brother-in-law of Mr. Tung Eng Hai, a Director and major shareholder of the Company.
 - d) Ms. Fawiza Binti Faiz is the niece of Mr. Tung Eng Hai, a Director and major shareholder of the Company.
- 2) None of the Directors have been convicted of any offences within the past five (5) years, or been imposed on any public sanction or penalty by the relevant regulatory bodies during the FYE2023, other than for traffic offences (if any).
- 3) None of the Directors have any conflict of interests.

KEY SENIOR MANagements' PROFILE

OOI IN KEONG Group General Manager

Mr. Ooi In Keong, a Malaysian, male, aged 52, is our Group General Manager. He is responsible for overseeing the overall operations of our Group.

He graduated with a Bachelor of Science in Electrical Engineering from St. Cloud State University, Minnesota, United States in 1998.

He began his career in May 1999 in Leader Universal Holdings Berhad ("Leader Universal"), an investment holding company in manufacturing and sale of telecommunication and power cables, as an Engineer (Plant Operation – Project) in the Project Department. In November 1999, he was transferred to Leader Cable Industry Sdn. Bhd. (now known as Leader Cable Industry Berhad) ("Leader Cable"), a wholly owned subsidiary of Leader Universal in which he was responsible for development and improvement of the overall production processes of power cables and telecommunication cables. In 2001, he was assigned to handle the operation for insulation and twinning process of telephone cables. In January 2003, he was promoted to Senior Engineer where he assumed the same roles and responsibilities.

He left Leader Cable in May 2005 to join our Group as a Senior Production Engineer and he was promoted to Production Manager in February 2009 and assumed additional responsibilities including overseeing the production of other products manufactured by the company such as low voltage and medium voltage cables. He was promoted to Senior Manager – Plant Operations in September 2010 and further promoted to Plant Operation General Manager in June 2015 where he was responsible for the overall plant operations of the Group including service and maintenance of the plant machineries, stores operation and production planning. He was also involved in our safety and health management.

In July 2017, he was promoted to Chief Operating Officer. He was subsequently re-designated to his present position as Group General Manager in April 2019 and brings with him approximately 25 years of experience in the cable and wire industry.

SONG SWEE KIM Group Financial Controller

Ms. Song Swee Kim, a Malaysian, female, aged 58, is our Group Financial Controller. She is responsible for overseeing the overall group accounting, finance and taxation functions of our Group.

She graduated with a Bachelor of Accounting from University of Malaya in 1991. She is a member of the Malaysian Institute of Accountants since March 2007.

Her career started in May 1991 as an Audit Assistant in Lim, Tay & Company and she left Lim, Tay & Company in May 1992 to join Pharmmalaysia Berhad in July 1992, a pharmaceutical manufacturer company. Her last position in the company was as an Assistant Manager where she was attached to the accounts department. She left Pharmmalaysia Berhad in October 1995.

In early 1996, she joined Seputih Asas Sdn. Bhd., a trading company for hygiene products as an Accounts Manager. After her departure from Seputih Asas Sdn. Bhd., she joined Euromodal Industries Sdn. Bhd. in October 1997, a subcontractor company for sub-assembly of electronic products as an Accounts Manager and she left the company in April 1998 and took two (2) years career break.

In September 2000, she joined Advanced Sound Products Sdn. Bhd. (formerly known as Philips Sound Systems (M) Sdn. Bhd.), a company involved in manufacturing of electronic audio and video equipment as an Accounts Section Head and she was promoted to Assistant Manager of the Finance Department in July 2004. She left Advanced Sound Products Sdn. Bhd. in January 2009.

She joined Southern Cable Sdn. Bhd. in January 2009 as an Accountant where she was involved in the day-to-day accounting and taxation matters. She was subsequently promoted as the Finance Manager in January 2010 where she assumed additional responsibilities in financial operations as well as treasury functions. She was later promoted to the position of Senior Finance Manager in January 2012. She is responsible for overseeing the overall accounting, finance and taxation functions of Southern. She assumed her current position as Group Financial Controller of our Group since April 2019. She brings with her approximately 31 years of experience in accounting and finance related functions.

Notes:-

None of the Key Senior Management have:-

1. any directorship in public companies and listed companies;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company; and
4. been convicted of any offences in the past five (5) years, or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023, other than for traffic offences (if any).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report based on a prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) so as to provide a detailed articulation on the application of Southern Cable Group Berhad (“Southern Cable” or “the Company”) and its subsidiaries (“Group”) corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (“MCCG”).

The Board of Directors of Southern Cable (“Board”) is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Group as a fundamental part of discharging its duties to enhance shareholders’ values consistent with the principles and recommendations for best practices set out in the MCCG and the Listing Requirements of Bursa Securities.

This Corporate Governance Overview Statement (“Statement”) should also be read together with the Company’s Corporate Governance Report for the financial year ended 31 December 2023 (“FYE 2023”) which is available on the Company’s at www.southerncable.com.my, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

This Statement gives the shareholders an overview of the corporate governance practices of the Company for the FYE 2023.

This Corporate Governance Overview Statement makes reference to the following three (3) key principles of the MCCG:-

- a) Board leadership and effectiveness;
- b) Effective audit and risk management; and
- c) Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board and Board Committee

The Board is responsible for the overall performance and business affairs of the Group. The Board establishes the strategic objectives of the Group and ensures adequate resource allocation to achieve them, offering guidance on both short and long-term goals. Additionally, it provides advice, stewardship, and direction for the management and business development of the Group. Subsequently, the Board delegates the execution and oversight of these established directives and control mechanisms to the management.

Furthermore, the Board holds responsibility for ensuring that the Management upholds an efficient governance system and internal controls. These measures are designed to ensure effective and efficient operations, internal control mechanisms, and adherence to pertinent laws and regulations, thereby providing assurance of compliance.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board Committees to assist in the execution of its responsibilities within their respective Terms of Reference (“TOR”) which can be accessed via the Company’s corporate website at www.southerncable.com.my:-

- (a) Audit and Risk Management Committee (“ARMC”); and
- (b) Nomination and Remuneration Committee (“NRC”).

Apart from the responsibility of the Board Committees, Executive Directors and the Senior Management are also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

The Terms of Reference of the ARMC was formalised and adopted by the Board and it was last reviewed, revised and approved on 29 November 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.2 The Chairman of the Board

The Board is led by Mr. Rizvi Bin Abd Halim, an Independent Non-Executive Chairman who is supported by the Managing Director (“MD”) and other Board members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group. The Chairman is responsible for leading the Board to ensure its effectiveness and integrity and the entrenchment of good corporate governance practices within the Group.

In adherence to MCCG guidelines, the Chairman of the Board does not sit on any Board Committees ensuring the maintenance of checks and balances as well as the preservation of objectivity with effective from 24 August 2023.

1.3 The Chairman and MD

In line with good corporate practices, there is a clear distinction between the role of the Chairman of the Board and the MD. This is to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision-making.

The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board while the MD has overall responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. The MD is accountable to the Board for the overall organisation, management, and staffing of the Group and for the procedures in financial and other matters, including conduct and discipline.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) qualified and experienced Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 (“Act”) and also are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. The new joint Secretary was appointed by the Board on 10 May 2023 for better management of the Company’s secretarial and administrative duties. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organized by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2023, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of her duties and functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.

The notices of the Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting. The Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibility, if required.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board. It ensures that every Board member representing the Company is fully informed about their duties and responsibilities as Board members.

The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is published on the Company's corporate website at www.southerncable.com.my.

1.7 Code of Ethics and Conduct

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, management and employees of the Group is available on the Company's corporate website at www.southerncable.com.my.

The Board adhered strictly to the Code of Ethics and Conduct for Directors, ensuring effective oversight. This Code of Ethics and Conduct mandates all Directors, management, and employees of the Group to uphold high ethical standards in every aspect of the Group's business and professional practices, acting in the best interests of the Group and its shareholders.

Periodic reviews of the Code of Ethics and Conduct will be conducted by the Board to ensure its continued relevance and appropriateness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.8 Whistle Blowing Policy

The Group is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. The Group has established the Whistle Blowing Policy setting out the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of the Whistle Blowing Policy is in line with the Companies Act 2016 and Section 17A of the MACC Act (“the Acts”), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or on any serious offence involving fraud and dishonestly.

The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.

The Whistle Blowing Policy is available on the Company’s corporate website at www.southerncable.com.my.

1.9 Anti-Bribery and Corruption Policy & Procedures (“ABC Policy”)

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act 2018”), the Company has put in place ABC Policy with the objective of providing information, scope and guidance on how to recognise and deal with bribery and/or corruption as well as to set out the procedure on how to raise concerns on breaches of the ABC Policy, without fear of reprisal.

The Board commits to reviewing and updating the ABC Policy at least once every three (3) years to ensure its effectiveness and alignment with governing legislation and regulatory requirements.

The ABC Policy is published on the Company’s corporate website at www.southerncable.com.my.

1.10 Directors’ Fit and Proper Policy

In line with the Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board adopted the Directors’ Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the AGM.

The Directors’ Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board’s objectives, current law and practices. The Directors’ Fit and Proper Policy is published on the Company’s corporate website at www.southerncable.com.my.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

1.11 Sustainability Governance

The Board emphasises the importance of sustainable business practices in creating long-term value, recognising that responsible business conduct is fundamental to achieving operational excellence.

Structural oversight of sustainability, including strategies, priorities, and targets, rests with the Board, while Management is entrusted with operational execution concerning Environmental, Social, and Governance (ESG) factors as integral components of the Group’s corporate strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.11 Sustainability Governance *cont'd*

As fiduciary to the Company's shareholders, the Board prioritises upholding exemplary corporate governance practices, marked by a dedication to ethics, integrity, and corporate responsibility. Additionally, the Board ensures that both internal and external stakeholders are well-informed about the Company's sustainability strategies, priorities, targets, and overall performance, as detailed in the Sustainability Statement within this Annual Report.

The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II – BOARD COMPOSITION

2.1 Composition and Board Balance

The Board currently comprises eight (8) members and the composition of the current Board is set out in the table below:-

No.	Names	Designation
1.	Rizvi Bin Abd Halim	Independent Non-Executive Chairman
2.	Tung Eng Hai	Managing Director
3.	Wong Meng Kee	Executive Director
4.	Fawiza Binti Faiz	Non-Independent Non-Executive Director
5.	Wong Kar Wai	Non-Independent Non-Executive Director
6.	Eugene Lee Cheng Hoe	Independent Non-Executive Director
7.	Daphne Choy Gaik Choo	Independent Non-Executive Director
8.	Loh Aye Li	Independent Non-Executive Director

This current Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided in this Annual Report.

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. The Board acknowledges that the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years pursuant to the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.2 Tenure of Independent Directors *cont'd*

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step up practice. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

During the FYE 2023, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years. Further, based on the independence assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

2.3 Appointment of Board and Senior Management

The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at the Board and Senior Management levels.

The NRC is responsible for leading the process for the nomination of a new candidate for appointment and making the necessary recommendations.

In line with the best practices of the MCCG and the gained attention of boardroom diversity as an important element of a well-functioned corporation, the Board shall through the NRC accord due consideration to inculcate diversity policy in the boardroom and workplace which encapsulates not only gender but also age and ethnicity.

2.4 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

The appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the gained attention of boardroom diversity as an important element of a well-functioned organisation, the Board had adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level.

The Board had on 14 July 2023 appointed two (2) female Directors on Board, namely Ms. Fawiza Binti Faiz and Ms. Loh Aye Li. Currently, there are three (3) female Directors on the Board, representing 37.50% of the Board composition.

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within a defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.5 Board Committees *cont'd*

The Board has established the following Board Committees and the membership of each committee is set out in the table below:-

Composition	ARMC	NRC
Eugene Lee Cheng Hoe <i>(Independent Non-Executive Director)</i>	Chairman	Member
Daphne Choy Gaik Choo <i>(Independent Non-Executive Director)</i>	Member	Chairperson
Loh Aye Li <i>(Independent Non-Executive Director)</i>	Member	Member
Wong Kar Wai <i>(Non-Independent Non-Executive Director)</i>	Member	N/A

2.6 NRC

The NRC is chaired by Ms. Daphne Choy Gaik Choo, an Independent Non-Executive Director of the Company. The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis.

The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

In searching for suitable candidates, the NRC may leverage on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and major shareholders, the NRC also refers to the potential candidates from the industry taking into consideration their education, skills and experience background.

During the FYE 2023, the following is the summary of activities undertaken by the NRC:-

- Reviewed and assessed the performance of all Directors of the Company.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC, the Board and the Board Committee as a whole.
- Reviewed and recommended to the Board, the re-election of Directors who retired by rotation in accordance with the Company's Constitution.
- Reviewed and recommended to the Board, the proposed bonuses, remuneration packages and directors' fees and/or benefits of Directors of the Company.
- Reviewed and considered the appointment of new Directors to the Board.

2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board has in the review the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.7 Board Appointment and Re-appointment Process *cont'd*

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors shall retire from office at least once (1) in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

2.8 Annual Assessment of Effectiveness of the Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal assessment to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

2.9 Attendance of Board and Board Committees' Meetings

The Board meets at least once every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2023.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2023 are as follows:-

Name of Directors	Type of Meetings	Board	ARMC	NRC
	No. of Meetings Attended			
Rizvi Bin Abd Halim		4/4	3/3	1/1
Tung Eng Hai		4/4	N/A	N/A
Wong Meng Kee		4/4	N/A	N/A
Fawiza Binti Faiz		2/2	N/A	N/A
Wong Kar Wai		4/4	4/4	N/A
Eugene Lee Cheng Hoe		4/4	4/4	1/1
Daphne Choy Gaik Choo		4/4	4/4	1/1
Loh Aye Li		2/2	1/1	N/A

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.10 Directors' Training

All Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

The Directors have attended the following training programmes during the FYE 2023:-

Name	Training attended
Rizvi Bin Abd Halim	<ul style="list-style-type: none"> Common offences committed by Directors under the Companies Act 2016 & Let's make meetings work! Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments
Tung Eng Hai	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments
Wong Meng Kee	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments
Fawiza Binti Faiz	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Mandatory Accreditation Programme
Wong Kar Wai	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments
Eugene Lee Cheng Hoe	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments MIA PowerPoint Webinar Series: Effective Presentation with Microsoft PowerPoint Financial Well-Being E-Roadshow: Financial Planning for Professionals (Morning Session) Malaysian Financial Planning Day 2023 The Virtual Industry: Professionalism & Ethics Forum 2023
Daphne Choy Gaik Choo	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments
Loh Aye Li	<ul style="list-style-type: none"> Key Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Mandatory Accreditation Programme

The Board would continuously evaluate and assess the training needs of each of the Directors to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

PART III – REMUNERATION

3.1 Remuneration Policy

The Board had through the NRC, established formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is available on the Company's corporate website at www.southern-cable.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART III – REMUNERATION *cont'd*

3.1 Remuneration Policy *cont'd*

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

The annual Directors' fees and benefits payable to the Non-Executive Directors are endorsed by the Board for approval by the shareholders of the Company at the AGM.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

3.2 Remuneration of Directors and Senior Management

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during the FYE 2023 are as follows:

The Company

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others emoluments	Total
Rizvi Bin Abd Halim	60	2	-	-	-	-	62
Tung Eng Hai	-	-	-	-	-	-	-
Wong Meng Kee	-	-	-	-	-	-	-
Fawiza Binti Faiz	6	-	-	-	-	-	6
Wong Kar Wai	60	2	-	-	-	-	62
Eugene Lee Cheng Hoe	60	2	-	-	-	-	62
Daphne Choy Gaik Choo	60	2	-	-	-	-	62
Loh Aye Li	27	1	-	-	-	-	28
TOTAL	273	9	-	-	-	-	282

The Group

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others emoluments	Total
Rizvi Bin Abd Halim	60	2	-	-	-	-	62
Tung Eng Hai	-	42	1,260	210	28	684	2,224
Wong Meng Kee	-	24	311	52	4	145	536
Fawiza Binti Faiz	6	-	75	13	6	12	112
Wong Kar Wai	60	2	-	-	-	-	62
Eugene Lee Cheng Hoe	60	2	-	-	-	-	62
Daphne Choy Gaik Choo	60	2	-	-	-	-	62
Loh Aye Li	27	1	-	-	-	-	28
TOTAL	273	75	1,646	275	38	841	3,148

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART III – REMUNERATION *cont'd*

3.3 Remuneration of Key Senior Management

The remuneration of the Key Senior Management of the Group for the FYE 2023 are as follows:-

Remuneration Band	Number of Key Senior Management
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1

Due to the confidentiality and sensitivity of the remuneration packages of Key Senior Management as well as security concerns, the Board opts not to disclose the Key Senior Management's remuneration components on a named basis in the bands of RM50,000.

The Board is of the view that the disclosure of the Key Senior Management's remuneration components on a named basis would not be in the best interest of the Company given the competitive human resources environment that may give rise to recruitment and talent retention issues.

The Board is of the opinion that the disclosure of Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 is adequate.

PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The ARMC currently comprises of four (4) members, a majority of them are Independent Directors. The ARMC Chairman is led by Mr. Eugene Lee Cheng Hoe who is distinct from the Chairman of the Board.

The composition of the ARMC is in compliance with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

None of the members of ARMC were former key audit partners and in order to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The ARMC members possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC and they are able to understand matters under the purview of the ARMC including the financial reporting process.

They are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations. The ARMC members had kept themselves abreast of relevant development in accounting and auditing standards, practices and rules.

The term of office and performance of the ARMC and its members are reviewed by the NRC annually to determine whether such ARMC and members have carried out their duties in accordance with the terms of reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART I – ARMC *cont'd*

4.2 External Auditors

The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

In addition, during the ARMC Meetings, the members were also briefed by the External Auditors on the following:-

- (a) Financial Reporting developments;
- (b) Adoption of Malaysian Financial Reporting Standards; and
- (c) Other changes in the regulatory environment.

The Board also has established the External Auditors Assessment Policy together with the Annual Performance Evaluation Form. The said policy aims to outline the guidelines and procedures for ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors. The factors considered by the ARMC in its assessment include the adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company, Baker Tilly Monteiro Heng PLT. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL

5.1 Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), a third party professional internal audit service firm that is independent of the operations and activities of the Group. The engagement team from Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence.

The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART II - RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

5.2 Internal Audit Function *cont'd*

The ARMC had obtained assurance from Sterling confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2023 are as disclosed in the ARMC Report in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy has been adopted. A copy of the policy is published on the Company's corporate website at www.southerncable.com.my.

The quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development.

The Company's corporate website at www.southerncable.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Company's AGM remains a principal forum used by the Group for communication with its shareholders. At the AGM, shareholders will be accorded time and opportunity to raise questions on the proposed resolutions and also matters relating to the performance, developments within and the future direction of the Group. The Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Corporate Disclosure Policy was formalised to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The Board will ensure that the Notice of the forthcoming AGM is sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

PART II – CONDUCT OF GENERAL MEETINGS *cont'd*

7.1 Conduct of General Meetings *cont'd*

In line with Practice 13.1 of MCCG, the notice convening the Fourth AGM (“4th AGM”) of the Company was issued to shareholders at least 28 days before the 4th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 4th AGM or to appoint a proxy to attend and vote on their behalf.

The Company’s 4th AGM on 26 June 2023 was held on fully virtual and entirely via remote participation and electronic voting facilities and all the Directors attended the 4th AGM and responded to the shareholders’ enquiries. The Senior Management of the Company and External Auditors had also attended the 4th AGM and prepared to answer shareholders’ enquiries.

All resolutions set out in the Notice of 4th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors and Senior Management attended the 4th AGM on a fully virtual basis and were accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders’ queries concerning the Company and the Group in the 4th AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company’s perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders’ meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 4th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 4th AGM was also published on the Company’s corporate website for the shareholders’ information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Southern Cable Group Berhad (“the Company”) (“Board”) presents the Audit and Risk Management Committee (“ARMC”) Report of the Company for the financial year ended 31 December 2023 (“FYE 2023”) as follows:

COMPOSITION OF THE ARMC

The members of the ARMC comprising of all Non-Executive Directors with a majority of them being Independent Non-Executive Directors as follows:

Name	Designation
Eugene Lee Cheng Hoe, Chairman	Independent Non-Executive Director
Wong Kar Wai, Member	Non-Independent Non-Executive Director
Daphne Choy Gaik Choo, Member	Independent Non-Executive Director
Loh Aye Li, Member <i>(Appointed on 24 August 2023)</i>	Independent Non-Executive Director

All the Independent Non-Executive Directors satisfy the test of independence under the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

All the ARMC members are financially literate. The Chairman of the ARMC, Mr. Eugene Lee Cheng Hoe is a member of the Malaysian Institute of Accountants and a Certified Practising Accountant with CPA Australia. He is also a Registered Financial Planner under the Malaysian Financial Planning Council. In this respect, the Company complies with Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Securities.

The ARMC is governed by its terms of reference (“TOR”) which is available on the Company’s corporate website at www.southerncable.com.my.

ATTENDANCE OF MEETING

The ARMC met four (4) times during the FYE 2023 and the attendance of each of the ARMC members at the meeting was as follows:

ARMC Members	Attendance
Eugene Lee Cheng Hoe, Chairman	4/4
Wong Kar Wai, Member	4/4
Daphne Choy Gaik Choo, Member	4/4
Loh Aye Li, Member <i>(Appointed on 24 August 2023)</i>	1/1

The ARMC may request the presence of External Auditors and/or Internal Auditors at its meetings if deemed necessary. Additionally, officers of the Company and its subsidiaries (“the Group”) may attend specific meetings upon invitation from the ARMC, based on the relevance of the matters being discussed.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

SUMMARY OF WORKS FOR FYE 2023

The ARMC carried out the following work in discharging its functions and duties during the FYE 2023, which are in line with its responsibilities as set out in its TOR:

- i. Reviewed the unaudited quarterly financial reports and audited financial statements of the Group including the announcements pertaining thereto, and recommended the same for the Board approval before releasing to Bursa Securities.
- ii. Reviewed with the External Auditors, the Audit Review Memorandum in respect of the audit of the Group's financial statements for the financial year ended 31 December 2022 covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the ARMC.
- iii. Reviewed with the External Auditors, the Audit Planning Memorandum in respect of the audit of the Group's financial statements for the FYE 2023.
- iv. Considered and recommended the re-appointment of Baker Tilly Monteiro Heng PLT as the external auditors and their audit and non-audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the external auditors during their audit.
- v. Reviewed with the Internal Auditors, the internal audit plan, work done and reports for the internal audit function and considered the findings of internal audit reviews and management responses thereon, and ensured that appropriate actions were taken on the recommendations raised by the Internal Auditors.
- vi. Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, Sustainability Statement and Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.
- vii. Reviewed the related party transactions and recurrent related party transactions entered into by the Group to ensure that those transactions were entered into in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.
- viii. Self-appraised the performance of the ARMC and submitted the evaluation form to the Nomination and Remuneration Committee for assessment.
- ix. Evaluated the performance of the External Auditors and Internal Auditors of the Company.
- x. Reviewed the disclosures of conflict of interest ("COI") involving the Directors and key senior management of the Group and concluded that there were no additional examination or mitigation measures were deemed necessary from the COI disclosed.
- xi. Reviewed and recommended to the Board for the adoption of updated terms of reference of the ARMC by incorporating a sustainability component.

INTERNAL AUDIT FUNCTION

Appointment

The Company outsourced the internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), an independent professional consulting company, to provide internal audit services for the Group. Sterling reports directly to the ARMC on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The function of Sterling is guided by its Internal Audit Charter which defines the authority, duties, responsibilities and independence of all its members.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

INTERNAL AUDIT FUNCTION *cont'd*

Appointment *cont'd*

The representatives of Sterling are free from any relationship or conflict of interest that could impair their objectivity and independence as Internal Auditors. The ARMC annually review the adequacy of scope, function, competency and resources of the Internal Auditors to ensure that they are able to fully discharge their responsibilities. Details of the resources and the qualifications of Sterling are set out in the Corporate Governance Report which is available on the Company's corporate website.

Internal Audit Activities

The internal audit reporting can broadly be segregated into three (3) main areas as follow:

(a) Risk-Based Internal Audit Plan of the Group

The Group's risk-based internal audit plan covers key functional areas and business activities of the Group emphasising the best practices and all business risks with a core focus on:

- The effectiveness and efficiency of operations
- Reliability of reporting
- Compliance with applicable laws and regulations
- Safe guarding the assets of the Group

(b) Regular Internal Audit Reports

Sterling carried out the internal audit reviews on a quarterly basis. They reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to the internal control process. This is to provide reasonable assurance that the internal control systems continue to operate satisfactorily and effectively within the Group.

(c) Follow-up Reports

In addition, Sterling also conducted follow-up reviews on the implementation of recommendations from prior internal audit visits to ensure that all areas of concern, findings and recommendations are put in place and/or enhanced where appropriate by the Management.

Total Costs Incurred for the Financial Year

The total costs incurred for the internal audit reviews of the Group during the FYE 2023 was RM37,000.

Review of Internal Audit Function

For the FYE 2023, the ARMC noted that the internal audit function is independent and Sterling has performed its audit assignments with impartiality, independently and with due professional care.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

EVALUATION OF THE PERFORMANCE OF THE AUDITORS

Pursuant to the TOR of the ARMC, the Board has established the Assessment Policy for both the External and Internal Auditors together with their annual performance evaluation forms respectively. The policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External and Internal Auditors.

The External and Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role.

The ARMC shall obtain assurance from the External and Internal Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC shall carry out an annual performance assessment of the External and Internal Auditors and may request the Executive Directors, Group Financial Controller and Group General Manager to join the assessment.

The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External and Internal Auditors of the Company. The following are some of the criteria to be annually reviewed by the ARMC:

- (a) Calibre of the audit firm;
- (b) Quality of the audit engagement team;
- (c) Quality of communication and interaction with the auditors;
- (d) Audit scope and quality processes;
- (e) Audit Governance and independence; and
- (f) Audit and non-audit fees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Southern Cable Group Berhad (“the Company”) (“Board”) is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 (“FYE 2023”), issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Principle B of the Malaysian Code on Corporate Governance (“MCCG”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders’ investments and the Company and its subsidiaries’ (“Group”) assets, as well as reviewing its effectiveness, adequacy and integrity on a regular basis. The Board focuses on effective risk oversight which is critical in setting the tone and culture towards effective risk management and internal control.

In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks and internal controls within the Group at all levels. It is assisted by the Audit and Risk Management Committee (“ARMC”), which is empowered by its terms of reference to ensure independent oversight of internal control and risk management.

The Management Team is responsible for implementing the Group’s policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls, and for taking appropriate and timely remedial actions as required.

However, due to the limitations that are inherent in any system of internal control, the Group’s system of internal control is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, it only provides reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial period under review enables the Group to make cautious, mindful and well-informed decisions through the formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group objective.

Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective head of department and they have delegated the responsibilities to identify and manage these risks within defined parameters and standards.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. As part of our Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, the likelihood of occurrence, risk owner and risk control actions. The Risk Management Handbook summarises risk management methodology, approach, processes, roles and responsibilities. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL AUDIT FUNCTION

The Company outsourced the internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") to carry out the internal audit services for the Group. Sterling reports directly to the ARMC, providing the Board with a reasonable assurance of the adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the ARMC, assurance of the effectiveness of the system of internal control of the designated entities of the Group.

Sterling is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the internal audit function is effective and able to function independently.

Sterling uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews will be conducted according to the approved risk-based internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process.

A description of the internal audit work conducted by Sterling during the FYE 2023 can be found in the ARMC Report included in this Annual Report.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system established by the Board to provide effective governance and oversight of internal control include:

(a) Organisation Structure

The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board and its Board Committees are all governed by clearly defined terms of reference.

(b) Limits of Authority

The Group has defined limits of authority which outlines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with changes in the organisation.

(c) Standard Operating Policies and Procedures ("SOPs")

Elements of internal control have been embedded and documented in the SOPs which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in the SOPs.

(d) Talent Management

The professionalism and competency of staff are enhanced through training and development programmes. On-the-job training programmes are made available to the employees to ensure that they are constantly kept up-to-date with the constant technological changing environment and competent in carrying out their duties and responsibilities.

(e) Board Committees

The Board has established various board committees to assist in discharging its duties. These include the ARMC and Nomination and Remuneration Committee, These Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL CONTROL SYSTEM *cont'd*

(f) Anti-Bribery and Corruption Policy & Procedures (“ABC Policy”)

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an ABC Policy which prohibit all forms of bribery and corruption practices. All employees are to read and understand the policy and to take an assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group’s ABC Policy. The said policy is also made available at the Company’s corporate website.

(g) Whistle Blowing Policy

The Group has put in place a Whistle Blowing Policy which allows, supports and encourages its employees to report and disclose any improper or illegal activities within the Group. The Whistle Blowing Policy is made available on the Company’s corporate website.

(h) Safety and Health Management

The Group has been emphasising the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in all factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control performed under a limited assurance engagement. Their limited assurance engagement was performed in accordance with the Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was it factually inaccurate.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard shareholders’ investment and the Group’s assets.

In addition, the Board has received assurance from the Managing Director, Group General Manager and Group Financial Controller that the Group’s risk management and internal control system are operating adequately and effectively in all material aspects.

The Board will continue to monitor all major risks affecting the Group and take appropriate action plans to strengthen the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement is made in accordance with the resolution of the Board dated 19 April 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 ("Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs), and the requirements of the Act.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- a. adopted and consistently applied suitable accounting policies;
- b. made judgments and estimates that are prudent and reasonable;
- c. ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Company and its subsidiaries ("Group") keep accounting records which disclose the financial position of the Group with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

STATUS OF UTILISATIONS OF PROCEEDS

Southern Cable Group Berhad (“the Company”) was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 16 October 2020 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 209,348,000 new ordinary shares at an issued price of RM0.34 per ordinary share, raising total gross proceeds of approximately RM71.178 million (“Listing Proceeds”).

The Board of Directors of the Company had on 23 October 2023 resolved to extend the timeframe for the utilisation of proceeds raised from the Listing Proceeds for capital expenditure and expansion for another 24 months period until 15 October 2025 allowing the Company to have additional time to utilise the balance of the proceeds.

The status of the utilisation of the Listing Proceeds as at 31 March 2024 is as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended timeframe for utilisation from the date of Listing
Capital expenditure and expansion				Within 36 months*
- Purchase and upgrade of new machinery and equipment	18,500	18,500	-	
- Construction of factories	7,500	5,724	1,776	
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	1,365	2,635	
Repayment of bank borrowings	9,188	9,188	-	Within 6 months
Working capital	27,490	27,490	-	Within 6 months
Estimated listing expenses	4,500	4,500	-	Within 3 months
Total	71,178	66,767	4,411	

* Utilisation of the unutilised balance has been extended by another 24 months until 15 October 2025.

The utilisation of the Listing Proceeds as disclosed above should be read in conjunction with the Prospectus for the Listing dated 29 September 2020.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the Company’s External Auditors and a firm affiliated to the External Auditors’ firm by the Company and the Group for the financial year ended 31 December 2023 (“FYE 2023”) are as follows: -

	Company RM	Group RM
Audit Fees	50,000	164,000
Non-Audit Fees	11,100	73,500

ADDITIONAL COMPLIANCE INFORMATION

Cont'd

MATERIAL CONTRACT INVOLVING DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Group involving the Directors' and/or major shareholders' interest either still subsisting at the end of the FYE 2023 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION ("RRPT")

Details of the RRPT of a revenue or trading nature that entered into by the Company and/or the Group with the related parties are disclosed in Note 27 of the Notes to the Financial Statements on page 122 of this Annual Report. The quantum involved in the RRPT is not substantial and does not require the shareholders' approval pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities.

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are manufacture of cables and wires, plastic compounds, wooden cable drums, and related products and services including aluminium rods, trading of cables and wires, wooden cable drums, and copper strips and supply and installation of rectifiers.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	29,436,713	2,422,860
Attributable to:		
Owners of the Company	29,436,713	2,422,860

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Single tier final dividend of 0.28 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 25 July 2023	2,240,000

At the forthcoming Annual General Meeting, a single tier final dividend of 0.75 sen per ordinary share, amounting to RM6,000,375 in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2023, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT

Cont'd

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

Cont'd

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM164,000 and RM50,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 50,000 new ordinary shares at a price of RM0.275 per ordinary share.

There was no new issue of debentures made by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up any unissued shares of the Company during the financial year.

WARRANTS

Warrants 2022/2027

On 1 November 2022, the Company bonus issued 400,000,000 warrants on the basis of 1 warrant for every 2 existing ordinary shares held in the Company. Each Warrants 2022/2027 entitles the registered holder the right at any time during the exercise period from 1 November 2022 to 31 October 2027 to subscribe in cash for 1 new ordinary share at exercise price of RM0.275 each.

The salient terms of the Warrants 2022/2027 are disclosed in Note 10 to the financial statements.

The movement in the Company's warrants during the financial year is as follows:

	At 1 January 2023	Number of warrants		At 31 December 2023
		Alloted	Exercised	
Warrants	400,000,000	-	50,000	399,950,000

DIRECTORS' REPORT

Cont'd

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tung Eng Hai*	
Wong Meng Kee*	
Rizvi Bin Abd Halim	
Wong Kar Wai	
Eugene Lee Cheng Hoe	
Daphne Choy Gaik Choo	
Fawiza Binti Faiz*	(Appointed on 14 July 2023)
Loh Aye Li	(Appointed on 14 July 2023)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tung Siew Luan
Tung Cheng Im
Redzuan Bin Husain

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2023/ Date of appointment	Bought	Sold	At 31.12.2023
Direct interests:				
Tung Eng Hai	2,100,000	-	-	2,100,000
Wong Meng Kee	1,459,204	-	-	1,459,204
Wong Kar Wai	600,000	-	-	600,000
Rizvi Bin Abd Halim	400,000	-	-	400,000
Daphne Choy Gaik Choo	400,000	-	-	400,000
Eugene Lee Cheng Hoe	400,000	-	-	400,000
Indirect interests:				
Tung Eng Hai ⁽¹⁾	285,524,412	-	-	285,524,412
Wong Meng Kee ⁽²⁾	292,388,412	-	-	292,388,412
Fawiza Binti Faiz ⁽¹⁾	201,028,400	-	73,000,000	128,028,400

DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of warrants issued			At 31.12.2023
	At 1.1.2023	Alloted	Sold	
Direct interests:				
Tung Eng Hai	1,050,000	-	-	1,050,000
Wong Meng Kee	729,602	-	-	729,602
Wong Kar Wai	300,000	-	-	300,000
Rizvi Bin Abd Halim	200,000	-	-	200,000
Daphne Choy Gaik Choo	200,000	-	-	200,000
Eugene Lee Cheng Hoe	200,000	-	-	200,000
Indirect interests:				
Tung Eng Hai ⁽¹⁾	142,762,206	-	-	142,762,206
Wong Meng Kee ⁽²⁾	146,194,206	-	-	146,194,206

⁽¹⁾ Shares held through company in which the director has substantial financial interests.

⁽²⁾ Shares held through company in which the director has substantial financial interests and shares held through spouse.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, the directors are also deemed to have interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of previous financial period, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	Company RM
Fees	273,000
Salaries, allowances and bonuses	8,800
	281,800

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total insurance effected for and insurance premium paid for the directors and officers of the Group and the Company were RM20,000,000 and RM32,250 respectively.

DIRECTORS' REPORT

Cont'd

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Company	Country of Incorporation	Ownership		Principal activities
		2023	2022	
Southern Cable Sdn. Bhd. ("Southern")	Malaysia	100%	100%	Manufacture of cables and wires, and related products and services including aluminium rods, trading of cables and wires, and copper strips and supply and installation of rectifiers.
Nextol Polymer Sdn. Bhd. ("Nextol")	Malaysia	100%	100%	Manufacture of plastic compounds.
Daya Forwarding Sdn. Bhd. ("Daya")	Malaysia	100%	100%	Manufacture and trading of wooden cable drums.

The auditors' report on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

.....
TUNG ENG HAI

Director

.....
WONG MENG KEE

Director

Date: 5 April 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	54,633,158	51,956,233	-	-
Right-of-use assets	4	44,435,467	40,389,007	-	-
Investment properties	5	510,177	516,664	-	-
Investment in subsidiaries	6	-	-	213,603,806	147,662,998
Total non-current assets		99,578,802	92,861,904	213,603,806	147,662,998
Current assets					
Inventories	7	144,096,427	223,256,265	-	-
Current tax assets		995,067	7,879,280	-	-
Trade and other receivables	8	264,903,682	224,662,582	-	65,940,808
Cash and short-term deposits	9	96,008,551	21,871,961	5,169,623	4,948,958
Total current assets		506,003,727	477,670,088	5,169,623	70,889,766
TOTAL ASSETS		605,582,529	570,531,992	218,773,429	218,552,764
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	10	217,669,394	217,655,644	217,669,394	217,655,644
Reorganisation reserve	11	(120,947,002)	(120,947,002)	-	-
Retained earnings		218,319,299	191,122,586	768,026	585,166
TOTAL EQUITY		315,041,691	287,831,228	218,437,420	218,240,810

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

Cont'd

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current liabilities					
Loans and borrowings	12	9,640,101	6,183,983	-	-
Deferred tax liabilities	13	7,759,412	7,759,112	-	-
Total non-current liabilities		17,399,513	13,943,095	-	-
Current liabilities					
Loans and borrowings	12	186,092,739	211,554,433	-	-
Provision	14	322,379	221,101	-	-
Current tax liabilities		3,348,748	2,273	3,820	2,273
Trade and other payables	15	82,789,338	56,013,174	332,189	309,681
Derivative financial liabilities	16	588,121	966,688	-	-
Total current liabilities		273,141,325	268,757,669	336,009	311,954
TOTAL LIABILITIES		290,540,838	282,700,764	336,009	311,954
TOTAL EQUITY AND LIABILITIES		605,582,529	570,531,992	218,773,429	218,552,764

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	17	1,053,081,100	875,879,440	3,200,000	3,200,000
Cost of sales		(979,204,378)	(824,164,381)	-	-
Gross profit		73,876,722	51,715,059	3,200,000	3,200,000
Other income	18	4,802,203	2,417,751	112,352	10,570
Distribution expenses		(17,278,204)	(13,459,104)	-	-
Administrative expenses		(12,500,732)	(10,844,092)	(865,413)	(979,593)
Impairment loss on trade receivables		(393,497)	(1,619,965)	-	-
Other expenses		(2,250)	(9,025)	-	-
Operating profit		48,504,242	28,200,624	2,446,939	2,230,977
Finance costs	19	(9,455,246)	(8,341,942)	-	-
Profit before tax	20	39,048,996	19,858,682	2,446,939	2,230,977
Income tax expense	22	(9,612,283)	(5,314,304)	(24,079)	(56,971)
Profit for the financial year, representing total comprehensive income for the financial year		29,436,713	14,544,378	2,422,860	2,174,006
Profit attributable to:					
Owners of the Company		29,436,713	14,544,378	2,422,860	2,174,006
Total comprehensive income attributable to:					
Owners of the Company		29,436,713	14,544,378	2,422,860	2,174,006
Earnings per share attributable to owners of the Company (sen)					
- Basic	23	3.68	1.82	-	-
- Diluted	23	3.36	1.79	-	-

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Note	← Attributable to owners of the Company →			Total equity
		Share capital	Reorganisation reserve	Retained earnings	
		RM	RM	RM	RM
At 1 January 2022		217,655,644	(120,947,002)	178,258,208	274,966,850
Profit for the financial year, representing total comprehensive income for the financial year		-	-	14,544,378	14,544,378
Transaction with owners					
Dividend paid	24	-	-	(1,680,000)	(1,680,000)
At 31 December 2022		217,655,644	(120,947,002)	191,122,586	287,831,228
Profit for the financial year, representing total comprehensive income for the financial year		-	-	29,436,713	29,436,713
Transaction with owners					
Issuance of shares pursuant to warrants exercised	10	13,750	-	-	13,750
Dividend paid	24	-	-	(2,240,000)	(2,240,000)
At 31 December 2023		217,669,394	(120,947,002)	218,319,299	315,041,691

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Cont'd

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
At 1 January 2022		217,655,644	91,160	217,746,804
Profit for the financial year, representing total comprehensive profit for the financial year		-	2,174,006	2,174,006
Transaction with owners				
Dividend paid	24	-	(1,680,000)	(1,680,000)
At 31 December 2022		217,655,644	585,166	218,240,810
Profit for the financial year, representing total comprehensive income for the financial year		-	2,422,860	2,422,860
Transaction with owners				
Issuance of shares pursuant to warrants exercised	10	13,750	-	13,750
Dividend paid	24	-	(2,240,000)	(2,240,000)
At 31 December 2023		217,669,394	768,026	218,437,420

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax		39,048,996	19,858,682	2,446,939	2,230,977
Adjustments for:					
Depreciation of investment properties		6,487	6,487	-	-
Depreciation of property, plant and equipment		6,937,354	5,837,069	-	-
Depreciation of right-of-use assets		2,256,675	2,334,095	-	-
Derecognition of right-of-use assets		-	(49,478)	-	-
Dividend income		-	-	(3,200,000)	(3,200,000)
Impairment losses on trade receivables		393,497	1,619,965	-	-
Fair value (gain)/loss on derivative financial instruments		(378,567)	359,475	-	-
Gain on disposal of property, plant and equipment		(267,826)	(8,070)	-	-
Interest expenses		9,455,246	8,341,942	-	-
Interest income		(758,918)	(194,622)	(112,352)	(10,570)
Net unrealised loss/(gain) on foreign exchange		349,932	(607,979)	-	-
Provision for employee benefits (net)		101,278	(166,328)	-	-
Property, plant and equipment written off		2,304	1	-	-
Operating profit/(loss) before changes in working capital		57,146,458	37,331,239	(865,413)	(979,593)
<u>Changes in working capital:</u>					
Inventories		79,159,838	(40,727,377)	-	-
Trade and other receivables		(41,126,421)	(26,376,253)	-	-
Trade and other payables		26,918,056	(6,246,200)	22,508	22,689
Net cash generated from/(used in) operations		122,097,931	(36,018,591)	(842,905)	(956,904)
Income tax paid		(1,767,700)	(5,176,647)	(22,532)	(54,698)
Income tax refund		2,386,405	-	-	-
Interest paid		(489,457)	(304,493)	-	-
Interest received		758,918	194,622	112,352	10,570
Net cash from/(used in) operating activities		122,986,097	(41,305,109)	(753,085)	(1,001,032)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

Cont'd

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Dividend received		-	-	3,200,000	3,200,000
Purchase of property, plant and equipment	(A)	(7,808,334)	(12,412,925)	-	-
Addition of right-of-use assets	(B)	(1,231,437)	(307,930)	-	-
Derecognition of right-of-use assets		-	115,447	-	-
Proceeds from disposal of property, plant and equipment		269,500	13,100	-	-
Change in pledged deposits		(656)	5,166,446	-	-
Net cash (used in)/from investing activities		(8,770,927)	(7,425,862)	3,200,000	3,200,000
Cash flows from financing activities					
	(C)				
Interest paid		(8,965,789)	(8,037,449)	-	-
Dividends paid		(2,240,000)	(1,680,000)	(2,240,000)	(1,680,000)
Net change in amount owing by subsidiaries		-	-	-	(8,572,244)
Drawdown of bankers' acceptance		709,237,490	873,251,062	-	-
Repayment of bankers' acceptance		(736,019,968)	(819,270,794)	-	-
Drawdown of term loans		777,658	-	-	-
Repayment of term loans		(1,102,726)	(1,482,185)	-	-
Drawdown/(Repayment) of lease liabilities		(1,779,651)	(2,422,741)	-	-
Issuance of shares pursuant to warrants exercised		13,750	-	13,750	-
Net cash (used in)/from financing activities		(40,079,236)	40,357,893	(2,226,250)	(10,252,244)
Net increase/(decrease) in cash and cash equivalents		74,135,934	(8,373,078)	220,665	(8,053,276)
Cash and cash equivalents at the beginning of the financial year		21,839,943	30,213,021	4,948,958	13,002,234
Cash and cash equivalents at the end of the financial year	9	95,975,877	21,839,943	5,169,623	4,948,958

(A) Purchase of property, plant and equipment:

	Group	
	2023 RM	2022 RM
Purchase of property, plant and equipment	13,780,884	13,136,185
Financed by way of lease arrangement	(5,972,550)	(723,260)
Cash payments on purchase of property, plant and equipment	7,808,334	12,412,925

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

Cont'd

(B) Addition of right-of-use assets:

	Note	Group	
		2023 RM	2022 RM
Addition of right-of-use assets	4	2,140,508	517,646
Operating lease recognised as right-of-use assets		(909,071)	(209,716)
Cash payments on addition of right-of-use assets		1,231,437	307,930

(C) Reconciliation of liabilities arising from financing activities:

	Group			
	1 January 2023 RM	Cash flows RM	Non-cash acquisition RM	31 December 2023 RM
Term loans	4,867,183	(325,068)	-	4,542,115
Lease liabilities	4,305,047	(1,779,651)	6,881,621	9,407,017
Bankers' acceptance	208,566,186	(26,782,478)	-	181,783,708
	217,738,416	(28,887,197)	6,881,621	195,732,840

	Group			
	1 January 2022 RM	Cash flows RM	Non-cash acquisition RM	31 December 2022 RM
Term loans	6,349,368	(1,482,185)	-	4,867,183
Lease liabilities	5,794,812	(2,422,741)	932,976	4,305,047
Bankers' acceptance	154,585,918	53,980,268	-	208,566,186
	166,730,098	50,075,342	932,976	217,738,416

Company

There were no non-cash changes in liabilities arising from financing activities.

(D) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM3,176,536 (2022: RM2,692,992).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Southern Cable Group Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 3rd Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Lot 42, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

There has been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 5 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), the International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17	Insurance Contracts
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Amendments/Improvements to MFRSs

MFRS 101	Presentation of Financial Statements
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MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
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MFRS 112	Income Taxes
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The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 Amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 Amendments to MFRSs that have been issued, but yet to be effective *cont'd*

- (b) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below. *cont'd*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) Material accounting policy information

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Freehold buildings	50
Furniture, fittings and office equipment	4 - 10
Plant and machineries	5 - 10
Motor vehicles	5
Factory tools and equipment	10
Electrical installation and renovation	5 - 10
Fire protection system	10
Solar PV system	25

(b) Assets pledged as security

	Group	
	2023	2022
	RM	RM
Freehold land	955,749	955,749
Freehold building	1,008,681	1,015,296
	1,964,430	1,971,045

Freehold land and building have been pledged as security to secure credit facilities of a subsidiary as disclosed in Note 12(b).

NOTES TO THE FINANCIAL STATEMENTS

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4. RIGHT-OF-USE ASSETS

Group	Note	Leasehold land RM	Leasehold buildings RM	Plant and machineries RM	Motor vehicles RM	Warehouse and workers' accommodation RM	Total RM
Cost							
At 1 January 2022		12,290,015	31,680,467	9,923,303	2,948,181	328,782	57,170,748
Additions		-	307,930	-	-	209,716	517,646
Written off		-	-	-	-	(35,109)	(35,109)
Derecognition		-	-	-	-	(115,447)	(115,447)
Transfers to property, plant and equipment	3	-	-	(2,195,781)	(932,016)	-	(3,127,797)
At 31 December 2022/1 January 2023		12,290,015	31,988,397	7,727,522	2,016,165	387,942	54,410,041
Additions		-	1,231,437	-	-	909,071	2,140,508
Written off		-	-	-	-	(178,226)	(178,226)
Derecognition		-	-	-	-	-	-
Transfers from/(to) property, plant and equipment	3	-	4,770,082	(1,138,970)	(588,940)	-	3,042,172
At 31 December 2023		12,290,015	37,989,916	6,588,552	1,427,225	1,118,787	59,414,495

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

4. RIGHT-OF-USE ASSETS *cont'd*

Group	Note	Leasehold land RM	Leasehold buildings RM	Plant and machineries RM	Motor vehicles RM	Warehouse and workers' accommodation RM	Total RM
Accumulated depreciation							
At 1 January 2022		1,563,437	7,744,481	2,650,848	1,740,993	96,321	13,796,080
Amortisation/ depreciation for the financial year	20	202,422	620,577	879,308	452,301	179,487	2,334,095
Written off						(35,109)	(35,109)
Derecognition		-	-	-	-	(49,478)	(49,478)
Transfers to property, plant and equipment	3	-	-	(1,097,399)	(927,155)	-	(2,024,554)
At 31 December 2022/1 January 2023		1,765,859	8,365,058	2,432,757	1,266,139	191,221	14,021,034
Amortisation/ depreciation for the financial year	20	202,423	659,981	725,293	307,953	361,025	2,256,675
Written off		-	-	-	-	(178,226)	(178,226)
Transfers to property, plant and equipment	3	-	-	(531,519)	(588,936)	-	(1,120,455)
At 31 December 2023		1,968,282	9,025,039	2,626,531	985,156	374,020	14,979,028
Carrying amount							
At 31 December 2023		10,321,733	28,964,877	3,962,021	442,069	744,767	44,435,467
At 31 December 2022/1 January 2023		10,524,156	23,623,339	5,294,765	750,026	196,721	40,389,007

(a) Material accounting policy information

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

All right-of-use assets are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

4. RIGHT-OF-USE ASSETS *cont'd*

(a) Material accounting policy information *cont'd*

	Useful life (years)
Leasehold land	
- Long-term leasehold land	50 - 89
- Short-term leasehold land	41 - 46
Leasehold buildings	49 - 89

(b) Assets under leases

The Group's leasehold land and building for use as its operation site, warehouse and office space.

The leases for workers' accommodation and warehouse generally have lease term between one (1) to two (2) years. The lease for warehouse has an option to renew another two (2) years.

The Group leases plant and machineries, motor vehicles and factory equipment with lease term of three (3) to five (5) years and have options to purchase the assets at the end of the contract term.

The Group leases land with a lease term of forty one (41) to eighty nine (89) years.

(c) Assets pledged as security

	Group	
	2023	2022
	RM	RM
Leasehold land	-	3,362,055
Leasehold buildings	-	21,737,652
	-	25,099,707

Leasehold land and building that have been pledged as security in the previous financial year to secure credit facilities of a subsidiary as disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

5. INVESTMENT PROPERTIES

Group	Note	Leasehold building RM	Freehold land RM	Freehold building RM	Total RM
Cost					
At 1 January 2022/31 December 2022/31 December 2023		180,000	198,616	215,887	594,503
Accumulated depreciation					
At 1 January 2022		23,855	-	47,497	71,352
Depreciation for the financial year	20	2,169	-	4,318	6,487
At 31 December 2022/1 January 2023		26,024	-	51,815	77,839
Depreciation for the financial year	20	2,169	-	4,318	6,487
At 31 December 2023		28,193	-	56,133	84,326
Carrying amount					
At 31 December 2023		151,807	198,616	159,754	510,177
At 31 December 2022/1 January 2023		153,976	198,616	164,072	516,664

The strata title for a leasehold building has yet to be obtained as at the financial year ended 31 December 2023.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023	2022
	RM	RM
Direct operating expenses:		
- Non-income generating investment properties	12,041	14,611

Fair value information

Fair value of investment property is categorised as follows:

	Group Level 3 RM
2023	
Investment properties	691,267
2022	
Investment properties	582,120

There were no Level 1 and Level 2 investment properties or transfers between Level 1 and Level 2 during the financial year ended 31 December 2023 or 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENT PROPERTIES *cont'd*

Level 3 fair value

The estimated fair value was determined based on information available through internal research and the directors' best estimate by reference to similar properties in the locality and adjusting for location, terrain, size, present market trends and other differences. The most significant input into this valuation approach is price per square foot of the properties.

Material accounting policy information

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful life (years)
Building	50
Leasehold condominium	84

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares	147,662,998	147,662,998
Quasi loan	65,940,808	-
	213,603,806	147,662,998

Quasi loan represents advances and payments made on behalf of which the settlement is neither planned nor likely occur in the foreseeable future. This amount is in substance, a part of the Company's net investment in subsidiaries. The quasi loan is stated at cost less accumulated depreciation, if any.

Details of subsidiaries are as follows:

Name of Company	Country of Incorporation	Ownership		Principal activities
		2023	2022	
Southern Cable Sdn. Bhd. ("Southern")	Malaysia	100%	100%	Manufacture of cables and wires, and related products and services including aluminium rods, trading of cables and wires, and copper strips and supply and installation of rectifiers.
Nextol Polymer Sdn. Bhd. ("Nextol")	Malaysia	100%	100%	Manufacture of plastic compounds.
Daya Forwarding Sdn. Bhd. ("Daya")	Malaysia	100%	100%	Manufacture and trading of wooden cable drums.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

6. INVESTMENT IN SUBSIDIARIES *cont'd*

Material accounting policy information

(a) Basis of consolidation

Subsidiaries and business combination

The acquisitions of Southern Cable Sdn. Bhd., Nextol Polymer Sdn. Bhd. and Daya Forwarding Sdn. Bhd. have been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of Southern Cable Group Berhad have been consolidated using the merger method of accounting.

(b) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

7. INVENTORIES

	Group	
	2023	2022
	RM	RM
At cost:		
Raw materials	32,849,423	72,497,910
Work-in-progress	22,455,766	44,817,156
Finished goods	88,610,509	105,574,735
Packing materials	32,945	37,842
Trading products	147,784	328,622
	144,096,427	223,256,265

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM910,699,891 (2022: RM770,042,548).

(a) Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in-first out or weight average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based in normal operating capacity. These costs are assigned on a weighted average cost basis.

(b) Significant accounting judgements, estimates and assumptions

The inventories comprise of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The allocation of raw materials cost and overhead, including fixed and variable cost, to the inventories costing involve estimation made by the directors based on the previous experience and historical data. The inaccurate allocation will cause inaccurate inventories balances as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

8. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current:					
Trade					
Trade receivables	(b)	254,619,423	215,680,289	-	-
Less: Impairment losses for trade receivables		(1,984,191)	(1,619,965)	-	-
		252,635,232	214,060,324	-	-
Non-trade					
Other receivables		910,877	239,788	-	-
Amount owing by subsidiaries	(c)	-	-	-	65,940,808
Deposits		516,909	447,425	-	-
Advance payments	(d)	4,700,471	6,338,793	-	-
Prepayments		6,140,193	3,576,252	-	-
		12,268,450	10,602,258	-	65,940,808
Total trade and other receivables		264,903,682	224,662,582	-	65,940,808

(a) Significant accounting judgements, estimates and assumptions

The impairment provisions for trade and other receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the trade receivables. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(b) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranges from 30 to 150 days (2022: 30 to 150 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Included in trade receivables of the Group is retention sum receivable of RM7,805,613 (2022: RM6,174,448). The retention sum is receivable upon the expiry of defect liability period as provided in the contracts with customers.

The retention sums are expected to be collected as follows:

	Group	
	2023	2022
- not more than one year	7,805,613	6,174,44

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

8. TRADE AND OTHER RECEIVABLES *cont'd*

(b) Trade receivables *cont'd*

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Note	Group	
		2023 RM	2022 RM
At 1 January		1,619,965	-
Impairment loss during the financial year	20	393,497	1,619,965
Written off		(29,271)	-
At 31 December		<u>1,984,191</u>	<u>1,619,965</u>

The information about the credit risk exposures are disclosed in Note 25(c)(i) to the financial statements.

(c) Amount owing by subsidiaries

Amount owing by subsidiaries were unsecured, non-interest bearing and repayable on demand.

(d) Advance payments

Being advance payment for the purchase of raw materials.

9. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	95,975,877	21,839,943	5,169,623	4,948,958
Short-term deposits	32,674	32,018	-	-
	<u>96,008,551</u>	<u>21,871,961</u>	<u>5,169,623</u>	<u>4,948,958</u>

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

9. CASH AND SHORT-TERM DEPOSITS *cont'd*

For the purpose of statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term deposits	32,674	32,018	-	-
Less: Pledged deposits	(32,674)	(32,018)	-	-
	-	-	-	-
Cash and bank balances	95,975,877	21,839,943	5,169,623	4,948,958
	95,975,877	21,839,943	5,169,623	4,948,958

Short-term deposits placed with a licensed bank of a subsidiary has been pledged to a licensed bank to secure bank guarantee credit facilities to the subsidiary.

10. SHARE CAPITAL

	Group/Company		Group/Company	
	Number of shares		Amount	
	2023	2022	2023	2022
	Unit	Unit	RM	RM
Issued and fully paid up (no par value):				
At 1 January	800,000,000	800,000,000	217,655,644	217,655,644
Issuance pursuant to warrants exercised	50,000	-	13,750	-
At 31 December	800,050,000	800,000,000	217,669,394	217,655,644

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

10. SHARE CAPITAL *cont'd*

Warrants 2022/2027

On 1 November 2022, the Company bonus issued 400,000,000 warrants on the basis of 1 warrant for every 2 existing ordinary shares held in the Company.

The salient terms of the Warrants 2022/2027 are as follows:

- (a) The warrants are constituted by a Deed Poll executed on 11 October 2022;
- (b) The warrants are traded separately;
- (c) Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at an exercise price of RM0.275 per share. Warrants are exercisable any time during the tenure of 5 years commencing from the date of issue, 1 November 2022 ("Exercise Period"). Warrants not exercised during the Exercise Period will lapse and shall cease to be valid;
- (d) The exercise price of RM0.275 per share shall be subject to adjustments in accordance with the provisions of the Deed Poll; and
- (e) The Warrants do not entitle the warrant holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such warrant holders become shareholders of the Company by exercising their warrant for new ordinary share in the Company.

The movement of the Company's warrants during the financial year are as follows:

	Group/Company	
	2023	2022
	Number of warrants	Number of warrants
	Units	Units
At 1 January	400,000,000	400,000,000
Exercised during the financial year	(50,000)	-
At 31 December	399,950,000	400,000,000

During the current financial year, 50,000 warrants were exercised to subscribe for 50,000 new ordinary shares in the Company at an exercise price of RM0.275 per share.

11. REORGANISATION RESERVE

	Group	
	2023	2022
	RM	RM
At 1 January/31 December	(120,947,002)	(120,947,002)

Reorganisation reserve represents the difference between the purchase consideration to acquire Southern, Nextol and Daya and the share capital of the Company as upon consolidation.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

12. LOANS AND BORROWINGS

	Note	Group	
		2023 RM	2022 RM
Non-current:			
Term loans	(b)	3,431,709	3,890,482
Hire purchase payable	(c)	5,850,728	2,251,443
Lease liabilities	(d)	357,664	42,058
		9,640,101	6,183,983
Current:			
Term loans	(b)	1,110,406	976,701
Hire purchase payable	(c)	2,798,874	1,854,801
Lease liabilities	(d)	399,751	156,745
Bankers' acceptance	(e)	181,783,708	208,566,186
		186,092,739	211,554,433
Total loans and borrowings:			
Term loans	(b)	4,542,115	4,867,183
Hire purchase payable	(c)	8,649,602	4,106,244
Lease liabilities	(d)	757,415	198,803
Bankers' acceptance	(e)	181,783,708	208,566,186
		195,732,840	217,738,416

(a) Material accounting policy information

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

(b) Term loans

Term loans of the Group bears interest ranging from 5.22% to 7.72% (2022: 4.97% to 7.47%) per annum and are secured and supported as follows:

- (i) Legal charge over freehold land and building of a subsidiary as disclosed in Note 3;
- (ii) Joint and several guarantee by several directors of a subsidiary and a director of the Company; and
- (iii) Corporate guarantee by the Company.

(c) Hire purchase payable

Hire purchase payables of the Group of RM8,649,602 (2022: RM4,106,244) bears interest ranging from 3.90% to 5.91% (2022: 3.87% to 5.91%) per annum and are secured by certain plant and machineries, motor vehicles and factory equipment of the Group under hire purchase arrangements as disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

12. LOANS AND BORROWINGS *cont'd*

(d) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023	2022
	RM	RM
Minimum lease payments:		
Not later than one year	425,340	163,140
Later than one year but not later than five years	366,449	45,256
	<u>791,789</u>	208,396
Less: Future finance charges	(34,374)	(9,593)
Present value of minimum lease payments	<u>757,415</u>	198,803
Present value of minimum lease payments payable:		
Not later than one year	399,751	156,745
Later than one year but not later than five years	357,664	42,058
	<u>757,415</u>	198,803
Less: Amount due within twelve months	(399,751)	(156,745)
Amount due after twelve months	<u>357,664</u>	42,058

(e) Bankers' acceptance

The bankers' acceptance bears interests ranging from 3.86% to 5.35% (2022: 3.49% to 5.59%) per annum and is secured and supported as follows:

- (i) Legal charge over leasehold lands and buildings of a subsidiary as disclosed in Note 4; and
- (ii) Corporate guarantee by the Company.

13. DEFERRED TAX LIABILITIES

	As at 1 January 2023	Recognised in profit or loss (Note 22)	As at 31 December 2023
Group	RM	RM	RM
Deferred tax liabilities:			
Property, plant and equipment	7,759,112	300	<u>7,759,412</u>
	As at 1 January 2022	Recognised in profit or loss (Note 22)	As at 31 December 2022
Group	RM	RM	RM
Deferred tax liabilities:			
Property, plant and equipment	5,490,376	2,268,736	<u>7,759,112</u>

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

14. PROVISION

	2023	2022
	RM	RM
Short-term compensated leaves		
At 1 January	221,101	387,429
Recognised in profit or loss	322,379	221,101
Utilised/paid during the financial year	(221,101)	(387,429)
At 31 December	<u>322,379</u>	<u>221,101</u>

The provision is made for short-term compensated leaves for employees and is based on the number of days of outstanding compensated leaves of each employee multiplied by their respective salary/wages as at year end.

15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
Trade					
Trade payables	(a)	46,646,935	21,165,226	-	-
Non-trade					
Other payables		25,396,555	23,917,542	40,889	22,081
Accruals		4,032,945	3,007,535	291,300	287,600
Deposit received		4,000	-	-	-
Contract liabilities	(b)	6,708,903	7,922,871	-	-
		<u>36,142,403</u>	<u>34,847,948</u>	<u>332,189</u>	<u>309,681</u>
Total trade and other payables		<u>82,789,338</u>	<u>56,013,174</u>	<u>332,189</u>	<u>309,681</u>

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 21 to 90 days (2022: 30 to 90 days).

(b) Contract liabilities

The contract liabilities represent advance payments and deposits received for contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 7 to 60 days (2022: 7 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

15. TRADE AND OTHER PAYABLES *cont'd*

(b) Contract liabilities *cont'd*

Significant changes in contract liabilities:

	Group	
	2023	2022
	RM	RM
Contract liabilities relating to manufacturing of cables and wires contracts	6,708,903	7,922,871
Total contract liabilities	<u>6,708,903</u>	<u>7,922,871</u>

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 26(c)(ii).

16. DERIVATIVE FINANCIAL LIABILITIES

	Group	
	2023	2022
	RM	RM
Derivatives used for hedging:		
Forward foreign exchange contracts	<u>588,121</u>	966,688

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency of the Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 31 December 2023 were RM54,761,074 (2022: RM53,610,865).

Fair value hedge

	Carrying amount	Change in fair value	Nominal value	Line item in the financial statements
	RM	RM	RM	
31 December 2023				
Derivatives used for hedging:				
Forward foreign exchange contracts	<u>588,121</u>	<u>(378,567)</u>	<u>54,761,074</u>	Derivatives liabilities
31 December 2022				
Derivatives used for hedging:				
Forward foreign exchange contracts	<u>966,688</u>	<u>359,475</u>	<u>53,610,865</u>	Derivatives liabilities

NOTES TO THE FINANCIAL STATEMENTS

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17. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contract with customers:				
Manufacturing of cables and wires	1,049,849,312	867,176,112	-	-
Related products and services	3,231,788	8,703,328	-	-
	1,053,081,100	875,879,440	-	-
Revenue from other source:				
Dividend income	-	-	3,200,000	3,200,000
	1,053,081,100	875,879,440	3,200,000	3,200,000
Timing of revenue recognition				
At a point in time	1,053,081,100	875,879,440	-	-

(a) Material accounting policy information

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

Sale of goods

The Group manufactures and sells manufactured cables, wires, related products and services including aluminium rods, trading of cables and wires and copper strips, manufacture and supply plastic compounds and wooden drum to customers. Revenue from sale of manufactured and trading goods are recognised at the point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit term ranging from 14 to 120 days and no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS

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18. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income	758,918	194,622	112,352	10,570
Insurance claimed	-	81,575	-	-
Gain on disposal of property, plant and equipment	267,826	8,070	-	-
Net gain on realised foreign exchange	1,727,272	493,850	-	-
Net gain on unrealised foreign exchange	-	607,979	-	-
Fair value gain on financial derivatives	378,567	-	-	-
Sundry income	1,347,870	958,692	-	-
Sales of scrap	321,750	72,963	-	-
	4,802,203	2,417,751	112,352	10,570

19. FINANCE COSTS

	Group	
	2023 RM	2022 RM
Interest expenses on:		
- Term loans	257,276	237,585
- Lease liabilities	11,983	3,903
- Hire purchase liabilities	354,903	241,471
- Bankers' acceptance	8,341,627	7,554,490
- Bank overdrafts	1,207	21,290
- Others	488,250	283,203
	9,455,246	8,341,942

NOTES TO THE FINANCIAL STATEMENTS

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20. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audit	164,000	142,000	50,000	33,000
- other services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	6,937,354	5,837,069	-	-
Depreciation of right-of-use assets	2,256,675	2,334,095	-	-
Depreciation of investment properties	6,487	6,487	-	-
Employee benefits expense	37,630,142	31,339,060	281,800	249,600
Expense relating to lease of low value asset	2,311	6,977	-	-
Expense relating to short-term lease	53,876	17,900	-	-
Fair value (gain)/loss on derivative financial instruments	(378,567)	359,475	-	-
Gain on disposal of property, plant and equipment	(267,826)	(8,070)	-	-
Impairment loss on trade receivables	393,497	1,619,965	-	-
Property, plant and equipment written off	2,304	1	-	-
Net loss/(gain) on unrealised foreign exchange	349,932	(607,979)	-	-
Net gain on realised foreign exchange	(1,727,272)	(493,850)	-	-

21. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries, allowances and bonuses	32,938,707	27,272,222	8,800	9,600
Directors' fee	273,000	240,000	273,000	240,000
Defined contribution plans	2,278,586	2,106,537	-	-
Provision for employee benefits (net)	101,278	(166,328)	-	-
Other staff related expenses	2,038,571	1,886,629	-	-
	37,630,142	31,339,060	281,800	249,600

NOTES TO THE FINANCIAL STATEMENTS

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21. EMPLOYEE BENEFITS EXPENSE *cont'd*

Employee benefits expense include staff cost under cost of sales, administrative expenses and distribution expenses.

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Included in employee benefits expense are:				
Directors' remuneration				
- Fees	273,000	240,000	273,000	240,000
- Salaries, allowances and bonuses	2,163,634	2,066,744	8,800	9,600
- Defined contribution plans	230,067	219,516	-	-
- Other staff related expenses	635,651	3,733	-	-
- Benefits-in-kind	53,025	34,800	-	-
	3,355,377	2,564,793	281,800	249,600

22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current income tax:				
- Current income tax charge	9,967,499	2,885,242	24,064	2,273
- Adjustment in respect of prior years	(355,516)	160,326	15	54,698
	9,611,983	3,045,568	24,079	56,971
Deferred tax (Note 13):				
- Origination of temporary differences	58,300	2,406,036	-	-
- Adjustments in respect of in prior years	(58,000)	(137,300)	-	-
	300	2,268,736	-	-
Income tax expense recognised in profit or loss	9,612,283	5,314,304	24,079	56,971

Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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22. INCOME TAX EXPENSE *cont'd*

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	39,048,996	19,858,682	2,446,939	2,230,977
Tax at the Malaysian statutory income tax rate of 24% (2022: 24%)	9,371,855	4,766,084	587,265	535,434
Adjustments:				
Income not subject to tax	(18,362)	(6,101)	(768,000)	(770,537)
Non-deductible expenses	1,116,106	1,591,526	204,799	237,376
Utilisation of unrecognised deferred tax asset	-	(196,031)	-	-
Utilisation of reinvestment allowance claimed	(443,800)	(864,200)	-	-
Adjustments in respect of current income tax in prior years	(355,516)	160,326	15	54,698
Adjustments in respect of deferred tax in prior years	(58,000)	(137,300)	-	-
Income tax expense	9,612,283	5,314,304	24,079	56,971

23. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023	2022
Profit attributable to owners of the Company (RM)	29,436,713	14,544,378
Weighted average number of ordinary shares for basic earnings per share:		
Number of shares in issue as at 1 January	800,000,000	800,000,000
Effect of issuance of ordinary shares	50,000	-
Weighted average number of ordinary shares for basic earnings per share (unit)	800,010,137	800,000,000
Basic earnings per ordinary share (sen)	3.68	1.82

NOTES TO THE FINANCIAL STATEMENTS

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23. EARNINGS PER SHARE *cont'd*

(b) Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive ordinary shares into ordinary shares, calculated as follows:

	Group	
	2023	2022
Profit attributable to owners of the Company (RM)	29,436,713	14,544,378
Weighted average number of ordinary shares for basic earnings per share (unit)	800,010,137	800,000,000
Effect of dilution from:		
- Warrants	75,666,216	13,526,570
Weighted average number of ordinary shares for diluted earnings per share (unit)	875,676,353	813,526,570
Diluted earnings per ordinary share (sen)	3.36	1.79

There has been an issuance of ordinary shares pursuant to warrants exercised amounting to 560,000 ordinary shares at the price of RM0.275 per ordinary share subsequent to end of the financial year.

24. DIVIDENDS

	Group/Company	
	2023	2022
	RM	RM
Recognised during the financial year:		
Single tier final dividend of 0.28 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 25 July 2023	2,240,000	-
Single tier final dividend of 0.21 sen per ordinary share in respect of the financial year ended 31 December 2021, paid on 29 July 2022	-	1,680,000

At the forthcoming Annual General Meeting, a single tier final dividend of 0.75 sen (2022: 0.28 sen) per ordinary share, amounting to RM6,000,375 (2022: RM2,240,000) in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2023, will be proposed for the shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS

(a) Material accounting policy information

Financial assets - subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivatives

The Group uses interest swap contracts to hedge the exposure of floating interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

(b) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) FVPL

	Carrying amount RM	Amortised cost RM	FVPL RM
As at 31 December 2023			
Financial assets			
Group			
Trade and other receivables less prepayments and advance payment	254,063,018	254,063,018	-
Cash and short-term deposits	96,008,551	96,008,551	-
	350,071,569	350,071,569	-
Company			
Cash and short-term deposits	5,169,623	5,169,623	-

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*

(b) Categories of financial instruments *cont'd*

	Carrying amount RM	Amortised cost RM	FVPL RM
As at 31 December 2023			
Financial liabilities			
Group			
Loans and borrowings	195,732,840	195,732,840	-
Trade and other payables*	76,080,435	76,080,435	-
Derivative financial liabilities	588,121	-	588,121
	272,401,396	271,813,275	588,121
Company			
Other payables	332,189	332,189	-

* *Excluding contract liabilities*

	Carrying amount RM	Amortised cost RM	FVPL RM
As at 31 December 2022			
Financial assets			
Group			
Trade and other receivables less prepayments and advance payment	214,747,537	214,747,537	-
Cash and short-term deposits	21,871,961	21,871,961	-
	236,619,498	236,619,498	-
Company			
Cash and short-term deposits	4,948,958	4,948,958	-
Financial liabilities			
Loans and borrowings	217,738,416	217,738,416	-
Trade and other payables*	48,090,303	48,090,303	-
Derivative financial liabilities	966,688	-	966,688
	266,795,407	265,828,719	966,688
Company			
Other payables	309,681	309,681	-

* *Excluding contract liabilities*

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's and the Company's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the statements of financial position.

The carrying amounts of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

As at the end of the reporting period the Company has significant concentration of credit risk in the form of outstanding balances owing by 1 (2022:1) customer representing 13% (2022: 11%) of the total receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 Financial Instruments, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

Credit risk concentration profile *cont'd*

The information about the credit risk exposure on the Group's trade receivables are as follows:

	Group	
	2023	2022
	RM	RM
Current (not past due)	155,460,213	127,441,576
1 to 30 days past due	55,081,525	45,211,872
31 to 60 days past due	17,035,366	9,258,932
61 to 90 days past due	7,895,389	6,412,486
91 to 120 days past due	3,557,506	3,714,959
More than 120 days past due	13,605,234	22,020,499
	252,635,232	214,060,324
Impairment losses: individually assessed	1,984,191	1,619,965
	254,619,423	215,680,289

As at the end of the reporting date, the Group and the Company consider the trade receivables as low credit risk.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon the initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group and the Company provide advances to subsidiaries. Certain advances to subsidiaries are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the subsidiary do not have sufficient liquid reserves when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired amount due from subsidiaries, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Financial guarantee contracts

The Group is exposed to credit risk in relation to financial guarantees given to banks in respect of performance and warranty bonds issued to certain customers.

The maximum exposure to credit risks amounts to RM48,663,271 (2022: RM50,527,220), representing the maximum amount the Group could pay if the guarantees are called.

Generally, the Group considers the financial guarantees to be of low credit risk as the guarantees are provided as performance and warranty bonds on delivery performance.

The Group monitors delivery performance on an on-going basis. As at the reporting date, there was no indication of any delivery performance issues.

As at the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantees.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(ii) Liquidity risk *cont'd*

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	← Contractual cash flows →				Total RM
	Carrying amount RM	On demand or within one year RM	Between one to five years RM	More than five years RM	
As at 31 December 2023					
Financial liabilities					
Group					
Term loans	4,542,115	1,355,238	2,872,536	1,206,558	5,434,332
Hire purchase payable	8,649,602	3,089,953	6,474,356	-	9,564,309
Lease liabilities	757,415	425,340	366,449	-	791,789
Bankers' acceptance	181,783,708	181,783,708	-	-	181,783,708
Trade and other payables	82,789,338	82,789,338	-	-	82,789,338
Derivative financial liabilities	588,121	588,121	-	-	588,121
	279,110,299	270,031,698	9,713,341	1,206,558	280,951,597
Company					
Other payables	332,189	332,189	-	-	332,189
As at 31 December 2022					
Financial liabilities					
Group					
Term loans	4,867,183	1,229,468	3,165,128	1,191,755	5,586,351
Hire purchase payable	4,106,244	2,004,277	2,368,754	-	4,373,031
Lease liabilities	198,803	163,140	45,256	-	208,396
Bankers' acceptance	208,566,186	208,566,186	-	-	208,566,186
Trade and other payables	56,013,174	56,013,174	-	-	56,013,174
Derivative financial liabilities	966,688	966,688	-	-	966,688
	274,718,278	268,942,933	5,579,138	1,191,755	275,713,826
Company					
Other payables	309,681	309,681	-	-	309,681

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's trade and other receivables, cash and bank balances and trade and other payables.

Management has set up a policy that requires all companies within the Group to manage their treasury activities and exposures. The Group's policy is to hedge all material foreign currency exposures arising from its transactions and balances using derivative instruments that have maturity periods that match the corresponding maturity periods of the hedged items. In addition, the Group also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group	
	2023	2022
	RM	RM
<hr/>		
<u>Trade receivables</u>		
United States Dollar ("USD")	1,531,244	13,642,442
<u>Cash and bank balances</u>		
USD	723,380	268,230
<u>Trade payables</u>		
USD	(9,331,957)	(3,684,962)
Chinese Yen ("CNY")	(2,701,167)	-
<u>Other payables</u>		
USD	(379,864)	(78,717)

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD and CNY.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and CNY, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group:			
31 December 2023			
USD	+15%	(850,120)	(850,120)
	-15%	850,120	850,120
CNY	+15%	(307,933)	(307,933)
	-15%	307,933	307,933
31 December 2022			
USD	+15%	1,156,757	1,156,757
	-15%	(1,156,757)	(1,156,757)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings and short-term deposits with floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iv) Interest rate risk *cont'd*

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in basis points	Effect on profit for the financial year RM	Effect on equity RM
Group:			
31 December 2023			
Term loans	+50	(17,260)	-
	-50	17,260	-
Bankers' acceptance	+50	(690,778)	-
	-50	690,778	-
Short-term deposits	+50	124	-
	-50	(124)	-
31 December 2022			
Term loans	+50	(18,495)	-
	-50	18,495	-
Bankers' acceptance	+50	(792,552)	-
	-50	792,552	-
Short-term deposits	+50	122	-
	-50	(122)	-

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year (2022: no transfers in either direction).

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS *cont'd*(d) Fair value measurement *cont'd*

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

Group	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
31 December 2023										
Financial liabilities										
Term loans	3,431,709	-	-	-	-	-	-	-	3,379,016	3,379,016
Derivative financial liabilities	588,121	-	588,121	-	588,121	-	-	-	-	-
31 December 2022										
Financial liabilities										
Term loans	3,890,482	-	-	-	-	-	-	-	3,708,586	3,708,586
Derivative financial liabilities	966,688	-	966,688	-	966,688	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(d) Fair value measurement *cont'd*

Level 2 fair value

Fair value of financial instruments carried at fair value

The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of liability component of term loans is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

26. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2023	2022
	RM	RM
Capital expenditures contracted but not provided for:		
- Plant and machineries, Construction of buildings and Enterprise Resource Planning information technology system	8,477,897	6,596,298
Capital expenditures not contracted and not provided for:		
- Construction of buildings and Enterprise Resource Planning information technology system	5,076,261	7,952,727
	13,554,158	14,549,025

27. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interest;
- (iii) A person(s) connected to a director; and
- (iv) Key management personnel of the company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. RELATED PARTIES *cont'd*

(b) Significant related party transactions

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Rental expense charged by				
A person connected to a director	54,000	54,000	-	-
Dividend received				
Subsidiaries	-	-	3,200,000	3,200,000

(c) Compensation of key management personnel

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fees	273,000	240,000	273,000	240,000
Salaries, allowances and bonuses	3,243,764	3,055,134	8,800	9,600
Defined contribution plans	361,631	340,076	-	-
Other staff related expenses	641,028	20,411	-	-
Benefits-in-kind	93,933	73,000	-	-
	4,613,356	3,728,621	281,800	249,600

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using net gearing ratio. The net gearing ratio is calculated as total net debts divided by equity attributable to the owners of the Group. The net gearing ratio as at 31 December 2023 and 31 December 2022 are as follows:

	Note	Group	
		2023	2022
		RM	RM
Loans and borrowings	12	195,732,840	217,738,416
Less: Cash and short-term deposits	9	(96,008,551)	(21,871,961)
Total net debts		99,724,289	195,866,455
Total equity		315,041,691	287,831,228
Net gearing ratio (times)		0.32	0.68

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

28. CAPITAL MANAGEMENT *cont'd*

There were no bank borrowings for the Company for the financial years ended 31 December 2023 and 31 December 2022. Accordingly, calculation of net debts equity ratio is not meaningful to the Company. There were no changes in the Group's approach to capital management during the financial years under review.

The Group is required to comply with externally imposed capital requirements on current ratio, leverage ratio and maintain certain net worth in respect of its bank borrowings. The Group has complied with those capital requirements.

29. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resources allocation and performance assessment.

The four reportable operating segments are as follows:

Segments	Product and services
Power cables and wires	Used in electrical systems for the distribution of power.
Communications cables and wires	Used to transmit data including text, sound and images by using electrical current of various frequencies.
Control and instrumentation cables and wires	Used to transmit electrical signals and data to measure, monitor, control and regulate industrial process automation plants.
Related products and services	Includes manufacture of copper and aluminium rod, plastic compound, wooden cable drums, trading and supply of cables and wires.

Inter-segment pricing is determined on negotiated basis.

Segments profit

Segment performance is used to measure performance as Group's Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segments assets

Segments assets information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosure is made on segments assets.

Segments liabilities

Segments liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosure is made on segments liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

29. SEGMENT INFORMATION cont'd

	Note	Power cables and wires RM	Communication cables and wires RM	Control and instrumentation cables and wires RM	Related products and services RM	Adjustments and eliminations RM	Total RM
31 December 2023							
Revenue:							
Revenue from external customers		910,703,174	8,988,562	29,650,848	103,738,516	-	1,053,081,100
Inter-segment revenue	A	-	-	-	42,963,323	(42,963,323)	-
		<u>910,703,174</u>	<u>8,988,562</u>	<u>29,650,848</u>	<u>146,701,839</u>	<u>(42,963,323)</u>	<u>1,053,081,100</u>
Segment profit		63,295,501	1,503,821	4,346,012	5,417,635	(686,247)	73,876,722
Other income							4,802,203
Unallocated expenses							(30,174,683)
Finance costs							(9,455,246)
Income tax expense							(9,612,283)
Profit for the financial year							<u>29,436,713</u>
Results:							
Included in the measure of segments profit are:							
Employee benefits expense							37,630,142
Depreciation and amortisation							<u>9,200,516</u>

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

29. SEGMENT INFORMATION cont'd

	Note	Power cables and wires RM	Communication cables and wires RM	Control and instrumentation cables and wires RM	Related products and services RM	Adjustments and eliminations RM	Total RM
31 December 2022							
Revenue:							
Revenue from external customers		748,957,740	11,066,530	15,326,579	100,528,591	-	875,879,440
Inter-segment revenue	A	-	-	-	34,732,640	(34,732,640)	-
		<u>748,957,740</u>	<u>11,066,530</u>	<u>15,326,579</u>	<u>135,261,231</u>	<u>(34,732,640)</u>	<u>875,879,440</u>
Segment profit		44,664,470	1,274,389	1,514,852	4,234,660	26,688	51,715,059
Other income							2,417,751
Unallocated expenses							(25,932,186)
Finance costs							(8,341,942)
Income tax expense							(5,314,304)
Profit for the financial year							<u>14,544,378</u>
Results:							
<i>Included in the measure of segments profit are:</i>							
Employee benefits expense							31,339,060
Depreciation and amortisation							<u>8,177,651</u>

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

29. SEGMENT INFORMATION *cont'd*

A. Inter-segment revenue

Inter-segment revenues are eliminated on combination.

Geographical information

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue RM	Non-current assets RM
31 December 2023		
Local	1,021,335,033	99,578,802
Overseas	31,746,067	-
	1,053,081,100	99,578,802
31 December 2022		
Local	850,236,593	92,861,904
Overseas	25,642,847	-
	875,879,440	92,861,904

The Group operates predominantly in Malaysia and hence, non-current assets are all held in Malaysia.

Information about major customers

For power cables and wires, communication cables and wires and control and instrumentation cables and wires, revenue from one customer represented approximately RM202,748,235 (2022: RM211,107,803) of the Group's total revenue.

STATEMENTS BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **TUNG ENG HAI** and **WONG MENG KEE**, being two of the directors of SOUTHERN CABLE GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 78 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

TUNG ENG HAI

Director

Penang

Date: 5 April 2024

WONG MENG KEE

Director

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **SONG SWEE KIM**, being the officer primarily responsible for the financial management of SOUTHERN CABLE GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 78 to 127 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SONG SWEE KIM

(MIA Membership No: 27362)

Subscribed and solemnly declared by the abovenamed at George Town in the State of Penang on 5 April 2024

Before me,

Ong Lin Teong (P192)

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of Southern Cable Group Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southern Cable Group Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventories (Note 7 to the financial statements)

The Group accounting policy is to use standard costing in measuring its finished goods, which includes an element of estimation in the allocation of overhead costs. We considered this to be a key audit matter given the level of judgements involved in determining the cost of inventories and the significant balances of inventories.

Our response:

Our audit procedures included, among others:

- understanding the management's process in the application of standard costing in measuring its inventories, including the allocation of overhead costs;
- testing the costing on samples of inventories by recomputing the elements which made up the standard cost; and
- observing year end physical inventory count to observe physical existence and condition of the inventories and understanding the design and implementation of controls during the count.

INDEPENDENT AUDITORS' REPORT

To the members of Southern Cable Group Berhad
(Incorporated in Malaysia)
Cont'd

Key Audit Matters *cont'd*

Group

Trade receivables (Note 8 to the financial statements)

The Group has significant trade receivables as at 31 December 2023. We focused on this area because the Group made significant judgements over assumptions about the risk of default and expected loss rate with uncertainty involved on assessing customer's specific conditions, credit history as well as forward looking information.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and impairment calculation;
- discussing with management the significant credit exposures of receivables which were significantly overdue through understanding of ageing reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and understanding explanation from management on recoverability of receivables with significant past due balances; and
- discussing with management the reasonableness of any impairment loss provided as at the end of the reporting period.

Company

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To the members of Southern Cable Group Berhad
(Incorporated in Malaysia)
Cont'd

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and the of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the members of Southern Cable Group Berhad
(Incorporated in Malaysia)
Cont'd

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2024 J
Chartered Accountant

Kuala Lumpur

Date: 5 April 2024

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

Total Number of Issued Shares	:	800,480,000 ordinary shares
Class of Equity Securities	:	Ordinary shares ("shares")
Voting Rights by Show of Hands	:	One vote for every member
Voting Rights by Poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1-99	2	0.04	100	-
100-1,000	392	7.42	245,700	0.03
1,001-10,000	2,443	46.26	15,103,200	1.89
10,001-100,000	2,042	38.67	74,714,700	9.33
100,001-less than 5% of issued shares	400	7.57	296,863,488	37.09
5% and above of issued shares	2	0.04	413,552,812	51.66
TOTAL:	5,281	100.00	800,480,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Sino Shield Sdn. Bhd. ("Sino")	285,524,412	35.67	-	-
Semangat Handal Sdn. Bhd. ("Semangat")	128,028,400	15.99	-	-
Tung Eng Hai	2,100,000	0.26	285,524,412 ⁽¹⁾	35.67
Ooi Gaik Bee	-	-	287,624,412 ⁽²⁾	35.93
Wong Meng Kee	1,459,204	0.18	292,388,412 ⁽³⁾	36.53
Tung Cheng Im	6,864,000	0.86	286,983,616 ⁽⁴⁾	35.85
Fawiza Binti Faiz	-	-	128,028,400 ⁽⁵⁾	15.99

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Companies Act 2016 ("Act").
- (2) Deemed interested by virtue of her shareholdings in Sino pursuant to Section 8(4) of the Act, and her spouse, Tung Eng Hai's direct shareholdings in the Company.
- (3) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act, and his spouse, Tung Cheng Im's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
- (4) Deemed interested by virtue of her spouse, Wong Meng Kee's direct and indirect shareholdings in the Company.
- (5) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

Cont'd

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tung Eng Hai	2,100,000	0.26	285,524,412 ⁽¹⁾	35.67
Wong Meng Kee	1,459,204	0.18	292,388,412 ⁽²⁾	36.53
Rizvi Bin Abd Halim	400,000	0.05	-	-
Wong Kar Wai	600,000	0.08	-	-
Eugene Lee Cheng Hoe	400,000	0.05	-	-
Daphne Choy Gaik Choo	400,000	0.05	-	-
Fawiza Binti Faiz	-	-	128,028,400 ⁽³⁾	15.99
Loh Aye Li	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act.
(2) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act, his spouse, Tung Cheng Im's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
(3) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 MARCH 2024

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
1	Sino Shield Sdn. Bhd.	285,524,412	35.67
2	Semangat Handal Sdn. Bhd.	128,028,400	15.99
3	Pertubuhan Keselamatan Sosial	38,000,000	4.75
4	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Chin Seong</i>	30,175,300	3.77
5	Tung Siew Luan	12,700,800	1.59
6	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad for PMB Shariah Equity Fund</i>	7,000,000	0.87
7	Tung Cheng Im	6,864,000	0.86
8	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Growth)</i>	5,185,000	0.65
9	HSBC Nominees (Asing) Sdn. Bhd. <i>J.P. Morgan Securities PLC</i>	4,970,800	0.62
10	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Dana EKT Prima)</i>	4,145,000	0.52
11	Asia New Venture Capital Holdings Sdn. Bhd.	4,021,800	0.50
12	Teh Kiak Seng	4,000,000	0.50
13	Oan Yee Lai	3,900,000	0.49
14	Ooi Hock Guan	3,445,000	0.43

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

Cont'd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 MARCH 2024 *cont'd*
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
15	Cartaban Nominees (Asing) Sdn. Bhd. <i>The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund</i>	3,231,500	0.40
16	Tan Chin Keat	3,100,008	0.39
17	Amanahraya Trustees Berhad <i>PMB Shariah Aggressive Fund</i>	3,000,000	0.38
18	Lim Boon Liat	3,000,000	0.38
19	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	2,680,400	0.34
20	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Prem Equity)</i>	2,665,000	0.33
21	Chin Chin Seong	2,600,000	0.33
22	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Wong Kia Chin</i>	2,400,500	0.30
23	Tan Chee Tat	2,254,800	0.28
24	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Balance)</i>	2,205,000	0.28
25	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Teh Kiak Seng</i>	2,180,000	0.27
26	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Family Takaful Berhad (Dana Ekuiti)</i>	2,160,000	0.27
27	Tung Eng Hai	2,100,000	0.26
28	Yeoh Chin Kiang	1,954,000	0.24
29	Ong Choo Chuan	1,929,000	0.24
30	Amanahraya Trustees Berhad <i>Public Select Mixed Asset Conservative Fund</i>	1,857,800	0.23

ANALYSIS OF WARRANT HOLDINGS

As at 29 March 2024

Cont'd

Type of Convertible Securities	:	Warrants 2022/2027
Total No. of Outstanding Warrants	:	399,390,000
Exercise Price	:	RM0.2750
Exercise Period	:	1 November 2022 to 31 October 2027

DISTRIBUTION SCHEDULE OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
1-99	212	5.93	10,390	-
100-1,000	462	12.93	300,154	0.08
1,001-10,000	1,555	43.51	7,887,600	1.98
10,001-100,000	1,006	28.15	37,879,300	9.48
100,001 - less than 5% of the no. of outstanding Warrants	338	9.46	210,550,350	52.72
5% and above of the no. of outstanding Warrants	1	0.03	142,762,206	35.75
TOTAL:	3,574	100.00	399,390,000	100.00

DIRECTORS' WARRANT HOLDINGS

(As per the Register of Directors' Warrant Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Tung Eng Hai	1,050,000	0.26	142,762,206 ⁽¹⁾	35.73
Wong Meng Kee	729,602	0.18	146,194,206 ⁽²⁾	36.59
Rizvi Bin Abd Halim	200,000	0.05	-	-
Wong Kar Wai	300,000	0.08	-	-
Eugene Lee Cheng Hoe	200,000	0.05	-	-
Daphne Choy Gaik Choo	200,000	0.05	-	-
Fawiza Binti Faiz	-	-	-	-
Loh Aye Li	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act.
(2) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act, and his spouse, Tung Cheng Im's direct shareholdings in the Company pursuant to Section 221(9) of the Act.

ANALYSIS OF WARRANT HOLDINGS

As at 29 March 2024

Cont'd

THIRTY LARGEST WARRANT HOLDERS AS AT 29 MARCH 2024

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Warrants held	%
1	Sino Shield Sdn. Bhd.	142,762,206	35.75
2	Lee Wei Ming	15,000,000	3.76
3	TA Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Chen, Quanqing</i>	6,300,000	1.58
4	Fu, Jun	6,000,000	1.50
5	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cheang Wai Kett</i>	5,000,000	1.25
6	Yeoh Mei Mei	5,000,000	1.25
7	Ng Chee Seng	4,451,100	1.11
8	Chin Chin Seong	4,264,300	1.07
9	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Koon Teck</i>	4,000,000	1.00
10	Tung Cheng Im	3,432,000	0.86
11	Au Yong Mun Yue	3,300,000	0.83
12	Liew Bee Ling	3,215,000	0.81
13	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ser Kong Lam</i>	3,159,700	0.79
14	Lim Boon Liat	3,123,600	0.78
15	Ng Sok Huan	3,092,300	0.77
16	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Christina Loh Yoke Lin</i>	3,000,000	0.75
17	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Maverick Ventures Sdn. Bhd.</i>	3,000,000	0.75
18	Liew Bee Ling	2,453,000	0.61
19	Tan Chin Keat	2,343,104	0.59
20	Nadia Ravindra	2,150,000	0.54
21	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Moi Cheng</i>	2,017,800	0.51
22	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Chee Kuan</i>	2,000,000	0.50
23	Lim Peng Hock	2,000,000	0.50
24	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Christina Loh Yoke Lin</i>	2,000,000	0.50
25	SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tey Jau Shin</i>	2,000,000	0.50
26	Teh Kiak Seng	2,000,000	0.50
27	Trisha Ravindra	2,000,000	0.50
28	Aw Soon Keong	1,850,000	0.46
29	Raymond Choo Ping Khoon	1,800,000	0.45
30	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd	1,674,300	0.42

LIST OF PROPERTIES

As at 31 December 2023

Property	Description and Existing Use of Building/Land	Tenure	Land Area (sq ft)	Date of acquisition	Age of Building (years)	Net book value as at 31 Dec 2023 RM'000	
1.	Land and buildings Lots 35 and 42, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	A single storey detached factory with double storey office	Leasehold expiring on 10 December 2055 and 7 July 2055	194,999	1995	27	4,847
		Office and factory					
2.	Land and buildings Lot 34, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	A single storey and a three (3) storey factory	Leasehold expiring on 16 April 2062	130,060	2005	17	6,014
		Factory					
3.	Land and buildings Lots 43 and 44, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	Two (2) units of single storey detached factory with double storey office	Leasehold expiring on 14 June 2055	176,593	2007	Factory 16 Office 14	6,377
		Office and factory					
4.	Land and building PT 4846, Kawasan Perusahaan Cendana, 08000 Sungai Petani, Kedah Darul Aman	A single storey detached factory with office	Freehold	55,262	2008	Office 19 and factory 7	1,309
		Office and factory					
5.	Land and buildings Lots 36 and 41, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	Two (2) units of single storey detached factory and office	Leasehold expiring on 16 April 2062	194,999	2011	Office and warehouse 27 Office and factory 9 years	4,634
		Office, factory and warehouse					
6.	Land and buildings Lot 38 and 39, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	A single storey detached factory	Leasehold expiring on 6 September 2069 (with an option to renew for a further 39 years)	187,593	2013	4	6,887
		Office and factory					
7.	Land and buildings PTD 12913, 46 Jalan Alam Jaya 1, Taman Perindustrian Alam Jaya, 81500 Pekan Nanas, Johor Darul Takzim	One and a half (1½) storey semi-detached factory and office	Freehold	12,680	2017	7	2,131
		Office and warehouse					

LIST OF PROPERTIES

As at 31 December 2023

Cont'd

Property	Description and Existing Use of Building/Land	Tenure	Land Area (sq ft)	Date of acquisition	Age of Building (years)	Net book value as at 31 Dec 2023 RM'000	
8	Land and buildings No. 12A-G, Pusat Teknologi Sunsuria, Jalan Teknologi, Taman Sains Selangor, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan	One and a half (1½) storey semi- detached industrial building Office and warehouse	Leasehold expiring on 4 January 2110	11,055	2018	13	6,151
9	Land Lot 28, Kawasan Perindustrian Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	Vacant land Vacant	Leasehold expiring on 16 April 2062 (with an option to renew for a further 39 years)	119,307	2019	N/A	1,019
10	Land Lot 29, Kawasan Perindustrian Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman	Vacant land Vacant	Leasehold expiring on 16 April 2062 (with an option to renew for a further 39 years)	115,206	2019	N/A	2,612

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting (“5th AGM” or “Meeting”) of SOUTHERN CABLE GROUP BERHAD (“Southern Cable” or “the Company”) will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 20 June 2024 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of a Final Dividend of 0.75 sen per ordinary share for the financial year ended 31 December 2023. *(Ordinary Resolution 1)*
3. To approve the payment of Directors’ fees and benefits of up to RM380,000.00 for the financial year ending 31 December 2024. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company’s Constitution:-
 - (i) Mr. Tung Eng Hai *(Ordinary Resolution 3)*
 - (ii) Mr. Wong Meng Kee *(Ordinary Resolution 4)*
5. To re-elect the following Directors who retire pursuant to Clause 91 of the Company’s Constitution:-
 - (i) Ms. Fawiza Binti Faiz *(Ordinary Resolution 5)*
 - (ii) Ms. Loh Aye Li *(Ordinary Resolution 6)*
6. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting (“AGM”) and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 7)*

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without any modifications, the following resolutions:-

7. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)** *(Ordinary Resolution 8)*

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND the Mandate shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

8. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Final Dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 December 2023, if approved by the shareholders at the 5th AGM of the Company, will be paid on 26 July 2024 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12 July 2024.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (i) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 12 July 2024 in respect of ordinary transfers; and
- (ii) Shares bought on Bursa Securities on a cum-entitlement basis according to the Rules of Bursa Securities.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC NO. 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC NO. 202008000735)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

Notes:

- (a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- (c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the office of the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the Meeting or adjourned meeting, otherwise, the instrument of proxy should not be treated as valid. The proxy may also be lodged electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>
- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at **13 June 2024**. Only members whose names appear in the General Meeting Record of Depositors as at **13 June 2024** shall be entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of the Meeting will be put to vote by-poll.
- (i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (j) Kindly check Bursa Securities' website and the Company's website at www.southern-cable.com.my for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2023

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the audited financial statements. Hence, this Agenda is not put forward for voting.

2. Item 3 of the Agenda - Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the financial year ending 31 December 2024. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM of the Company for such shortfall.

3. Items 4 and 5 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 91 of the Company's Constitution provides that the Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

Following thereto, Mr. Tung Eng Hai and Mr. Wong Meng Kee will retire by rotation pursuant to Clause 85 of the Company's Constitution whereas Ms. Fawiza Binti Faiz and Ms. Loh Aye Li will retire pursuant to Clause 91 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 5th AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek for shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile of the Company's Annual Report 2023.

4. **Item 7 of the Agenda - General Authority for the Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act**

The Company had at its Fourth AGM, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time.

The Ordinary Resolution 8 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 26 June 2023 which will lapse at the conclusion of the Meeting.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE FULLY VIRTUAL FIFTH ANNUAL GENERAL MEETING (“5TH AGM”)

Day and Date	:	Thursday, 20 June 2024
Time	:	11:00 a.m. or at any adjournment thereof
Online Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	1) Pose questions to the Board of Directors of the Company (“ Board ”) via real-time submission of typed texts at the meeting platform during live streaming of the 5 th AGM. 2) Submit questions by logging into the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the 5 th AGM.

Dear Shareholders,

The Company’s 5th AGM will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657).

We strongly encourage you to participate in the fully virtual 5th AGM via the Virtual Meeting Facilities provided to exercise your right as a member of the Company to participate (including to pose questions to the Board and/or Management of the Company) and vote at the 5th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 5th AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our fully virtual 5th AGM has commenced. It is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

A. Entitlement to Participate in the 5th AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 13 June 2024 (General Meeting Record of Depositors) shall be eligible to participate in the meeting or appoint proxy(ies) to participate on his/her behalf.

B. Appointment of Proxy or Attorney or Corporate Representative

If you are unable to attend the 5th AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Shareholders who appoint proxy or attorney or authorised representative to participate via RPEV facilities at the 5th AGM must ensure that the duly executed Proxy Form is deposited in a hard copy form or by electronic means to Boardroom Share Registrars Sdn. Bhd. (“BSR”) not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. not later than **Tuesday, 18 June 2024 at 11:00 a.m.**

ADMINISTRATIVE GUIDE

Cont'd

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

1. In hardcopy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

2. By electronic form

The proxy form can be electronically lodged to BSR via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Kindly refer to the Procedure for RPEV facilities above for guidance.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than **Tuesday, 18 June 2024 at 11:00 a.m.** to participate via RPEV facilities in the 5th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate shareholder who has appointed a representative, please deposit the ORIGINAL Certificate of Appointment at the office of the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than **Tuesday, 18 June 2024 at 11:00 a.m.** to participate via RPEV facilities in the 5th AGM. The Certificate of Appointment should be executed in the following manner:

1. If the corporate shareholder has a common seal, the Certificate of Appointment should be executed under the common seal in accordance with the constitution of the corporate shareholder.
2. If the corporate shareholder does not have a common seal, the Certificate of Appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - a. at least two (2) authorised officers, of whom one shall be a director; or
 - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate shareholder is incorporated.

C. Revocation of Proxy

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our electronic 5th AGM yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

D. Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 5th AGM will be conducted by-poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

ADMINISTRATIVE GUIDE



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E. Virtual Meeting Facilities

Procedure	Action
Before the day of the 5th AGM	
1. Register Online with Boardroom Smart Investor Portal (For first time registration only)	<p>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</p> <ol style="list-style-type: none"> Access website https://investor.boardroomlimited.com Click <<Register>> to sign up as a user. Please select the correct account type i.e. sign up as “Shareholder” or “Corporate holder” Complete registration with all required information and upload a softcopy of your or representative’s MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. Please enter a valid mobile number and email address. For Corporate Holder, kindly upload the authorisation letter as well. Click “Sign Up”. You will receive an e-mail from BSIP for e-mail address verification. Click “Verify E-mail Address” from the e-mail received to continue with the registration. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click “Request OTP Code” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click ‘Enter’ to complete the process. Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. Your registration will be verified and approved within one business day and an email notification will be provided.
2. Submit a request for remote participation	<p>Registration for remote access will be opened on 30 April 2024. Please note that the closing time to submit your request is at 11:00 a.m. on 18 June 2024 (48 hours before the commencement of the 5th AGM).</p> <p>Individual Members</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select SOUTHERN CABLE GROUP BERHAD FIFTH (5TH) ANNUAL GENERAL MEETING from the list of Corporate Meetings and click “Enter”. Click on “Register for RPEV”. Read and accept the General Terms & Conditions and click “Next”. Enter your CDS Account Number and thereafter submit your request. <p>Appointment of Proxy</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select SOUTHERN CABLE GROUP BERHAD FIFTH (5TH) ANNUAL GENERAL MEETING from the list of Corporate Meetings and click “Enter”. Click on “Submit eProxy Form”. Read and accept the General Terms and Conditions by clicking “Next” Enter your CDS Account Number and the number of securities held. Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies). Indicate your voting instructions – FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY. Review and confirm your proxy appointment. Click “Apply”. Download or print the eProxy form as acknowledgment.


ADMINISTRATIVE GUIDE

Cont'd

Procedure	Action	
Before the day of the 5th AGM		
	<p>Corporate Shareholders, Authorised Nominee, and Exempt Authorised Nominee</p> <p>Via Email</p> <ol style="list-style-type: none"> Write to bsr.helpdesk@boardroomlimited.com by providing the name of the Member and CDS Account Number, accompanied by the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request. Please provide a copy of the Corporate Representative's or Proxy's MyKad (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address. <p>Via BSIP</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select SOUTHERN CABLE GROUP BERHAD FIFTH (5TH) ANNUAL GENERAL MEETING from the list of Corporate Meetings and click "Enter". Click on "Submit eProxy Form". Select the company you would like to represent. Proceed to download the file format for "Submission of Proxy Form" from BSIP. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Review and confirm your proxy appointment and click "Submit". Download or print the eProxy form as acknowledgement. 	
3.	Email notification	<ol style="list-style-type: none"> You will receive notification(s) from BSR that your request(s) has/have been received and is/are being verified. Upon system verification against the General Meeting Record of Depositories as at 13 June 2024, you will receive an email from BSR either approving or rejecting your registration for remote participation together with the Meeting ID and your remote access user ID and password. You will also be notified in the event your registration is rejected.
On the day of the 5th AGM		
4.	Login to the Meeting Platform	<ol style="list-style-type: none"> The Meeting Platform will be open for login one (1) hour before the commencement of the 5th AGM. The Meeting Platform can be accessed via one of the following: <ul style="list-style-type: none"> ➤ Scan the QR Code provided in the email notification; or ➤ Navigate to the website at https://meeting.boardroomlimited.my Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
5.	Participate	<p><i>[Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions, and vote.]</i></p> <ol style="list-style-type: none"> If you would like to view the live webcast, select the broadcast icon.  If you would like to ask a question during the 5th AGM, select the messaging icon.  Type your message within the chatbox and once completed, click the send button.

ADMINISTRATIVE GUIDE

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Procedure		Action
On the day of the 5th AGM		
6.	Voting	a. Once polling has been opened, the polling icon  will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session. b. To vote, select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received. c. To change your vote, re-select your voting preference. d. If you wish to cancel your vote, please press " Cancel ".
7.	End of Participation	Upon the announcement by the Chairman on the closure of the 5 th AGM, the live webcast will end.

Notes to RPEV facilities users:

- Should your application to join the 5th AGM be approved, the system will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to <https://meeting.boardroomlimited.my> on the day of the 5th AGM will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet connection at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call BSR Help Line for assistance.

F. No Distribution of Door Gifts

There will be no distribution of door gifts for shareholders/proxies who join or participate in the 5th AGM.

G. No Recording or Photography

No recording or photography of the 5th AGM proceedings is allowed without the prior written permission of the Company.

H. Enquiry

If you have any enquiries prior to the 5th AGM, please contact the following during office hours from Mondays to Fridays (8:30 a.m. to 5:30. p.m.):

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony
 No. 5 Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

General Line : 603-7890 4700
 Fax Number : 603-7890 4670
 Email : bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



SOUTHERN CABLE

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of Shares Held	:	
CDS Account No.	:	

I/We* _____ NRIC/Passport/Registration No.* _____
(Full name in block)

of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **SOUTHERN CABLE GROUP BERHAD** (“the Company”) hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifth Annual General Meeting (“5th AGM” or “Meeting”) of the Company to be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 20 June 2024 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an “X” in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of a Final Dividend of 0.75 sen per ordinary share for the financial year ended 31 December 2023.		
2.	To approve the payment of Directors’ fees and benefits of up to RM380,000.00 for the financial year ending 31 December 2024.		
3.	To re-elect Mr. Tung Eng Hai as a Director of the Company.		
4.	To re-elect Mr. Wong Meng Kee as a Director of the Company.		
5.	To re-elect Ms. Fawiza Binti Faiz as a Director of the Company.		
6.	To re-elect Ms. Loh Aye Li as a Director of the Company.		
7.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company.		
8.	To approve the general authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

*delete whichever is not applicable

Dated this _____ day of _____ 2024

Signature of Member(s)/Common Seal

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

The Share Registrar
SOUTHERN CABLE GROUP BERHAD
[Registration No. 201901011439 (1320767-M)]
c/o **Boardroom Share Registrars Sdn. Bhd.**
[199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

1st fold here

Notes:

- (a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- (c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the office of the Company's Poll Administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the Meeting or adjourned meeting, otherwise, the instrument of proxy should not be treated as valid. The proxy may also be lodged electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>
- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at **13 June 2024**. Only members whose names appear in the General Meeting Record of Depositors as at **13 June 2024** shall be entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of the Meeting will be put to vote by-poll.
- (i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (j) Kindly check Bursa Securities' website and the Company's website at www.southern-cable.com.my for the latest updates on the status of the Meeting.

SOUTHERNCABLE.COM.MY

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