



SOUTHERN CABLE GROUP BERHAD

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

Interim Financial Report

For The Second Quarter Ended

30 June 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.06.2026	30.06.2025	30.06.2026	30.06.2025
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	527,621	419,299	960,277	810,107
Cost of sales		(458,205)	(362,300)	(833,684)	(702,322)
Gross profit		69,416	56,999	126,593	107,785
Other income		1,594	714	3,788	2,288
Distribution expenses		(9,964)	(8,912)	(19,481)	(17,592)
Administrative expenses		(4,593)	(3,479)	(8,571)	(8,551)
Operating profit	B12	56,453	45,322	102,329	83,930
Finance costs		(2,718)	(3,242)	(5,566)	(5,993)
Profit before tax		53,735	42,080	96,763	77,937
Income tax expense	B5	(13,169)	(10,436)	(23,034)	(18,891)
Profit/Total comprehensive income for the financial period/year		40,566	31,644	73,729	59,046
Profit/Total comprehensive income for the financial period/year after taxation attributable to:					
Owners of the Company		40,566	31,644	73,729	59,046
		40,566	31,644	73,729	59,046
Earnings per Share					
- Basic (sen)	B11	3.99	3.37	7.22	6.56
- Diluted (sen)	B11	3.96	3.29	6.99	5.25

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	146,426	126,510
Right-of-use assets	68,735	61,341
Investment properties	494	497
Total non-current assets	215,655	188,348
Current Assets		
Inventories	317,720	210,794
Current tax assets	-	897
Trade and other receivables	549,358	498,715
Short-term funds	101,821	130,282
Cash and short-term deposits	147,683	123,749
Derivative financial assets	200	-
Total current assets	1,116,782	964,437
TOTAL ASSETS	1,332,437	1,152,785
EQUITY AND LIABILITIES		
Equity		
Share capital	520,499	483,433
Retained earnings	439,017	388,538
Reserves	(120,947)	(120,947)
Total equity	838,569	751,024
Non-current Liabilities		
Loans and borrowings	4,157	18,886
Deferred tax liabilities	12,084	11,557
Total non-current liabilities	16,241	30,443
Current Liabilities		
Trade and other payables	197,517	124,173
Contract liabilities	18,295	13,868
Loans and borrowings	248,807	216,771
Provision	335	331
Current tax liabilities	12,673	15,739
Derivative financial liabilities	-	436
Total current liabilities	477,627	371,318
TOTAL LIABILITIES	493,868	401,761
TOTAL EQUITY AND LIABILITIES	1,332,437	1,152,785
Number of issued shares ('000)	1,262,778	1,127,995
Net assets per share attributable to owners of the company (RM)	0.66	0.67

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2026 (Audited)	483,433	(120,947)	388,538	751,024
Profit for the financial year representing total comprehensive income for the financial year (Unaudited)	-	-	73,729	73,729
Transaction with owners:				
Dividend payable	-	-	(23,250)	(23,250)
Proceed from warrants conversion	37,066	-	-	37,066
Balance as at 30 June 2026 (Unaudited)	520,499	(120,947)	439,017	838,569

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2025 (Audited)	245,164	(120,947)	277,556	401,773
Profit for the financial year representing total comprehensive income for the financial year (Unaudited)	-	-	59,046	59,046
Transaction with owners:				
Dividend payable	-	-	(8,316)	(8,316)
Proceed from warrants conversion	18,496	-	-	18,496
Balance as at 30 June 2025 (Unaudited)	263,660	(120,947)	328,286	470,999

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 30.06.2026 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2025 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	96,763	77,937
Adjustments for:		
Depreciation of investment properties	3	3
Depreciation of property, plant and equipment	7,139	5,593
Depreciation of right-of-use assets	1,308	1,196
Dividend income		
- short-term funds	(1,921)	-
Reversal of impairment loss on trade receivables	(1,052)	-
Fair value gain on derivative financial instruments	(636)	(110)
Gain on disposal of property, plant and equipment	(71)	(8)
Interest expenses	5,566	5,993
Interest income	(1,120)	(863)
Net unrealised gain on foreign exchange	(561)	-
Provision for employee benefit (net)	5	(15)
Unrealised loss on foreign exchange	-	1,682
Operating profit before changes in working capital	105,423	91,408
Changes in working capital:		
Inventories	(106,926)	(40,867)
Trade and other receivables	(48,330)	(62,373)
Trade and other payables	72,643	28,646
Contract liabilities	4,427	-
Net cash generated from operations	27,237	16,814
Income tax paid	(24,966)	(11,211)
Income tax refunded	291	-
Interest paid	(735)	(748)
Interest received	1,120	863
Net cash from operating activities	2,947	5,718
Cash flows from investing activities		
Dividend income received from short-term funds	(1,921)	-
Purchase of property, plant and equipment	(34,158)	(18,453)
Additions of right-of-use assets	(706)	(440)
Derecognition of right-of-use assets	-	25
Proceed from disposal of property, plant and equipment	79	8
Proceed from withdraw of short-term funds	30,383	-
Investment in short-term funds	1,921	-
Net cash used in investing activities	(4,402)	(18,860)

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

	CURRENT YEAR TO-DATE 30.06.2026 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2025 Unaudited RM'000
Cash flows from financing activities		
Interest paid	(4,831)	(5,245)
Dividends paid	(23,250)	-
Drawdown of term loans	-	14,643
Repayment of term loans	(16,063)	(523)
Repayment of lease liabilities	(1,090)	(1,356)
Drawdown of bankers' acceptance	507,681	429,374
Repayment of bankers' acceptance	(474,124)	(381,407)
Proceed from warrants conversion	37,066	18,496
Net cash from financing activities	25,389	73,982
Net increase in cash and cash equivalents	23,934	60,840
Cash and cash equivalents at the beginning of the financial year	123,715	82,671
Cash and cash equivalents at the end of the financial year	147,649	143,511

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial report.

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

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRSs**”)134, the International Financial Reporting Standards (“**IFRSs**”), the requirements of the Companies Act 2016 in Malaysia and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial report should be read in conjunction with the Company’s audited consolidated financial statements for the financial year ended 31 December 2025 and the accompanying notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2025. The Group have adopted the following applicable amendments to MFRSs for the current financial period:

MFRS 1	First-time adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments Disclosures
MFRS 9	Financial Instruments
MFRS 10	Consolidated 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 did not result in significant changes to the Group’s existing accounting policies.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2025.

A4. Seasonal or Cyclical Factors

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

A5. Items or Incidence of an Unusual Nature

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

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.



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

A8. Dividend Paid

The Company declared a final dividend of 1.83 sen per ordinary share amounting to a RM23.25 million in respect of the financial year ended 31 December 2025. The final dividend has been paid by the Company on 17 July 2026 to shareholders whose names appeared in the Record of Depositors at the close of business on 10 July 2026.

There were no dividends paid for the current quarter.



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

A9. Segmental Reporting

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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter 30 June 2026						
Revenue:						
Revenue from external customers	479,187	222	20,020	28,192	-	527,621
Inter-segment revenue	-	-	-	14,293	(14,293)	-
	<u>479,187</u>	<u>222</u>	<u>20,020</u>	<u>42,285</u>	<u>(14,293)</u>	<u>527,621</u>
Segment profit	64,363	142	3,774	1,374	(237)	69,416
Other income						1,594
Unallocated expenses						(14,557)
Finance costs						(2,718)
Income tax expenses						(13,169)
Profit for the financial period						<u>40,566</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						12,773
Depreciation and amortisation						4,449

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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous quarter 30 June 2025						
Revenue:						
Revenue from external customers	388,252	266	10,862	19,919	-	419,299
Inter-segment revenue	-	-	-	11,696	(11,696)	-
	<u>388,252</u>	<u>266</u>	<u>10,862</u>	<u>31,615</u>	<u>(11,696)</u>	<u>419,299</u>
Segment profit	53,716	127	2,085	1,180	(109)	56,999
Other income						714
Unallocated expenses						(12,391)
Finance costs						(3,242)
Income tax expenses						(10,436)
Profit for the financial period						<u>31,644</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						10,842
Depreciation and amortisation						3,474



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 June 2026						
Revenue:						
Revenue from external customers	870,195	1,410	33,398	55,274	-	960,277
Inter-segment revenue	-	-	-	25,719	(25,719)	-
	<u>870,195</u>	<u>1,410</u>	<u>33,398</u>	<u>80,993</u>	<u>(25,719)</u>	<u>960,277</u>
Segment profit	117,811	355	6,299	2,013	115	126,593
Other income						3,788
Unallocated expenses						(28,052)
Finance costs						(5,566)
Income tax expenses						(23,034)
Profit for the financial period						<u>73,729</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						25,074
Depreciation and amortisation						8,450

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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 June 2025						
Revenue:						
Revenue from external customers	755,188	865	18,357	35,697	-	810,107
Inter-segment revenue	-	-	-	23,466	(23,466)	-
	<u>755,188</u>	<u>865</u>	<u>18,357</u>	<u>59,163</u>	<u>(23,466)</u>	<u>810,107</u>
Segment profit	102,256	286	3,593	1,836	(18)	107,785
Other income						2,288
Unallocated expenses						(26,143)
Finance costs						(5,993)
Income tax expenses						(18,891)
Profit for the financial period						<u>59,046</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						21,382
Depreciation and amortisation						6,792

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

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

A11. Changes in Composition of the Group

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

A12. Contingent Assets and Contingent Liabilities

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

	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
Bank guarantee		
- Trade facilities	30,630	30,086
- Contract financing for performance bonds and guarantee	52,554	47,550
	<u>83,184</u>	<u>77,636</u>

A13. Capital Commitments

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

	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
Capital expenditures contracted but not provided for:		
- Acquisition of new land	4,850	-
- Construction of building	3,424	10,464
- Purchase of machineries and factory equipment	32,781	43,900
Capital expenditures not contracted and not provided for:		
- Construction of building	5,700	2,370
- Purchase of machineries and factory equipment	3,971	853
	<u>50,726</u>	<u>57,587</u>

A14. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000
Rental expenses charged by a person connected to a director	14	14	28	28

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B1. Review of Group Performance
(a) Result for current quarter

	QUARTER ENDED		Variance	
	Current Quarter	Previous Corresponding Quarter		
	30.06.2026 RM'000	30.06.2025 RM'000	RM'000	%
Revenue	527,621	419,299	108,322	25.83
Profit before tax	53,735	42,080	11,655	27.70

In the current quarter ended 30 June 2026, the Group recorded revenue of RM527.62 million, an increase of RM108.32 million or 25.83% from RM419.30 million in the previous corresponding quarter ended 30 June 2025. The increase was mainly attributable to higher sales volume, supported by an enlarged production capacity of 54,980 km/year, approximately 6% higher compared to 51,980 km/year in the same quarter last year.

Geographically, the domestic market remained the primary revenue contributor, accounting for 91.42% of total revenue. Domestic sales increased by 29.58% year-on-year, while sales attributed to overseas entities dropped by 3.82%. The slight decrease in overseas revenue was mainly attributable to a higher allocation of production capacity towards local orders.

The power cables and wires segment contributed RM479.19 million or 90.82% of Group revenue for the current quarter, an increase of RM90.94 million or 23.42% from RM388.25 million in the previous corresponding quarter. The growth was driven by higher sales volume and average selling price adjustments in line with raw material trends.

The balance of RM48.43 million or 9.18% of group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments increased by RM17.39 million or 56.00% from RM31.05 million in the previous corresponding quarter, mainly driven by higher sales of control and instrumentation cables and wires, as well as aluminium rods.

The Group's profit before tax rose to RM53.74 million in the current quarter, an increase of RM11.66 million or 27.70%, compared to RM42.08 million in the previous corresponding quarter. The profit growth was driven by higher revenue, further supported by an increase in other incomes and lower finance costs.

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

(b) Result for financial year-to-date

	YEAR-TO-DATE ENDED			
	Current Quarter	Previous Year		
	to Date	to Date		
	30.06.2026	30.06.2025	Variance	
	RM'000	RM'000	RM'000	%
Revenue	960,277	810,107	150,170	18.54
Profit before tax	96,763	77,937	18,826	24.16

The Group recorded revenue of RM960.28 million for the current financial period ended 30 June 2026, representing an increase of RM150.17 million or 18.54% from RM810.11 million recorded in the corresponding financial period ended 30 June 2025.

Geographically, the Malaysian market remained the largest contributor to the Group's revenue, accounting for approximately 88.25% of total revenue, while the overseas market contributed the remaining 11.75% during the current financial period. In absolute terms, sales from Malaysia increased by 15.78%, while sales from overseas markets grew by 44.32%, respectively, compared with the corresponding period last year.

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

The power cables and wires segment accounted for RM870.20 million or 90.62% of the Group's total revenue for the current financial period, representing an increase of RM115.01 million or 15.23%, from RM755.19 million in the previous financial period.

The balance RM90.08 million or 9.38% of total group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments increased by RM35.16 million or 64.03% from RM54.92 million in the previous period, mainly on higher sales of control and instrumentation cables and wires, as well as aluminium rods.

The Group recorded profit before tax of RM96.76 million for the current financial period, representing an increase of RM18.83 million or 24.16%, from RM77.94 million in the previous financial period. The increase was mainly on the back of higher revenue, while administrative expenses and finance costs remained stable.

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

	INDIVIDUAL QUARTER		Variance	
	Current Quarter	Preceding Quarter		
	30.06.2026	31.03.2026	RM'000	%
	RM'000	RM'000		
Revenue	527,621	432,656	94,965	21.95
Profit before tax	53,735	43,028	10,707	24.88

The Group's revenue increased by 21.95% or RM94.97 million to RM527.62 million, from RM432.66 million in the preceding quarter ended 31 March 2026, mainly driven by higher sales of power cables and wires, as well as control and instrumentation cables and wires.

In line with the revenue, the Group recorded a 24.88% or RM10.71 million increase in profit before tax to RM53.74 million, from RM43.03 million in the preceding quarter.

B3. Commentary of Prospects

Southern Cable's prospects remain positive, underpinned by rising demand for power cables and wires arising from accelerating renewable energy initiatives under the National Energy Transition Roadmap (NETR), ongoing data centre expansion nationwide, as well as national grid enhancements.

The favourable demand environment has translated into robust order inflows for the Group. As at 30 June 2026, the Group's orders in hand stood at RM1.36 billion, providing earnings visibility until 2028.

Complementing the healthy orders in hand, the Group's recent product certification for the 132kV Milliken Conductor cable further strengthens its positioning to capture high-value project opportunities amid the ongoing power infrastructure upcycle.

Beyond the domestic market, rising construction activity in overseas markets, particularly the United States, provides further growth opportunities for the Group. In response, the Group is progressively expanding its product range through product certifications to cater to the requirements of these markets.

To meet growing demand, the Group is also advancing its cable and wire capacity expansion through the addition of new production machinery and upgrades to existing facilities. By end-2026, the Group's annual cable and wire capacity is expected to increase by approximately 5,000 km to 60,000 km, with a further expansion to 65,000 km by end-2027.

At the upstream level, the Group is strengthening its manufacturing capabilities. The Group is adding a new copper furnace, which is expected to increase copper rod production capacity from 18,000 tonnes currently to 24,000 tonnes per annum, with commissioning targeted by end-2026.

The new plastic compounding facility is also expected to be commissioned in the third quarter of 2026, increasing the Group's compounding capacity from 7,800 tonnes to 12,000 tonnes per annum. Collectively, these upstream expansion initiatives are expected to improve production efficiency and strengthen supply chain resilience.

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

Meanwhile, fluctuations in raw material prices arising from global geopolitical uncertainties remain manageable, supported by the Group's existing cost pass-through mechanisms and ongoing operational adjustments.

Barring unforeseen circumstances, the Group's 2026 outlook remains positive, supported by robust market demand and ongoing expansion initiatives.

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited	Unaudited	Unaudited	Unaudited
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	13,169	10,436	23,034	18,891
Effective tax rate (%)	24.51	24.80	23.80	24.24
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group for the current quarter was slightly higher than the statutory tax rate mainly due to deferred tax arising from capital expenditure, partially offset by tax-exempt income from short-term funds received during the period.

B6. Status of Corporate Proposals

Saved as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim financial report:

Private Placement

*On 14 October 2025, RHB Investment Bank Berhad, on behalf of the Board, announced that the Company proposes to undertake a private placement of up to 10% of the total number of issued shares of Southern Cable, (excluding treasury shares, if any) to third party investor(s) to be identified later at an issue price to be determined and announced later ("**Private Placement**"). Bursa Securities had, vide its letter dated 21 October 2025, resolved to approve the listing and quotation of up to 120,000,000 new ordinary shares in Southern Cable ("**Placement Shares**") to be issued pursuant to the Private Placement.*

The first tranche of the Private Placement exercise was successfully completed following the issuance of 102,378,500 Placement Shares at the issue price of RM1.99 per share, which were listed and quoted on the Main Market of Bursa Securities on 24 November 2025. The Private Placement raised total gross proceeds of RM203.73 million. Details on the utilisation of the proceeds raised from the Private Placement are disclosed in paragraph B7 below.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B7. Use of Proceeds
Private Placement

The gross proceeds raised from the Private Placement amounted to RM203.73 million. As at the date of this report, the utilisation of proceeds from the Private Placement is as follows: -

Detail of utilisation

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation (from the date of listing of the Placement Shares)
Capital expenditure and expansion				
- Construction and renovation of factories and warehouse	34,000	13,652	20,348	Within 24 months
- Acquisition and set up of a new warehouse	12,000	-	12,000	Within 24 months
- Purchase of machinery and equipment	83,000	31,540	51,460	Within 24 months
	129,000	45,192	83,808	
Settlement of the balance purchase price and related expenses for the acquisition of a lease	5,070	5,070	-	Within 3 months
Repayment of bank borrowings	16,600	16,600	-	Within 6 months
Working capital requirements	50,060	50,060	-	Within 6 months
Estimated expenses for the Private Placement	3,000	2,748	252	Within 1 month*
Total	203,730	119,670	84,060	

Note:

* For information, the first tranche of the Private Placement was completed on 24 November 2025. Bursa Securities had, vide its letter dated 23 April 2026, resolved to grant Southern Cable an extension of time until 20 October 2026 to complete the implementation of the Private Placement.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Company's announcement in relation to the Private Placement dated 14 October 2025.

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

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

	Unaudited 30.06.2026 RM'000	Audited 31.12.2025 RM'000
Non-current		
Term loans	-	14,375
Hire purchase payables	1,634	2,444
Lease liabilities	2,523	2,067
	4,157	18,886
Current		
Term loans	-	1,688
Hire purchase payables	1,644	1,653
Lease liabilities	477	301
Bankers' acceptance	246,686	213,129
	248,807	216,771
Total	252,964	235,657

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividends Declared

The Board of Directors of the Company had on 26 August 2026 declared a first interim single tier dividend of 1.20 sen per ordinary share for the financial year ending 31 December 2026, to be paid on 12 October 2026 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 21 September 2026.

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

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2026	Unaudited 30.06.2025	Unaudited 30.06.2026	Unaudited 30.06.2025
Profit attributable to owners of the Company (RM'000)	40,566	31,644	73,729	59,046
Weighted average number of shares for basic EPS ('000)	1,016,329	938,074	1,020,928	900,046
Basic EPS (sen)	3.99	3.37	7.22	6.56

(b) Diluted EPS

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2026	Unaudited 30.06.2025	Unaudited 30.06.2026	Unaudited 30.06.2025
Profit attributable to owners of the Company (RM'000)	40,566	31,644	73,729	59,046
Weighted average number of shares in issue ('000)	1,016,329	938,074	1,020,928	900,046
Effect of warrants conversion ('000')	8,610	25,162	34,331	224,665
Weighted average number of shares adjusted for the effect of dilution ('000)	1,024,939	963,236	1,055,259	1,124,711
Diluted EPS (sen)	3.96	3.29	6.99	5.25

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000
Interest income	(486)	(520)	(1,058)	(863)
Interest expenses	2,718	3,242	5,566	5,993
Depreciation of investment properties	1	1	3	3
Depreciation of property, plant and equipment	3,789	2,891	7,139	5,593
Depreciation of right-of-use assets	659	582	1,308	1,196

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

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in the current quarter to manage the foreign currency exposures arising from the Group's payables denominated in United States Dollar (USD). Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 30 June 2026 was RM110.38 million. The derivative financial assets of RM0.20 million, which measured at fair value, has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.