



SOUTHERN CABLE GROUP BERHAD

(Registration No. 201901011439 (1320767-M))
(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report

For The Third Quarter Ended

30 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.09.2024	30.09.2023	30.09.2024	30.09.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	383,604	273,747	1,010,960	746,528
Cost of sales		(345,526)	(255,871)	(919,989)	(700,910)
Gross profit		38,078	17,876	90,971	45,618
Other income		419	1,112	3,279	4,723
Distribution expenses		(6,560)	(4,181)	(15,425)	(11,316)
Administrative expenses		(4,596)	(3,986)	(9,955)	(9,204)
Other expenses		(70)	(1)	(71)	(1)
Operating profit	B12	27,271	10,820	68,799	29,820
Finance costs		(2,755)	(2,182)	(6,967)	(7,277)
Profit before tax		24,516	8,638	61,832	22,543
Income tax expense	B5	(5,942)	(2,112)	(14,755)	(5,531)
Profit/Total comprehensive income for the financial period		18,574	6,526	47,077	17,012
Profit/Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		18,574	6,526	47,077	17,012
		18,574	6,526	47,077	17,012
Earnings per Share					
- Basic (sen)	B11	2.15	0.82	5.76	2.13
- Diluted (sen)	B11	2.01	0.80	4.80	1.98



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾
(CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	85,160	54,633
Right-of-use assets	42,278	44,435
Investment properties	505	510
Total non-current assets	127,943	99,578
Current Assets		
Inventories	115,436	144,096
Current tax assets	697	995
Trade and other receivables	308,774	264,904
Cash and short-term deposits	104,240	96,009
Total current assets	529,147	506,004
TOTAL ASSETS	657,090	605,582
EQUITY AND LIABILITIES		
Equity		
Share capital	239,250	217,670
Retained earnings	259,005	218,319
Reserves	(120,947)	(120,947)
Total equity	377,308	315,042
Non-current Liabilities		
Loans and borrowings	6,752	9,640
Deferred tax liabilities	7,836	7,759
Total non-current liabilities	14,588	17,399
Current Liabilities		
Loans and borrowings	189,447	186,093
Provisions	389	322
Current tax liabilities	11,261	3,349
Trade and other payables	63,879	82,789
Derivative financial liabilities	218	588
Total current liabilities	265,194	273,141
TOTAL LIABILITIES	279,782	290,540
TOTAL EQUITY AND LIABILITIES	657,090	605,582
Number of issued shares ('000)	878,526	800,050
Net assets per share attributable to owners of the company (RM)	0.43	0.39



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2024 (Audited)	217,669	(120,947)	218,319	315,041
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	47,077	47,077
Transaction with owners:				
Dividend payable	-	-	(6,391)	(6,391)
Proceed from warrants conversion	21,581	-	-	21,581
Balance as at 30 September 2024 (Unaudited)	239,250	(120,947)	259,005	377,308

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2023 (Audited)	217,656	(120,947)	191,123	287,832
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	17,012	17,012
Transaction with owners:				
Dividend payable	-	-	(2,240)	(2,240)
Balance as at 30 September 2023 (Unaudited)	217,656	(120,947)	205,895	302,604

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 30.09.2024 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.09.2023 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	61,832	22,543
Adjustments for:		
Amortisation/depreciation of investment properties	5	5
Amortisation/depreciation of property, plant and equipment	6,236	5,073
Depreciation of right-of-use assets	1,703	1,683
Fair value gain on derivative financial instruments	(370)	(1,228)
Loss/(gain) on disposal of property, plant and equipment	5	(268)
Interest expenses	6,967	7,277
Interest income	(985)	(501)
Provision for employee benefit (net)	67	98
Property, plant and equipment written off	-	2
Right-of-use assets written off	31	-
Unrealised loss on foreign exchange	1,222	292
Operating profit before changes in working capital	76,713	34,976
Changes in working capital:		
Inventories	28,661	52,201
Trade and other receivables	(45,047)	(34,735)
Trade and other payables	(18,957)	35,579
Net cash generated from operations	41,370	88,021
Income tax paid	(6,468)	(1,315)
Income tax refunded	-	2,331
Interest received	985	501
Interest paid	(401)	(375)
Net cash from operating activities	35,486	89,163



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾ (CONT'D)

	CURRENT YEAR TO-DATE 30.09.2024 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.09.2023 Audited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(35,800)	(4,160)
Purchase of right-of-use assets	(253)	(427)
Proceed from disposal of property, plant and equipment	3	270
Net cash used in investing activities	(36,050)	(4,317)
Cash flows from financing activities		
Interest paid	(6,566)	(6,902)
Drawdown of term loan	-	778
Repayment of term loans	(1,460)	(826)
Drawdown of lease liabilities	-	2,367
Repayment of lease liabilities	(2,510)	(3,810)
Drawdown of bankers' acceptance	546,630	538,805
Repayment of bankers' acceptance	(542,489)	(571,128)
Dividend paid to shareholders	(6,391)	(2,240)
Proceed from warrants conversion	21,581	-
Net cash from/(used in) financing activities	8,795	(42,956)
Net increase in cash and cash equivalents	8,231	41,890
Cash and cash equivalents at the beginning of the financial period	95,976	21,840
Cash and cash equivalents at the end of the financial period	104,207	63,730

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A1. Basis of Preparation

The interim financial report of Southern Cable Group Berhad (“**Southern Cable**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial report should be read in conjunction with the Company’s audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2023, except for the following New MFRS and amendments/improvements to MFRSs which are relevant and mandatory for the current financial period:

New MFRS

MFRS 17 Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

A4. Seasonal or Cyclical Factors

The Group’s performance has not been materially affected by any seasonal or cyclical factors during the current quarter and financial year-to-date.

A5. Items or Incidence of an Unusual Nature

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.

A8. Dividend Paid

The Company declared a final dividend of 0.75 sen per ordinary share amounting to a RM6.39 million in respect of the financial year ended 31 December 2023. The final dividend has been paid by the Company on 26 July 2024 to shareholders whose names appeared in the Record of Depositors at the close of business on 12 July 2024.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

The Group is principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. The Group's segmental revenue for the current quarter and financial year-to-date is as follows:

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter 30 September 2024						
Revenue:						
Revenue from external customers	349,833	730	7,422	25,619	-	383,604
Inter-segment revenue	-	-	-	12,240	(12,240)	-
	<u>349,833</u>	<u>730</u>	<u>7,422</u>	<u>37,859</u>	<u>(12,240)</u>	<u>383,604</u>
Segment profit	35,197	156	1,289	1,189	247	38,078
Other income						419
Unallocated expenses						(11,226)
Finance costs						(2,755)
Income tax expenses						(5,942)
Profit for the financial period						<u>18,574</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						11,227
Depreciation and amortisation						2,922



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous quarter 30 September 2023						
Revenue:						
Revenue from external customers	233,504	2,202	10,677	27,364	-	273,747
Inter-segment revenue	-	-	-	12,127	(12,127)	-
	<u>233,504</u>	<u>2,202</u>	<u>10,677</u>	<u>39,491</u>	<u>(12,127)</u>	<u>273,747</u>
Segment profit	15,016	427	1,443	1,289	(299)	17,876
Other income						1,112
Unallocated expenses						(8,168)
Finance costs						(2,182)
Income tax expenses						(2,112)
Profit for the financial period						<u>6,526</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						10,391
Depreciation and amortisation						2,313



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 September 2024						
Revenue:						
Revenue from external customers	913,237	3,257	22,733	71,733	-	1,010,960
Inter-segment revenue	-	-	-	34,551	(34,551)	-
	<u>913,237</u>	<u>3,257</u>	<u>22,733</u>	<u>106,284</u>	<u>(34,551)</u>	<u>1,010,960</u>
Segment profit	82,618	690	4,100	3,245	318	90,971
Other income						3,279
Unallocated expenses						(25,451)
Finance costs						(6,967)
Income tax expenses						(14,755)
Profit for the financial period						<u>47,077</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						29,682
Depreciation and amortisation						7,944



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 September 2023						
Revenue:						
Revenue from external customers	646,499	7,443	22,395	70,191	-	746,528
Inter-segment revenue	-	-	-	31,107	(31,107)	-
	<u>646,499</u>	<u>7,443</u>	<u>22,395</u>	<u>101,298</u>	<u>(31,107)</u>	<u>746,528</u>
Segment profit	38,829	1,153	2,952	3,069	(385)	45,618
Other income						4,723
Unallocated expenses						(20,521)
Finance costs						(7,277)
Income tax expenses						(5,531)
Profit for the financial period						<u>17,012</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						28,115
Depreciation and amortisation						6,761

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A10. Material Events Subsequent to the End of the Current Quarter

There are no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A12. Contingent Assets and Contingent Liabilities

Save as disclosed below, there were no other contingent assets or contingent liabilities as at the date of this interim financial report.

	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
Bank guarantee		
- Trade facilities	25,774	22,057
- Contract financing for performance bonds and guarantee	26,140	26,606
	<u>51,914</u>	<u>48,663</u>

A13. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred.

	Unaudited as at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
Capital expenditures contracted but not provided for:		
- Acquisition of land and building and factory equipment	2,450	-
- Construction of building	2,396	845
- Purchase of machineries and factory equipment	6,203	7,576
- Enterprise Resource Planning information technology system	47	57
Capital expenditures not contracted and not provided for:		
- Construction of building and Enterprise Resource Planning information technology system	1,239	5,076
- Purchase of machineries and factory equipment	20,000	-
	<u>32,335</u>	<u>13,554</u>

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A14. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000
Rental expenses charged by a person connected to a director	14	14	41	41

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
B1. Review of Group Performance

(a) Result for current quarter

	QUARTER ENDED		Variance RM'000	%
	Current Quarter	Previous Corresponding Quarter		
	30.09.2024 RM'000	30.09.2023 RM'000		
Revenue	383,604	273,747	109,857	40.13
Profit before Tax	24,516	8,638	15,878	183.82

In the current quarter ended 30 September 2024, the Group recorded revenue of RM383.60 million — an increase of RM109.86 million or 40.13%, compared with RM273.75 million in the previous corresponding quarter ended 30 September 2023.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 91.55% of total revenue, while the overseas market made up of the balance 8.45% in the current financial quarter. In absolute terms, sales from Malaysia and overseas grew 31.40% and 395.63%, respectively, from a year ago.

The Group's revenue growth in the current financial quarter was mainly attributed to higher sales volume of power cables and wires and higher average selling prices in line with current raw material prices.

The power cables and wires segment accounted for RM349.83 million or 91.20% of the Group's total revenue for the current quarter — an increase of RM116.33 million or 49.82%, from RM233.50 million in the previous corresponding quarter.

The balance RM33.77 million or 8.80% of total group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments decreased by RM6.47 million or 16.08%, from RM40.24 million in the previous corresponding quarter, due to lower sales volume of both the mentioned cable and wire segments, as well as aluminium rods.

The Group's profit before tax jumped to RM24.52 million in the current quarter — an increase of RM15.88 million or 183.82%, compared with RM8.64 million in the previous corresponding quarter. The profit growth was driven by higher revenue, a better product mix, and improved profit margins resulting from economies of scale achieved through increased production volumes.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

(b) Result for financial year-to-date

	YEAR-TO-DATE ENDED			
	Current Year to Date 30.09.2024 RM'000	Previous Year to Date 30.09.2023 RM'000	Variance	
			RM'000	%
Revenue	1,010,960	746,528	264,432	35.42
Profit before tax	61,832	22,543	39,289	174.28

The Group recorded revenue of RM1,010.96 million for the current financial period ended 30 September 2024 — an increase of RM264.43 million or 35.42%, compared with RM746.53 million for the previous financial period ended 30 September 2023.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 95.08% of total revenue, while the overseas market made up the balance 4.92% in the current financial period. In absolute terms, sales from Malaysia and overseas grew 33.62% and 80.14% respectively, compared to the previous period.

The Group's revenue growth in the current financial quarter was mainly attributed to higher sales volume of power cables and wires and higher average selling prices in line with current raw material prices

The power cables and wires segment accounted for RM913.24 million or 90.33% of the Group's total revenue for the current period — an increase of RM266.74 million or 41.26%, from RM646.50 million in the previous period.

The balance RM97.72 million or 9.67% of total group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments decreased by RM2.31 million or 2.31%, from RM100.03 million in the previous period, mainly on lower sales of communication cables and wires.

The Group recognized profit before tax of RM61.83 million in the current financial period — an increase of RM39.29 million or 174.28%, compared with RM22.54 million in the previous period. The profit growth was driven by higher revenue, a better product mix, improved profit margins resulting from economies of scale achieved through increased production volumes and lower finance cost.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B2. Comparison with the Immediate Preceding Quarter Result

	INDIVIDUAL QUARTER		Variance	
	Current Quarter	Preceding Quarter		
	30.09.2024	30.06.2024	RM'000	%
	RM'000	RM'000		
Revenue	383,604	315,329	68,275	21.65
Profit before tax	24,516	18,744	5,772	30.79

The Group's revenue for the current quarter increased by 21.65% to RM383.60 million from RM315.33 million in the preceding quarter ended 30 June 2024, mainly attributed to higher sales volume of power cables and wires, as well as increased revenue from sales of aluminium rods and supply and installation of rectifier systems.

The Group recorded a 30.79% increase in profit before tax from RM18.74 million in the preceding quarter to RM24.52 million in the current quarter, supported by the higher sales volume and a better product mix.

B3. Commentary of Prospects

Southern Cable's prospects are bolstered by the rising demand for cables and wires in Malaysia, along with its strategic focus on leveraging the National Energy Transition Roadmap objectives to ensure the stability and security of the nation's power infrastructure. The Group has a proven track record of supplying a wide range of power cables and wires for power transmission and distribution networks, large-scale solar farms, infrastructure projects, as well as the building and construction sectors.

On 5 July 2024, the Group secured a RM99.64 million contract from Tenaga Nasional Berhad (TNB) for the supply of underground cables and conductors, reinforcing the Group's position in supporting Malaysia's growing power infrastructure. The new contract represents an optional value in addition to an existing agreement with TNB, bringing the total value of the Group's agreements with TNB to RM854.29 million.

The Group's current orders in hand stood at RM699.27 million as at 30 September 2024 and are expected to be fulfilled by 2026. These orders include supplying underground cables and conductors to TNB and Sarawak Energy Berhad, providing rectifier and battery systems to Telekom Malaysia Berhad, as well as purchase orders from EPCC (Engineering Procurement Construction Commissioning) contractors, resellers, and others.

Southern Cable remains optimistic about its cable and wire sales to overseas markets, particularly the US, as the Group secured strong sales in the third quarter ended 30 September 2024. Consequently, the Group is on track to meet its overseas revenue target.

According to the US Census Bureau, total construction spending during the first nine months of 2024 has increased by 7.3% to USD 1,621.4 billion, from USD 1,551.4 billion in the same period last year. The growth in the US construction sector presents an opportunity for the Group to capitalise on the increasing cable and wire demand. Southern Cable also aims to gradually expand its product range to increase revenue contributions from the US.

Capacity expansion is underway at the Group's 7.9-acre industrial land in Kuala Ketil, Kedah, acquired in May 2024. Strategically located adjacent to the Group's existing Lot 28 and Lot 29

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

production facilities, the property will support growth initiatives primarily aimed at increasing revenue from the US market, alongside contributions from the domestic market. Construction of the new production facility is scheduled to commence in 2025.

Barring unforeseen circumstances, Southern Cable's outlook for FY2024 remains positive, supported by a production capacity of 45,480 km, rising from 41,980 km as at 31 March 2024. This increase is due to the installation of a new production line and machinery for low-voltage and medium-voltage cables and wires. The Group targets an annual capacity of 46,980 km by year-end.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial year-to-date.

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000
In respect of current period:				
Income tax	5,942	2,112	14,755	5,531
Effective tax rate (%)	24.24	24.45	23.86	24.54
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate mainly due to non-deductible expenses whereas the effective rate of the Group for the financial year-to-date was lower than the statutory tax rate mainly due to the adjustment for the over-provision of taxation in the previous financial year.

B6. Status of Corporate Proposals

There are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B7. Use of Proceeds Raised from Public Issue

The gross proceeds of approximately RM71.18 million from the Public Issue is intended to be utilised in the following manner:

Detail of utilisation	Proposed Utilisation RM'000	Variation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Initial Time Frame for Utilisation	Previous Revised Time Frame
Capital expenditure and expansion					Within 36 months	Within 24 months until 15 October 2025
- Purchase and upgrade of new machinery and equipment	18,500	-	18,500	-		
- Construction of factories	7,500	2,000 ^(a)	9,429	71		
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	(2,000) ^(a)	1,443	557		
	30,000	-	29,372	628		
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	-	70,550	628		

Note:

(a) RM2 million allocated for the purchase and installation of Enterprise Resource Planning information technology system has been re-allocated to construction of factories.

The use of proceeds as disclosed above should be read together with the Prospectus.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B8. Borrowings

The details of the Group's borrowings are as follows:

	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
Non-current		
Term loans	2,040	3,432
Lease liabilities	4,712	6,208
	6,752	9,640
Current		
Term loans	1,042	1,110
Lease liabilities	2,480	3,199
Bankers' acceptance	185,925	181,784
	189,447	186,093
Total	196,199	195,733

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B10. Dividends

The Board of Directors of the Company had on 26 November 2024 declared a first interim single tier dividend of 0.75 sen per ordinary share for the financial year ending 31 December 2024, to be paid on 18 December 2024 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 11 December 2024.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B11. Earnings per Share ("EPS")
(a) Basic EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.09.2024	Unaudited 30.09.2023	Unaudited 30.09.2024	Unaudited 30.09.2023
Profit attributable to owners of the Company (RM'000)	18,574	6,526	47,077	17,012
Effect of issuance of ordinary shares ('000)	47,758	-	78,526	-
Weighted average number of shares for basic EPS ('000)	862,231	800,000	817,160	800,000
Basic EPS (sen)	2.15	0.82	5.76	2.13

(b) Diluted EPS

The diluted earnings per share is computed based on profit after taxation attributable to the owners of the Company and divided by the weighted average number of ordinary shares that would have been issued upon full conversion of the remaining Warrants 2022/2027.

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.09.2024	Unaudited 30.09.2023	Unaudited 30.09.2024	Audited 30.09.2023
Profit attributable to owners of the Company (RM'000)	18,574	6,526	47,077	17,012
Weighted average number of shares in issue ('000)	862,231	800,000	817,160	800,000
Effect of warrants conversion (000')	60,028	19,118	163,863	60,494
Weighted average number of shares adjusted for the effect of dilution ('000)	922,259	819,118	981,023	860,494
Diluted EPS (sen)	2.01	0.80	4.80	1.98

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000
Interest income	(379)	(233)	(985)	(501)
Interest expenses	2,236	2,182	6,967	7,277
Amortisation/depreciation of investment properties	2	2	5	5
Amortisation/depreciation of property, plant and equipment	2,294	1,760	6,236	5,073
Depreciation of right-of-use assets	626	551	1,703	1,683

Save as disclosed above, the other disclosure items as required under Paragraph 16 of Appendix 9B of the Listing Requirements of Bursa Securities are not applicable.

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in the current quarter to manage the foreign currency exposures arising from the Group's payables denominated in United States Dollar (USD). 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 30 September 2024 was RM94.39 million. The derivative financial liabilities of RM0.22 million, which measured at fair value, has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.