



SOUTHERN CABLE GROUP BERHAD

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

Interim Financial Report

For The Fourth Quarter Ended

31 December 2024



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

| | Note | QUARTER ENDED | | YEAR TO-DATE ENDED | |
|---|------|---------------|---------------|--------------------|---------------|
| | | Unaudited | Unaudited | Unaudited | Audited |
| | | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | A9 | 336,056 | 306,553 | 1,347,016 | 1,053,081 |
| Cost of sales | | (291,785) | (278,294) | (1,211,774) | (979,204) |
| Gross profit | | 44,271 | 28,259 | 135,242 | 73,877 |
| Other income | | 2,675 | 90 | 5,953 | 4,813 |
| Distribution expenses | | (9,274) | (5,962) | (24,698) | (17,278) |
| Administrative expenses | | (2,845) | (3,308) | (12,800) | (12,512) |
| Impairment loss on trade receivable | | (1,760) | (394) | (1,760) | (394) |
| Other expenses | | (2) | (1) | (73) | (2) |
| Operating profit | B12 | 33,065 | 18,684 | 101,864 | 48,504 |
| Finance costs | | (2,600) | (2,178) | (9,567) | (9,455) |
| Profit before tax | | 30,465 | 16,506 | 92,297 | 39,049 |
| Income tax expense | B5 | (5,224) | (4,081) | (19,979) | (9,612) |
| Profit/Total comprehensive income for the financial period | | 25,241 | 12,425 | 72,318 | 29,437 |
| Profit/Total comprehensive income for the financial period after taxation attributable to: | | | | | |
| Owners of the Company | | 25,241 | 12,425 | 72,318 | 29,437 |
| | | 25,241 | 12,425 | 72,318 | 29,437 |
| Earnings per Share | | | | | |
| - Basic (sen) | B11 | 3.05 | 1.55 | 8.62 | 3.68 |
| - Diluted (sen) | B11 | 2.86 | 1.50 | 7.16 | 3.38 |



**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 31.12.2024 RM'000 | Audited as at 31.12.2023 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 81,911 | 54,633 |
| Right-of-use assets | 55,848 | 44,435 |
| Investment properties | 504 | 510 |
| Total non-current assets | 138,263 | 99,578 |
| Current Assets | | |
| Inventories | 183,723 | 144,096 |
| Current tax assets | 716 | 995 |
| Trade and other receivables | 315,276 | 264,904 |
| Cash and short-term deposits | 82,704 | 96,009 |
| Derivative financial assets | 487 | - |
| Total current assets | 582,906 | 506,004 |
| TOTAL ASSETS | 721,169 | 605,582 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 245,165 | 217,670 |
| Retained earnings | 277,556 | 218,319 |
| Reserves | (120,947) | (120,947) |
| Total equity | 401,774 | 315,042 |
| Non-current Liabilities | | |
| Loans and borrowings | 6,176 | 9,640 |
| Deferred tax liabilities | 9,828 | 7,759 |
| Total non-current liabilities | 16,004 | 17,399 |
| Current Liabilities | | |
| Loans and borrowings | 209,506 | 186,093 |
| Provisions | 293 | 322 |
| Current tax liabilities | 3,820 | 3,349 |
| Trade and other payables | 89,772 | 82,789 |
| Derivative financial liabilities | - | 588 |
| Total current liabilities | 303,391 | 273,141 |
| TOTAL LIABILITIES | 319,395 | 290,540 |
| TOTAL EQUITY AND LIABILITIES | 721,169 | 605,582 |
| Number of issued shares ('000) | 900,031 | 800,050 |
| Net assets per share attributable to owners of the company (RM) | 0.45 | 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 |
|--|--|-------------------------------|--------------------------|---------------------|
| | Non-Distributable | | Distributable | |
| | Share capital | Reorganisation reserve | Retained earnings | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2024 (Audited) | 217,670 | (120,947) | 218,319 | 315,042 |
| Profit for the financial period representing total comprehensive income for the financial period (Unaudited) | - | - | 72,318 | 72,318 |
| Transaction with owners: | | | | |
| Dividend paid | - | - | (13,081) | (13,081) |
| Proceed from warrants conversion | 27,495 | - | - | 27,495 |
| Balance as at 31 December 2024 (Unaudited) | 245,165 | (120,947) | 277,556 | 401,774 |

| | Attributable to owners of the Company | | | Total equity |
|--|--|-------------------------------|--------------------------|---------------------|
| | Non-Distributable | | Distributable | |
| | Share capital | Reorganisation reserve | Retained earnings | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2023 (Audited) | 217,656 | (120,947) | 191,122 | 287,831 |
| Profit for the financial period representing total comprehensive income for the financial period (Unaudited) | - | - | 29,437 | 29,437 |
| Transaction with owners: | | | | |
| Dividend paid | - | - | (2,240) | (2,240) |
| Proceed from warrants conversion | 14 | - | - | 14 |
| Balance as at 31 December 2023 (Audited) | 217,670 | (120,947) | 218,319 | 315,042 |

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 31.12.2024 Unaudited RM'000 | PRECEDING YEAR TO-DATE 31.12.2023 Audited RM'000 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 92,297 | 39,049 |
| Adjustments for: | | |
| Amortisation/depreciation of investment properties | 6 | 7 |
| Amortisation/depreciation of property, plant and equipment | 8,828 | 6,937 |
| Depreciation of right-of-use assets | 2,300 | 2,257 |
| Fair value gain on derivative financial instruments | (1,075) | (379) |
| Loss/(gain) on disposal of property, plant and equipment | 6 | (268) |
| Impairment losses on trade receivables | 1,760 | 394 |
| Interest expenses | 9,566 | 9,455 |
| Interest income | (1,394) | (759) |
| Provision for employee benefit (net) | (30) | 101 |
| Property, plant and equipment written off | 66 | 2 |
| Right-of-use assets written off | 31 | - |
| Unrealised (gain)/loss on foreign exchange | (1,473) | 350 |
| Operating profit before changes in working capital | 110,888 | 57,146 |
| Changes in working capital: | | |
| Inventories | (39,626) | 79,160 |
| Trade and other receivables | (50,599) | (40,314) |
| Trade and other payables | 6,923 | 26,106 |
| Net cash generated from operations | 27,586 | 122,098 |
| Income tax paid | (17,160) | (1,768) |
| Income tax refunded | - | 2,386 |
| Interest received | 1,394 | 759 |
| Interest paid | (512) | (489) |
| Net cash from operating activities | 11,308 | 122,986 |



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

| | CURRENT YEAR TO-DATE 31.12.2024 Unaudited RM'000 | PRECEDING YEAR TO-DATE 31.12.2023 Audited RM'000 |
|---|---|---|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (48,125) | (5,001) |
| Purchase of right-of-use assets | (1,121) | (6,002) |
| Proceed from disposal of property, plant and equipment | 4 | 270 |
| Change in pledged deposits | (1) | (1) |
| Net cash used in investing activities | (49,243) | (10,734) |
| Cash flows from financing activities | | |
| Interest paid | (9,055) | (8,966) |
| Drawdown of term loan | - | 778 |
| Repayment of term loans | (1,720) | (1,103) |
| Drawdown of lease liabilities | - | 2,367 |
| Repayment of lease liabilities | (3,247) | (2,183) |
| Drawdown of bankers' acceptance | 762,510 | 709,237 |
| Repayment of bankers' acceptance | (738,272) | (736,020) |
| Dividend paid to shareholders | (13,081) | (2,240) |
| Proceed from warrants conversion | 27,495 | 14 |
| Net cash from/(used in) financing activities | 24,630 | (38,116) |
| Net (decrease)/increase in cash and cash equivalents | (13,305) | 74,136 |
| 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 | 82,671 | 95,976 |

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.

An interim dividend of 0.75 sen per ordinary share amounting to RM6.69 million in respect of the financial year ended 31 December 2024 was declared by the Board on 26 November 2024 and subsequently paid on 18 December 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 31 December 2024 | | | | | | |
| Revenue: | | | | | | |
| Revenue from external customers | 310,856 | 802 | 4,453 | 19,945 | - | 336,056 |
| Inter-segment revenue | - | - | - | 12,380 | (12,380) | - |
| | <u>310,856</u> | <u>802</u> | <u>4,453</u> | <u>32,325</u> | <u>(12,380)</u> | <u>336,056</u> |
| Segment profit | 41,754 | 255 | 975 | 1,319 | (32) | 44,271 |
| Other income | | | | | | 2,675 |
| Unallocated expenses | | | | | | (13,881) |
| Finance costs | | | | | | (2,600) |
| Income tax expenses | | | | | | (5,224) |
| Profit for the financial period | | | | | | <u>25,241</u> |

Result:

Included in the measure of segments profit are:

| | |
|-------------------------------|--------|
| Employee benefits expense | 10,906 |
| Depreciation and amortisation | 3,190 |



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 31 December 2023 | | | | | | |
| Revenue: | | | | | | |
| Revenue from external customers | 264,205 | 1,546 | 7,256 | 33,546 | - | 306,553 |
| Inter-segment revenue | - | - | - | 11,856 | (11,856) | - |
| | <u>264,205</u> | <u>1,546</u> | <u>7,256</u> | <u>45,402</u> | <u>(11,856)</u> | <u>306,553</u> |
| Segment profit | 24,466 | 351 | 1,394 | 2,349 | (301) | 28,259 |
| Other income | | | | | | 90 |
| Unallocated expenses | | | | | | (9,665) |
| Finance costs | | | | | | (2,178) |
| Income tax expenses | | | | | | (4,081) |
| Profit for the financial period | | | | | | <u>12,425</u> |
| Result: | | | | | | |
| <i>Included in the measure of segments profit are:</i> | | | | | | |
| Employee benefits expense | | | | | | 9,291 |
| Depreciation and amortisation | | | | | | 2,440 |



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 31 December 2024 | | | | | | |
| Revenue: | | | | | | |
| Revenue from external customers | 1,224,093 | 4,059 | 27,186 | 91,678 | - | 1,347,016 |
| Inter-segment revenue | - | - | - | 46,931 | (46,931) | - |
| | <u>1,224,093</u> | <u>4,059</u> | <u>27,186</u> | <u>138,609</u> | <u>(46,931)</u> | <u>1,347,016</u> |
| Segment profit | 124,372 | 945 | 5,075 | 4,564 | 286 | 135,242 |
| Other income | | | | | | 5,953 |
| Unallocated expenses | | | | | | (39,331) |
| Finance costs | | | | | | (9,567) |
| Income tax expenses | | | | | | (19,979) |
| Profit for the financial year | | | | | | <u>72,318</u> |
| Result: | | | | | | |
| <i>Included in the measure of segments profit are:</i> | | | | | | |
| Employee benefits expense | | | | | | 40,588 |
| Depreciation and amortisation | | | | | | 11,134 |



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 31 December 2023 | | | | | | |
| Revenue: | | | | | | |
| Revenue from external customers | 910,704 | 8,989 | 29,651 | 103,737 | - | 1,053,081 |
| Inter-segment revenue | - | - | - | 42,963 | (42,963) | - |
| | <u>910,704</u> | <u>8,989</u> | <u>29,651</u> | <u>146,700</u> | <u>(42,963)</u> | <u>1,053,081</u> |
| Segment profit | 63,295 | 1,504 | 4,346 | 5,418 | (686) | 73,877 |
| Other income | | | | | | 4,813 |
| Unallocated expenses | | | | | | (30,186) |
| Finance costs | | | | | | (9,455) |
| Income tax expenses | | | | | | (9,612) |
| Profit for the financial year | | | | | | <u>29,437</u> |
| Result: | | | | | | |
| <i>Included in the measure of segments profit are:</i> | | | | | | |
| Employee benefits expense | | | | | | 37,406 |
| Depreciation and amortisation | | | | | | 9,201 |

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 31.12.2024 RM'000 | Audited as at 31.12.2023 RM'000 |
|--|--|--|
| Bank guarantee | | |
| - Trade facilities | 29,832 | 22,057 |
| - Contract financing for performance bonds and guarantee | 27,786 | 26,606 |
| | <u>57,618</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 31.12.2024 RM'000 | Audited as at 31.12.2023 RM'000 |
|---|--|--|
| Capital expenditures contracted but not provided for: | | |
| - Construction of building | 920 | 845 |
| - Purchase of machineries and factory equipment | 19,628 | 7,576 |
| - Enterprise Resource Planning information technology system | - | 57 |
| Capital expenditures not contracted and not provided for: | | |
| - Construction of building and Enterprise Resource Planning information technology system | 627 | 5,076 |
| - Purchase of machineries and factory equipment | 7,400 | - |
| | <u>28,575</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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Audited 31.12.2023 RM'000 |
| Rental expenses charged by a person connected to a director | 13 | 13 | 54 | 54 |

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

(a) Result for current quarter

| | QUARTER ENDED | | Variance | |
|-------------------|----------------------|--------------------------------|----------|-------|
| | Current Quarter | Previous Corresponding Quarter | RM'000 | % |
| | 31.12.2024 RM'000 | 31.12.2023 RM'000 | | |
| Revenue | 336,056 | 306,553 | 29,503 | 9.62 |
| Profit before Tax | 30.465 | 16,506 | 13,959 | 84.57 |

In the current quarter ended 31 December 2024, the Group recorded revenue of RM336.06 million — an increase of RM29.50 million or 9.62%, compared with RM306.55 million in the previous corresponding quarter ended 31 December 2023.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 95.17% of total revenue, while the overseas market made up of the balance 4.83% in the current financial quarter. In absolute terms, sales from Malaysia and overseas grew 5.78% and 288.06%, 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 price trends.

The power cables and wires segment accounted for RM310.86 million or 92.50% of the Group's total revenue for the current quarter — an increase of RM46.65 million or 17.66%, from RM264.21 million in the previous corresponding quarter.

The balance RM25.20 million or 7.50% 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 RM17.15 million or 40.49%, from RM42.35 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 RM30.47 million in the current quarter — an increase of RM13.96 million or 84.57%, compared to RM16.51 million in the previous corresponding quarter. The profit growth was driven by higher revenue, better product mix, lower plastic compound costs, increased other income, and improved profit margins resulting from economies of scale achieved through increased production volume.

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 31.12.2024 RM'000 | Previous Year to Date 31.12.2023 RM'000 | Variance | |
| | | | RM'000 | % |
| Revenue | 1,347,016 | 1,053,081 | 293,935 | 27.91 |
| Profit before tax | 92,297 | 39,049 | 53,248 | 136.36 |

The Group recorded revenue of RM1.35 billion for the current financial period ended 31 December 2024 — an increase of RM293.94 million or 27.91%, compared with RM1.05 billion for the previous financial period ended 31 December 2023.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 95.11% of total revenue, while the overseas market made up the balance 4.89% in the current financial period. In absolute terms, sales from Malaysia and overseas grew 25.44% and 107.51% 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 price trends.

The power cables and wires segment accounted for RM1.22 billion or 90.87% of the Group's total revenue for the current period — an increase of RM313.39 million or 34.41%, from RM910.70 million in the previous period.

The balance RM122.92 million or 9.13% 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 RM19.45 million or 13.66%, from RM142.38 million in the previous period, mainly on lower sales of communication cables and wires, and aluminium rods.

The Group recognized profit before tax of RM92.30 million in the current financial period — an increase of RM53.25 million or 136.36%, compared to RM39.05 million in the previous period. The profit growth was driven by higher revenue, a better product mix, lower plastic compound costs, and improved profit margins resulting from economies of scale achieved through increased production volume. The Group's well-managed finance costs also helped contribute to the better profit margin.



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 | RM'000 | % |
| | 31.12.2024 | 30.09.2024 | | |
| | RM'000 | RM'000 | | |
| Revenue | 336,056 | 383,604 | (47,548) | (12.40) |
| Profit before tax | 30,465 | 24,516 | 5,949 | 24.27 |

The Group's revenue for the current quarter — decreased by 12.40% or RM47.55 million to RM336.06 million, from RM383.60 million in the preceding quarter ended 30 September 2024, mainly due to lower sales of copper-based cables and wires. Meanwhile, overall sales volume remains about the same supported by higher sale of aluminium-based cables and wires in the current quarter as compared to the preceding quarter.

The Group recorded a 24.27% or RM5.95 million increase in profit before tax to RM30.47 million in the current quarter, from RM24.52 million in the preceding quarter, supported by lower plastic compound prices, and 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.

In February 2025, the Group secured contracts worth RM403.55 million from Tenaga Nasional Berhad (TNB) to supply and deliver underground cables and conductors for one year, commencing in the same month.

As a result of the new win, the Group's current orders in hand stands at RM1.28 billion, providing financial visibility until 2026. These orders include supplying underground cables and conductors to power utility companies, providing rectifier and battery systems to Telekom Malaysia Berhad, as well as purchase orders from EPCC (Engineering Procurement Construction Commissioning) contractors, resellers, and others.

Additionally, Southern Cable is optimistic about its cable and wire sales to overseas markets, particularly the US, as the Group seeing increasing orders from its customer. New product certifications are in progress, which will help gradually expand the revenue from overseas.

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 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 FY2025 remains positive, supported by robust demand for cables and wires. The Group will continue to expand its product range and production capacity to meet the growing demands to sustain long-term growth.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Audited 31.12.2023 RM'000 |
| In respect of current period: | | | | |
| Income tax | 5,224 | 4,081 | 19,979 | 9,612 |
| Effective tax rate (%) | 17.15 | 24.72 | 21.65 | 24.62 |
| Statutory tax rate (%) | 24.00 | 24.00 | 24.00 | 24.00 |

The effective tax rate of the Group for the current quarter and financial year-to-date was lower than the statutory tax rate mainly due to recognition of tax incentives on qualifying capital expenditure and 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) | 9,074 | 426 | | |
| - Purchase and installation of Enterprise Resource Planning information technology system | 4,000 | (2,000) ^(a) | 1,799 | 201 | | |
| | 30,000 | - | 29,373 | 627 | | |
| 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 | - | 70,551 | 627 | | |

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 31.12.2024 RM'000 | Audited 31.12.2023 RM'000 |
|---------------------|--|--|
| Non-current | | |
| Term loans | 1,779 | 3,432 |
| Lease liabilities | 4,397 | 6,208 |
| | 6,176 | 9,640 |
| Current | | |
| Term loans | 1,043 | 1,110 |
| Lease liabilities | 2,441 | 3,199 |
| Bankers' acceptance | 206,022 | 181,784 |
| | 209,506 | 186,093 |
| Total | 215,682 | 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. Proposed Dividends

The Board of Directors have proposed a final single-tier dividend of 0.85 sen per ordinary share, amounting to approximately RM7.83 million for the financial year ended 31 December 2024. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.



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 31.12.2024 | Unaudited 31.12.2023 | Unaudited 31.12.2024 | Audited 31.12.2023 |
| Profit attributable to owners of the Company (RM'000) | 25,241 | 12,425 | 72,318 | 29,437 |
| Effect of issuance of ordinary shares ('000) | 21,505 | 50 | 99,981 | 50 |
| Weighted average number of shares for basic EPS ('000) | 827,830 | 800,050 | 838,501 | 800,050 |
| Basic EPS (sen) | 2.96 | 1.55 | 8.53 | 3.68 |

(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 31.12.2024 | Unaudited 31.12.2023 | Unaudited 31.12.2024 | Audited 31.12.2023 |
| Profit attributable to owners of the Company (RM'000) | 25,241 | 12,425 | 72,318 | 29,437 |
| Weighted average number of shares in issue ('000) | 827,830 | 800,050 | 838,501 | 800,050 |
| Effect of warrants conversion (000') | 55,404 | 28,876 | 171,689 | 71,087 |
| Weighted average number of shares adjusted for the effect of dilution ('000) | 883,234 | 828,926 | 1,010,190 | 871,137 |
| Diluted EPS (sen) | 2.86 | 1.50 | 7.16 | 3.38 |

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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Audited 31.12.2023 RM'000 |
| Interest income | (409) | (258) | (1,394) | (759) |
| Interest expenses | 2,600 | 2,178 | 9,567 | 9,455 |
| Amortisation/depreciation of investment properties | 1 | 2 | 6 | 7 |
| Amortisation/depreciation of property, plant and equipment | 2,592 | 1,864 | 8,828 | 6,937 |
| Depreciation of right-of-use assets | 597 | 574 | 2,300 | 2,257 |

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 31 December 2024 was RM61.20 million. The derivative financial assets of RM0.49 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.