



SOUTHERN CABLE

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

LIGHT UP THE NATION

ANNUAL REPORT 2024





CONTENTS

Design with specification, manufacture with integrity.

- 2** Corporate Profile
- 3** Corporate Information
- 4** Corporate Structure
- 5** 5-Year Financial Highlights
- 7** Chairman's Statement
- 10** Management Discussion and Analysis
- 15** Sustainability Statement
- 67** Directors' Profile
- 71** Key Senior Managements' Profile
- 72** Corporate Governance Overview Statement
- 86** Audit and Risk Management Committee Report
- 90** Statement on Risk Management and Internal Control
- 93** Directors' Responsibility Statement
- 94** Additional Compliance Information

FINANCIAL STATEMENT

- 96** Directors' Report
- 102** Statements of Financial Position
- 103** Statements of Comprehensive Income
- 104** Statements of Changes In Equity
- 105** Statements of Cash Flows
- 108** Notes to the Financial Statements
- 149** Statement By Directors
- 149** Statutory Declaration
- 150** Independent Auditors' Report
- 154** Analysis of Shareholdings
- 157** Analysis of Warrant Holdings
- 159** List of Properties
- 161** Notice of Annual General Meeting
- 165** Administrative Guide
- Proxy Form

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.



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.

689

APPROXIMATE
NUMBER OF
EMPLOYEES

1993

ESTABLISHED
IN YEAR

SOUTHERN CABLE GROUP BERHAD

DAYA FORWARDING
SDN. BHD.

SOUTHERN CABLE
SDN. BHD.

NEXTOL POLYMER
SDN. BHD.

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
Loh Aye Li
Wong Kar Wai

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 : info@cospec.com.my

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

Baker Tilly Monteiro Heng PLT
[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

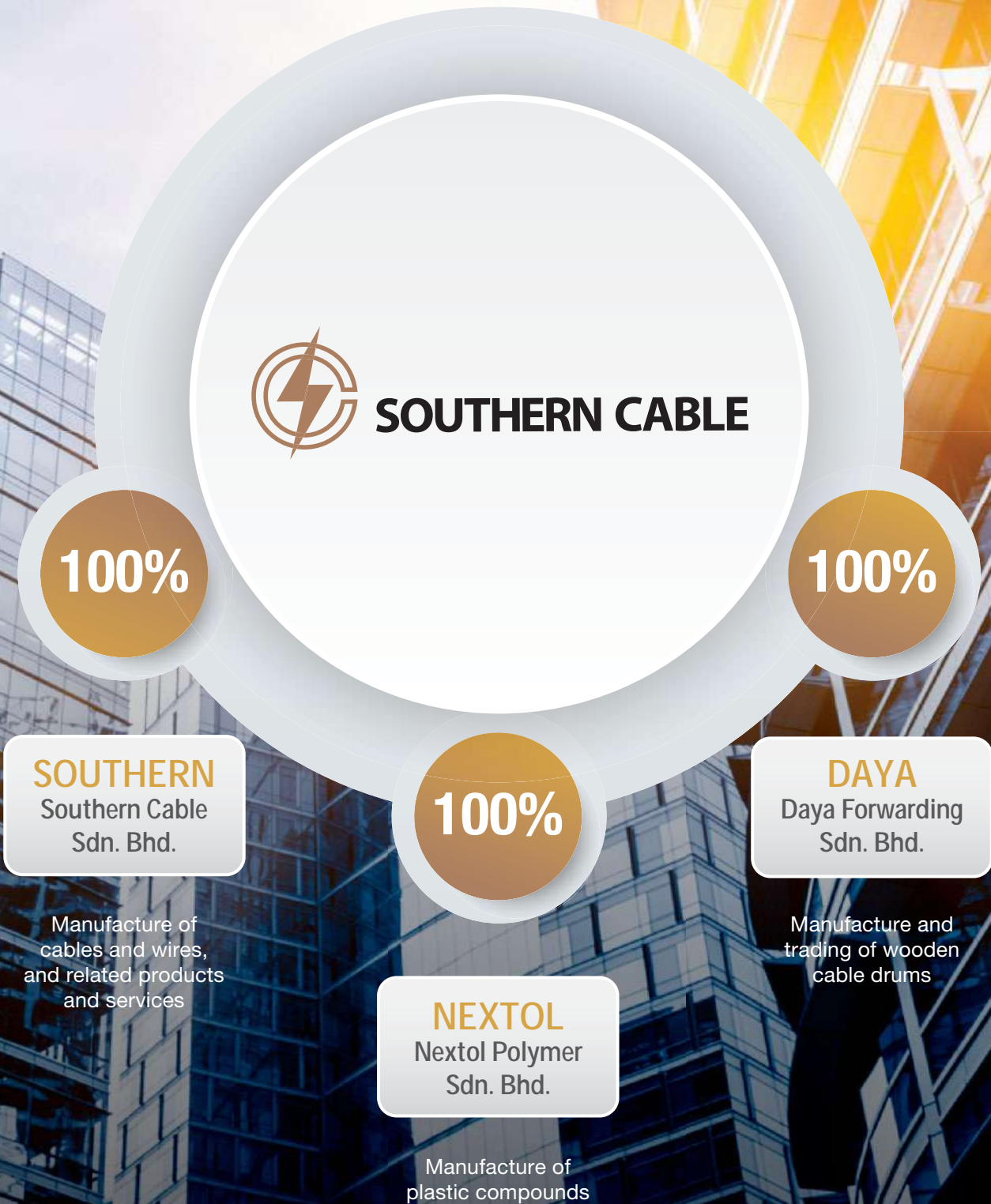
PRINCIPAL BANKERS

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



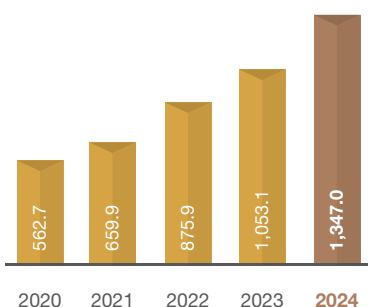
5-YEAR FINANCIAL HIGHLIGHTS

| FINANCIAL SUMMARY | | | | | |
|---|----------------|----------------|----------------|----------------|------------------|
| For the Financial Year Ended 31 December (RM '000) | 2020 | 2021 | 2022 | 2023 | 2024 |
| STATEMENT OF COMPREHENSIVE INCOME SUMMARY | | | | | |
| Revenue | 562,727 | 659,939 | 875,879 | 1,053,081 | 1,347,016 |
| Gross Profit | 55,896 | 39,242 | 51,715 | 73,877 | 135,241 |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | 43,108 | 27,570 | 36,378 | 57,705 | 113,001 |
| Operating Profit | 36,410 | 20,151 | 28,201 | 48,504 | 101,863 |
| Profit Before Tax (PBT) | 30,014 | 14,310 | 19,859 | 39,049 | 92,296 |
| Profit After Tax (PAT) | 21,262 | 10,906 | 14,544 | 29,437 | 72,317 |
| STATEMENT OF FINANCIAL POSITION SUMMARY | | | | | |
| Property, Plant and Equipment | 24,551 | 43,559 | 51,956 | 54,633 | 81,911 |
| Right-of-use Assets | 46,572 | 43,375 | 40,389 | 44,435 | 55,871 |
| Investment Properties | 530 | 523 | 517 | 510 | 504 |
| Inventories | 88,955 | 182,529 | 223,256 | 144,096 | 183,723 |
| Cash and Short Term Deposits | 129,420 | 35,411 | 21,872 | 96,009 | 82,704 |
| Other Assets and Non-Current Assets | 158,224 | 205,310 | 232,542 | 265,899 | 316,492 |
| Total Assets | 448,252 | 510,707 | 570,532 | 605,582 | 721,205 |
| Equity Attributable to Owners of the Group | 267,261 | 274,967 | 287,832 | 315,042 | 401,773 |
| Loans and Borrowings | 124,990 | 166,730 | 217,738 | 195,733 | 215,707 |
| Other Current and Non-Current Liabilities | 56,001 | 69,010 | 64,962 | 94,807 | 103,725 |
| Total Equity and Liabilities | 448,252 | 510,707 | 570,532 | 605,582 | 721,205 |
| Financial Indicators | | | | | |
| Gross Profit Margin (%) | 9.9% | 5.9% | 5.9% | 7.0% | 10.0% |
| EBITDA Margin (%) | 7.7% | 4.2% | 5.1% | 5.5% | 8.4% |
| Operating Margin (%) | 6.5% | 3.1% | 3.2% | 4.6% | 7.6% |
| PBT Margin (%) | 5.3% | 2.2% | 2.3% | 3.7% | 6.9% |
| PAT Margin (%) | 3.8% | 1.7% | 1.7% | 2.8% | 5.4% |
| Gearing (Net of Cash) (times) | Net Cash | 0.48 | 0.68 | 0.32 | 0.33 |
| Basic Earnings per Share (sen) | 2.66 | 1.36 | 1.82 | 3.68 | 8.62 |
| Net Assets Per Share (RM) | 0.33 | 0.34 | 0.36 | 0.39 | 0.45 |

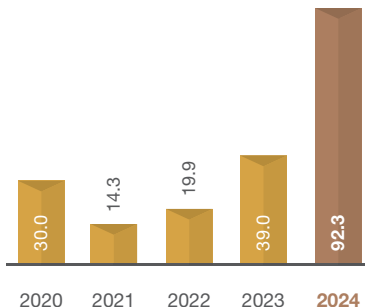
5-YEAR FINANCIAL HIGHLIGHTS

Cont'd

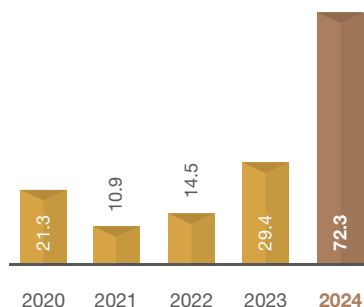
REVENUE
(RM' mil)



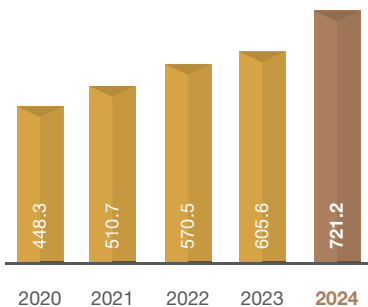
PROFIT BEFORE TAX
(RM' mil)



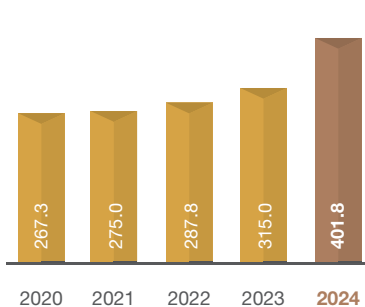
PROFIT AFTER TAX
(RM' mil)



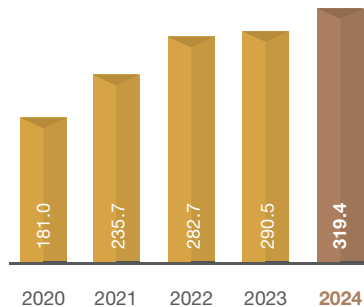
TOTAL ASSETS
(RM' mil)



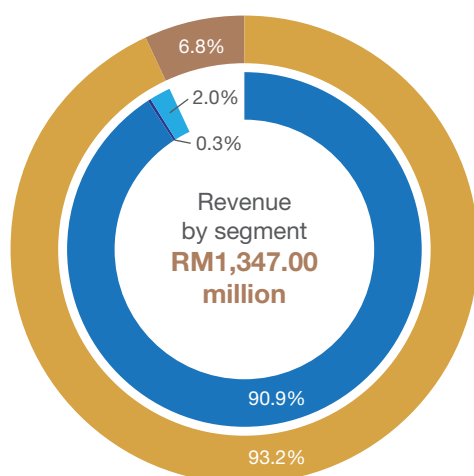
SHAREHOLDERS' EQUITY
(RM' mil)



TOTAL LIABILITIES
(RM' mil)



FYE2024 PERFORMANCE



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

0.85 sen per share
Final Dividend

0.75 sen per share
First Interim dividend

1.6 sen per share
Total Dividend

Total Payout Ratio
RM14.5 million or 20.0%
in respect of
FYE2024 Net Profit

CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

Southern Cable Group Berhad ("Southern Cable") and its subsidiaries ("the Group") have achieved solid financial performance for the third consecutive year, posting a 27.9% rise in revenue to RM1.35 billion for the financial year ended 31 December 2024 ("FYE2024"). The strong result underscores our continued business growth and strategic expansion.

The higher revenue was a result of the Group's ability to meet growing demand for cables and wires, driven by Malaysia's infrastructure boom in the construction and power transmission & distribution sectors. Strategic investments to increase our production capacity in recent years also enabled the Group to fulfil market demands promptly, solidifying Southern Cable's position as an essential player in the nation's development.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for FYE2024.



CHAIRMAN'S STATEMENT

Cont'd

ECONOMIC REVIEW

In 2024, geopolitical conflicts in Eastern Europe and the Middle East persisted, adding to global instability. At the same time, volatility in the Group's main raw materials aluminium and copper, as well as oil prices underscored ongoing economic uncertainty. Additionally, major economies such as the US, China, and Europe faced subdued consumer sentiment, reflecting cautious spending and slower economic growth.

Against this backdrop, the Malaysian economy did well, recording a 5.1% growth in gross development product supported by strong construction activities and increased foreign and domestic investments, including data centres, major manufacturing facilities, and more. The growth was evident in the Department of Statistics' report, which highlighted that the construction sector recorded a 20.2% increase in the value of work done, reaching RM158.8 billion in 2024, up from RM132.1 billion in 2023.

The surge in infrastructure and industrial projects has directly contributed to rising demand for cables and wires, a critical component in power distribution. As a key supplier, Southern Cable has benefited from the heightened demand, reinforcing our financial growth.



OPERATION HIGHLIGHTS

In 2024, Southern Cable responded to growing demand by investing in new machinery and commencing operations at our new facility in Kuala Ketil, Kedah on Lot 38. This expansion increased the Group's annual production capacity for cables and wires by 15%, from 40,780 km to 46,980 km. The additional capacity is primarily focused on producing low- and medium-voltage power cables and wires to meet rising demand, as well as to support the nation's development efforts in construction and power utility sectors.

As a result of higher revenue, our net profit in FYE2024 rose by 145.7% to RM72.3 million. The strong performance was attributed to higher sales volume, favourable product mix, and margin expansion, supported by economies of scale from increased production.

During the year, we continued to make headway in building our order book that promises to accelerate our growth. A case in point, the Group secured new contracts worth over RM270 million from Tenaga Nasional Berhad and a utility customer from East Malaysia.

To support our growth, we are expanding our production capacity to meet future demand. In May 2024, Southern Cable acquired a 7.9-acre industrial land with an existing building adjacent to our current facilities in Kuala Ketil, Kedah, for RM14.0 million. The investment will enable the Group to scale up production and meet increasing demand both domestically and from our customer in North America.



CHAIRMAN'S STATEMENT

Cont'd

DIVIDENDS

Our outstanding results in FYE2024 are a testament to Southern Cable's unwavering commitment, operational resilience, and ability to meet market demands. As we continue to grow, we remain focused on strengthening our position as a leading player in the industry, aiming to power up the nation with reliable, quality cable and wire solutions.

To reward our shareholders, the Board of Directors of Southern Cable is pleased to propose a final dividend of 0.85 sen per share for FYE2024. Together with the interim dividend of 0.75 sen per share, paid on 18 December 2024, the total dividend payout amounts to RM14.5 million, more than double RM6.0 million paid in FYE2023. The proposed final dividend will be subject to shareholders' approval during the forthcoming annual general meeting.

The payout also represents 20% of FYE2024 net profit attributable to shareholders, surpassing our policy of distributing at least 15% of our annual net profit.

PROSPECTS

The Group aims to sustain its expansion trajectory, building on the progress of the past three years. Despite ongoing geopolitical tensions and trade disputes, the outlook for 2025 remains promising. As of 31 December 2024, the Group's orders in hand stood at RM917.2 million, providing financial visibility until 2026. With accelerated developments across key sectors such as power transmission & distribution, solar, and construction, the Group anticipates more business opportunities to fuel growth in the financial year ending 31 December 2025.

To further strengthen our position, Southern Cable aims to leverage the increasing demand for power cables and wires driven by Malaysia's National Energy Transition Roadmap objectives. The Group remains committed to delivering a diverse range of cables and wires to support the country's infrastructure development, further solidifying our leadership in the sector. Moreover, Southern Cable's growth is also driven by the rising number of data centres in Malaysia, and potential opportunities arising from the ongoing trade disputes between the US and Canada, Mexico, and China.

APPRECIATION

I extend my heartfelt gratitude to the Board of Directors, management, and the entire Southern Cable team. Your unwavering dedication to our vision has been instrumental in maintaining our status as one of the nation's leading cable and wire manufacturers.

I also appreciate the continued support of our shareholders, clients, and business partners, as well as the financial institutions, agencies, and regulatory bodies that have consistently stood by Southern Cable.

Mr. Rizvi Bin Abd Halim

Independent Non-Executive Chairman



MANAGEMENT DISCUSSION & ANALYSIS

Founded in 1993, Southern Cable Group Berhad (“Southern Cable”) and its subsidiaries (“the Group”) manufactures cables and wires for power transmission and distribution, communications, and control & instrumentation applications.

To support the Group’s cable and wire manufacturing, Southern Cable has other manufacturing activities such as furnace-and-continuous casting to produce aluminium and copper rods, plastic compounding for cable and wire insulation, and wooden cable drum manufacturing for packaging. These processes ensure complete product offering with quality control and timely availability of key input materials.

Southern Cable’s products serve a wide range of industries, including power distribution and transmission, telecommunications, construction, infrastructure, manufacturing, and petrochemical. Notable projects that use our cables and wires include the Refinery and Petrochemical Integrated Development in Pengerang, Johor, as well as the MRT Kajang Line and Putrajaya Line.

BUSINESS OVERVIEW

The cable and wire manufacturing facilities of Southern Cable are located at Kuala Ketil, Kedah Darul Aman on a total land size of 33.6 acres. With the aim to manage our product costs effectively and operate efficiently, our facilities are integrated within the whole manufacturing hub, ensuring end-to-end productions under one roof.

The Group’s business activities are:

1) Manufacturing of Cables and Wires

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

o 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, 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 Tenaga Nasional Berhad (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 Standard certified supplier of aluminium building cables and wires to the United States (US). We are also registered with the Construction Industry Development Board of Malaysia (CIDB) under category G7, which allows us to bid for projects of any amount in Malaysia.



MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

o 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 Telekom Malaysia Berhad (TM).

o 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.

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 Standards, SIRIM, Energy Commission of Malaysia, and the Fire and Rescue Department Malaysia. Additionally, our products have certificates of product acceptance from 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 TM.

2) Sale of related products and services

Our related products and services complement our cable and wire manufacturing business. These include the sale of copper and 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 and installation of electrical devices and accessories such as battery and rectifier systems.

Our manufacturing is supported by key supporting activities that 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. The key supporting activities are as follows:

a) Furnace and continuous casting

At Southern Cable'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.

b) 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.

c) Wooden cable drum manufacturing

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

Overall, Southern Cable is capable of providing end-to-end manufacturing to packaging of our cables and wires.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

OPERATIONS REVIEW

Southern Cable's production output remained high in FYE2024, supported by expanded capacity to meet growing customer demand. Additionally, we secured notable contracts from TNB and a major customer in East Malaysia, while maintaining a steady stream of purchase orders from EPCC (engineering, procurement, construction, and commissioning) contractors and resellers.

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

In FYE2024, the Group invested RM25 million in new machinery to upgrade existing capacities and commencement of a new production facility in Kuala Ketil, Kedah. These developments have strengthened our manufacturing capabilities, adding an annual production capacity of 6,200 km. The new machinery and facility enable us to increase the production of low-voltage power cables and wires, control and instrumentation cables, as well as medium-voltage power cables and wires.

As a result of these capacity enhancements, our total annual production capacity increased to 46,980 km as at 31 December 2024, marking an approximate growth of 15% from 40,780 km in the previous year.

The additional capacity comes at an opportune time, as it aligns with the demand for cables and wires in Malaysia's power utility sector. This demand is driven by the expanding manufacturing industry as well as the increasing number of data centres and infrastructure projects.

- **Robust orders in hand to sustain growth**

The Group recorded a utilisation rate of 86% on an enlarged annual capacity of 46,980 km in FYE2024 versus 85% of 40,780 km in the previous year, with power cables and wires contributing the largest portion of our production.

As at 31 December 2024, our orders in hand stood at RM917.2 million, comprising:

- o An order book of RM381.9 million from long-term contracts, which are typically delivered over the period of a year. In FYE2024, we secured new contracts to supply underground cables and conductors worth RM99.6 million to TNB and RM172.6 million to a customer in East Malaysia

- o Unbilled purchase orders of RM535.3 million, consisting of short-term orders to be delivered within three to six months. In FYE2024, we procured new purchase orders amounting to RM1.17 billion, compared to RM773.5 million in the previous year

Our power cables and wires remained the highest revenue contributor, accounting for 90.9% or RM1.22 billion of our revenue in FYE2024. The segment was supported by increasing demand from power utility companies, EPCC contractors, resellers, and others.

- **Expanded product range to increase sales to the US market**

Southern Cable has benefited from the ongoing US-China trade tensions. Since 2020, we have been building our track record with a reputable distributor in the US by leveraging our manufacturing capabilities in supplying quality cables and wires.

We have been supplying XHHW-2 aluminium building wires for the past few years to our US-based customer. The product is used for general-purpose wiring of up to 1kV. In December 2024, we secured a new UL Standard certification for the USE-2 aluminium building wire, and we aim to begin shipments to the US in the first half of 2025. The new product is used for general purpose wiring of up to 600V. Both products are used in commercial, industrial, and residential buildings.

FINANCIAL OVERVIEW

Southern Cable recorded a revenue of RM1.35 billion in FYE2024. The result surpasses our previous record of RM1.05 billion, driven by higher sales volume even on an expanded capacity. The Group's orders were primarily fuelled by demand from the power transmission and distribution, construction, and infrastructure sectors. Additionally, sales to the US saw significant growth, supported by increased construction and infrastructure development in the country.

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

With higher utilisation rate on an enlarged capacity in FYE2024, the Group's revenue rose by 27.9% to RM1.35 billion year-on-year, in line with the higher volume and selling prices.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

Segmentally, revenue from power cables and wires grew by 34.4% to RM1.22 billion in FYE2024, up from RM910.7 million previously. The remaining RM122.92 million or 9.1% of total group revenue was derived from the communication cables and wires segment, control & instrumentation cables and wires segment, and other related products and services. Overall, revenue from these segments decreased by RM19.5 million or 13.7% in FYE2024, from RM142.4 million previously, mainly on lower sales volume of communication cables and wires as well as aluminium rods.

Geographically, the Group's sales to domestic market made up 95.1% or RM1.28 billion of FYE2024 revenue, which is an increase of 25.4% from RM1.02 billion a year ago. Meanwhile, sales to overseas markets made up 4.9% or RM65.9 million of FYE2024 revenue, marking a rise of 288.1% from RM31.7 million previously. The overseas revenue growth was due to higher sales to the US.

As a result of the higher revenue, the Group's profit before tax and net profit in FYE2024 climbed by 136.4% and 145.7% to RM92.3 million and RM72.3 million, respectively, from RM39.0 million and RM29.4 million previously. The improvement was mainly attributed to better product mix, lower plastic compound and processing costs, as well as a lower effective tax rate.

- **Statement of Financial Position**

Southern Cable's financial position remains healthy, with total assets expanding by 19.1% to RM721.2 million as at 31 December 2024, from RM605.4 million a year ago. The increase stems from higher investment in new machinery, trade and other receivables, and inventories.

Total liabilities increased by 10.0% to RM303.4 million as at 31 December 2024, from RM290.4 million a year ago, on higher trade and other payables, and tax liabilities.

Shareholders' equity climbed by 27.5% to RM401.8 million as at 31 December 2024, from RM315.0 million previously, on higher retained earnings and share capital from exercise of warrants by holders.

Our net gearing ratio remained healthy at 0.33 times as at 31 December 2024 in comparison to 0.32 times in FYE2023. The slight increase was due to 10.2% higher total borrowings and 13.9% lower cash and cash equivalents of RM215.7 million and RM82.7 million, respectively, from RM195.7 million and RM96.0 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.

- **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 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.

- **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.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

GROWTH STRATEGIES

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

- **Continue capacity expansion plans for new business opportunities**

Our strong performance for the past two years has demonstrated that demand for cables and wires remains robust, driven by increased development activities in various sectors including power transmission and distribution, construction, and infrastructure. Hence, we are committed to expanding our production capacity to prepare ourselves for more business opportunities to sustain our growth.

In 2024, we acquired a 7.9-acre industrial land with an existing building adjacent to our current facilities in Kuala Ketil, Kedah, for RM14 million. The new property will enable the Group to scale up production and meet increasing demand both domestically and in the US. Together with our existing 5.4-acre land, adjacent to the new industrial site, we plan to invest more than RM30 million to construct two new production facilities. Construction work is scheduled to begin in 2025, with completion targeted for 2026.

Additionally, as part of our ongoing expansion, we plan to invest in new machinery and upgrades at our existing facilities, as well as to partially commence operations on the 7.9-acre land in 2025 to increase our annual capacity by 5,000 km at Southern Cable's facilities in Kuala Ketil, Kedah. The expansion will bring our total annual capacity to 51,980 km by the second half of 2025, up from 46,980 km as at 31 December 2024. The new capacity will focus on producing low- and medium-voltage cables and wires.

Meanwhile, the construction of our new plastic compound facility is completed, and machinery installations are scheduled for the first half of 2025. Following the completion of installations and successful trial runs, production at the new facility will commence in the second half of 2025.

The new plastic compound facility will enable the Group to produce a new type of plastic compound such as Polyolefin, Polyethylene, and Cross-Linked Polyethylene, expanding the Group's cable and wire insulation capabilities while enhancing cost efficiency in processing. Additionally, the new facility will increase our annual plastic compounding capacity by about 54% to 12,000 MT, up from 7,800 MT currently.

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

We are seeing a healthy growth in orders from our distributor customer in the US. In FYE2024, Southern Cable delivered to this customer over RM40 million worth of power cables and wires, up from RM14 million previously.

To stay aligned with the demands of the US market, we maintain regular communications with our customer, ensuring their needs for additional orders or new products are met. Currently, the Group is actively pursuing UL Standard certification for a range of building cables used in power distribution across residential, commercial, and industrial buildings.

Beyond expanding our overseas revenue, the business opportunity provides valuable insights into the US market and its industry requirements. Additionally, it demonstrates our capability to produce international-standard cables and wires. In the future, this will enable us to broaden our product range and cater to a larger customer base.

APPRECIATION

We extend our sincere appreciation to the Board of Directors, management team, and staff for their unwavering dedication and hard work in driving Southern Cable's performance.

We are also deeply grateful to our esteemed shareholders for their continued trust and confidence. Your support motivates us to remain steadfast in executing our long-term growth strategies.

Mr. Tung Eng Hai
Managing Director

SUSTAINABILITY STATEMENT

At Southern Cable Group Berhad ("Southern Cable" or "the Group"), we are continuously enhancing our sustainability performance. This Sustainability Statement ("Statement") outlines our ongoing initiatives, key achievements, and improvements in transparency and reporting.

SUSTAINABILITY STATEMENT

Cont'd

SCOPE OF REPORTING

This statement covers our sustainability performance for the reporting period 1 January 2024 to 31 December 2024. Previous years' data is presented where applicable to provide additional context.

The scope encompasses the full operations of Southern Cable across Malaysia, including its subsidiaries Southern Cable Sdn. Bhd. ("Southern"), Nextol Polymer Sdn. Bhd. ("Nextol"), and Daya Forwarding Sdn. Bhd. ("Daya").

Previously, we reported on Nextol and Daya on a limited scale for certain sustainability matters. This year, to improve our coverage and impact, the scope includes them in its entirety.

Additionally, our environmental data scope has also been expanded to include branches located in Kota Damansara, Johor, and Kuching.

STATEMENT OF ASSURANCE

This statement has been internally assured by the company's internal auditors and subsequently approved by the Sustainability Advisory Board ("SAB"). The assurance exercise covered all sustainability indicators listed within this report, encompassing all the three subsidiaries that are covered by the scope stated in the following pages.

GUIDELINES & REFERENCES

This statement was prepared referring to the Bursa Malaysia Sustainability Reporting Guide 2022 (3rd edition) and Toolkits issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the United Nations Sustainability Development Goals ("UN SDGs") and Task Force on Climate-related Financial Disclosures ("TCFD").



SUSTAINABILITY STATEMENT

Cont'd

OUR SUSTAINABILITY FRAMEWORK

At Southern Cable, sustainability is at the core of our operational and strategic initiatives. Our sustainability framework serves as a guiding blueprint to align our business practices with long-term economic, environmental, social, and governance (“EESG”) commitments.



Figure 1 - Southern Cable's Sustainability Framework

By aligning our EESG efforts with this framework, we strive to create long-term value and deliver a positive impact for our stakeholders while addressing the challenges of a rapidly evolving world.

SUSTAINABILITY STATEMENT

Cont'd

GOVERNANCE STRUCTURE

The Group acknowledges the importance of a sustainability governance structure in overseeing and managing our sustainability risks and opportunities. This framework establishes clear roles and responsibilities, providing guidance to seamlessly integrate sustainability initiatives into our daily operations.

We have incorporated The Sustainability Advisory Board ("SAB") into our governance structure. This initiative was done to better tackle climate-related risks and opportunities and oversee comprehensive sustainability initiatives. We have also further refined the roles and responsibilities of our committees.

Below is the enhanced sustainability governance structure:

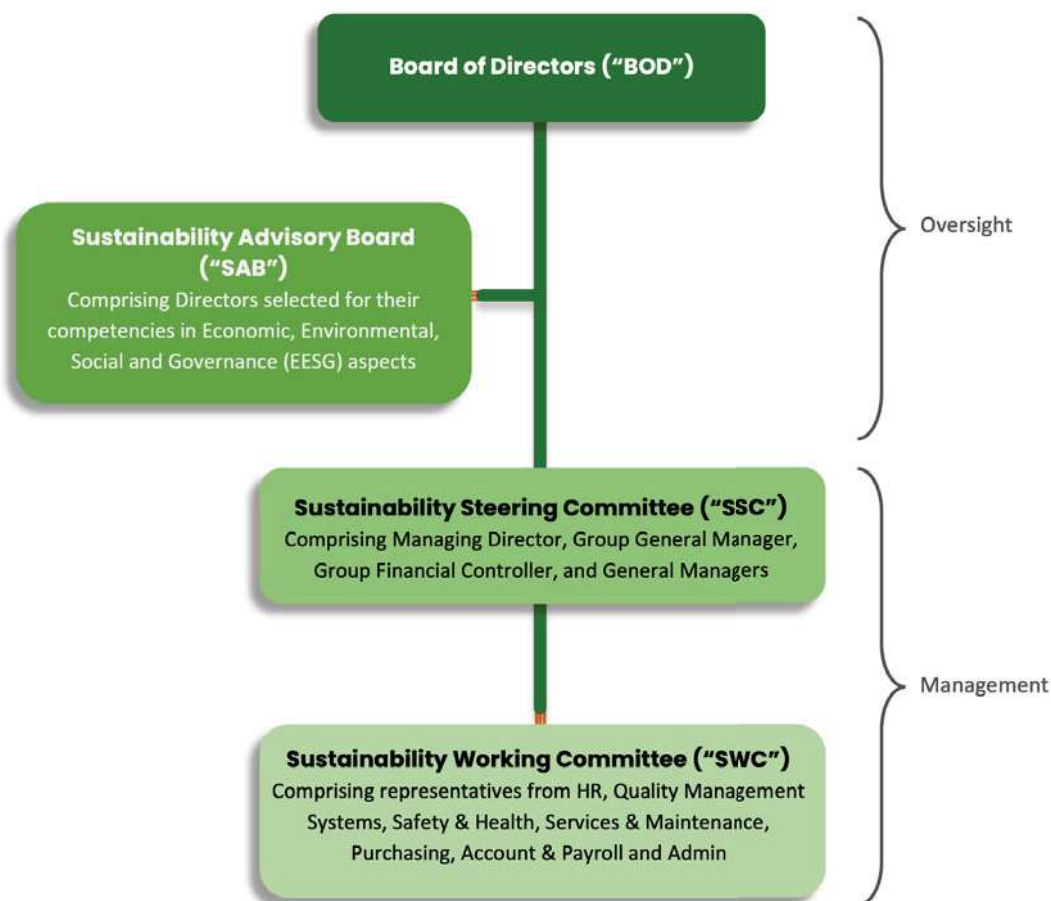


Figure 2 - Southern Cable's Governance Structure

SUSTAINABILITY STATEMENT

Cont'd

GOVERNANCE STRUCTURE

Outlined below are the roles and responsibilities within the Group's governance structure.



Figure 3 - Southern Cable's Governance Structure

SUSTAINABILITY STATEMENT

Cont'd

KEY STAKEHOLDER MANAGEMENT

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 engagement 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 | Training Programmes | As Needed |
| | Educational Programmes | As Needed |
| | Safety Inspections | Monthly |
| CUSTOMERS | | |
| <ul style="list-style-type: none">• Product Quality• Timely Delivery | Satisfaction Surveys | Quarterly/As Needed |
| VENDORS/SUPPLIERS | | |
| <ul style="list-style-type: none">• Competitive Pricing• Reliability | Supplier Assessment | Annually/As Needed |
| REGULATORS/CERTIFICATION BODIES | | |
| <ul style="list-style-type: none">• Corporate Governance• Regulatory Compliance• Certifications | Audits | Annually/As Needed |
| | Site Visits | Annually/As Needed |
| | LOCAL COMMUNITIES | |
| <ul style="list-style-type: none">• Social Development• Employment Opportunities | Community Events | Quarterly/As Needed |
| | Charities | Quarterly/As Needed |
| MEDIA | | |
| <ul style="list-style-type: none">• Corporate Reputation• Corporate News | Interviews | Quarterly/As Needed |
| | Press Releases | Quarterly/As Needed |
| SHAREHOLDERS | | |
| <ul style="list-style-type: none">• Corporate Developments• Financial Performance• Growth Plans | Annual Report | Annually |
| | Annual General Meeting | Annually |
| | Fund/Analyst Briefing | Quarterly/As Needed |
| | Investor Relations Website | As Needed |

Figure 4 – Southern Cable's Key Stakeholder Engagement

SUSTAINABILITY STATEMENT

Cont'd

MATERIALITY ASSESSMENT

Our triennial materiality assessment, conducted in 2023, follows a comprehensive 3-step design to identify and prioritise sustainability matters most relevant to the Group and our stakeholders. Outlined below is our 3-step process, along with the resulting materiality matrix:



Figure 5 - Southern Cable's Materiality Assessment

SUSTAINABILITY STATEMENT

Cont'd

MATERIALITY MATRIX

Southern Cable's Materiality Matrix is illustrated in Figure 6 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.

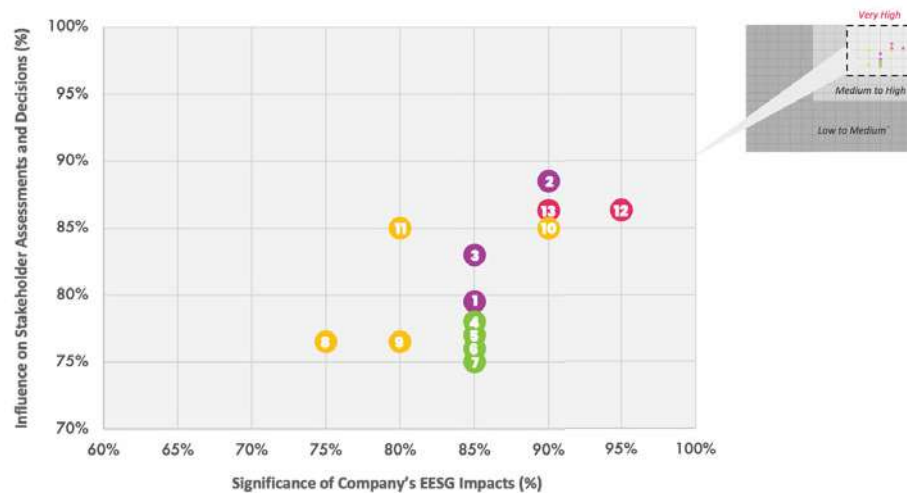


Figure 6 - Southern Cable's Materiality Matrix

Legend:



SUSTAINABILITY STATEMENT

Cont'd

OUR 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 | Sustainability Matters | Relevant Stakeholders | Relevant SDGs |
|---|------------------------------|---|---|
|  ECONOMIC | | | |
| 1 | Economic Performance | Employees, Shareholders, Vendors/Suppliers |   |
| 2 | Quality Products | Customers |   |
| 3 | Supply Chain Management | 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 |  |

Figure 7 - Southern Cable's Sustainability Matters

SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMENT



SOCIAL



GOVERNANCE

ECONOMIC



At Southern Cable, we recognise the importance of fostering long-term economic resilience through responsible business practices. Our approach covers key economic priorities, including financial performance, product quality, and a robust supply chain.

We aim to create value for our stakeholders while contributing to the economic development of the communities in which we operate. This aligns with Malaysia's Shared Prosperity Vision 2030 ("SPV 2030"), which seeks sustainable growth and equitable distribution across income groups, ethnicities, regions, and supply chains.

In this section, we will explore how we manage key economic material matters.

| Material Matters | Why Do They Matter To Us? | What Are We Doing 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 productsDistributing 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 uphold the reliability and quality of incoming materials as well as on-time delivery of our products | <ul style="list-style-type: none">Optimising resource utilisationImplementing sustainable policies |

SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMENT



SOCIAL



GOVERNANCE

ECONOMIC PERFORMANCE

Why It Matters

We believe economic performance is essential to our success and the nation's growth. Despite challenges such as rising energy costs and volatile raw material prices, we focus on quality, efficiency, and profitability to strengthen our business and industry resilience.

By practising responsible financial management and efficient resource allocation, we aim to create long-term value for our stakeholders—customers, employees, shareholders, communities, vendors, and the nation. This drives job creation, supply chain resilience, and sustainable growth, while contributing to the local economy. Integrating sustainability into our financial approach enables us to drive business success while supporting broader economic progress.

GENERATING AND DISTRIBUTING VALUE TO STAKEHOLDERS

Management Approach

The Group places great importance on managing resources responsibly to create and distribute value across our stakeholders.

In 2024, we generated higher economic value, driven by increased production output and operational growth. Payments to employees rose due to workforce expansion and salary adjustments, reflecting our efforts to support talent and retention. Shareholders benefited from higher dividend payments, driven by an increased dividend per share and additional share capital issuance. Payments to vendors also grew in line with higher production demands and the expansion of our production facilities.

Our contributions to the community increased as well, with greater investments in CSR initiatives, sponsorships, and donations, further enhancing our societal impact. Additionally, a significant rise in taxes paid, resulting from improved profitability, highlights our contribution to national economic development.

This approach demonstrates how we generate and distribute value to sustain our business while benefiting those who are part of our ecosystem.

| Value Generated and/or Distributed to | | | |
|--|---------------|---------------|---------------|
| Measures | 2022 (RM'000) | 2023 (RM'000) | 2024 (RM'000) |
| Direct Economic Value Generated | 875,879 | 1,053,081 | 1,347,016 |
| Economic Value Distributed | | | |
| • Payment to Employees | 27,547 | 33,529 | 36,911 |
| • Amount of Taxes Paid | 5,177 | 1,768 | 17,160 |
| • Payment to Vendors | 905,963 | 907,640 | 1,310,615 |
| • Payment of Dividends | 1,680 | 2,240 | 13,081 |
| • Community Investments | 29 | 28 | 54 |

Figure 8 – Value Generated and/or Distributed to Stakeholders

SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMENT



SOCIAL



GOVERNANCE

QUALITY PRODUCTS

Why It Matters

Quality products are fundamental to Southern Cable's reputation and success. As a leading cable and wire manufacturer, we adhere to high standards to meet the needs of major public utilities and telecommunications providers. Reliable products enhance safety, reduce failure risks, and support long-term business sustainability.

Maintaining high quality minimises inefficiencies, lowers defect-related costs, and strengthens client relationships. This reinforces our position as a trusted supplier, fostering customer satisfaction and future growth in a competitive market.

IMPLEMENTING QUALITY CONTROL PROCEDURES

Management Approach

Southern Cable's quality management system aligns with international and local standards, including the Standard and Industrial Research Institute of Malaysia ("SIRIM") Product Certificate, Fire-Resistant Certification from the Fire and Rescue Department of Malaysia and Electrical Material Approved List ("EMAL") Certification from the Department of Public Works. Our quality control team applies advanced testing for product consistency and reliability.

To enhance operations, we are strengthening quality control, optimising logistics, and streamlining processes for better efficiency. By reducing inefficiencies and building strong client relationships, we support sustainable growth and continuous improvement in customer satisfaction.

CUSTOMER SATISFACTION

This year, our customer satisfaction score rose to 97.80%, reflecting our focus on quality and service. We aim to deliver good service and support to all our existing customers. We drive growth through cost leadership, differentiation, and new customer acquisition, strengthening Southern Cable's presence in Malaysia and abroad.



ANNUAL SALES GROWTH RATE

This year, our annual sales increased by 27.91%, driven by the high quality of our cable products and the surge in demand for low- and medium-voltage cables from Engineering, Procurement, Construction, and Commissioning ("EPCC") customers due to ongoing national developments in Malaysia. Additionally, the growing number of data centre projects in Peninsular Malaysia has significantly contributed to the growing demand for low-voltage power cables.



SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMEN



SOCIAL



GOVERNANCE

SUPPLY CHAIN MANAGEMENT

Why It Matters

Supply chain management is a cornerstone of Southern Cable's operations, playing a crucial role in our ability to deliver high-quality products while managing costs and minimising environmental impact. Effective supply chain management facilitates the seamless flow of resources, from raw material sourcing to final product delivery, helping us meet customer demands in a timely and efficient manner. As we navigate the complexities of global sourcing, balancing quality, cost, and availability remains essential in enhancing operational efficiency and supply chain resilience.

EXPENDITURE ON LOCAL AND FOREIGN SUPPLIERS

Management Approach

Southern Cable's approach to supply chain management focuses on efficiency and reliability in product delivery. We aim to build a sustainable supply chain by streamlining our operations, controlling costs, and reducing environmental impact, while upholding high standards for product quality and reliability.

1. Enhancing Local Sourcing Efforts

High sales volumes have increased the need for raw materials, particularly copper wire from local suppliers. To support this, we have established a team to identify and partner with local vendors, prioritising them in price comparisons when their quality and delivery meet the required standards.

2. Balanced Sourcing for Resilience

We recognise the limited scale of local suppliers and global accessibility as key factors shaping our sourcing strategy. By strategically balancing local and international procurement, we aim to strengthen supply chain resilience and cost efficiency, while upholding quality standards.

3. Supplier Evaluation and Criteria

Suppliers are assessed based on quality, price, delivery reliability, financial health, and reputation. This assessment process, supported by Supplier Evaluation Report, helps us identify and collaborate with partners that align with our standards for reliable and responsible sourcing.

Proportion Spent On Local Suppliers

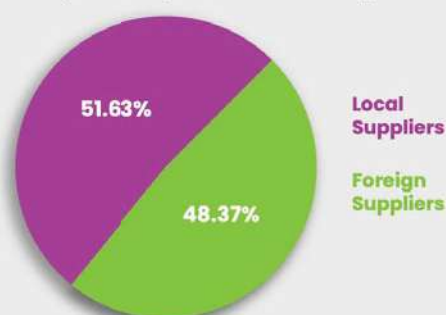


Figure 9 – Proportion Spent On Local Suppliers

8

New
Suppliers



SUSTAINABILITY STATEMENT

Cont'd



ENVIRONMENT



At Southern Cable, we strive for environmental stewardship through four key pillars: waste management, energy efficiency, water conservation, and emissions management. Our objective is to reduce our environmental impact by transitioning to cleaner, renewable alternatives while optimising resource use. We practice waste management through reuse and recycling initiatives at every stage of production and actively work to conserve water, contributing to overall sustainability.

We continuously explore innovative solutions to embed sustainable practices into our operations, supporting our efforts to drive business growth while safeguarding the planet. By integrating these principles, Southern Cable is focused on transforming into a truly sustainable organisation, creating lasting value for our stakeholders, and contributing to a greener future.

| Material Matters | Why Do They Matter To Us? | What Are We Doing About It? |
|----------------------|--|--|
| Waste Management | To responsibly handle waste in accordance with Environmental Quality Regulations | <ul style="list-style-type: none">Disposing of waste properly in compliance with regulations and recycling materials to minimise 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 Management | To safeguard the health of employees and promote the wellbeing of the community | <ul style="list-style-type: none">Using alternate water sources, collecting and reusing water from production |
| Emissions Management | To maintain uninterrupted production and operations while conserving water resources | <ul style="list-style-type: none">Switching to lower emission alternatives such as natural gas |

SUSTAINABILITY STATEMENT

Cont'd



WASTE MANAGEMENT

Why It Matters

Effective waste management plays an important role in protecting the environment and our community while supporting the sustainability of our operations. We focus on managing waste through reduction, recycling, and proper disposal to minimise environmental harm and facilitate waste breakdown. To align with compliance requirements and best practices, we work with contractors licensed by the Department of Environment (“DOE”) Malaysia for the handling and disposal of manufacturing waste.

WASTE GENERATED

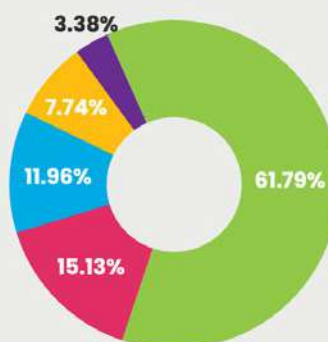
Management Approach

Southern Cable complies with the Environmental Quality (Scheduled Wastes) Regulations 2005, focusing on waste reduction, recycling, and safe disposal. Scheduled waste is managed according to DOE guidelines to minimise environmental impact, while general waste is handled by DOE-approved contractors.

In 2024, Southern continues to leverage its Cross-linked Polyethylene (“XLPE”) repurposing process to reduce disposal needs and improve resource efficiency. XLPE, widely used in power cables for its insulation and durability, is cleaned, shredded, and blended with virgin polymers and fillers to produce insulation layers, sheathing, and composite materials. However, as repurposed XLPE is not currently tracked, our reported data shows no scheduled waste diverted from disposal.

Total waste generation increased this year due to the inclusion of waste data from both Nextol and Daya.

Main Components of Scheduled Waste (Tonne)



| | |
|-----------------------|---------------|
| Factory Waste (SW104) | 215.54 |
| Coolant Waste (SW307) | 52.77 |
| Oil Waste (SW311) | 41.70 |
| Aluminium Waste (204) | 26.99 |
| Others | 11.80 |
| Total | 348.80 |

Total Waste Generated (Tonne)

| | 2022 | 2023 | 2024 |
|--|--------|--------|----------|
| Scheduled Waste | 203.84 | 160.14 | 348.80 |
| General and Non-Hazardous Waste | 252.80 | 265.60 | 1,885.20 |

Figure 10 – Total Waste Generated (Tonne)

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

ENERGY MANAGEMENT

Why It Matters

Energy is a key resource for Southern Cable, as it is critical in supporting our production processes and operational growth. Given the nature of our operations in cable and wire manufacturing, efficient energy management is essential to maintaining productivity and cost-effectiveness.

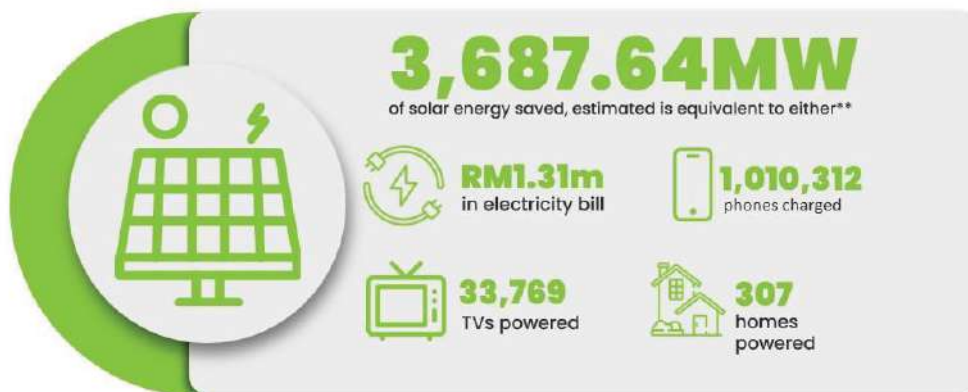
ENERGY CONSUMPTION

Management Approach

One of our key initiatives includes the expansion of solar energy, which helps offset electricity consumption. Since July 2022, we have been utilising renewable solar power to reduce our electricity costs, with 2023 marking our first full year of solar operation. By leveraging cleaner energy sources, we are taking steps toward improving energy efficiency while supporting the long-term sustainability of our business.



Figure 11 – Total Energy Consumed (Megawatt)



**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/>

* Disclaimer: Data reported in the previous FYE has been restated for accuracy. We have since reviewed and refined our data collection process.

SUSTAINABILITY STATEMENT

Cont'd



WATER

Why It Matters

Water is also another critical resource for Southern Cable, supporting our production processes and operational growth, especially with the significant increase in production and demand since 2020. Uninterrupted water supply is essential for maintaining efficiency and meeting customer expectations.

WATER USAGE

Management Approach

At Southern, our water management strategy focuses on resource efficiency and minimising consumption wherever possible. Our initiatives aim to promote the responsible use of water resources while maintaining operational excellence. The initiative to reuse water is as follows:

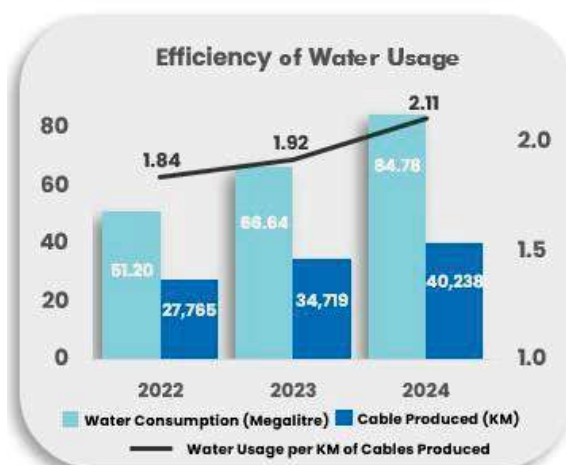
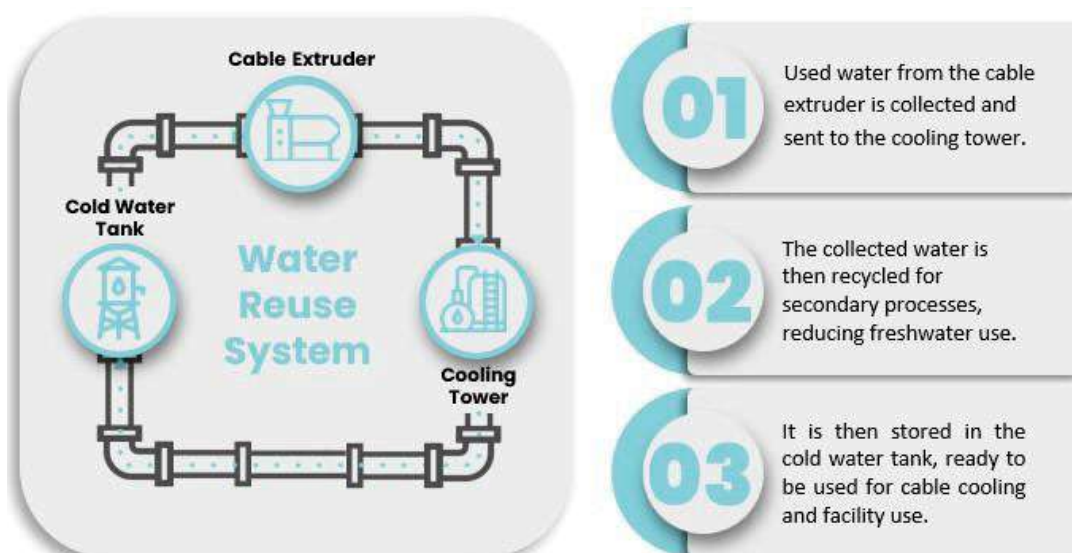


Figure 12 – Efficiency of Water Usage

Water usage increased from 66.64 megalitres in 2023 to 84.78 megalitres in 2024, driven by a 15.89% rise in cable production. The higher demand for water is primarily attributed to the expansion of manufacturing activities, including the purchase of new machinery and associated processes such as cooling, cleaning, and other operational requirements. This reflects the growing operational needs as production scales up.

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

EMISSIONS MANAGEMENT

Why It Matters

Effective emissions management is important for Southern Cable as part of our efforts to manage our environmental impact. We focus on optimising processes and exploring ways to manage emissions where possible, particularly in areas such as manufacturing and logistics.

By taking steps to manage emissions, we aim to balance environmental considerations with operational efficiency, supporting the long-term sustainability of our business while aligning with stakeholder expectations.

SCOPE 1: DIRECT EMISSIONS

Scope 1 encompasses all direct greenhouse gas ("GHG") emissions from vehicles and machinery owned and operated by Southern Cable. These emissions represent the most direct form of GHG emissions generated by the company.

This year, we enhanced our Scope 1 emissions reporting to include stationary combustion sources such as natural gas and charcoal. The integration of Nextol and Daya operations, along with the expansion of our production plants, led to increased forklift usage and consequently, higher diesel consumption. To mitigate this, Southern Cable has taken proactive steps to reduce diesel dependency by converting the aluminium furnace to operate on natural gas and installing overhead cranes to replace forklifts, effectively transitioning energy reliance from diesel to electricity.



Figure 13 – Scope 1 Emissions (tCO₂e)

** Disclaimer: Data reported in the previous FYE has been restated to include emissions from natural gas and charcoal, as well as expansion of scope from Nextol and Daya.*

SUSTAINABILITY STATEMENT

Cont'd

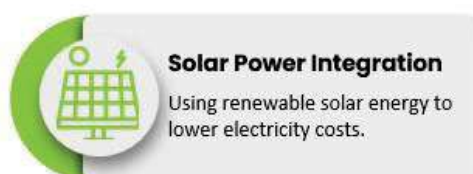


EMISSIONS MANAGEMENT

SCOPE 2: INDIRECT EMISSIONS

Scope 2 covers indirect greenhouse gas (“GHG”) emissions resulting from the purchase and consumption of electricity, steam, heating, or cooling. In the case of Southern Cable, these emissions arise from the electricity consumed during our operations. While these emissions result from our activities, they are considered indirect because they originate from external electricity providers, such as Tenaga Nasional Berhad (“TNB Malaysia”), which supplies the electricity we use.

In 2024, Scope 2 emissions increased due to the installation of new machines and the expansion of production plants. To manage these emissions, Southern Cable has implemented various energy efficiency initiatives aimed at optimising electricity consumption, enhancing operational efficiency, and effectively managing Scope 2 emissions. These efforts are part of our ongoing dedication to reducing our environmental footprint in a practical and responsible manner.



Emissions as a result electricity used for operations by the company.



Figure 14 – Scope 2 Emissions (tCO₂e)

* Disclaimer: Data reported in the previous FYE has been restated for accuracy. We have since reviewed and refined our data collection process.

SUSTAINABILITY STATEMENT

Cont'd



EMISSIONS MANAGEMENT

SCOPE 3: INDIRECT EMISSIONS

Scope 3 emissions refer to indirect greenhouse gas (“GHG”) emissions from sources not owned or directly controlled by the company. While these emissions occur outside the company’s direct operations, they contribute to the overall environmental impact.

At Southern Cable, Scope 3 calculations specifically cover employee commuting and business travel. In 2024, despite expanding production capacity and increasing our workforce to support business growth, Scope 3 emissions decreased by 13.27%.

However, business travel increased as the Business Development Team explored new market opportunities overseas. Additionally, our sales staff made frequent trips to East Malaysia to explore new market and project on the higher demand of cables. Moving forward, we will continue assessing opportunities to manage and reduce our environmental footprint.

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



Figure 15 – Scope 3 Emissions (tCO2e)

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

SOCIAL



At Southern Cable, our workforce is key to our success. We focus on developing employees by providing essential skills and knowledge, fostering a supportive work culture, and maintaining a safe, healthy, and conducive environment. Empowering our employees not only supports individual growth but also contributes to Southern Cable's long-term progress by enhancing employee loyalty, strengthening our communities, and reinforcing our position as a sustainable and forward-thinking organisation.

| Material Matters | Why Do They Matter To Us? | What Are We Doing About It? |
|---------------------------------------|--|---|
| Community/Society | To demonstrate corporate responsibility and help develop the community sustainably | <ul style="list-style-type: none"> Engaging in Corporate Social Responsibility ("CSR") Initiatives Investing in community initiatives |
| 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 and Safety | To mitigate workplace hazards and safeguard 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 and Standards | To contribute to the well-being of society, maintain business stability, foster innovation and build long-lasting reputation | <ul style="list-style-type: none"> Adhering to the Employment Act, for fair employee treatment Providing employee support programmes |

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

COMMUNITY / SOCIETY

Why It Matters

We believe that giving back to our community creates a meaningful impact and strengthens our company's values. Through donations and community support initiatives, we aim to make a positive difference while fostering a culture of care and responsibility. By investing in the communities we serve, we create lasting value for our stakeholders and society as a whole.

CORPORATE SOCIAL RESPONSIBILITY

Management Approach

In 2024, our Corporate Social Responsibility ("CSR") initiatives supported 16 beneficiaries across four key areas: public services, education, community and cultural support, and healthcare and welfare.

We contributed to public services by providing monetary and in-kind support to Bomba Sukarela in Kuala Ketil. In education, we supported Parent-Teacher Associations ("PIBGs") of local schools and university programmes at Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah ("UniSHAMS").

For community and cultural support, we extended assistance to local football clubs and places of worship, including temples and prayer halls in Kedah. Our healthcare and welfare efforts included participation in charity programmes by UOB and Pantai Hospital Sungai Petani.

By addressing community needs through these initiatives, we strengthen our corporate values while fostering trust and goodwill among stakeholders.



Contribution to SKJ(C) Aik Chee, Merbau Pulas



Pantai Hospital Charity Zumba Programme



Contribution to SK Binjul Dalam



Contribution to Bomba Sukarela Kuala Ketil

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

COMMUNITY / SOCIETY

In 2024, our investment in community initiatives reached RM46,820, representing a 3.3-fold increase from 2023. Along with the increased contributions, the number of beneficiaries grew from 4 in 2023 to 16 in 2024. Our efforts include supporting local public services, providing educational opportunities, and strengthening community infrastructure.

Through these initiatives, we aim to contribute to the well-being and development of the communities we serve.

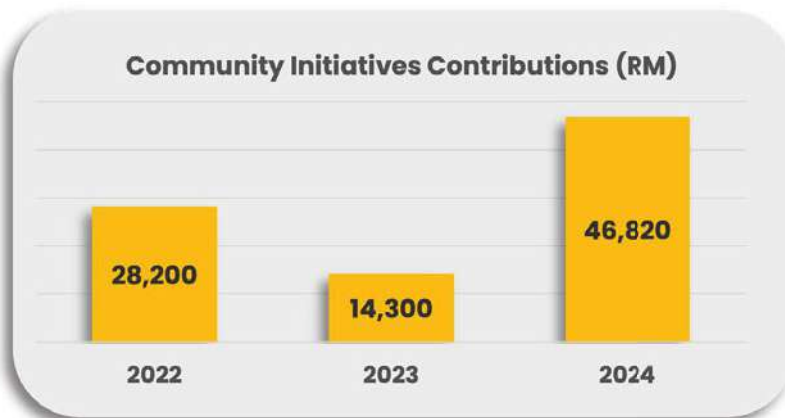


Figure 16 – Community Initiatives Contributions (RM)



SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

DIVERSITY

Why It Matters

At Southern Cable, we continue to prioritise diversity as a key element of our business strategy, recognising its important role in driving innovation, creativity, and resilience in an ever-evolving business landscape. In 2024, we focused on creating a more inclusive environment where every individual feels valued, respected, and empowered to share their unique talents and perspectives. By embracing diversity, we enhance collaboration and decision-making while strengthening our ability to adapt and thrive. Below is a summary of our achievements and ongoing initiatives in promoting diversity throughout the year.

Management Approach

At Southern Cable, we are dedicated to fostering a diverse and inclusive workforce by prioritising Equal Opportunity Hiring. Our recruitment process evaluates all candidates fairly based on their qualifications and skills, regardless of gender, age, or race.

We actively seek a wide range of talent by advertising job openings on diverse platforms, such as JobStreet and MyFutureJobs, expanding our reach and creating an inclusive environment for candidates from various backgrounds.

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

DIVERSITY

DIVERSITY IN OUR WORKFORCE: GENDER

Figure 17 illustrates the overall gender distribution within our workforce. Due to the physically demanding nature of our industry, the male-to-female ratio remains uneven. However, we have made significant progress in increasing female representation in less physically intensive roles, reaching 14% in 2024, up from 13.2% in 2023.

Figure 18 highlights gender representation at the senior management level, where leadership roles are nearly equally split, despite the predominantly male workforce at other levels. This balance reflects our ongoing efforts to promote equity and diversity across all tiers of the organisation.

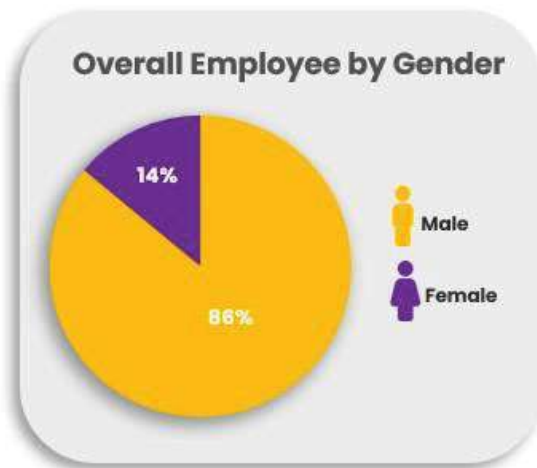


Figure 17 – Overall Employee by Gender



Figure 18 – Gender by Employee Category

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

DIVERSITY

DIVERSITY IN OUR WORKFORCE: AGE

At Southern Cable, our workforce is a dynamic blend of young and experienced employees, each bringing unique strengths to our growth. Younger team members contribute fresh perspectives, innovative ideas, and a strong drive to excel, while experienced employees offer specialised expertise, refined skills, and invaluable industry insights. This balance enhances our capabilities, fostering innovation while upholding the high standards that define our success.

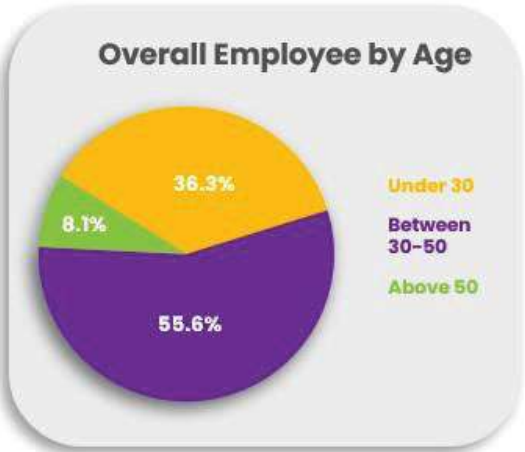


Figure 19 – Overall Employee by Age

COMPOSITION OF DIRECTORS

With 62.5% male and 37.5% female representation, our board members bring over 50 years of life experience, contributing to a combined 252 years of industry expertise. Their depth of knowledge enhances leadership, providing strategic guidance, stability, and a forward-looking approach to navigating an evolving market.

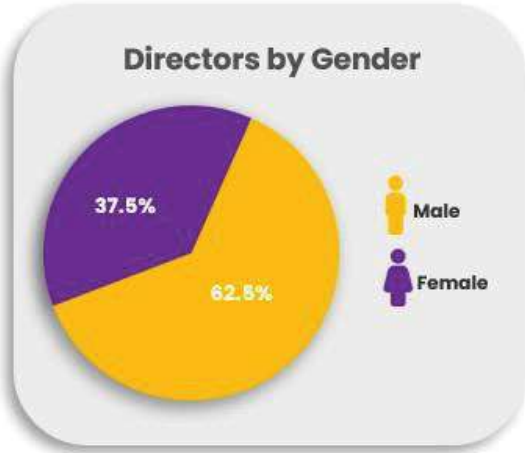


Figure 20 – Directors by Gender

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

DIVERSITY

DIVERSITY IN NEW HIRES

In 2024, Southern Cable welcomed 159 new hires, with 74.8% of them being under 30. This younger talent brings fresh ideas, energy, and a strong drive to contribute to the company's growth. Their diverse perspectives help strengthen our culture, while the remaining 25.2% of more experienced hires bring industry knowledge and specialised skills that support our operational and business needs.

To support our diversity hiring goals, we set specific targets to improve the representation of underrepresented groups and post job openings on platforms that reach diverse audiences. We also use inclusive assessment tools, such as skill-based assessments, to focus on job-relevant skills rather than just academic qualifications or past experience.

Our retention and inclusion efforts include inclusive leadership training to help leaders manage diverse teams and exit interviews to better understand any challenges related to diversity and inclusion.



Figure 21 – Diversity In New Hires

PEOPLE WITH DISABILITIES

Southern Cable fosters a barrier-free workspace that is inclusive of employees with disabilities. Our existing overhead cranes and forklifts provide opportunities for these employees to take on operational roles involving heavy tasks, allowing them to contribute effectively to the workforce. Meanwhile, others are placed in roles suited to their strengths, such as machine operation in departments like packing, spraying, and more.

To further promote inclusion, we prioritise awareness campaigns and training programmes to educate employees about disabilities, fostering understanding, particularly in matters of safety and health.

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

HEALTH AND SAFETY

Why It Matters

Maintaining a healthy and safe workplace is an important focus at our organisation, as we recognise it as a fundamental right for every employee. A safe environment helps protect our workforce while also supporting productivity and morale. By taking steps to reduce injuries, near-misses, and safety risks, we aim to create a more reliable and focused workforce. This can help lower absenteeism, minimise unplanned downtime, and improve our ability to meet production goals, contributing to a smoother workflow and better operational performance.

Management Approach

We follow Standard Working Hours of 8 hours per day or 45 hours per week as outlined in the Employment (Amendment) Act 2022, with a focus on managing overtime responsibly. Overtime work is limited to 104 hours per month to prevent excessive workloads. Fair compensation is provided to employees who work overtime, and we encourage efficient work planning to help reduce fatigue.

To support employee well-being, we maintain a daily rest period practice, which includes at least 45 minutes for lunch breaks and short breaks of 30 minutes every 5 hours to help manage physical and mental fatigue.

We provide annual leave and a special holiday policy to promote work-life balance, allowing employees to fully utilise their leave without undue work pressure to help employees manage personal and family responsibilities.



SAFETY PERFORMANCE

Fatalities at Work

Southern Cable is proud to report zero workplace fatalities for the third consecutive year. To further prevent workplace injuries, we have implemented various safety measures, including the installation of safety banner across our plants to raise awareness and regular workplace inspections conducted with the Health and Safety Committee. This reflects our unwavering commitment to maintaining a safe and secure environment for all employees.



SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

HEALTH AND SAFETY

SAFETY PERFORMANCE

Lost Time Incident Rate

The Lost Time Incident Rate ("LTIR") remained stable, with a slight decrease from 3.88 in 2023 to 3.87 in 2024. This consistency reflects ongoing safety measures and adherence to health and safety protocols. To further enhance workplace safety, we continue to implement key initiatives aimed at minimising hazards and promoting employee well-being.

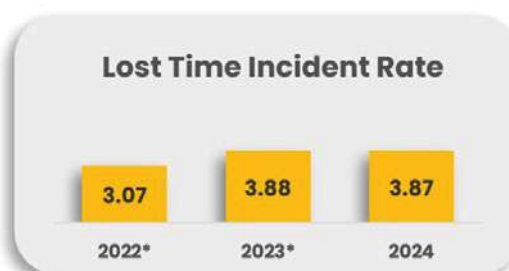


Figure 22 – Lost Time Incident Rate

Moving forward, efforts will be intensified through improved risk assessments, enhanced employee training, and stricter safety procedures to foster a safer and more resilient work environment.



Performed frequent workplace hazard surveys



Provided Personal Protection Equipment to workers



Conducted annual OSHA training for employees



Implemented safety and health measures on-site

Number Of Employees Trained At The Workplace

The number of employees trained in health and safety standards increased to 590 in 2024. This progress highlights Southern Cable's efforts to strengthen workplace safety. The expanded training initiatives have also contributed to higher health and safety expenditures, reflecting the allocation of additional resources to support this area.



Work area surveys have been conducted



Employees Trained In Health & Safety Standards*

* Disclaimer: Data reported in the previous FYE has been restated for accuracy. We have since reviewed and refined our data collection process.

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

LABOUR PRACTICES AND STANDARDS

Why It Matters

Labour practices and standards play a key role in Southern Cable's sustainability efforts, aligning with labour laws while fostering a positive and stable workforce. Fair employment practices, professional development opportunities, and structured performance evaluations contribute to employee satisfaction, talent retention, and lower recruitment costs. By upholding ethical labour standards, we aim to create a work environment that supports long-term business resilience and strengthens trust among employees and stakeholders.

EMPLOYEE TURNOVER RATE

Southern Cable's employee turnover rate has steadily declined from 36.5% in 2022 to 17.4% in 2023 and 13.9% in 2024. To sustain this trend, Southern Cable is focusing on leadership development, better communication, turnover monitoring, career growth opportunities, work environment enhancements, and competitive compensation.

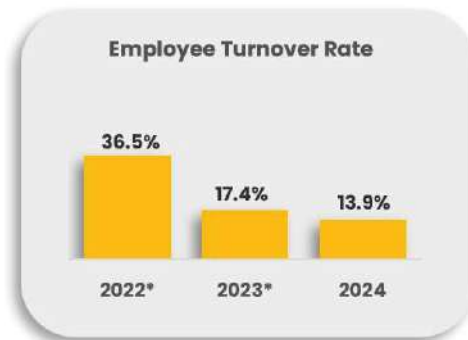


Figure 23 – Employee Turnover Rate

EMPLOYEE APPRAISALS

At Southern Cable, employee performance is evaluated annually through a structured appraisal process using key performance indicators ("KPIs") and a standardised evaluation system. This approach promotes fairness, accountability, and alignment with organisational goals while recognising achievements and growth opportunities.

STABLE WORKFORCE

Our workforce comprises 62% permanent employees and 38% temporary staff, reflecting a balance between stability and flexibility. The predominance of permanent staff maintains operational consistency and knowledge retention, while temporary staff provide agility to meet project-specific and seasonal demands. This approach supports both workforce stability and adaptability.

HUMAN RIGHTS VIOLATION

For three consecutive years, Southern Cable has recorded zero substantiated complaints of human rights violations. By fostering a workplace environment where employees feel valued and respected, we have strengthened morale, satisfaction, and loyalty. Upholding these principles supports employee retention and reinforces trust in our values as a responsible and sustainable organisation.



* Disclaimer: Data reported in the previous FYE has been restated for accuracy. We have since reviewed and refined our data collection process.

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

LABOUR PRACTICES AND STANDARDS

TRAINING AND DEVELOPMENT

Southern Cable continues to invest in employee training and development to support career growth and skill advancement. In 2024, total training hours increased significantly to 2,411 hours, compared to 1,848 hours in 2023 and 1,638 hours in 2022.

These programmes focus on as workplace safety and compliance, technical and digital skills, and leadership development. By providing structured learning opportunities, we equip employees with the necessary skills to excel in their roles and contribute to the company's long-term growth.



Figure 24 – Total 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 2024:

| EMPLOYEE TRAINING | |
|--|--|
| WORKPLACE SAFETY & COMPLIANCE | <ol style="list-style-type: none"> 1. Chemical Spillage Training 2. Anti-Bribery Policies 3. SOCSO Industry Updates |
| QUALITY & AUDITING | <ol style="list-style-type: none"> 1. Internal Quality Audit 2. ISO 9001:2015 |
| TECHNICAL SKILLS | <ol style="list-style-type: none"> 1. Microsoft Excel 2. HR System Training |
| LEADERSHIP DEVELOPMENT | <ol style="list-style-type: none"> 1. Transformation Leadership & Strategic Mindset |



Internal Quality Audit



Chemical Spillage Training



Transformation Leadership & Strategic Mindset

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

LABOUR PRACTICES AND STANDARDS

EMPLOYEE ENGAGEMENT

Southern Cable recognises the importance of employee engagement in fostering a positive and motivated workforce. In 2024, we continued to support initiatives that promote employee well-being, with a focus on physical health and team spirit.

Several key activities — **Pantai SP Heart Run 2024**, **SP Challenge 2024**, and **Internal Futsal Tournament 2024** — garnered enthusiastic participation from our employees. These activities encouraged healthier lifestyles while also strengthening camaraderie among colleagues across different departments.

By creating opportunities for employees to connect beyond the workplace, we aim to support their overall well-being and nurture a more cohesive working environment.



Pantai SP Heart Run 2024, organised by Pantai Hospital



SP Challenge 2024, organized by Persatuan Alumni Sin Min Sungai Petani



Internal Futsal Tournament 2024, organised by Southern Cable



SUSTAINABILITY STATEMENT

Cont'd

 ECONOMIC

 ENVIRONMENT

 SOCIAL

 **GOVERNANCE**

GOVERNANCE



At Southern Cable, we prioritise transparency, integrity, and accountability in all our operations. Our anti-corruption measures ensure ethical business practices across our organisation. We have established policies and procedures to prevent bribery, fraud, and other corrupt activities, promoting a culture of honesty and fairness. Additionally, we take the privacy and security of data seriously. We comply with data protection regulations and use technologies to protect sensitive information, maintaining the trust and confidence of our stakeholders.

| Material Matters | Why Do They Matter To Us? | What Are We Doing 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 and Security | To protect and manage data and information owned by the company and clients securely | <ul style="list-style-type: none">• Improving firewall• Improving existing internet security systems |

SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

ANTI-CORRUPTION

Why It Matters

Anti-corruption plays an important role at Southern Cable by promoting transparency, integrity, and accountability in our operations. By upholding ethical practices, we strengthen stakeholder confidence, safeguard our reputation, and cultivate a culture of honesty and fairness. These efforts help reduce risks associated with bribery and fraud, contributing to the long-term resilience and sustainability of our business.

TRAINING AND DEVELOPMENT

Management Approach

Employees sign a Staff Declaration Form during orientation, confirming their understanding of Southern Cable's Anti-Bribery and Corruption Policy and their responsibility to maintain ethical business practices. This reinforces accountability and aligns with our governance framework.

We conduct annual Anti-Bribery Training, incorporating the ISO 37001:2016 Anti-Bribery Management System to strengthen awareness, uphold ethical standards, and support compliance.

Additionally, the Anti-Bribery and Corruption Policy provides guidance on ethical conduct with clients, suppliers, business associates, authorities, and colleagues, while the Whistleblowing Policy offers a confidential platform for reporting bribery or corruption without risk. The Board oversees both policies as part of the company's governance practices.

ANTI-CORRUPTION INITIATIVES

In 2024, the company maintained a zero rate for confirmed incidents of employee dismissal or contract terminations related to corruption. The percentage of employees trained on anti-corruption is at 100% this year, as all employees are required to undergo anti-bribery training annually. In line with previous years, our operations reflected zero corruption risk, supported by the absence of any corruption-related contract terminations or legal cases. The number of initiatives aimed at raising anti-corruption awareness remained steady at five.



SUSTAINABILITY STATEMENT

Cont'd



ECONOMIC



ENVIRONMENT



SOCIAL



GOVERNANCE

DATA PRIVACY AND SECURITY

Why It Matters

Data privacy and security are important to Southern Cable due to the increasing risks of cyber threats and privacy concerns. Ensuring the confidentiality and integrity of customer data is essential for maintaining trust, meeting regulatory requirements, and reducing the risk of data breaches. Our focus on data privacy helps protect sensitive information across our operations and systems, supporting our efforts to uphold the confidence of our stakeholders.

DATA SECURITY

Management Approach

To address data privacy and security, Southern Cable has implemented internal measures to safeguard sensitive information. In 2023, we upgraded our firewall and security systems to help reduce data leakage risks. We also utilise Veeam software for encryption, backup, and data replication, with IT administrators managing data access to authorised personnel only. To further strengthen security, we transitioned our antivirus protection to the cloud, extending coverage to all employees, including those working remotely. These efforts reflect our focus on protecting stakeholder data and maintaining secure engagements.



From 2022 to 2024, the company recorded zero substantiated complaints. All 159 of our new hire employees received Personal Data Protection Act (PDPA) training in 2024, maintaining our 100% completion rate. We continue to focus on maintaining data privacy and security to protect customer information and uphold stakeholder trust.



SUSTAINABILITY STATEMENT

Cont'd

TASK FORCE ON CLIMATE-RELATED DISCLOSURES

This financial reporting period, Southern Cable follows the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), an internationally recognised framework established by the Financial Stability Board to promote transparency and consistency in climate-related financial reporting.

The TCFD framework is designed to assist organisations in identifying, assessing, and managing climate-related risks and opportunities, thereby ensuring resilience in a rapidly evolving regulatory and environmental landscape. It emphasises the importance of aligning business strategies with the global transition to a low-carbon economy.

TCFD CORE ELEMENTS*



Figure A: Four Core Elements of TCFD

Governance

The organisation's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Risk Management

The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

*Source: TCFD *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures*, page v.

SUSTAINABILITY STATEMENT

Cont'd

GOVERNANCE

TCFD RECOMMENDED DISCLOSURES

The Board's oversight of climate-related risks and opportunities

Management's role in assessing and managing climate-related risks and opportunities

The Southern Cable Sustainability Governance Structure governs the climate-related matters.

For more information on the sustainability governance structure, please refer to Figures 2 & 3 of the Sustainability Statement.

STRATEGY

TCFD RECOMMENDED DISCLOSURES

Climate-related risks and opportunities the organisation has identified over the short, medium, and long term

Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Southern Cable recognises the growing importance of understanding and addressing the impacts of climate change on its business operations and strategy. As the company champions sustainability, we aim to align our business practices with evolving ESG expectations while managing climate-related risks and leveraging opportunities to drive long-term value creation.

To achieve this, the company has adopted an approach to identify, assess, and address climate-related risks and opportunities. This process was initiated through a collaborative 2-day TCFD workshop, facilitated by a third-party consultant, where key stakeholders across the SWC and SSC reviewed potential climate-related risks and opportunities. Through this exercise, the company established a clear framework to integrate climate considerations into its strategic decision-making.

The tables on the following pages outline the list of relevant climate related:

- **Physical and transition risks**, their potential impacts and the management approaches to address them.
- **Opportunities**, their possible impacts and the management approaches to capitalise on them.

The intention of identifying, assessing, and addressing these climate-related risks and opportunities is to enhance our business resilience and competitive advantage in a rapidly evolving business landscape.

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

Table A: Climate-related Transition Risks for Southern Cable

| Type | No | Transition Risk | *Time Horizon | Potential Impact | Management Approach |
|--|----|---|------------------|------------------|---|
| Policy and Legal | 1 | Carbon Tax The Malaysian government has announced plans to introduce a carbon tax aimed at the iron, steel and energy industries by 2026. This would eventually affect Southern Cable | Short/ Medium | Cost | <ul style="list-style-type: none"> Install solar energy system Establish emissions baseline to effectively monitor, manage, and reduce overall emission levels |
| | 2 | Emissions-reporting Obligations Stricter regulations requiring more detailed and transparent reporting of greenhouse gas (GHG) emissions | Short/ Medium | Cost | <ul style="list-style-type: none"> Comply with Department of Environment (DOE) regulations Engage with third-party consultants to improve compliance with reporting Utilise third-party platform to measure and track carbon emissions |
| Technology | 3 | Low-emissions technology Significant investment and advanced technology maturity are required to transition to low-emission alternatives | Long | Cost | <ul style="list-style-type: none"> Transition to technology that produces lower emissions in phases, currently upgrading the aluminium plant's furnace system to use natural gas instead of diesel, where the former emits lower emissions and is more cost-viable |
| | 4 | Talent and competency gap Talent gaps that require upskilling and reskilling to navigate new and emerging technologies | Long | Cost | <ul style="list-style-type: none"> Conduct on-the-job training Facilitate on-site training and machinery commissioning by overseas experts to ensure optimal setup and knowledge transfer |
| *Time Horizon: Short/Medium term: 0-10 years Long term: > 10 years | | | | | |

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

Table A: Climate-related Transition Risks for Southern Cable (Cont')

| Type | No | Transition Risk | *Time Horizon | Potential Impact | Management Approach |
|------------|----|--|---------------|------------------|--|
| Market | 5 | Change in cost of materials Rising overseas raw material costs (copper, aluminium, plastic compounds) within the supply chain, especially with the imposition of a carbon tax | Long | Cost | <ul style="list-style-type: none"> Diversify supplier network to reduce supplier reliance and enhance supply chain resilience Reuse and recycle raw materials like copper and aluminium Develop proprietary plastic compounds or identify alternative raw materials |
| Reputation | 6 | Increased stakeholder concern or negative stakeholder feedback Increased policy requirement from main customers and expectations of our EESG strategy, management, and performance | Long | Market-ability | <ul style="list-style-type: none"> Implement EESG practices to align with BURSA's regulatory requirements and enhance corporate sustainability |

*Time Horizon: Short/Medium term: 0-10 years | Long term: > 10 years

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

Table B: Climate-related Physical Risks for Southern Cable

| Type | No | Physical Risk | *Time Horizon | Potential Impact | Management Approach |
|---------|----|--|------------------|--|---|
| Acute | 1 | Extreme weather events Increased severity of extreme weather events such as landslides and floods | Short/ Medium | Cost Safety Asset Value | <ul style="list-style-type: none">• Evaluate current assets with insurance agents to identify any additional coverage requirements• Enhance drainage efficiency through regular cleaning and inspections• Set up additional office and warehouse locations to diversify operations and enhance logistics• Implement secure offsite IT backups to ensure data protection and continuity |
| Chronic | 2 | Chronic shifts in climate patterns Long-term shifts in temperature and precipitation patterns and rising mean temperature and sea levels | Long | Cost Asse: Value | <ul style="list-style-type: none">• Conduct regular preventive maintenance to enhance cooling systems• Convert to solar energy systems to lower carbon emissions• Practise waste and scrap recycling |

*Time Horizon: Short/Medium term: 0-10 years | Long term: > 10 years

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

Table C: Climate-related Transition Opportunities for Southern Cable

| Type | No | Transition Opportunity | *Time Horizon | Potential Impact | Management Approach |
|---------------------|----|---|------------------|------------------|--|
| Resource Efficiency | 1 | Transition to Natural Gas Use of natural gas to replace diesel as fuel in aluminium furnace | Short/ Medium | Cost | <ul style="list-style-type: none"> Convert the existing furnaces to operate on natural gas |
| | 2 | Energy-efficient technologies/projects/processes Upgrade to higher-efficiency machines, such as extrusion machines | Short/ Medium | Cost | <ul style="list-style-type: none"> Upgrade the existing extrusion machines to higher-efficiency machines |
| Energy Source | 3 | Renewable energy growth Increased installation of solar panels | Short/ Medium | Cost | <ul style="list-style-type: none"> Install solar panels at the plant facilities |
| | 4 | Transition to an alternative source Exploration of alternative energy sources for existing/new equipment | Short/ Medium | Cost | <ul style="list-style-type: none"> Install overhead cranes to replace forklift, shifting energy reliance from diesel to electricity |
| Resilience | 5 | Resource substitutes/diversification Use of alternative materials or the diversification of resource supplies to reduce dependency on a single, potentially vulnerable resource | Short/ Medium | Supply Chain | <ul style="list-style-type: none"> Expand supplier and raw material options by utilising different types of PVC compounds available from our subsidiary, Nextol Polymer Sdn Bhd |

*Time Horizon: Short/Medium term: 0-10 years | Long term: > 10 years

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

CLIMATE RESILIENCY

Referring to the Representative Concentration Pathways (RCP) scenarios from the Intergovernmental Panel on Climate Change (IPCC) and scenarios proposed by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), Southern Cable conducted a scenario analysis to assess the resilience of its strategy under varying climate-related conditions as listed below to evaluate potential operational, financial, and market impacts.



Figure B: Comparison of Different Scenarios

1. NGFS Net Zero by 2050 (<1.5°C)

This scenario explores the effects of a rapid global transition to a low-carbon economy, emphasising stringent policies, carbon pricing, and technological innovation to limit global warming. The expected global temperature increase by 2050 is less than 1.5°C.

2. IPCC RCP 4.5 (1.8°C)

A moderate emissions pathway assumes significant but less aggressive mitigation efforts, resulting in a stabilised climate with moderate physical risks and transition challenges. The expected global temperature increase by 2100 is 1.8°C.

3. IPCC RCP 8.5 (3.7°C)

A high-emissions scenario represents minimal climate action, leading to severe physical risks such as extreme weather events and long-term environmental degradation. The expected global temperature increase by 2100 is 3.7°C.

SUSTAINABILITY STATEMENT

Cont'd

STRATEGY

These scenarios provide insights into how different climate futures will impact our company's strategic decisions and emphasise the need for us to prepare for the potential impacts.

Table D: Potential Impacts of Southern Cable Under Different Scenarios

| Types of Potential Impact | Scenarios | | |
|---------------------------|---|---|--|
| | NGFS Net Zero by 2050 (<1.5°C) | IIPCC RCP 4.5 by 2100 (1.8°C) | IPCC RCP 8.5 by 2100 (3.7°C) |
| Operational Impact | <ul style="list-style-type: none"> Adoption of low-carbon technology Increased staff training on emerging technologies Increased use of renewable energy Enhanced resource efficiency through reuse and recycling | <ul style="list-style-type: none"> Reduction in labor productivity due to absenteeism and rising medical leave Increased machinery damage from floods, adversely impacting production | <ul style="list-style-type: none"> Increased frequency of machine breakdowns due to excessive temperatures, resulting in the need for frequent repairs Increased risks to employee health and safety Factory closures resulting from the increasing frequency of natural disasters, which will disrupt the supply chain |
| Financial Impact | <ul style="list-style-type: none"> Increased operational and machinery costs Opportunity to leverage on the Green Investment Tax Allowance (GITA) | <ul style="list-style-type: none"> Increased operational costs for plant cooling (e.g., exhaust fans, ceiling fans, and air conditioning) Increased repair costs Decline in sales leading to a revenue impact Increased insurance premiums from frequent claims | <ul style="list-style-type: none"> Increased maintenance costs from frequent machine breakdowns or enhanced cooling needs Raised utility costs due to higher air conditioner usage Increased insurance premiums |
| Market Impact | <ul style="list-style-type: none"> Delays in project deliveries during the transition could potentially lead to customer dissatisfaction Expansion in market presence Enhanced company reputation | <ul style="list-style-type: none"> Increased operational and product costs, coupled with reduced profit margins, will lead to decreased competitiveness and potential loss of customers | <ul style="list-style-type: none"> Declined overall cable demand, with a shift toward fire-resistant cables Decreased price competitiveness |

SUSTAINABILITY STATEMENT

Cont'd

RISK MANAGEMENT
PROCESS

| TCFD RECOMMENDED DISCLOSURES | | |
|--|--|--|
| Describe the organisation's processes for identifying and assessing climate-related risks. | Describe the organisation's processes for managing climate-related risks | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management |

Southern Cable acknowledges that climate change poses material risks and opportunities that can affect our business operations, financial performance, and long-term resilience.

Guided by TCFD recommendations, we have developed an approach to

- Identify, assess, and address climate-related risks effectively
- Integrate the processes into our existing enterprise risk management (ERM) framework, ensuring alignment with corporate objectives and sustainability goals.

SUSTAINABILITY STATEMENT

Cont'd

RISK MANAGEMENT PROCESS

Southern Cable has a risk management framework that is used internally to assess business risks. This framework has been adapted to also include climate-related risks and encompasses seven key steps, from defining the organisational context to prioritising risks, implementing controls, and monitoring performance as seen below. The goal is to enhance the organisation's resilience to climate impacts while aligning risk management practices with sustainability objectives.

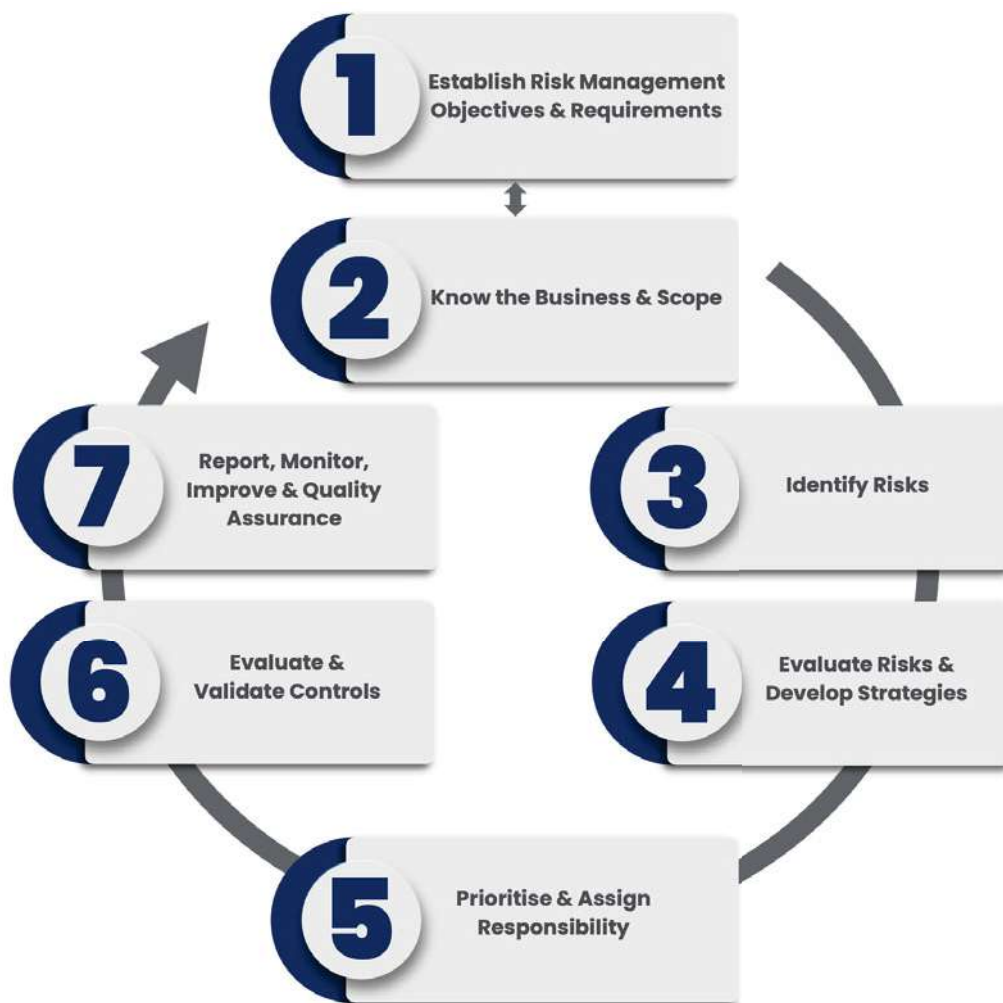


Figure C: Existing Enterprise Risk Management (ERM) Process of Southern Cable

SUSTAINABILITY STATEMENT

Cont'd

RISK MANAGEMENT
PROCESS

Step 1: Establish Risk Management Objectives & Requirements

Southern Cable sets clear objectives to identify, assess, and manage climate-related risks (including both physical and transition risks), ensuring alignment with TCFD recommendations and stakeholder expectations. By considering industry benchmarks, peer practices, and stakeholders’ expectations, the company ensures that the process is both comprehensive and relevant to its operational realities.

Step 2: Know the Business & Scope

The scope of the assessment extends to:

| No | Company | Main Functions | Location of Facilities |
|----|-------------------------|--|---------------------------------------|
| 1 | Southern Cable Sdn Bhd | Head Office, Manufacturing & Warehouse | Kawasan Perusahaan Kuala Ketil, Kedah |
| 2 | | Sales Office & Warehouse | Kota Damansara, Selangor |
| 3 | | Sales Office & Warehouse | Taman Perindustrian Alam Jaya, Johor |
| 4 | | Sales Office & Warehouse | Bintawa Industrial Estate, Kuching |
| 5 | Nextol Polymer Sdn Bhd | Office & Manufacturing | Kawasan Perusahaan Cendana, Kedah |
| 6 | Daya Forwarding Sdn Bhd | Office & Manufacturing | Kawasan Perusahaan Kuala Ketil, Kedah |

Step 3: Identify Risks

This step involves pinpointing relevant risks across Southern Cable’s operations, supply chains, and stakeholder networks. These risks are categorised into physical risks, such as extreme weather events or flooding, and transition risks, such as regulatory changes or evolving market demands. In addition to the risks listed by TCFD recommendations, we referred to local and international companies as benchmarks, selected based on industry relevance, market size, and geographic representation.

These insights strengthened our risk identification process, ensuring alignment with global standards while addressing local operational realities. We conducted group discussions with key stakeholders from SSC and SWC to define relevant time horizons and assess the broad impacts of the identified risks.

SUSTAINABILITY STATEMENT

Cont'd

RISK MANAGEMENT PROCESS

Step 4: Evaluate Risks & Develop Strategies

Following this, risk analysis is conducted to evaluate the likelihood of each identified risk and its potential impact on the organisation's financial, operational, and market outcomes. This analysis currently incorporates qualitative assessments, such as stakeholder feedback. For instance, risks are analysed under multiple climate scenarios, such as <1.5°C, 1.8°C, and 3.7°C warming pathways, to anticipate their implications across various timelines.

These scenarios provide insights into how different climate futures will impact our company's strategic decisions and emphasise the need for us to prepare for the potential impacts.

Step 5: Prioritise & Assign Responsibility

From this step onwards, the risk management approach is integrated with Southern Cable's existing ERM. This step would involve

- Prioritising risks based on their urgency and alignment with strategic priorities.
- Assigning key persons-in-charge (PICs) to assess and drive the implementation of management plans, ensuring accountability and progress.

This structured delegation ensures that high-priority risks are addressed accordingly with the necessary focus and resources.

Step 6: Evaluate & Validate Controls

Effective internal control can either eliminate or reduce the impact and/or likelihood of risks occurring. Control layers are scrutinised to determine their effectiveness in 'arresting' risks as they crop up. By separately assessing the control layers, we are able to gauge whether the controls are adequate deficient or excessive.

SUSTAINABILITY STATEMENT

Cont'd

RISK MANAGEMENT

Step 7: Report, Monitor, Improve & Quality Assurance

Effective risk management requires a reporting and review structure to ensure that

- Risks are effectively identified and assessed
- Appropriate controls and responses are in place

This final step ensures that risk management practices remain adaptive and responsive to evolving conditions. Regular monitoring and reporting mechanisms are used to

- Identify gaps and opportunities for improvements
- Identify changes in the organisation and the environment which would require modifications to the risk assessment system
- Provide assurance that appropriate controls are in place and result in the intended outcomes

This feedback loop is integral for the continuous refinement of processes and controls based on new data, emerging risks, or lessons learned. Quality assurance checks are conducted to ensure compliance with regulatory requirements and standards.

This seven-step framework enables Southern Cable to identify, assess and address overall risks including climate-related risks, to ensure business resilience and sustainability in the face of a changing climate.

SUSTAINABILITY STATEMENT

Cont'd

METRICS & TARGETS

TCFD RECOMMENDED DISCLOSURES

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets

Southern Cable uses quantitative metrics to evaluate climate-related risks and opportunities, ensuring alignment with our strategy and risk management framework.

As this is our first year reporting under the TCFD framework, we are focused on establishing baseline measurements for greenhouse gas (GHG) emissions. By 31 December 2025, we aim to measure and disclose Scope 1, Scope 2, and selected Scope 3 categories to build a solid foundation for emissions management:

- **Scope 1:** Direct emissions from company-owned operations, such as emissions from fuel combustion in manufacturing.
- **Scope 2:** Indirect emissions from purchased electricity used in operations and production.
- **Scope 3:** Selected indirect emissions, including:
 - Category 6: Business travel
 - Category 7: Employee commuting

These baseline measurements will help us establish reduction targets and guide future reporting cycles. Going forward, we will enhance our measurement systems, broaden our scope of disclosures, and refine our targets to stay aligned with evolving stakeholder expectations and industry standards, particularly in preparation for the future transition to IFRS S1 & S2.

SUSTAINABILITY STATEMENT

Cont'd

SUSTAINABILITY PERFORMANCE REPORT

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|------------------|-----------|-----------|-----------|
| Bursa (Anti-corruption) | | | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | | | |
| Senior Management | Percentage | 100.00 | 88.00 | 100.00 |
| Managerial | Percentage | 100.00 | 3.00 | 100.00 |
| Executive | Percentage | 100.00 | 24.00 | 100.00 |
| Non-Executive | Percentage | 100.00 | 15.00 | 100.00 |
| 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 | 28,200.00 | 14,300.00 | 46,820.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 10 | 4 | 16 |
| 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 | 2.70 | 2.86 | 0.00 |
| Managerial Between 30-50 | Percentage | 40.54 | 42.86 | 49.00 |
| Managerial Above 50 | Percentage | 56.76 | 54.28 | 51.00 |
| Executive Under 30 | Percentage | 37.33 | 38.16 | 48.00 |
| Executive Between 30-50 | Percentage | 45.33 | 47.37 | 42.00 |
| Executive Above 50 | Percentage | 17.34 | 14.47 | 10.00 |
| Non-Executive Under 30 | Percentage | 44.70 | 39.65 | 38.00 |
| Non-Executive Between 30-50 | Percentage | 51.89 | 55.96 | 58.00 |
| Non-Executive Above 50 | Percentage | 3.41 | 4.39 | 4.00 |
| Gender Group by Employee Category | | | | |
| Male | | | | |
| Senior Management Male | Percentage | 50.00 | 50.00 | 43.00 |
| Female | | | | |
| Senior Management Female | Percentage | 50.00 | 50.00 | 57.00 |
| Managerial Male | Percentage | 78.38 | 74.29 | 74.00 |
| Managerial Female | Percentage | 21.62 | 25.71 | 26.00 |
| Executive Male | Percentage | 70.67 | 67.11 | 62.00 |
| Executive Female | Percentage | 29.33 | 32.89 | 38.00 |
| Non-Executive Male | Percentage | 91.02 | 90.70 | 90.00 |
| Non-Executive Female | Percentage | 8.98 | 9.30 | 10.00 |

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT

Cont'd

SUSTAINABILITY PERFORMANCE REPORT cont'd

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|--|------------------|-------------|-------------|-----------|
| Bursa (Diversity) | | | | |
| Bursa C3(b) Percentage of directors by gender and age group | | | | |
| Male | Percentage | 83.33 | 62.50 | 62.50 |
| Female | Percentage | 16.67 | 37.50 | 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 | 22,699.00 * | 26,251.00 * | 31,721.00 |
| 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 | 3.07 * | 3.88 * | 3.87 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 521 * | 323 * | 590 |
| Bursa (Labour practices and standards) | | | | |
| Bursa C6(a) Total hours of training by employee category | | | | |
| Senior Management | Hours | 21 | 28 | 91 |
| Managerial | Hours | 307 | 308 | 331 |
| Executive | Hours | 546 | 785 | 1,089 |
| Non-Executive | Hours | 764 | 727 | 900 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 29.99 | 37.45 | 38.36 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | |
| Senior Management | Number | 0 | 0 | 1 |
| Managerial | Number | 5 | 4 | 3 |
| Executive | Number | 16 | 15 | 14 |
| Non-Executive | Number | 226 | 101 | 85 |
| 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 | 28.18 | 40.90 | 51.63 |
| Bursa (Data privacy and security) | | | | |
| 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 | 51.202240 | 66.637850 | 84.780000 |

SUSTAINABILITY STATEMENT

Cont'd

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|--|------------------|-------------|-------------|-----------|
| Bursa (Waste management) | | | | |
| Bursa C10(a) Total waste generated | Metric tonnes | 456.64 * | 425.74 * | 2,234.00 |
| Bursa C10(a)(i) Total waste diverted from disposal | Metric tonnes | 0.00 | 0.00 | 10.00 |
| Bursa C10(a)(ii) Total waste directed to disposal | Metric tonnes | 456.64 * | 425.74 * | 2,224.00 |
| Bursa (Emissions management) | | | | |
| Bursa C11(a) Scope 1 emissions in tonnes of CO2e | Metric tonnes | 4,134.31 * | 4,544.60 * | 5,349.74 |
| Bursa C11(b) Scope 2 emissions in tonnes of CO2e | Metric tonnes | 16,093.86 * | 17,181.24 * | 21,248.58 |
| Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting) | Metric tonnes | 993.87 * | 1,113.31 * | 965.59 |

DIRECTORS' PROFILE

RIZVI BIN ABD HALIM

Independent Non-Executive Chairman

Mr. Rizvi Bin Abd Halim, a Malaysian, male, aged 56 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 28 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 2024 ("FYE 2024").

TUNG ENG HAI

Managing Director

Mr. Tung Eng Hai, a Malaysian, male, aged 66, 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 46 years of working experience in the cable and wire industry.

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 FYE 2024.

DIRECTORS' PROFILE

Cont'd

WONG MENG KEE

Executive Director

Mr. Wong Meng Kee, a Malaysian, male, aged 65, 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 38 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 FYE 2024.

FAWIZA BINTI FAIZ

Non-Independent Non-Executive Director

Ms. Fawiza Binti Faiz, a Malaysian, female, aged 55, 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 Monterez 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 Monterez 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 our Company by virtue of her shareholdings in Semangat Handal pursuant to Section 8(4) of the Companies Act 2016.

She does not hold any directorship in other public companies and listed issuers in Malaysia. She attended all four (4) Board Meetings held during the FYE 2024.

DIRECTORS' PROFILE

Cont'd

WONG KAR WAI

Non-Independent Non-Executive Director

Mr. Wong Kar Wai, a Malaysian, male, aged 60, 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 23 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 FYE 2024.

EUGENE LEE CHENG HOE

Independent Non-Executive Director

Mr. Eugene Lee Cheng Hoe, a Malaysian, male, aged 56, 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) in February 1995 as an Executive in the Corporate Finance Division and left the company as an Associate Director in August 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 Atrous 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 also served as an Independent Non-Executive Director of Ideal Jacobs (Malaysia) Corporation Berhad (now known as Widad Group Berhad) from March 2013 to October 2015 and Fiamma Holdings Berhad from December 2018 to October 2022.

He is currently a Director of Atrous 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 FYE 2024.

DIRECTORS' PROFILE

Cont'd

DAPHNE CHOY GAIK CHOO

Independent Non-Executive Director

Ms. Daphne Choy Gaik Choo, a Malaysian, female, aged 61, 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 and an Adjudicator registered with the Asian International Arbitration Centre.

She has approximately 32 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. 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 FYE 2024.

LOH AYE LI

Independent Non-Executive Director

Ms. Loh Aye Li, a Malaysian, female, aged 61, is our Independent Non-Executive Director. She was appointed to our Board on 14 July 2023. She is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration 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 and has extensive experience in various departments including Office of Senior Economist, Corporate Banking and Business Banking during her 26 years with Malayan Banking Berhad. She left Malayan Banking Berhad as Deputy Head of Penang Business Centre in 2015. In 2019, she joined B.U. Developments Sdn. Bhd. as the Sales & Marketing Manager cum Human Resource Manager and left in 2020.

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

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 FYE 2024.

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, the major shareholder of the Company.
 - b) Mr. Tung Eng Hai is the brother-in-law of Mr. Wong Meng Kee, a Director of the Company.
 - c) Mr. Wong Meng Kee is the 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 FYE 2024.
- 3) None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

KEY SENIOR MANagements' PROFILE

OOI IN KEONG

Group General Manager

Mr. Ooi In Keong, a Malaysian, male, aged 53, 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 26 years of experience in the cable and wire industry.

SONG SWEE KIM

Group Financial Controller

Ms. Song Swee Kim, a Malaysian, female, aged 59, 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 Pharmed Malaysia 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 Pharmed Malaysia 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 32 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 or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries; and
- 4) 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 financial year ended 31 December 2024.

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 2024 (“FYE 2024”) 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 2024.

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”):-

- (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 Board Charter and TOR of the respective committees are available on the Company’s corporate website at www.southerncable.com.my.

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 MCGG 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.

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 Secretary

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. 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 organised 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 2024, 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.

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.

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 *cont'd*

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.

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.

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 *cont'd*

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 and 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 is committed to reviewing and updating the ABC Policy at least once every three (3) years to ensure its effectiveness and consistency with applicable laws and regulations.

The ABC Policy is published on the Company's corporate website, 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

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 MCGG 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 MCGG. 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.

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 2024, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

PART II – BOARD COMPOSITION *cont'd*

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.

Currently, there are three (3) female Directors on the Board, Ms. Fawiza Binti Faiz, Ms. Daphne Choy Gaik Choo and Ms. Loh Aye Li, 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.

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 (Independent Non-Executive Director) | Chairman | Member |
| Daphne Choy Gaik Choo (Independent Non-Executive Director) | Member | Chairperson |
| Loh Aye Li (Independent Non-Executive Director) | Member | Member |
| Wong Kar Wai (Non-Independent Non-Executive Director) | Member | N/A |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

PART II – BOARD COMPOSITION *cont'd*

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 2024, 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.

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

PART II – BOARD COMPOSITION *cont'd*

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 2024.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2024 are as follows:-

| Type of Meetings Name of Directors | Board | ARMC | NRC |
|---------------------------------------|--------------------------|------|-----|
| | No. of Meetings Attended | | |
| Rizvi Bin Abd Halim | 4/4 | N/A | N/A |
| Tung Eng Hai | 4/4 | N/A | N/A |
| Wong Meng Kee | 4/4 | N/A | N/A |
| Fawiza Binti Faiz | 4/4 | 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 | 4/4 | 4/4 | 1/1 |

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

PART II – BOARD COMPOSITION *cont'd*

2.10 Directors' Training *cont'd*

The Directors have attended the following training programmes during the FYE 2024:-

| Name | Training attended |
|-----------------------|--|
| Rizvi Bin Abd Halim | • Beneficial Ownership Reporting |
| Tung Eng Hai | • Beneficial Ownership Reporting |
| Wong Meng Kee | • Recent Developments with the Listing Requirements, including Conflict of Interest Amendments • Beneficial Ownership Reporting |
| Fawiza Binti Faiz | • Beneficial Ownership Reporting |
| Wong Kar Wai | • Beneficial Ownership Reporting |
| Eugene Lee Cheng Hoe | • Beneficial Ownership Reporting • Accounting: The Lingua Franca of Financial Planners • Financial Planning for Entrepreneurship Webinar Series 1 • Professionalism & Ethics 2024 • Microsoft Excel Essential Skills 2013 • Manipulating Data Effectively with Microsoft Excel 2013 |
| Daphne Choy Gaik Choo | • Beneficial Ownership Reporting • Resolving Boardroom and Shareholders Disputes |
| Loh Aye Li | • Conflict of Interest and Governance of Conflict of Interest • Beneficial Ownership Reporting |

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.southerncable.com.my.

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.

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 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 2024 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 | 12 | - | - | - | - | - | 12 |
| Wong Kar Wai | 60 | 2 | - | - | - | - | 62 |
| Eugene Lee Cheng Hoe | 60 | 2 | - | - | - | - | 62 |
| Daphne Choy Gaik Choo | 60 | 2 | - | - | - | - | 62 |
| Loh Aye Li | 60 | 2 | - | - | - | - | 62 |
| TOTAL | 312 | 10 | - | - | - | - | 322 |

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 | 1,386 | 462 | 28 | 227.58 | 2,145.58 |
| Wong Meng Kee | - | 24 | 343.20 | 114.40 | 3.50 | 20.59 | 505.69 |
| Fawiza Binti Faiz | 12 | - | 85.10 | 28.90 | 6.50 | 15.02 | 147.52 |
| Wong Kar Wai | 60 | 2 | - | - | - | - | 62 |
| Eugene Lee Cheng Hoe | 60 | 2 | - | - | - | - | 62 |
| Daphne Choy Gaik Choo | 60 | 2 | - | - | - | - | 62 |
| Loh Aye Li | 60 | 2 | - | - | - | - | 62 |
| TOTAL | 312 | 76 | 1,814.3 | 605.3 | 38 | 263.19 | 3,108.79 |

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 2024 are as follows:-

| Remuneration Band | Number of Key Senior Management |
|------------------------|---------------------------------|
| RM450,001 to RM500,000 | 2 |

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 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 the External Auditors Assessment Policy together with an 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 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 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 together with an annual performance evaluation form, to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

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 2024 are as disclosed in the ARMC Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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.

In line with Practice 13.1 of MCCG, the notice convening the Fifth AGM ("5th AGM") of the Company was issued to shareholders at least 28 days before the 5th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 5th AGM or to appoint a proxy to attend and vote on their behalf.

The Company's 5th AGM on 20 June 2024 was held on fully virtual and entirely via remote participation and electronic voting facilities and all the Directors attended the 5th AGM and responded to the shareholders' enquiries. The Senior Management of the Company and External Auditors had also attended the 5th AGM and prepared to answer shareholders' enquiries.

All resolutions set out in the Notice of 5th 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.

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*

7.2 Effective Communication and Proactive Engagement

All Directors and Senior Management attended the 5th 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 5th 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 5th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 5th AGM was also published on the Company's corporate website for the shareholders' information.

STATEMENT BY THE BOARD ON CG 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 2024. 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 (“Company”) (“Board”) presents the Audit and Risk Management Committee (“ARMC”) Report of the Company for the financial year ended 31 December 2024 (“FYE 2024”) 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 |
| Daphne Choy Gaik Choo, Member | Independent Non-Executive Director |
| Loh Aye Li, Member | Independent Non-Executive Director |
| Wong Kar Wai, Member | Non-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 2024 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 |
| Daphne Choy Gaik Choo, Member | 4/4 |
| Loh Aye Li, Member | 4/4 |
| Wong Kar Wai, Member | 4/4 |

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 (“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 2024

The ARMC carried out the following work in discharging its functions and duties during the FYE 2024, 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 Committee Memorandum in respect of the audit of the Group's financial statements for the financial year ended 31 December 2023 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 2024.
- 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 conflict of interest ("COI") questionnaires submitted by the Groups' directors and key members of senior management. Based on the review, no significant COI were identified that would necessitate further examination and implementation of specific mitigation measures. The only exceptions were related party transactions that had been duly disclosed and entered into with the Group, which are being managed in accordance with the established governance and approval processes.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

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.

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 2024 was RM44,500.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

Review of Internal Audit Function

For the FYE 2024, 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.

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) Caliber 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 fee.

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 2024 (“FYE 2024”), 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 year 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 2024 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 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 the 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 paragraphs 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 25 April 2025.

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 the 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 a total gross proceeds of approximately RM71.178 million (“Listing Proceeds”).

The Board of Directors of the Company, on 23 October 2023 and 28 May 2024 respectively, resolved the following:

- (1) the extension of 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 remaining balance of the Listing Proceeds.
- (2) the variation of the intended purposes for the unutilised Listing Proceeds.

The status of the utilisation of the Listing Proceeds as at 31 March 2025 is as follows:-

| 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 | 9,074 | 426 | | |
| - Purchase and installation of Enterprise Resource Planning information technology system | 4,000 | (2,000) | 1,855 | 145 | | |
| | 30,000 | - | 29,429 | 571 | | |
| 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 | - | 70,607 | 571 | | |

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

* The RM2 million initially allocated for the purchase and installation of Enterprise Resource Planning information technology system was reallocated to construction of factories on 28 May 2024.

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

ADDITIONAL COMPLIANCE INFORMATION

Cont'd

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 2024 ("FYE 2024") are as follows:

| | Company RM | Group RM |
|----------------|---------------|-------------|
| Audit Fees | 50,000 | 164,000 |
| Non-Audit Fees | 17,000 | 90,500 |

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 2024 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 143 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 2024.

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 | 72,317,138 | 22,541,358 |
| Attributable to: | | |
| Owners of the Company | 72,317,138 | 22,541,358 |

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 0.75 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 26 July 2024 | 6,390,724 |
| First interim single tier dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 18 December 2024 | 6,689,995 |

At the forthcoming Annual General Meeting, a single tier final dividend of 0.85 sen per ordinary share, amounting to RM7,650,263 in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2024, 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 2025.

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 99,980,900 new ordinary shares pursuant to the conversion of 99,980,900 warrants at an issue 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 11 to the financial statements.

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

| | Number of warrants | | |
|----------|-------------------------|---------|---------------------------|
| | At 1 January 2024 | Alloted | At 31 December 2024 |
| Warrants | 399,950,000 | - | (99,980,900) 299,969,100 |

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*
 Loh Aye Li

* 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

(Demised on 13 May 2024)

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 January 2024 | Exercised/ Bought | Sold | At 31 December 2024 |
| 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 | 200,000 | - | 600,000 |
| Eugene Lee Cheng Hoe | 400,000 | - | - | 400,000 |
| Indirect interests: | | | | |
| Tung Eng Hai ⁽¹⁾ | 285,524,412 | 8,000,000 | - | 293,524,412 |
| Fawiza Binti Faiz ⁽¹⁾ | 128,028,400 | - | (36,000,000) | 92,028,400 |

DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS *cont'd*

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: *cont'd*

| | At 1 January 2024 | Number of warrants issued | | At 31 December 2024 |
|-----------------------------|-------------------------|---------------------------|--------------------|---------------------------|
| | | Alloted | Sold /Exercised | |
| 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 | - | (8,000,000) | 134,762,206 |

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

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 | 312,000 |
| Salaries, allowances and bonuses | 10,000 |
| | <u>322,000</u> |

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 |
|--|--------------------------|-----------|------|--|
| | | 2024 | 2023 | |
| 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 these 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: 25 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

| | | Group | | Company | |
|--|------|---------------|---------------|-------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 3 | 81,911,274 | 54,633,158 | - | - |
| Right-of-use assets | 4 | 55,871,194 | 44,435,467 | - | - |
| Investment properties | 5 | 503,692 | 510,177 | - | - |
| Investment in subsidiaries | 6 | - | - | 241,303,806 | 213,603,806 |
| Total non-current assets | | 138,286,160 | 99,578,802 | 241,303,806 | 213,603,806 |
| Current assets | | | | | |
| Inventories | 7 | 183,722,803 | 144,096,427 | - | - |
| Current tax assets | | 728,667 | 995,067 | - | - |
| Trade and other receivables | 8 | 315,276,074 | 264,903,682 | 9,081,785 | - |
| Derivative financial assets | 9 | 487,428 | - | - | - |
| Cash and short-term deposits | 10 | 82,704,461 | 96,008,551 | 6,058,763 | 5,169,623 |
| Total current assets | | 582,919,433 | 506,003,727 | 15,140,548 | 5,169,623 |
| TOTAL ASSETS | | 721,205,593 | 605,582,529 | 256,444,354 | 218,773,429 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 11 | 245,164,141 | 217,669,394 | 245,164,141 | 217,669,394 |
| Reorganisation reserve | 12 | (120,947,002) | (120,947,002) | - | - |
| Retained earnings | | 277,555,718 | 218,319,299 | 10,228,665 | 768,026 |
| TOTAL EQUITY | | 401,772,857 | 315,041,691 | 255,392,806 | 218,437,420 |
| Non-current liabilities | | | | | |
| Loans and borrowings | 13 | 6,212,853 | 9,640,101 | - | - |
| Deferred tax liabilities | 14 | 9,871,630 | 7,759,412 | - | - |
| Total non-current liabilities | | 16,084,483 | 17,399,513 | - | - |
| Current liabilities | | | | | |
| Loans and borrowings | 13 | 209,494,578 | 186,092,739 | - | - |
| Provision | 15 | 292,609 | 322,379 | - | - |
| Current tax liabilities | | 3,789,089 | 3,348,748 | 12,373 | 3,820 |
| Trade and other payables | 16 | 89,771,977 | 82,789,338 | 1,039,175 | 332,189 |
| Derivative financial liabilities | 9 | - | 588,121 | - | - |
| Total current liabilities | | 303,348,253 | 273,141,325 | 1,051,548 | 336,009 |
| TOTAL LIABILITIES | | 319,432,736 | 290,540,838 | 1,051,548 | 336,009 |
| TOTAL EQUITY AND LIABILITIES | | 721,205,593 | 605,582,529 | 256,444,354 | 218,773,429 |

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | Group | | Company | |
|--|------|--------------------|-------------------|-------------------|------------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Revenue | 17 | 1,347,015,851 | 1,053,081,100 | 23,300,000 | 3,200,000 |
| Cost of sales | | (1,211,774,386) | (979,204,378) | - | - |
| Gross profit | | 135,241,465 | 73,876,722 | 23,300,000 | 3,200,000 |
| Other income | 18 | 5,892,899 | 4,802,203 | 186,411 | 112,352 |
| Distribution expenses | | (24,778,061) | (17,278,204) | - | - |
| Administrative expenses | | (12,661,076) | (12,500,732) | (901,602) | (865,413) |
| Net impairment loss on trade receivables | | (1,760,045) | (393,497) | - | - |
| Other expenses | | (72,604) | (2,250) | - | - |
| Operating profit | | 101,862,578 | 48,504,242 | 22,584,809 | 2,446,939 |
| Finance costs | 19 | (9,566,557) | (9,455,246) | - | - |
| Profit before tax | 20 | 92,296,021 | 39,048,996 | 22,584,809 | 2,446,939 |
| Income tax expense | 22 | (19,978,883) | (9,612,283) | (43,451) | (24,079) |
| Profit for the financial year, representing total comprehensive income for the financial year | | 72,317,138 | 29,436,713 | 22,541,358 | 2,422,860 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 72,317,138 | 29,436,713 | 22,541,358 | 2,422,860 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 72,317,138 | 29,436,713 | 22,541,358 | 2,422,860 |
| Earnings per share attributable to owners of the Company (sen) | | | | | |
| - Basic | 23 | 8.62 | 3.68 | - | - |
| - Diluted | 23 | 7.00 | 3.36 | - | - |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| Group | Note | ← Attributable to owners of the Company → | | | Total equity RM |
|---|------|---|------------------------------|-------------------------|--------------------|
| | | Share capital RM | Reorganisation reserve RM | Retained earnings RM | |
| At 1 January 2023 | | 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 | 11 | 13,750 | - | - | 13,750 |
| Dividends | 24 | - | - | (2,240,000) | (2,240,000) |
| At 31 December 2023 | | 217,669,394 | (120,947,002) | 218,319,299 | 315,041,691 |
| Profit for the financial year, representing total comprehensive income for the financial year | | - | - | 72,317,138 | 72,317,138 |
| Transaction with owners | | | | | |
| Issuance of shares pursuant to warrants exercised | 11 | 27,494,747 | - | - | 27,494,747 |
| Dividends | 24 | - | - | (13,080,719) | (13,080,719) |
| At 31 December 2024 | | 245,164,141 | (120,947,002) | 277,555,718 | 401,772,857 |

| Company | Note | Share capital RM | Retained earnings RM | Total equity RM |
|---|------|---------------------|-------------------------|--------------------|
| At 1 January 2023 | | 217,655,644 | 585,166 | 218,240,810 |
| Profit for the financial year, representing total comprehensive profit for the financial year | | - | 2,422,860 | 2,422,860 |
| Transaction with owners | | | | |
| Issuance of shares pursuant to warrants exercised | 11 | 13,750 | - | 13,750 |
| Dividends | 24 | - | (2,240,000) | (2,240,000) |
| At 31 December 2023 | | 217,669,394 | 768,026 | 218,437,420 |
| Profit for the financial year, representing total comprehensive income for the financial year | | - | 22,541,358 | 22,541,358 |
| Transaction with owners | | | | |
| Issuance of shares pursuant to warrants exercised | 11 | 27,494,747 | - | 27,494,747 |
| Dividends | 24 | - | (13,080,719) | (13,080,719) |
| At 31 December 2024 | | 245,164,141 | 10,228,665 | 255,392,806 |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | | Group | | Company | |
|---|--|--------------|--------------|--------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Note | | RM | RM | RM | RM |
| Cash flows from operating activities | | | | | |
| Profit before tax | | 92,296,021 | 39,048,996 | 22,584,809 | 2,446,939 |
| Adjustments for: | | | | | |
| Depreciation of investment properties | | 6,485 | 6,487 | - | - |
| Depreciation of property, plant and equipment | | 8,832,065 | 6,937,354 | - | - |
| Depreciation of right-of-use assets | | 2,300,208 | 2,256,675 | - | - |
| Dividend income | | - | - | (23,300,000) | (3,200,000) |
| Impairment losses on trade receivables | | 2,335,694 | 393,497 | - | - |
| Reversal of impairment loss on trade receivables | | (575,649) | - | - | - |
| Fair value gain on derivative financial instruments | | (1,075,549) | (378,567) | - | - |
| Loss/(Gain) on disposal of property, plant and equipment | | 5,977 | (267,826) | - | - |
| Interest expenses | | 9,566,557 | 9,455,246 | - | - |
| Interest income | | (1,394,155) | (758,918) | (186,411) | (112,352) |
| Net unrealised (gain)/loss on foreign exchange | | (1,473,434) | 349,932 | - | - |
| Provision for employee benefits (net) | | (29,770) | 101,278 | - | - |
| Property, plant and equipment written off | | - | 2,304 | - | - |
| Right-of-use assets written off | | 7,474 | - | - | - |
| Operating profit/(loss) before changes in working capital | | 110,801,924 | 57,146,458 | (901,602) | (865,413) |
| Changes in working capital: | | | | | |
| Inventories | | (39,626,376) | 79,159,838 | - | - |
| Trade and other receivables | | (50,599,680) | (41,126,421) | (9,081,785) | - |
| Trade and other payables | | 6,923,316 | 26,918,056 | 706,986 | 22,508 |
| Net cash generated from/(used in) operations | | 27,499,184 | 122,097,931 | (9,276,401) | (842,905) |
| Income tax paid | | (17,159,924) | (1,767,700) | (34,898) | (22,532) |
| Income tax refund | | - | 2,386,405 | - | - |
| Interest paid | | (607,204) | (489,457) | - | - |
| Interest received | | 1,394,155 | 758,918 | 186,411 | 112,352 |
| Net cash from/(used in) operating activities | | 11,126,211 | 122,986,097 | (9,124,888) | (753,085) |

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Cont'd

| | | Group | | Company | |
|--|------|---------------|---------------|--------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| Cash flows from investing activities | | | | | |
| Dividend received | | - | - | 23,300,000 | 3,200,000 |
| Purchase of property, plant and equipment | (A) | (48,063,183) | (7,808,334) | - | - |
| Addition of right-of-use assets | (B) | (1,121,468) | (1,231,437) | - | - |
| Derecognition of right-of-use assets | | 39,260 | - | - | - |
| Proceeds from disposal of property, plant and equipment | | 4,000 | 269,500 | - | - |
| Change in pledged deposits | | (774) | (656) | - | - |
| Net cash (used in)/from investing activities | | (49,142,165) | (8,770,927) | 23,300,000 | 3,200,000 |
| Cash flows from financing activities | | | | | |
| | (C) | | | | |
| Interest paid | | (8,959,353) | (8,965,789) | - | - |
| Dividends paid | | (13,080,719) | (2,240,000) | (13,080,719) | (2,240,000) |
| Net change in amount owing by subsidiaries | | - | - | (27,700,000) | - |
| Drawdown of bankers' acceptance | | 762,509,890 | 709,237,490 | - | - |
| Repayment of bankers' acceptance | | (738,271,607) | (736,019,968) | - | - |
| Drawdown of term loans | | - | 777,658 | - | - |
| Repayment of term loans | | (1,720,169) | (1,102,726) | - | - |
| Repayment of lease liabilities | | (3,261,699) | (1,779,651) | - | - |
| Issuance of shares pursuant to warrants exercised | | 27,494,747 | 13,750 | 27,494,747 | 13,750 |
| Net cash from/(used in) financing activities | | 24,711,090 | (40,079,236) | (13,285,972) | (2,226,250) |
| Net (decrease) /increase in cash and cash equivalents | | (13,304,864) | 74,135,934 | 889,140 | 220,665 |
| Cash and cash equivalents at the beginning of the financial year | | 95,975,877 | 21,839,943 | 5,169,623 | 4,948,958 |
| Cash and cash equivalents at the end of the financial year | 10 | 82,671,013 | 95,975,877 | 6,058,763 | 5,169,623 |

(A) Purchase of property, plant and equipment:

| | Group | |
|--|------------|-------------|
| | 2024 RM | 2023 RM |
| Purchase of property, plant and equipment | 48,063,183 | 13,780,884 |
| Financed by way of lease arrangement | - | (5,972,550) |
| Cash payments on purchase of property, plant and equipment | 48,063,183 | 7,808,334 |

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Cont'd

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

| | | Group | |
|---|------|------------|------------|
| | Note | 2024 RM | 2023 RM |
| Addition of right-of-use assets | 4 | 1,800,384 | 2,140,508 |
| Operating lease recognised as right-of-use assets | | (678,916) | (909,071) |
| Cash payments on addition of right-of-use assets | | 1,121,468 | 1,231,437 |

(C) Reconciliation of liabilities arising from financing activities:

| | Group | | | |
|---------------------|-------------------------|---------------------|-------------------------------|---------------------------|
| | 1 January 2024 RM | Cash flows RM | Non-cash acquisition RM | 31 December 2024 RM |
| Term loans | 4,542,115 | (1,720,169) | - | 2,821,946 |
| Lease liabilities | 9,407,017 | (3,261,699) | 718,176 | 6,863,494 |
| Bankers' acceptance | 181,783,708 | 24,238,283 | - | 206,021,991 |
| | 195,732,840 | 19,256,415 | 718,176 | 215,707,431 |

| | 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 |

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 RM3,693,040 (2023: RM2,202,724).

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 25 April 2025.

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 amendments to MFRSs

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

| | |
|----------|--------------------------------------|
| MFRS 7 | Financial Instruments: Disclosures |
| MFRS 16 | Leases |
| MFRS 101 | Presentation of Financial Statements |
| MFRS 107 | Statement of Cash Flows |

The adoption of the above 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 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 a 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 twelve 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

2.2 Adoption of amendments to MFRSs *cont'd*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures *cont'd*

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.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

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

| | | Effective for financial periods beginning on or after |
|----------------------------|--|--|
| <u>New MFRSs</u> | | |
| MFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| <u>Amendments to MFRSs</u> | | |
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2026 |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2026 |
| MFRS 9 | Financial Instruments | 1 January 2026 |
| MFRS 10 | Consolidated Financial Statements | 1 January 2026/ Deferred |
| MFRS 107 | Statements of Cash Flows | 1 January 2026 |
| 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 new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRS that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 New MFRSs and 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 new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRS that may be applicable to the Group and the Company are summarised below. *cont'd*

MFRS 18 Presentation and Disclosure in Financial Statements *cont'd*

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

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.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

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

| Group | Note | Freehold land | Buildings | Furniture, fittings and office equipment | Plant and machineries | Motor vehicles | Factory tools and equipment | Electrical installation and renovation | Fire protection system | Solar PV system | Capital work-in-progress | Total |
|---|------|---------------|-----------|--|-----------------------|----------------|-----------------------------|--|------------------------|-----------------|--------------------------|-------------|
| | | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Cost | | | | | | | | | | | | |
| At 1 January 2023 | | 2,325,189 | 2,149,355 | 4,439,516 | 88,949,913 | 7,213,125 | 18,254,081 | 6,088,479 | 749,179 | 5,184,384 | 5,226,538 | 140,579,759 |
| Additions | | - | 19,480 | 708,231 | 1,409,562 | 877,685 | 1,177,883 | 357,192 | - | - | 9,230,851 | 13,780,884 |
| Disposals | | - | - | (2,988) | - | (714,015) | - | - | - | - | - | (717,003) |
| Written off | | - | - | (1,287) | - | - | (7,300) | - | - | - | - | (8,587) |
| Reclassification | | - | - | 264,591 | 5,084,606 | - | - | 34,634 | - | - | (5,383,831) | - |
| Transfers from right-of-use assets | 4 | - | - | - | 1,138,970 | 588,940 | - | - | - | - | (4,770,082) | (3,042,172) |
| At 31 December 2023/ 1 January 2024 | | 2,325,189 | 2,168,835 | 5,408,063 | 96,583,051 | 7,965,735 | 19,424,664 | 6,480,305 | 749,179 | 5,184,384 | 4,303,476 | 150,592,881 |
| Additions | | - | - | 362,200 | 8,304,617 | 86,000 | 2,635,764 | 850,864 | 38,350 | - | 35,785,388 | 48,063,183 |
| Disposals | | - | - | (34,452) | - | - | - | - | - | - | - | (34,452) |
| Written off | | - | - | - | - | - | - | - | - | - | - | - |
| Reclassification | | - | - | 109,500 | 16,897,784 | - | 605,930 | 288,153 | - | - | (17,901,367) | - |
| Transfers from/(to) right-of-use assets | 4 | - | - | - | 4,420,514 | 423,403 | - | - | - | - | (14,225,000) | (9,381,083) |
| At 31 December 2024 | | 2,325,189 | 2,168,835 | 5,845,311 | 126,205,966 | 8,475,138 | 22,666,358 | 7,619,322 | 787,529 | 5,184,384 | 7,962,497 | 189,240,529 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

| Group | Note | Freehold land | Buildings | Furniture, fittings and office equipment | Plant and machineries | Motor vehicles | Factory tools and equipment | Electrical installation and renovation | Fire protection system | Solar PV system | Capital work-in-progress | Total |
|--|------|---------------|-----------|--|-----------------------|----------------|-----------------------------|--|------------------------|-----------------|--------------------------|-------------|
| | | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Accumulated depreciation | | | | | | | | | | | | |
| At 1 January 2023 | | - | 354,929 | 3,665,532 | 61,738,885 | 6,306,166 | 11,750,674 | 4,270,977 | 453,859 | 82,504 | - | 88,623,526 |
| Depreciation for the financial year | 20 | - | 43,377 | 308,931 | 4,429,665 | 335,027 | 1,238,611 | 315,243 | 59,125 | 207,375 | - | 6,937,354 |
| Disposals | | - | - | (1,319) | - | (714,010) | - | - | - | - | - | (715,329) |
| Written off | | - | - | (793) | - | - | (5,490) | - | - | - | - | (6,283) |
| Transfers from right-of-use assets | 4 | - | - | - | 531,519 | 588,936 | - | - | - | - | - | 1,120,455 |
| At 31 December 2023/ 1 January 2024 | | - | 398,306 | 3,972,351 | 66,700,069 | 6,516,119 | 12,983,795 | 4,586,220 | 512,984 | 289,879 | - | 95,959,723 |
| Depreciation for the financial year | 20 | - | 43,377 | 433,088 | 5,898,556 | 382,988 | 1,360,768 | 444,126 | 61,787 | 207,375 | - | 8,832,065 |
| Disposals | | - | - | (24,475) | - | - | - | - | - | - | - | (24,475) |
| Written off | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers from right-of-use assets | 4 | - | - | - | 2,138,542 | 423,400 | - | - | - | - | - | 2,561,942 |
| At 31 December 2024 | | - | 441,683 | 4,380,964 | 74,737,167 | 7,322,507 | 14,344,563 | 5,030,346 | 574,771 | 497,254 | - | 107,329,255 |
| Carrying amount | | | | | | | | | | | | |
| At 31 December 2024 | | 2,325,189 | 1,727,152 | 1,464,347 | 51,468,799 | 1,152,631 | 8,321,795 | 2,588,976 | 212,758 | 4,687,130 | 7,962,497 | 81,911,274 |
| At 31 December 2023/ 1 January 2024 | | 2,325,189 | 1,770,529 | 1,435,712 | 29,882,982 | 1,449,616 | 6,440,869 | 1,894,085 | 236,195 | 4,894,505 | 4,303,476 | 54,633,158 |

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 | |
|-------------------|-------|-----------|
| | 2024 | 2023 |
| | RM | RM |
| Freehold land | - | 955,749 |
| Freehold building | - | 1,008,681 |
| | - | 1,964,430 |

Freehold land and building have been pledged as security to secure credit facilities of a subsidiary as disclosed in Note 13(b).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 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/ 1 January 2024 | | 12,290,015 | 37,989,916 | 6,588,552 | 1,427,225 | 1,118,787 | 59,414,495 |
| Additions | | 622,191 | 499,277 | - | - | 678,916 | 1,800,384 |
| Written off | | - | - | - | - | (119,923) | (119,923) |
| Derecognition | | - | - | - | - | - | - |
| Transfers from/(to) property, plant and equipment | 3 | 8,640,000 | 5,585,000 | (4,420,514) | (423,403) | - | 9,381,083 |
| At 31 December 2024 | | 21,552,206 | 44,074,193 | 2,168,038 | 1,003,822 | 1,677,780 | 70,476,039 |
| Accumulated depreciation | | | | | | | |
| At 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 January 2024 | | 1,968,282 | 9,025,039 | 2,626,531 | 985,156 | 374,020 | 14,979,028 |
| Amortisation/depreciation for the financial year | 20 | 227,321 | 799,232 | 506,395 | 247,388 | 519,872 | 2,300,208 |
| Written off | | - | - | - | - | (112,449) | (112,449) |
| Transfers to property, plant and equipment | 3 | - | - | (2,138,542) | (423,400) | - | (2,561,942) |
| At 31 December 2024 | | 2,195,603 | 9,824,271 | 994,384 | 809,144 | 781,443 | 14,604,845 |
| Carrying amount | | | | | | | |
| At 31 December 2024 | | 19,356,603 | 34,249,922 | 1,173,654 | 194,678 | 896,337 | 55,871,194 |
| At 31 December 2023/ 1 January 2024 | | 10,321,733 | 28,964,877 | 3,962,021 | 442,069 | 744,767 | 44,435,467 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

(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.

| | Useful life (years) |
|-----------------------------|------------------------|
| Leasehold land | |
| - Long-term leasehold land | 49 - 88 |
| - Short-term leasehold land | 40 - 45 |
| Leasehold buildings | 31 - 44 |

(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 one (1) to four (4) 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 (40) to eighty-eight (88) years.

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 2023/ 31 December 2023/ 31 December 2024 | | 180,000 | 198,616 | 215,887 | 594,503 |
| Accumulated depreciation | | | | | |
| At 1 January 2023 | | 26,024 | - | 51,815 | 77,839 |
| Depreciation for the financial year | 20 | 2,169 | - | 4,318 | 6,487 |
| At 31 December 2023/1 January 2024 | | 28,193 | - | 56,133 | 84,326 |
| Depreciation for the financial year | 20 | 2,168 | - | 4,317 | 6,485 |
| At 31 December 2024 | | 30,361 | - | 60,450 | 90,811 |
| Carrying amount | | | | | |
| At 31 December 2024 | | 149,639 | 198,616 | 155,437 | 503,692 |
| At 31 December 2023/1 January 2024 | | 151,807 | 198,616 | 159,754 | 510,177 |

The strata title for a leasehold building has yet to be obtained as at the financial year ended 31 December 2024.

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

| | Group | |
|---|---------------|--------|
| | 2024 | 2023 |
| | RM | RM |
| Direct operating expenses: | | |
| - Non-income generating investment properties | 11,710 | 12,041 |

Fair value information

Fair value of investment property is categorised as follows:

| | Group Level 3 RM |
|-----------------------|------------------------|
| 2024 | |
| Investment properties | 661,979 |
| 2023 | |
| Investment properties | 691,267 |

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 2024 or 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 | 83 |

6. INVESTMENT IN SUBSIDIARIES

| | Company | |
|-----------------|--------------------|--------------------|
| | 2024 | 2023 |
| | RM | RM |
| Unquoted shares | 147,662,998 | 147,662,998 |
| Quasi loan | 93,640,808 | 65,940,808 |
| | 241,303,806 | 213,603,806 |

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 |
|--|-----------------------------|-----------|------|--|
| | | 2024 | 2023 | |
| 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 | |
|-------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | RM | RM |
| At cost: | | |
| Raw materials | 52,232,461 | 32,849,423 |
| Work-in-progress | 30,205,824 | 22,455,766 |
| Finished goods | 100,751,163 | 88,610,509 |
| Packing materials | 39,122 | 32,945 |
| Trading products | 494,233 | 147,784 |
| | 183,722,803 | 144,096,427 |

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM1,132,239,033 (2023: RM910,702,018).

(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 weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on 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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

8. TRADE AND OTHER RECEIVABLES

| | Note | Group | | Company | |
|---|------|--------------------|--------------------|------------------|------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Current: | | | | | |
| Trade | | | | | |
| Trade receivables | (b) | 301,204,527 | 254,619,423 | - | - |
| Less: Impairment losses for trade receivables | | (3,744,236) | (1,984,191) | - | - |
| | | 297,460,291 | 252,635,232 | - | - |
| Non-trade | | | | | |
| Other receivables | (c) | 909,359 | 910,877 | 9,002,036 | - |
| Deposits | | 642,207 | 516,909 | 79,749 | - |
| Advance payments | (d) | 7,046,359 | 4,700,471 | - | - |
| Prepayments | | 9,217,858 | 6,140,193 | - | - |
| | | 17,815,783 | 12,268,450 | 9,081,785 | - |
| Total trade and other receivables | | 315,276,074 | 264,903,682 | 9,081,785 | - |

(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 (2023: 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 RM3,791,605 (2023: RM7,805,613). 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 | |
|--------------------------|------------------|------------------|
| | 2024 | 2023 |
| - not more than one year | 3,791,605 | 7,805,613 |

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:

| | | Group | |
|---|------|------------|------------|
| | Note | 2024 RM | 2023 RM |
| At 1 January | | 1,984,191 | 1,619,965 |
| Impairment loss during the financial year | 20 | 2,335,694 | 393,497 |
| Reversal | | (575,649) | - |
| Written off | | - | (29,271) |
| At 31 December | | 3,744,236 | 1,984,191 |

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

(c) Other receivables

Included in the other receivables of the Company, is an amount of RM9 million of dividend receivables from a subsidiary.

(d) Advance payments

Being advance payment for the purchase of raw materials.

9. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

| | Group | |
|------------------------------------|------------|------------|
| | 2024 RM | 2023 RM |
| Derivatives used for hedging: | | |
| Forward foreign exchange contracts | 487,428 | (588,121) |

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 2024 were RM57,204,246 (2023: RM54,761,074)

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

9. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) *cont'd*

Fair value hedge

| | Carrying amount RM | Change in fair value RM | Nominal value RM | Line item in the financial statements |
|------------------------------------|--------------------------|-------------------------------|------------------------|---|
| 31 December 2024 | | | | |
| Derivatives used for hedging: | | | | |
| Forward foreign exchange contracts | 487,428 | 1,075,549 | 57,204,246 | Derivatives assets |
| 31 December 2023 | | | | |
| Derivatives used for hedging: | | | | |
| Forward foreign exchange contracts | (588,121) | (378,567) | 54,761,074 | Derivatives liabilities |

10. CASH AND SHORT-TERM DEPOSITS

| | Group | | Company | |
|------------------------|-------------------|------------|------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Cash and bank balances | 82,671,013 | 95,975,877 | 6,058,763 | 5,169,623 |
| Short-term deposits | 33,448 | 32,674 | - | - |
| | 82,704,461 | 96,008,551 | 6,058,763 | 5,169,623 |

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

| | Group | | Company | |
|------------------------|-------------------|------------|------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Short-term deposits | 33,448 | 32,674 | - | - |
| Less: Pledged deposits | (33,448) | (32,674) | - | - |
| | - | - | - | - |
| Cash and bank balances | 82,671,013 | 95,975,877 | 6,058,763 | 5,169,623 |
| | 82,671,013 | 95,975,877 | 6,058,763 | 5,169,623 |

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

11. SHARE CAPITAL

| | Group/Company Number of shares | | Group/Company Amount | |
|---|-----------------------------------|-------------|-------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | Unit | Unit | RM | RM |
| Issued and fully paid up (no par value): | | | | |
| At 1 January | 800,050,000 | 800,000,000 | 217,669,394 | 217,655,644 |
| Issuance pursuant to to warrants exercised | 99,980,900 | 50,000 | 27,494,747 | 13,750 |
| At 31 December | 900,030,900 | 800,050,000 | 245,164,141 | 217,669,394 |

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.

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:

- The warrants are constituted by a Deed Poll executed on 11 October 2022;
- The warrants are traded separately;
- 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;
- The exercise price of RM0.275 per share shall be subject to adjustments in accordance with the provisions of the Deed Poll; and
- 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 | |
|-------------------------------------|--------------------------------|--------------------------------|
| | 2024 | 2023 |
| | Number of warrants Units | Number of warrants Units |
| At 1 January | 399,950,000 | 400,000,000 |
| Exercised during the financial year | (99,980,900) | (50,000) |
| At 31 December | 299,969,100 | 399,950,000 |

During the financial year, the Company issued 99,980,900 new ordinary shares pursuant to the conversion of 99,980,900 warrants at an issue price of RM0.275 per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

12. REORGANISATION RESERVE

| | Group | |
|--------------------------|---------------|---------------|
| | 2024 | 2023 |
| | 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.

13. LOANS AND BORROWINGS

| | | Group | |
|------------------------------------|------|--------------------|--------------------|
| | | 2024 | 2023 |
| | Note | RM | RM |
| Non-current: | | | |
| Term loans | (b) | 1,778,691 | 3,431,709 |
| Hire purchase payable | (c) | 4,097,463 | 5,850,728 |
| Lease liabilities | (d) | 336,699 | 357,664 |
| | | 6,212,853 | 9,640,101 |
| Current: | | | |
| Term loans | (b) | 1,043,255 | 1,110,406 |
| Hire purchase payable | (c) | 1,847,816 | 2,798,874 |
| Lease liabilities | (d) | 581,516 | 399,751 |
| Bankers' acceptance | (e) | 206,021,991 | 181,783,708 |
| | | 209,494,578 | 186,092,739 |
| Total loans and borrowings: | | | |
| Term loans | (b) | 2,821,946 | 4,542,115 |
| Hire purchase payable | (c) | 5,945,279 | 8,649,602 |
| Lease liabilities | (d) | 918,215 | 757,415 |
| Bankers' acceptance | (e) | 206,021,991 | 181,783,708 |
| | | 215,707,431 | 195,732,840 |

(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 5.64% to 6.64% (2023: 5.22% to 7.72%) per annum and are secured and supported by corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

13. LOANS AND BORROWINGS *cont'd*

(c) Hire purchase payable

Hire purchase payables of the Group of RM5,945,279 (2023: RM8,649,602) bears interest ranging from 3.90% to 5.91% (2023: 3.90% to 5.91%) per annum and are secured by certain plant and machineries and motor vehicles of the Group under hire purchase arrangements as disclosed in Note 4.

(d) Lease liabilities

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

| | Group | |
|---|-----------|-----------|
| | 2024 | 2023 |
| | RM | RM |
| Minimum lease payments: | | |
| Not later than one year | 608,270 | 425,340 |
| Later than one year but not later than five years | 345,360 | 366,449 |
| | 953,630 | 791,789 |
| Less: Future finance charges | (35,415) | (34,374) |
| Present value of minimum lease payments | 918,215 | 757,415 |
| Present value of minimum lease payments payable: | | |
| Not later than one year | 581,516 | 399,751 |
| Later than one year but not later than five years | 336,699 | 357,664 |
| | 918,215 | 757,415 |
| Less: Amount due within twelve months | (581,516) | (399,751) |
| Amount due after twelve months | 336,699 | 357,664 |

(e) Bankers' acceptance

The bankers' acceptance bears interests ranging from 3.93% to 4.46% (2023: 3.86% to 5.35%) per annum and is secured and supported by corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

14. DEFERRED TAX LIABILITIES

| Group | As at 1 January 2024 RM | Recognised in profit or loss (Note 22) RM | As at 31 December 2024 RM |
|----------------------------------|----------------------------------|--|------------------------------------|
| Deferred tax liabilities: | | | |
| Property, plant and equipment | 7,759,412 | 2,112,218 | 9,871,630 |
| Group | As at 1 January 2023 RM | Recognised in profit or loss (Note 22) RM | As at 31 December 2023 RM |
| Deferred tax liabilities: | | | |
| Property, plant and equipment | 7,759,112 | 300 | 7,759,412 |

15. PROVISION

| | 2024 RM | 2023 RM |
|---|------------|------------|
| Short-term compensated leaves | | |
| At 1 January | 322,379 | 221,101 |
| Recognised in profit or loss | 292,609 | 322,379 |
| Utilised/paid during the financial year | (322,379) | (221,101) |
| At 31 December | 292,609 | 322,379 |

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.

16. TRADE AND OTHER PAYABLES

| | | Group | | Company | |
|--------------------------------|------|------------|------------|------------|------------|
| | Note | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Trade | | | | | |
| Trade payables | (a) | 39,280,783 | 46,646,935 | - | - |
| Non-trade | | | | | |
| Other payables | | 35,070,639 | 25,396,555 | 692,175 | 40,889 |
| Accruals | | 8,887,737 | 4,032,945 | 347,000 | 291,300 |
| Deposit received | | - | 4,000 | - | - |
| Contract liabilities | (b) | 6,532,818 | 6,708,903 | - | - |
| | | 50,491,194 | 36,142,403 | 1,039,175 | 332,189 |
| Total trade and other payables | | 89,771,977 | 82,789,338 | 1,039,175 | 332,189 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

16. TRADE AND OTHER PAYABLES *cont'd*

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days. (2023: 21 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. (2023: 7 to 60 days).

Significant changes in contract liabilities:

| | Group | |
|--|------------------|------------------|
| | 2024 | 2023 |
| | RM | RM |
| Contract liabilities relating to manufacturing of cables and wires contracts | 6,532,818 | 6,708,903 |
| Total contract liabilities | 6,532,818 | 6,708,903 |

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 25(c)(ii).

17. REVENUE

| | Group | | Company | |
|--|----------------------|----------------------|-------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Revenue from contract with customers: | | | | |
| Manufacturing of cables and wires | 1,344,583,192 | 1,049,849,312 | - | - |
| Related products and services | 2,432,659 | 3,231,788 | - | - |
| | 1,347,015,851 | 1,053,081,100 | - | - |
| Revenue from other source: | | | | |
| Dividends income | - | - | 23,300,000 | 3,200,000 |
| | 1,347,015,851 | 1,053,081,100 | 23,300,000 | 3,200,000 |
| Timing of revenue recognition | | | | |
| At a point in time | 1,347,015,851 | 1,053,081,100 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

17. REVENUE *cont'd*

(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 and related products and services

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.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

18. OTHER INCOME

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Interest income | 1,394,155 | 758,918 | 186,411 | 112,352 |
| Insurance claimed | 53,280 | - | - | - |
| Gain on disposal of property, plant and equipment | - | 267,826 | - | - |
| Net gain on realised foreign exchange | 155,299 | 1,727,272 | - | - |
| Net gain on unrealised foreign exchange | 1,473,434 | - | - | - |
| Fair value gain on financial derivatives | 1,075,549 | 378,567 | - | - |
| Sundry income | 1,417,989 | 1,347,870 | - | - |
| Sales of scrap | 321,024 | 321,750 | - | - |
| Rental income | 2,169 | - | - | - |
| | 5,892,899 | 4,802,203 | 186,411 | 112,352 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

19. FINANCE COSTS

| | Group | |
|------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | RM | RM |
| Interest expenses on: | | |
| - Term loans | 208,104 | 257,276 |
| - Lease liabilities | 10,989 | 11,983 |
| - Hire purchase liabilities | 415,792 | 354,903 |
| - Bankers' acceptance | 8,324,468 | 8,234,327 |
| - Bank overdrafts | 110 | 1,207 |
| - Others | 607,094 | 595,550 |
| | 9,566,557 | 9,455,246 |

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 | |
|--|-------------|-------------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Auditors' remuneration: | | | | |
| - statutory audit | | | | |
| - Baker Tilly Monteiro Heng PLT | 164,000 | 164,000 | 50,000 | 50,000 |
| - other services | | | | |
| - Baker Tilly Monteiro Heng PLT | 5,000 | 5,000 | 5,000 | 5,000 |
| - member firms of Baker Tilly International | 85,500 | 68,500 | 12,000 | 6,100 |
| Depreciation of property, plant and equipment | 8,832,065 | 6,937,354 | - | - |
| Depreciation of right-of-use assets | 2,300,208 | 2,256,675 | - | - |
| Depreciation of investment properties | 6,485 | 6,487 | - | - |
| Employee benefits expense | 42,611,723 | 37,630,142 | 322,000 | 281,800 |
| Expense relating to lease of low value asset | 4,560 | 2,311 | - | - |
| Expense relating to short-term lease | 77,968 | 53,876 | - | - |
| Fair value gain on derivative financial instruments | (1,075,549) | (378,567) | - | - |
| Loss/(Gain) on disposal of property, plant and equipment | 5,977 | (267,826) | - | - |
| Impairment loss on trade receivables | 2,335,694 | 393,497 | - | - |
| Reversal of impairment loss on trade receivables | (575,649) | - | - | - |
| Property, plant and equipment written off | - | 2,304 | - | - |
| Right-of-use assets written off | 7,474 | - | - | - |
| Net (gain)/loss on unrealised foreign exchange | (1,473,434) | 349,932 | - | - |
| Net gain on realised foreign exchange | (151,971) | (1,727,272) | - | - |
| Provision for employee benefits (net) | (29,770) | 101,278 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

21. EMPLOYEE BENEFITS EXPENSE

| | Group | | Company | |
|---------------------------------------|-------------------|-------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Salaries, allowances and bonuses | 34,904,043 | 32,938,707 | 10,000 | 8,800 |
| Directors' fee | 312,000 | 273,000 | 312,000 | 273,000 |
| Defined contribution plans | 2,434,391 | 2,278,586 | - | - |
| Provision for employee benefits (net) | (29,770) | 101,278 | - | - |
| Other staff related expenses | 4,991,059 | 2,038,571 | - | - |
| | 42,611,723 | 37,630,142 | 322,000 | 281,800 |

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

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Included in employee benefits expense are: | | | | |
| Directors' remuneration | | | | |
| - Fees | 312,000 | 273,000 | 312,000 | 273,000 |
| - Salaries, allowances and bonuses | 2,619,494 | 2,163,634 | 10,000 | 8,800 |
| - Defined contribution plans | 274,838 | 230,067 | - | - |
| - Other staff related expenses | 3,875 | 635,651 | - | - |
| - Benefits-in-kind | 39,952 | 53,025 | - | - |
| | 3,250,159 | 3,355,377 | 322,000 | 281,800 |

22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

| | Group | | Company | |
|--|-------------------|------------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Current income tax: | | | | |
| - Current income tax charge | 18,402,116 | 9,967,499 | 43,451 | 24,064 |
| - Adjustment in respect of prior years | (535,451) | (355,516) | - | 15 |
| | 17,866,665 | 9,611,983 | 43,451 | 24,079 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

22. INCOME TAX EXPENSE *cont'd*

The major components of income tax expense for the financial years ended 31 December 2024 and 31 December 2023 are as follows: *cont'd*

| | Group | | Company | |
|---|------------------|------------|----------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Deferred tax (Note 14): | | | | |
| - Origination of temporary differences | 2,254,818 | 58,300 | - | - |
| - Adjustment in respect of prior years | (142,600) | (58,000) | - | - |
| | 2,112,218 | 300 | - | - |
| Income tax expense recognised in profit or loss | 2,112,218 | 300 | - | - |

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

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 | |
|---|--------------------|------------|--------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Profit before tax | 92,296,021 | 39,048,996 | 22,584,809 | 2,446,939 |
| Tax at the Malaysian statutory income tax rate of 24% (2023: 24%) | 22,151,045 | 9,371,855 | 5,420,354 | 587,265 |
| Adjustments: | | | | |
| Income not subject to tax | (611,324) | (18,362) | (5,592,000) | (768,000) |
| Non-deductible expenses | 2,158,613 | 1,116,106 | 215,097 | 204,799 |
| Utilisation of reinvestment allowance claimed | (3,041,400) | (443,800) | - | - |
| Adjustments in respect of current income tax in prior years | (535,451) | (355,516) | - | 15 |
| Adjustments in respect of deferred tax in prior years | (142,600) | (58,000) | - | - |
| Income tax expense | 19,978,883 | 9,612,283 | 43,451 | 24,079 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 | |
|--|--------------------|-------------|
| | 2024 | 2023 |
| Profit attributable to owners of the Company (RM) | 72,317,138 | 29,436,713 |
| Weighted average number of ordinary shares for basic earnings per share: | | |
| Number of shares in issue as at 1 January | 800,050,000 | 800,000,000 |
| Effect of issuance of ordinary shares | 99,980,900 | 50,000 |
| Weighted average number of ordinary shares for basic earnings per share (unit) | 838,501,021 | 800,010,137 |
| Basic earnings per ordinary share (sen) | 8.62 | 3.68 |

(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 | |
|--|----------------------|-------------|
| | 2024 | 2023 |
| Profit attributable to owners of the Company (RM) | 72,317,138 | 29,436,713 |
| Weighted average number of ordinary shares for basic earnings per share (unit) | 838,501,021 | 800,010,137 |
| Effect of dilution from: | | |
| - Warrants | 194,604,754 | 75,666,216 |
| Weighted average number of ordinary shares for diluted earnings per share (unit) | 1,033,105,775 | 875,676,353 |
| Diluted earnings per ordinary share (sen) | 7.00 | 3.36 |

There has been an issuance of ordinary shares pursuant to warrants exercised amounting to 23,852,800 ordinary shares at the price of RM0.275 per ordinary share subsequent to end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

24. DIVIDENDS

| | Group/Company | |
|---|---------------|-----------|
| | 2024 | 2023 |
| | RM | RM |
| Recognised during the financial year: | | |
| Single tier final dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 26 July 2024 | 13,080,719 | - |
| 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 0.85 sen per ordinary share, amounting to RM7,650,263 in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2024, 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 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(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 |
|--|--------------------------|-------------------------|-------------------|
| 2024 | | | |
| Financial assets | | | |
| Group | | | |
| Trade and other receivables less prepayments and advance payment | 299,011,857 | 299,011,857 | - |
| Derivative financial assets | 487,428 | 487,428 | - |
| Cash and short-term deposits | 82,704,461 | - | 82,704,461 |
| | 382,203,746 | 299,499,285 | 82,704,461 |
| Company | | | |
| Other receivables | 9,081,785 | 9,081,785 | - |
| Cash and short-term deposits | 6,058,763 | 6,058,763 | - |
| | 15,140,548 | 15,140,548 | - |
| Financial liabilities | | | |
| Group | | | |
| Loans and borrowings | 215,707,431 | 215,707,431 | - |
| Trade and other payables* | 83,239,159 | 83,239,159 | - |
| | 298,946,590 | 298,946,590 | - |
| Company | | | |
| Other payables | 1,039,175 | 1,039,175 | - |

* *Excluding contract liabilities*

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

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

| | Carrying amount RM | Amortised cost RM | FVPL RM |
|--|--------------------------|-------------------------|----------------|
| 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 | - |
| | <u>350,071,569</u> | <u>350,071,569</u> | <u>-</u> |
| Company | | | |
| Cash and short-term deposits | 5,169,623 | 5,169,623 | - |
| Financial liabilities | | | |
| 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 |
| | <u>272,401,396</u> | <u>271,813,275</u> | <u>588,121</u> |
| Company | | | |
| Other payables | 332,189 | 332,189 | - |

* *Excluding contract liabilities*

(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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

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 (2023:1) customer representing 17% (2023: 13%) 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.

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

| | Group | |
|-----------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | RM | RM |
| Current (not past due) | 177,963,852 | 155,460,213 |
| 1 to 30 days past due | 55,776,129 | 55,081,525 |
| 31 to 60 days past due | 24,404,301 | 17,035,366 |
| 61 to 90 days past due | 14,773,602 | 7,895,389 |
| 91 to 120 days past due | 2,855,385 | 3,557,506 |
| More than 120 days past due | 21,687,022 | 13,605,233 |
| | 297,460,291 | 252,635,232 |
| Impairment losses: | | |
| - individually assessed | 2,744,236 | 1,984,191 |
| - collectively assessed | 1,000,000 | - |
| | 301,204,527 | 254,619,423 |

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

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.

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 RM57,618,472 (2023: RM48,663,271), 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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(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.

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:

| | Carrying amount RM | Contractual cash flows | | | Total RM |
|--------------------------|--------------------------|--|---------------------------------------|-------------------------------|-------------|
| | | On demand or within one year RM | Between one to five years RM | More than five years RM | |
| As at 31 December 2024 | | | | | |
| Financial liabilities | | | | | |
| Group | | | | | |
| Term loans | 2,821,946 | 1,189,885 | 1,425,666 | 709,222 | 3,324,773 |
| Hire purchase payable | 5,945,279 | 2,108,928 | 4,365,404 | - | 6,474,332 |
| Lease liabilities | 918,215 | 608,270 | 345,360 | - | 953,630 |
| Bankers' acceptance | 206,021,991 | 206,021,991 | - | - | 206,021,991 |
| Trade and other payables | 89,771,977 | 89,771,977 | - | - | 89,771,977 |
| | 305,479,408 | 299,701,051 | 6,136,430 | 709,222 | 306,546,703 |
| Company | | | | | |
| Other payables | 1,039,175 | 1,039,175 | - | - | 1,039,175 |

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 *cont'd*

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: *cont'd*

| | Contractual cash flows | | | | Total |
|----------------------------------|------------------------|------------------------------|---------------------------|----------------------|--------------------|
| | Carrying amount | On demand or within one year | Between one to five years | More than five years | |
| | RM | RM | RM | RM | 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 |
| | <u>279,110,299</u> | <u>270,031,698</u> | <u>9,713,341</u> | <u>1,206,558</u> | <u>280,951,597</u> |
| Company | | | | | |
| Other payables | <u>332,189</u> | <u>332,189</u> | <u>-</u> | <u>-</u> | <u>332,189</u> |

(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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

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

| | Group | |
|--------------------------------------|--------------|-------------|
| | 2024 | 2023 |
| | RM | RM |
| <u>Trade receivables</u> | | |
| United States Dollar ("USD") | 16,560,920 | 1,531,244 |
| <u>Cash and bank balances</u> | | |
| USD | 13,977,368 | 723,380 |
| <u>Trade payables</u> | | |
| USD | (12,512,891) | (9,331,957) |
| Chinese Yen ("CNY") | - | (2,701,167) |
| <u>Other payables</u> | | |
| USD | (1,856,756) | (379,864) |

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 2024 | | | |
| USD | +15% | 1,843,225 | 1,843,225 |
| | -15% | (1,843,225) | (1,843,225) |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(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.

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 2024 | | | |
| Term loans | +50 | (10,723) | - |
| | -50 | 10,723 | - |
| Bankers' acceptance | +50 | (782,884) | - |
| | -50 | 782,884 | - |
| Short-term deposits | +50 | 127 | - |
| | -50 | (127) | - |
| 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) | - |

(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 (2023: no transfers in either direction).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 | | | |
|----------------------------------|--------------------|--|---------|---------|---------|--|---------|-----------|-----------|
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| 31 December 2024 | | | | | | | | | |
| Financial liabilities | | | | | | | | | |
| Term loans | 2,821,946 | - | - | - | - | - | - | 1,755,767 | 1,755,767 |
| Hire purchase payable | 5,945,279 | - | - | - | - | - | - | 5,932,467 | 5,932,467 |
| 31 December 2023 | | | | | | | | | |
| Financial liabilities | | | | | | | | | |
| Term loans | 4,542,115 | - | - | - | - | - | - | 3,379,016 | 3,379,016 |
| Hire purchase payable | 8,649,602 | - | - | - | - | - | - | 7,565,334 | 7,565,334 |
| Derivative financial liabilities | 588,121 | 588,121 | - | - | 588,121 | - | - | - | - |

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 | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| | RM | RM |
| Capital expenditures contracted but not provided for: | | |
| - Construction of buildings | 920,000 | 845,000 |
| - Purchase of machineries and factory equipment | 19,701,446 | 7,576,267 |
| - Enterprise Resource Planning information technology system | - | 56,630 |
| Capital expenditures not contracted and not provided for: | | |
| - Construction of building and Enterprise Resource Planning information technology system | 627,000 | 5,076,261 |
| - Purchase of machineries and factory equipment | 7,400,000 | - |
| | 28,648,446 | 13,554,158 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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.

(b) Significant related party transactions and balances

| | Group | | Company | |
|---------------------------------------|------------|------------|------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Sale of goods | | | | |
| Fellow subsidiaries | 46,931,138 | 42,963,323 | - | - |
| Purchase of goods | | | | |
| Fellow subsidiaries | 46,931,138 | 42,963,323 | - | - |
| Rental expense charged by | | | | |
| A person connected to a director | 54,000 | 54,000 | - | - |
| Dividends received/ receivable | | | | |
| Subsidiaries | - | - | 23,300,000 | 3,200,000 |

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 6 and 8.

(c) Compensation of key management personnel

| | Group | | Company | |
|----------------------------------|-----------|-----------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Fees | 312,000 | 273,000 | 312,000 | 273,000 |
| Salaries, allowances and bonuses | 3,543,114 | 3,243,764 | 10,000 | 8,800 |
| Defined contribution plans | 387,377 | 361,631 | - | - |
| Other staff related expenses | 6,896 | 641,028 | - | - |
| Benefits-in-kind | 86,027 | 93,933 | - | - |
| | 4,335,414 | 4,613,356 | 322,000 | 281,800 |

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 2024 and 31 December 2023.

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 2024 and 31 December 2023 are as follows:

| | | Group | |
|------------------------------------|------|--------------|--------------|
| | | 2024 | 2023 |
| | Note | RM | RM |
| Loans and borrowings | 13 | 215,707,431 | 195,732,840 |
| Less: Cash and short-term deposits | 10 | (82,704,461) | (96,008,551) |
| Total net debts | | 133,002,970 | 99,724,289 |
| Total equity | | 401,772,857 | 315,041,691 |
| Net gearing ratio (times) | | 0.33 | 0.32 |

There were no bank borrowings for the Company for the financial years ended 31 December 2024 and 31 December 2023. 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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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 | Communication cables and wires | Control and instrumentation cables and wires | Related products and services | Adjustments and eliminations | Total |
|--|----------|---------------------------|--------------------------------------|---|-------------------------------------|------------------------------------|---------------|
| | | RM | RM | RM | RM | RM | 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) | - |
| | | 910,703,174 | 8,988,562 | 29,650,848 | 146,701,839 | (42,963,323) | 1,053,081,100 |
| 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 | | | | | | | 29,436,713 |
| Results: | | | | | | | |
| <i>Included in the measure of segments profit are:</i> | | | | | | | |
| Employee benefits expense | | | | | | | 37,630,142 |
| Depreciation and amortisation | | | | | | | 9,200,516 |
| Impairment loss on trade receivables | | | | | | | 393,497 |

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 2024 | | |
| Local | 1,281,138,132 | 138,286,160 |
| Overseas | 65,877,719 | - |
| | 1,347,015,851 | 138,286,160 |
| 31 December 2023 | | |
| Local | 1,021,335,033 | 99,578,802 |
| Overseas | 31,746,067 | - |
| | 1,053,081,100 | 99,578,802 |

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 RM313,341,715 (2023: RM202,748,235) of the Group's total revenue.

STATEMENT 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 102 to 148 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 2024 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: 25 April 2025

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 102 to 148 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 25 April 2025.

Before me,

Wong Yuee Harn (P189)
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 2024 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 102 to 148.

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 2024, 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 from selected inventories; 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 2024. 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.

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.

INDEPENDENT AUDITORS' REPORT

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

Responsibilities of the Directors for the Financial Statements *cont'd*

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.

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.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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*

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

Ong Teng Yan
No. 03076/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 25 April 2025

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

| | | |
|--------------------------------|---|-------------------------------|
| Total Number of Issued Shares | : | 923,883,700 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 | 6 | 0.07 | 128 | - |
| 100-1,000 | 1,121 | 13.71 | 699,903 | 0.08 |
| 1,001-10,000 | 4,210 | 51.50 | 22,882,769 | 2.47 |
| 10,001-100,000 | 2,342 | 28.65 | 75,744,150 | 8.20 |
| 100,001-less than 5% of issued shares | 494 | 6.04 | 459,003,938 | 49.68 |
| 5% and above of issued shares | 2 | 0.03 | 365,552,812 | 39.57 |
| TOTAL: | 8,175 | 100.00 | 923,883,700 | 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. | 293,524,412 | 31.77 | - | - |
| Semangat Handal Sdn. Bhd. | 72,028,400 | 7.80 | - | - |
| Tung Eng Hai | 2,100,000 | 0.23 | 293,524,412 ⁽¹⁾ | 31.77 |
| Ooi Gaik Bee | - | - | 295,624,412 ⁽²⁾ | 32.00 |
| Fawiza Binti Faiz | - | - | 72,028,400 ⁽³⁾ | 7.80 |

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino Shield Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
 (2) Deemed interested by virtue of her shareholdings in Sino Shield Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016, and her spouse, Tung Eng Hai's direct shareholdings in the Company.
 (3) Deemed interested by virtue of her shareholdings in Semangat Handal Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

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 | 0.23 | 293,524,412 ⁽¹⁾ | 31.77 |
| Wong Meng Kee | 1,459,204 | 0.16 | 6,864,000 ⁽²⁾ | 0.74 |
| Daphne Choy Gaik Choo | 600,000 | 0.06 | - | - |
| Wong Kar Wai | 600,000 | 0.06 | - | - |
| Eugene Lee Cheng Hoe | 400,000 | 0.04 | - | - |
| Rizvi Bin Abd Halim | 400,000 | 0.04 | - | - |
| Fawiza Binti Faiz | - | - | 72,028,400 ⁽³⁾ | 7.80 |
| Loh Aye Li | - | - | - | - |

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino Shield Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
(2) Deemed interested by virtue of his spouse, Tung Cheng Im's direct shareholdings in the Company.
(3) Deemed interested by virtue of her shareholdings in Semangat Handal Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 4 APRIL 2025

(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. | 293,524,412 | 31.77 |
| 2 | Semangat Handal Sdn. Bhd. | 72,028,400 | 7.80 |
| 3 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For AIA Bhd.</i> | 28,447,500 | 3.08 |
| 4 | Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH (LUX) SCA for Fidelity Funds ASEAN</i> | 25,569,000 | 2.77 |
| 5 | Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i> | 17,908,800 | 1.94 |
| 6 | Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Chin Seong</i> | 11,185,200 | 1.21 |
| 7 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)</i> | 10,264,500 | 1.11 |
| 8 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt An for AIA Public Takaful Bhd.</i> | 8,000,000 | 0.87 |
| 9 | HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt An for Morgan Stanley & Co. International PLC (IPB Client Acct)</i> | 7,769,900 | 0.84 |
| 10 | CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i> | 7,062,800 | 0.76 |
| 11 | CIMB Islamic Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund</i> | 7,002,400 | 0.76 |
| 12 | AmanahRaya Trustees Berhad <i>Public Strategic Smallcap Fund</i> | 6,905,900 | 0.75 |

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

Cont'd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 4 APRIL 2025 cont'd

(without aggregating the securities from different securities accounts belonging to the same registered holder)

| No. | Name | No. of Shares held | % |
|-----|---|-----------------------|------|
| 13 | Tung Cheng Im | 6,864,000 | 0.74 |
| 14 | Guh Holdings Bhd | 6,383,800 | 0.69 |
| 15 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (NIAM EQ)</i> | 6,000,000 | 0.65 |
| 16 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (Maybank 2)</i> | 5,864,600 | 0.64 |
| 17 | Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH (LUX) SCA for Fidelity Funds (EMG Asia Pool)</i> | 5,785,500 | 0.63 |
| 18 | Lim Boon Liat | 5,500,000 | 0.60 |
| 19 | Cartaban Nominees (Tempatan) Sdn. Bhd. <i>CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2</i> | 5,191,700 | 0.56 |
| 20 | Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Growth)</i> | 5,185,000 | 0.56 |
| 21 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Nomura)</i> | 5,155,600 | 0.56 |
| 22 | CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad for PMB Shariah Equity Fund</i> | 5,044,600 | 0.55 |
| 23 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (RHB INV)</i> | 5,000,000 | 0.54 |
| 24 | Amanahraya Trustees Berhad <i>Public Index Fund</i> | 4,935,000 | 0.53 |
| 25 | Ooi Hock Guan | 4,300,000 | 0.47 |
| 26 | Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Dana EKT Prima)</i> | 4,145,000 | 0.45 |
| 27 | Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (RHBIslamic)</i> | 4,001,800 | 0.43 |
| 28 | Teh Kiak Seng | 4,000,000 | 0.43 |
| 29 | Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Bhd for Nomura TNB RBTF (EQ)</i> | 3,960,000 | 0.43 |
| 30 | AmanahRaya Trustees Berhad <i>Public Select Treasures Equity Fund</i> | 3,940,300 | 0.43 |

ANALYSIS OF WARRANT HOLDINGS

AS AT 4 APRIL 2025

| | | |
|--------------------------------|---|------------------------------------|
| Type of Convertible Securities | : | Warrants 2022/2027 |
| Total No. of Issued Warrants | : | 276,116,300 |
| 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 | 262 | 9.42 | 12,399 | - |
| 100-1,000 | 394 | 14.17 | 245,597 | 0.09 |
| 1,001-10,000 | 1,170 | 42.07 | 6,154,798 | 2.23 |
| 10,001-100,000 | 760 | 27.33 | 25,877,550 | 9.37 |
| 100,001 - less than 5% of the no. of outstanding Warrants | 194 | 6.98 | 109,063,750 | 39.50 |
| 5% and above of the no. of outstanding Warrants | 1 | 0.03 | 134,762,206 | 48.81 |
| TOTAL: | 2,781 | 100.00 | 276,116,300 | 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 | 0.38 | 134,762,206 ⁽¹⁾ | 48.81 |
| Wong Meng Kee | 729,602 | 0.26 | 3,432,000 ⁽²⁾ | 1.24 |
| Rizvi Bin Abd Halim | 200,000 | 0.07 | - | - |
| Wong Kar Wai | 300,000 | 0.11 | - | - |
| Eugene Lee Cheng Hoe | 200,000 | 0.07 | - | - |
| Daphne Choy Gaik Choo | - | - | - | - |
| Fawiza Binti Faiz | - | - | - | - |
| Loh Aye Li | - | - | - | - |

Notes:

- (1) Deemed interested by virtue of his shareholdings in Sino Shield Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
 (2) Deemed interested by virtue of his shareholdings in Sino Shield Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016, and his spouse, Tung Cheng Im's direct shareholdings in the Company.

ANALYSIS OF WARRANT HOLDINGS

AS AT 4 APRIL 2025

Cont'd

THIRTY LARGEST WARRANT HOLDERS AS AT 4 APRIL 2025

(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. | 134,762,206 | 48.81 |
| 2 | Lee Wei Ming | 9,000,000 | 3.26 |
| 3 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cheang Wai Kett</i> | 4,769,000 | 1.73 |
| 4 | Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for Ethereum-Alpha EQ Fund</i> | 4,197,200 | 1.52 |
| 5 | Tung Cheng Im | 3,432,000 | 1.24 |
| 6 | Lim Boon Liat | 3,423,600 | 1.24 |
| 7 | Shen, Yumei | 3,000,000 | 1.09 |
| 8 | TA Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Chen, Quanqing</i> | 2,600,000 | 0.94 |
| 9 | Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for Ethereum Capital Sdn. Bhd. (Growth Fund)</i> | 2,485,000 | 0.90 |
| 10 | Tan Soo Eng | 2,400,000 | 0.87 |
| 11 | Tan Chin Keat | 2,343,104 | 0.85 |
| 12 | Teh Kiak Seng | 2,000,000 | 0.72 |
| 13 | HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ser Kong Lam</i> | 1,974,700 | 0.72 |
| 14 | Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Moi Cheng</i> | 1,817,800 | 0.66 |
| 15 | Yeoh Yew Choo | 1,813,000 | 0.66 |
| 16 | Ho Ban Leong | 1,742,000 | 0.63 |
| 17 | Yin Thing Shin | 1,500,000 | 0.54 |
| 18 | Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chan Boon Beng</i> | 1,403,200 | 0.51 |
| 19 | Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Koay Hean Eng</i> | 1,375,300 | 0.50 |
| 20 | Raymond Cha Kar Siang | 1,372,000 | 0.50 |
| 21 | Yap Yong Sing | 1,350,000 | 0.49 |
| 22 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chee Keat Hoe</i> | 1,312,700 | 0.48 |
| 23 | Ong Ju Yan | 1,300,000 | 0.47 |
| 24 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Thien King Mui</i> | 1,274,100 | 0.46 |
| 25 | Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chan Chin Kim</i> | 1,258,800 | 0.46 |
| 26 | Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tee Sheng Kuang</i> | 1,250,000 | 0.45 |
| 27 | William Thong Tuck Weng | 1,218,000 | 0.44 |
| 28 | Chen, Quanqing | 1,160,000 | 0.42 |
| 29 | Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Siew Toh</i> | 1,128,100 | 0.41 |
| 30 | Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chan Boon Wooi</i> | 1,099,600 | 0.40 |

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

| 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 2024 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 Office and factory | Leasehold expiring on 10 December 2055 and 7 July 2055 | 194,999 | 1995 | 28 | 4,810 |
| 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 Factory | Leasehold expiring on 16 April 2062 | 130,060 | 2005 | 18 | 6,129 |
| 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 Office and factory | Leasehold expiring on 14 June 2055 | 176,593 | 2007 | Factory 17 Office 15 | 6,200 |
| 4. Land and building PT 4846, Kawasan Perusahaan Cendana, 08000 Sungai Petani, Kedah Darul Aman | A single storey detached factory with office Office and factory | Freehold | 55,262 | 2008 | Office 20 and factory 8 | 1,283 |
| 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 Office, factory and warehouse | Leasehold expiring on 16 April 2062 | 194,999 | 2011 | Office and warehouse 28 Office and factory 10 years | 4,568 |
| 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 Office and factory | Leasehold expiring on 6 September 2069 (with an option to renew for a further 39 years) | 187,593 | 2013 | 5 | 7,595 |
| 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 Office and warehouse | Freehold | 12,680 | 2017 | 8 | 2,114 |

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

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 2024 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 | 14 | 6,079 |
| 9 | Land Lot 28 and 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) | 234,513 | 2019 | N/A | 3,539 |
| 10 | Land and buildings Lot 20, 21 and 22, Jalan Industri 4, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman | A single storey detached factory with double storey office Office and factory | Leasehold expiring on 07 June 2056 (with an option to renew for a further 39 years) | 345,618 | 2024 | 26 | 13,965 |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting (“6th AGM” or “Meeting”) of SOUTHERN CABLE GROUP BERHAD (“Southern Cable” or “the Company”) will be held at Marjorie 5, Level 11, Iconic Marjorie Hotel, 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang on Wednesday, 25 June 2025 at 2:00 p.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 2024 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 0.85 sen per ordinary share for the financial year ended 31 December 2024. *(Ordinary Resolution 1)*
3. To approve the payment of Directors’ fees and benefits of up to RM350,000 for the financial year ending 31 December 2025. *(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. Rizvi Bin Abd Halim *(Ordinary Resolution 3)*
 - (ii) Mr. Wong Kar Wai *(Ordinary Resolution 4)*
 - (iii) Mr. Eugene Lee Cheng Hoe *(Ordinary Resolution 5)*
5. 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 6)*

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without any modifications, the following resolutions:-

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)** *(Ordinary Resolution 7)*

“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 and to such person(s) as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, 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 from Bursa Securities for the listing of and quotation for the additional shares to be issued 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.”

7. 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 0.85 sen per ordinary share in respect of the financial year ended 31 December 2024, if approved by the shareholders at the 6th AGM of the Company, will be paid on 25 July 2025 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 11 July 2025.

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 11 July 2025 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 2025

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 **18 June 2025**. Only members whose names appear in the General Meeting Record of Depositors as at **18 June 2025** 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 for the lodgement of the proxy form.
- (j) Kindly check Bursa Securities' website and the Company's website at www.southerncable.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 2024

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 2025. 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.

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

3. Item 4 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.

Mr. Rizvi Bin Abd Halim, Mr. Wong Kar Wai and Mr. Eugene Lee Cheng Hoe will retire by rotation pursuant to Clause 85 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 6th 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 2024.

4. Item 6 of the Agenda - General Authority for the Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 7 proposed under item 6 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 current and/or future investment project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its Fifth AGM ("5th AGM") held on 20 June 2024, 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.

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 5th AGM which will lapse at the conclusion of the Meeting.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE SIXTH ANNUAL GENERAL MEETING (“6TH AGM”)

| | |
|--------------|---|
| Day and Date | : Wednesday, 25 June 2025 |
| Time | : 2:00 p.m. or at any adjournment thereof |
| Venue | : Marjorie 5, Level 11, Iconic Marjorie Hotel, 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang |

A. Entitlement to Participate in the 6th AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 June 2025 (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 6th 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 at the 6th 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. not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. not later than **Monday, 23 June 2025 at 2:00 p.m.**

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 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 Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Portal (“BSIP”) at <https://investor.boardroomlimited.com>. For further information, kindly refer to the steps below for proxy appointment via BSIP.

| | |
|--|---|
| Step 1 – Register Online with BSIP (for first time registration only) | <p>Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2.</p> <ul style="list-style-type: none"> • Access the website at https://investor.boardroomlimited.com. • Click “Register” to sign up as a user. • Complete registration with all the required information. Upload and attach a softcopy of your Identity Card (“NRIC”) (front and back) or Passport. Click “Register”. • You will receive an email from BSIP Online for email address verification. Click on “Verify Email Address” from the email received to continue with the registration. • For corporate shareholder, kindly upload the authorisation letter as well. Click “Sign up”. • Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. • Click on “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. |
|--|---|

ADMINISTRATIVE GUIDE

Cont'd

| | |
|---|---|
| | <ul style="list-style-type: none"> An email will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can login at https://investor.boardroomlimited.com with the email address and password filled up by you during the registration to proceed. |
| Step 2 – Appointment of Proxy | <p>Individual and Corporate Shareholder</p> <ul 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 6TH ANNUAL GENERAL MEETING” from the list of Meeting Event(s) and click “Enter”. Click “Submit eProxy Form”. Read and accept the General Terms and Conditions and enter your CDS account number. Enter your CDS account number and 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(ies) appointment. Click “Apply”. Download or print the eProxy Form as acknowledgement. <p>Authorised Nominee and Exempt Authorised Nominee</p> <p><u>Via Email</u></p> <ul style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of member, CDS account number accompanied with the certificate of appointment of corporate representative or proxy form (as the case may be) to submit the request not later than Monday, 23 June 2025 at 2:00 p.m. Please provide a copy of corporate representative's or proxy's NRIC (front and back) or passport, as well as his/her email address. <p><u>Via BSIP</u></p> <ul style="list-style-type: none"> Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select “SOUTHERN CABLE GROUP BERHAD 6TH ANNUAL GENERAL MEETING” from the list of Meeting Event(s) 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 the investor portal. Prepare the file for the appointment of proxy(ies) by inserting the required data. Proceed to upload the duly completed proxy(ies) appointment file. Review and confirm your proxy(ies) appointment and click “Submit”. Download or print the eProxy Form as acknowledgement. |

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 **Monday, 23 June 2025 at 2:00 p.m.** to participate the 6th 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.

ADMINISTRATIVE GUIDE

Cont'd

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 **Monday, 23 June 2025 at 2:00 p.m.** to participate the 6th 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(s) and subsequently decide to appoint another person or wish to participate in the 6th AGM yourself, please revoke the appointment of the earlier appointed proxy(ies) not less than forty-eight (48) hours before the 6th AGM through the following options:-

1. Hardcopy form

Write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies).

2. eProxy form

- Go to “**Submitted eProxy Form list**” and click “**View**”;
- Click “**Cancel/Revoke**” at the bottom of the eProxy Form; and
- Click “**Proceed**” to confirm.

D. Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 6th 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.

E. No Recording or Photography

No recording or photography of the 6th AGM proceedings is allowed without the prior written permission of the Company.

F. Enquiry

If you have any enquiries prior to the 6th 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

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 Sixth Annual General Meeting ("6th AGM" or "Meeting") of the Company to be held at Marjorie 5, Level 11, Iconic Marjorie Hotel, 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang on Wednesday, 25 June 2025 at 2:00 p.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 0.85 sen per ordinary share for the financial year ended 31 December 2024. | | |
| 2. | To approve the payment of Directors' fees and benefits of up to RM350,000 for the financial year ending 31 December 2025. | | |
| 3. | To re-elect Mr. Rizvi Bin Abd Halim as a Director of the Company. | | |
| 4. | To re-elect Mr. Wong Kar Wai as a Director of the Company. | | |
| 5. | To re-elect Mr. Eugene Lee Cheng Hoe as a Director of the Company. | | |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company. | | |
| 7. | 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 _____ 2025

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 **18 June 2025**. Only members whose names appear in the General Meeting Record of Depositors as at **18 June 2025** 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 for the lodgement of the proxy form.
- (j) Kindly check Bursa Securities' website and the Company's website at <https://www.southerncable.com.my/> for the latest updates on the status of the Meeting.



southerncable.com.my



SOUTHERN CABLE
SOUTHERN CABLE GROUP BERHAD

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

