

DIRECTORS' PROFILE

RIZVI BIN ABD HALIM

Independent Non-Executive Chairman

Mr. Rizvi Bin Abd Halim, a Malaysian, male, aged 57, 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 29 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 2025.

TUNG ENG HAI

Managing Director

Mr. Tung Eng Hai, a Malaysian, male, aged 67, 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 47 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 financial year ended 31 December 2025.

DIRECTORS' PROFILE

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WONG MENG KEE

Executive Director

Mr. Wong Meng Kee, a Malaysian, male, aged 66, 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 39 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 financial year ended 31 December 2025.

EUGENE LEE CHENG HOE

Independent Non-Executive Director

Mr. Eugene Lee Cheng Hoe, a Malaysian, male, aged 57, is our Independent Non-Executive Director. He was appointed to our Board on 28 May 2019 and is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

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

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

He began his career in March 1992 with Coopers & Lybrand (now known as PricewaterhouseCoopers) as a Tax Assistant and became Audit Semi Senior before he left in February 1995. He then joined Arab-Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad) as an Executive in the Corporate Finance Division 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 Atreus Consulting, a sole proprietorship.

From April 2009 to February 2010, he assumed the role of Head, Financial Advisory, Strategic Advisory of Maybank Investment Bank Berhad ("MIBB") and Director/Executive Vice President of BinaFikir Sdn. Bhd., a subsidiary of MIBB. From March 2010 to October 2010, he assumed the role of Senior Manager, Corporate Affairs in HL Management Co Sdn. Bhd. He 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 Atreus Consulting Sdn. Bhd., a private limited company, where he is involved in strategy and corporate advisory services.

He does not hold any directorship in other public companies or listed issuers in Malaysia. He has attended all four (4) Board Meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE

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DAPHNE CHOY GAIK CHOO

Independent Non-Executive Director

Ms. Daphne Choy Gaik Choo, a Malaysian, female, aged 62, 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 33 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 financial year ended 31 December 2025.

LOH AYE LI

Independent Non-Executive Director

Ms. Loh Aye Li, a Malaysian, female, aged 62, 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.

Ms. Loh graduated with a Bachelor of Social Science (Hons.) degree from University Sains Malaysia in 1988. She also holds a Bachelor of Laws (Hons.) degree from University of London, graduating 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 financial year ended 31 December 2025.

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.
- 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 financial year ended 31 December 2025, other than traffic offences, if any.
- 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 54, 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 27 years of experience in the cable and wire industry.

SONG SWEE KIM

Group Financial Controller

Ms. Song Swee Kim, a Malaysian, female, aged 60, is our Group Financial Controller. She is responsible for overseeing the overall group accounting, finance and taxation functions of our Group.

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

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

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

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

She joined Southern Cable Sdn. Bhd. in January 2009 as an Accountant where she was involved in the day-to-day accounting and taxation matters. She was subsequently promoted as the Finance Manager in January 2010 where she assumed additional responsibilities in financial operations as well as treasury functions. She was later promoted to the position of Senior Finance Manager in January 2012. She is responsible for overseeing the overall accounting, finance and taxation functions of Southern. She assumed her current position as Group Financial Controller of our Group since April 2019. She brings with her approximately 33 years of experience in accounting and finance related functions.

Notes:-

None of the Key Senior Management has:-

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 2025, other than traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Southern Cable Group Berhad (“Southern Cable” or “the Company”) remains committed to upholding high standards of corporate governance and integrity to support the long-term success and sustainability of the Company and its subsidiaries (“the Group”).

The Board is pleased to present this Corporate Governance Overview Statement (“Statement”), which provides an overview of the Group’s application of the principles and best practices set out in the Malaysian Code on Corporate Governance (“MCCG”) for the financial year ended 31 December 2025 (“FYE 2025”) and up to the date of this Statement.

This Statement is prepared in accordance with Paragraph 15.25 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and 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.

This Statement should be read in conjunction with the Corporate Governance Report for the FYE 2025 (“CG Report”), which is available on the Group’s website at www.southerncable.com.my as well as on the website of Bursa Securities.

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

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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 2025, 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

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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 serves to ensure that all Board members are fully apprised of their duties and responsibilities in discharging their role effectively.

The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains aligned with the Group's policies and procedures, the Board's responsibilities, as well as prevailing legislative and regulatory requirements. The Board Charter was last reviewed in March 2026 and is available 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 mandate 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

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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

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

PART II – BOARD COMPOSITION

2.1 Composition and Board Balance

The Board currently comprises six (6) 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.	Eugene Lee Cheng Hoe	Independent Non-Executive Director
5.	Daphne Choy Gaik Choo	Independent Non-Executive Director
6.	Loh Aye Li	Independent Non-Executive Director

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

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

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

2.2 Tenure of Independent Directors

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

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 2025, 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

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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 two (2) female Directors on the Board, Ms. Daphne Choy Gaik Choo and Ms. Loh Aye Li, representing 33.33% 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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 2025, 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 2025.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2025 are as follows:-

Name of Directors	Type of Meetings	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
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
Wong Kar Wai (<i>Resigned on 1 February 2026</i>)		4/4	4/4	N/A
Fawiza Binti Faiz (<i>Resigned on 1 February 2026</i>)		4/4	N/A	N/A

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 2025:-

Name	Training attended
Rizvi Bin Abd Halim	- Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas - Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements - Mandatory Accreditation Programme Part II: Leading for Impact - Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction
Tung Eng Hai	- Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas - Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements - Mandatory Accreditation Programme Part II: Leading for Impact - Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction
Wong Meng Kee	- Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas - Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements - Mandatory Accreditation Programme Part II: Leading for Impact - Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction
Eugene Lee Cheng Hoe	- Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas - Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements - Mandatory Accreditation Programme Part II: Leading for Impact - Malaysian Business Reporting System (MBRS) 2.0 for Preparers: Financial Statement - Malaysian Financial Planning Day 2025 - Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction - Using AI in an Ethical Way - AI Tools in Excel

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*

Name	Training attended
Daphne Choy Gaik Choo	• Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas • Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements • Mandatory Accreditation Programme Part II: Leading for Impact • Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction • Member of Bar Council Environment and Climate Change Committee 2024-2025 & 2025-2026
Loh Aye Li	• Amendments to Bursa Securities Main Market Listing Requirements in relation to New Issue of Securities and Other Areas • Amendments to Bursa Securities Main Market Listing Requirements in relation to Sustainability Reporting Requirements and Other Enhancements • Mandatory Accreditation Programme Part II: Leading for Impact • Amendments to Bursa Malaysia Securities Berhad Main Market Listing requirements in relation to Enhance Continuing Disclosure Requirements and Exempted Related Party Transaction

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

PART III – REMUNERATION *cont'd*

3.2 Remuneration of Directors and Senior Management

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during the FYE 2025 are as follows:

The Company

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others emoluments	Total
Rizvi Bin Abd Halim	66	2.5	-	-	-	-	68.5
Tung Eng Hai	-	-	-	-	-	-	-
Wong Meng Kee	-	-	-	-	-	-	-
Eugene Lee Cheng Hoe	66	2.5	-	-	-	-	68.5
Daphne Choy Gaik Choo	66	2.5	-	-	-	-	68.5
Loh Aye Li	60	2.5	-	-	-	-	62.5
Fawiza Binti Faiz (Resigned on 1 February 2026)	12	-	-	-	-	-	12
Wong Kar Wai (Resigned on 1 February 2026)	60	2.5	-	-	-	-	62.5
TOTAL	330	12.5	-	-	-	-	342.5

The Group

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others emoluments	Total
Rizvi Bin Abd Halim	66	2.5	-	-	-	-	68.5
Tung Eng Hai	-	42	1,524.6	508.2	28	249.9	2,352.7
Wong Meng Kee	-	24	377.5	125.8	3.5	21	551.8
Eugene Lee Cheng Hoe	66	2.5	-	-	-	-	68.5
Daphne Choy Gaik Choo	66	2.5	-	-	-	-	68.5
Loh Aye Li	60	2.5	-	-	-	-	62.5
Fawiza Binti Faiz (Resigned on 1 February 2026)	12	-	89.9	31.3	11.1	15.9	160.2
Wong Kar Wai (Resigned on 1 February 2026)	60	2.5	-	-	-	-	62.5
TOTAL	330	78.5	1,992	665.3	42.6	286.8	3,467

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 2025 are as follows:-

Remuneration Band	Number of Key Senior Management
RM500,000 to RM550,000	1
RM450,001 to RM500,000	1

Due to the confidentiality and sensitivity of the remuneration packages of Key Senior Management as well as security concerns, the Board opts not to disclose the Key Senior Management's remuneration components on a named basis in 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 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 three (3) members, all 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 2025 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 provide shareholders with sufficient time to go through the Annual Report and make necessary arrangements for attendance and voting.

In line with Practice 13.1 of MCCG, the notice convening the Sixth AGM ("6th AGM") of the Company was issued to shareholders at least 28 days before the 6th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 6th AGM or to appoint a proxy to attend and vote on their behalf.

At the AGM, the shareholders are encouraged to participate in discussing the resolutions proposed or future developments of the Group's operations in general. The Board, the Senior Management and the Company's External Auditors, are present to answer the questions raised and provide clarification as requested by the shareholders.

All resolutions set out in the Notice of 6th 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 was 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 6th AGM held on 25 June 2025 and addressed questions raised by the shareholders.

The Chairman of the Board and its Board Committees members were present to respond to shareholders' queries concerning the Company and the Group in the 6th 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 an effective platform for Directors to engage directly with shareholders, enabling the Board to better understand shareholders' concerns and expectations, as well as to obtain their feedback. The Board welcomes questions and feedback from the shareholders during and after general meetings and ensures that all queries are addressed in an appropriate and structured manner.

The Board ensured that sufficient time was allocated for shareholders to raise questions and engage in discussion at the 6th AGM prior to the tabling of each resolution. A summary of the key matters discussed at the 6th AGM was published on the Company's corporate website at www.southerncable.com.my for 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 2025. 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 2025 ("FYE 2025") 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 (Resigned on 1 February 2026)	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 2025 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 (Resigned on 1 February 2026)	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 THE FYE 2025

The ARMC carried out the following work in discharging its functions and duties during the FYE 2025, 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 2024 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 2025.
- 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.
- xi. Reviewed the Group's sustainability initiatives and progress on the preparation of the Sustainability Statement, including alignment with Bursa Securities environmental, social and governance requirements and IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

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 follows:

(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
- Safeguarding 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 2025 was RM41,000.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

Review of Internal Audit Function

For the FYE 2025, 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 2025 (“FYE 2025”), 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. This Statement also takes into consideration the guidance set out in the Statement on Risk Management and Internal Control (SORMIC) 2025 issued by the Institute of Internal Auditors Malaysia.

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.

The Board confirms that it has reviewed the adequacy and effectiveness of the Group’s risk management and internal control system for the financial year under review through reports received from Management, the ARMC and the internal audit function.

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 based on a structured risk management framework aligned with the COSO Enterprise Risk Management Framework. 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 summaries 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

RISK MANAGEMENT FRAMEWORK *cont'd*

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. During the financial year under review, the Board has reviewed the following key risks such as management information systems/information technology, production and production planning, quality control, inventory management, logistics management, procurement and supplies quality assurance, and finance and account functions. Appropriate mitigation strategies and internal controls have been implemented and monitored by Management to manage these risks within the Group's risk appetite.

The Group adopts a three lines of defence model to support an effective risk governance structure, where:

First Line of Defence – Operational Management is responsible for the day-to-day management of risks, implementation of internal controls and ensuring compliance with established policies and procedures.

Second Line of Defence – The Senior Management provides oversight, guidance and monitoring of risk management practices, including the maintenance of the risk register and ensuring that risk management processes are consistently applied across the Group.

Third Line of Defence – The internal audit function, which is independent of the operational and risk management functions, provides objective assurance to the ARMC and the Board on the adequacy and effectiveness of the Group's risk management and internal control systems.

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 function covered key operational, financial and compliance areas of the Group based on a risk-based audit plan approved by the ARMC. The internal audit reviews 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 2025 can be found in the ARMC Report included in this Annual Report. During the financial year, internal audit reviews identified no material weaknesses and Management has taken appropriate corrective actions to address the improvement gaps raised. None of the weaknesses identified have resulted in material losses or require disclosure under the Listing Requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

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.

(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 ABC 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 ABC 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL CONTROL SYSTEM *cont'd*

(i) Monitoring and Review

Ongoing monitoring of internal controls is embedded in the Group's operations, with periodic reporting to the ARMC and the Board. Any identified improvements recommended are addressed promptly and tracked until resolution.

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 Section 7 of the Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies (SORMIC Guide 2025), nor was it factually inaccurate.

CONCLUSION

The Board is satisfied that the adequacy and effectiveness of the risk management and internal control system is adequate and effective in all material aspects to safeguard shareholders' investment and the Group's assets throughout the financial year under review.

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 recognises that risk management and internal control is an ongoing process and will continue to enhance and strengthen the system in line with the evolving business environment. 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. The Board confirms that there were no material losses, contingencies or uncertainties arising from weaknesses in internal control that would require disclosure in this Annual Report.

This Statement is made in accordance with the resolution of the Board dated 29 April 2026.

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

On 14 October 2025, the Company announced to undertake a private placement of up to 120,000,000 new ordinary shares of the Company ("Placement Shares"), representing not more than 10% of the total number of issued shares of the Company ("Private Placement"). The first tranche of the Private Placement exercise was completed on 24 November 2025, following the listing of and quotation for 102,378,500 Placement Shares at an issue price of RM1.99 per share on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Private Placement raised total gross proceeds of RM203,733,215.

The status of utilisation of the gross proceeds from the Private Placement as at 31 December 2025 is as follows:

Detail of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation
Capital expenditure and expansion				
- Construction and renovation of factories and warehouse	34,000	5,252	28,748	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	7,902	75,098	Within 24 months
	129,000	13,154	115,846	
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	71,032	132,698	

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 2025 ("FYE 2025") are as follows:

	Company RM	Group RM
Audit Fees	50,000	180,000
Non-Audit Fees	8,450	35,050

ADDITIONAL COMPLIANCE INFORMATION

Cont'd

MATERIAL CONTRACT INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Group involving the Directors and/or major shareholders' interest either still subsisting at the end of the FYE 2025 or entered into since the end of the previous period.

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 29 of the Notes to the Financial Statements on page 149 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 2025.

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	131,419,177	32,952,885
Attributable to:		
Owners of the Company	131,419,177	32,952,885

DIVIDENDS

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

	RM
Single tier final dividend of 0.85 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 25 July 2025	8,316,167
Single tier first interim dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2025, paid on 15 October 2025	12,120,764
	<u>20,436,931</u>

At the forthcoming Annual General Meeting, a single tier final dividend of 1.83 sen per ordinary share, amounting to RM20,687,204 in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2025, 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 2026.

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 RM180,000 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 125,585,900 new ordinary shares pursuant to the conversion of 125,585,900 warrants at an issue price of RM0.275 per ordinary share.
- issued 102,378,500 new ordinary shares at a price of RM1.99 per ordinary share mainly for business expansion and working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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 12 to the financial statements.

DIRECTORS' REPORT

Cont'd

WARRANTS *cont'd*

Warrants 2022/2027 *cont'd*

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

	Number of warrants		
	At 1 January 2025	Alloted Exercised	At 31 December 2025
Warrants	299,969,100	- (125,585,900)	174,383,200

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
 Eugene Lee Cheng Hoe
 Daphne Choy Gaik Choo
 Loh Aye Li
 Wong Kar Wai
 Fawiza Binti Faiz*

(Resigned on 1 February 2026)
 (Resigned on 1 February 2026)

* 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
 Yuthana Promsin
 Yeoh Eng Tong
 Lim Chee Hau

(First director)
 (First director)
 (First director)

DIRECTORS' REPORT

Cont'd

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 2025	Exercised/ Bought	Sold At 31 December 2025
Direct interests:			
Tung Eng Hai	2,100,000	-	- 2,100,000
Wong Meng Kee	1,459,204	200,000	- 1,659,204
Wong Kar Wai	600,000	300,000	- 900,000
Rizvi Bin Abd Halim	400,000	-	- 400,000
Daphne Choy Gaik Choo	600,000	-	- 600,000
Eugene Lee Cheng Hoe	400,000	-	- 400,000

Indirect interests:

Tung Eng Hai ⁽¹⁾	293,524,412	21,000,000	- 314,524,412
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	Number of warrants issued		
	At 1 January 2025	Allotted	Sold /Exercised At 31 December 2025
Direct interests:			
Tung Eng Hai	1,050,000	-	- 1,050,000
Wong Meng Kee	729,602	-	(200,000) 529,602
Wong Kar Wai	300,000	-	(300,000) -
Rizvi Bin Abd Halim	200,000	-	(100,000) 100,000
Eugene Lee Cheng Hoe	200,000	-	- 200,000

Indirect interests:

Tung Eng Hai ⁽¹⁾	134,762,206	-	(21,000,000) 113,762,206
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⁽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.

DIRECTORS' REPORT

Cont'd

DIRECTORS' BENEFITS *cont'd*

	Group RM	Company RM
Fees	330,000	330,000
Salaries, allowances and bonuses	2,784,660	12,500
Defined contribution plans	293,100	-
Other staff related expenses	3,691	-
Benefits-in-kind	55,600	-
	3,467,051	342,500

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.

SUBSIDIARIES

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

Name of Company	Country of Incorporation	Ownership		Principal activities
		2025	2024	
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.
Held through Southern Cable Sdn. Bhd.				
Southern Cable (Thailand) Company Limited ("SCTH")	Thailand	100%	-	Dormant

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

DIRECTORS' REPORT

Cont'd

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: 8 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	126,509,744	81,911,274	-	-
Right-of-use assets	4	61,340,908	55,871,194	-	-
Investment properties	5	497,205	503,692	-	-
Investment in subsidiaries	6	-	-	380,711,639	241,303,806
Total non-current assets		188,347,857	138,286,160	380,711,639	241,303,806
Current assets					
Inventories	8	210,793,700	183,722,803	-	-
Current tax assets		896,853	728,667	-	-
Trade and other receivables	9	498,714,857	315,276,074	21,000,000	9,081,785
Derivative financial assets	10	-	487,428	-	-
Short-term funds	7	130,281,989	-	100,198,531	-
Cash and short-term deposits	11	123,749,307	82,704,461	5,141,603	6,058,763
Total current assets		964,436,706	582,919,433	126,340,134	15,140,548
TOTAL ASSETS		1,152,784,563	721,205,593	507,051,773	256,444,354
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	483,433,479	245,164,141	483,433,479	245,164,141
Reorganisation reserve	13	(120,947,002)	(120,947,002)	-	-
Retained earnings		388,537,964	277,555,718	22,744,619	10,228,665
TOTAL EQUITY		751,024,441	401,772,857	506,178,098	255,392,806
Non-current liabilities					
Loans and borrowings	14	18,886,025	6,212,853	-	-
Deferred tax liabilities	15	11,556,641	9,871,630	-	-
Total non-current liabilities		30,442,666	16,084,483	-	-
Current liabilities					
Trade and other payables	17	124,172,788	83,239,159	856,985	1,039,175
Contract liabilities	18	13,868,409	6,532,818	-	-
Loans and borrowings	14	216,770,981	209,494,578	-	-
Provision	16	330,749	292,609	-	-
Current tax liabilities		15,738,824	3,789,089	16,690	12,373
Derivative financial liabilities	10	435,705	-	-	-
Total current liabilities		371,317,456	303,348,253	873,675	1,051,548
TOTAL LIABILITIES		401,760,122	319,432,736	873,675	1,051,548
TOTAL EQUITY AND LIABILITIES		1,152,784,563	721,205,593	507,051,773	256,444,354

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	1,759,654,517	1,347,015,851	36,500,000	23,300,000
Cost of sales		(1,508,480,912)	(1,211,774,386)	-	-
Gross profit		251,173,605	135,241,465	36,500,000	23,300,000
Other income	20	4,572,010	5,892,899	385,214	186,411
Distribution expenses		(40,026,336)	(24,778,061)	-	-
Administrative expenses		(23,638,238)	(12,661,076)	(3,880,775)	(901,602)
Net impairment loss on trade receivables		(2,141,110)	(1,760,045)	-	-
Other expenses		(1,079)	(72,604)	-	-
Operating profit		189,938,852	101,862,578	33,004,439	22,584,809
Finance costs	21	(12,731,681)	(9,566,557)	-	-
Profit before tax	22	177,207,171	92,296,021	33,004,439	22,584,809
Income tax expense	24	(45,787,994)	(19,978,883)	(51,554)	(43,451)
Profit for the financial year, representing total comprehensive income for the financial year		131,419,177	72,317,138	32,952,885	22,541,358
Profit attributable to:					
Owners of the Company		131,419,177	72,317,138	32,952,885	22,541,358
Total comprehensive income attributable to:					
Owners of the Company		131,419,177	72,317,138	32,952,885	22,541,358
Earnings per share attributable to owners of the Company (sen)					
- Basic	25	13.60	8.62	-	-
- Diluted	25	11.82	7.00	-	-

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	← Attributable to owners of the Company →			Total equity RM
		Share capital RM	Reorganisation reserve RM	Retained earnings RM	
At 1 January 2024		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
Transactions with owners					
Issuance of shares pursuant to warrants exercised	12	27,494,747	-	-	27,494,747
Dividends	26	-	-	(13,080,719)	(13,080,719)
At 31 December 2024		245,164,141	(120,947,002)	277,555,718	401,772,857
Profit for the financial year, representing total comprehensive income for the financial year		-	-	131,419,177	131,419,177
Transactions with owners					
Issuance of shares pursuant to:					
- warrants exercised	12	34,536,123	-	-	34,536,123
- private placement		203,733,215	-	-	203,733,215
Dividends	26	-	-	(20,436,931)	(20,436,931)
At 31 December 2025		483,433,479	(120,947,002)	388,537,964	751,024,441

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
At 1 January 2024		217,669,394	768,026	218,437,420
Profit for the financial year, representing total comprehensive profit for the financial year		-	22,541,358	22,541,358
Transactions with owners				
Issuance of shares pursuant to warrants exercised	12	27,494,747	-	27,494,747
Dividends	26	-	(13,080,719)	(13,080,719)
At 31 December 2024		245,164,141	10,228,665	255,392,806
Profit for the financial year, representing total comprehensive income for the financial year		-	32,952,885	32,952,885
Transactions with owners				
Issuance of shares pursuant to:				
- warrants exercised	12	34,536,123	-	34,536,123
- private placement		203,733,215	-	203,733,215
Dividends	26	-	(20,436,931)	(20,436,931)
At 31 December 2025		483,433,479	22,744,619	506,178,098

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
Note		RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		177,207,171	92,296,021	33,004,439	22,584,809
Adjustments for:					
Depreciation of investment properties		6,487	6,485	-	-
Depreciation of property, plant and equipment		11,976,528	8,832,065	-	-
Depreciation of right-of-use assets		2,325,068	2,300,208	-	-
Dividend income					
- subsidiary		-	-	(36,500,000)	(23,300,000)
- short-term funds		(281,989)	-	(198,531)	-
Impairment losses on trade receivables		2,493,325	2,335,694	-	-
Reversal of impairment loss on trade receivables		(352,215)	(575,649)	-	-
Fair value loss/(gain) on derivative financial instruments		923,133	(1,075,549)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(80,796)	5,977	-	-
Lease remeasurement		22,415	-	-	-
Interest expenses		12,731,681	9,566,557	-	-
Interest income		(2,433,936)	(1,394,155)	(186,683)	(186,411)
Net unrealised loss/(gain) on foreign exchange		3,650,106	(1,473,434)	-	-
Provision for employee benefits (net)		38,140	(29,770)	-	-
Lease termination		(28,151)	-	-	-
Right-of-use assets written off		-	7,474	-	-
Operating profit/(loss) before changes in working capital		208,196,967	110,801,924	(3,880,775)	(901,602)
<u>Changes in working capital:</u>					
Inventories		(27,070,897)	(39,626,376)	-	-
Trade and other receivables		(188,333,205)	(50,599,680)	9,081,785	(81,785)
Trade and other payables		41,387,383	7,022,994	(182,190)	706,986
Contract liabilities		7,335,591	(176,085)	-	-
Net cash generated from/(used in) operations		41,515,839	27,422,777	5,018,820	(276,401)
Income tax paid		(32,811,913)	(17,159,924)	(47,237)	(34,898)
Income tax refunded		490,480	-	-	-
Interest paid		(1,549,812)	(607,204)	-	-
Interest received		2,433,152	1,394,155	186,683	186,411
Net cash from/(used in) operating activities		10,077,746	11,049,804	5,158,266	(124,888)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Dividends received from subsidiary		-	-	15,500,000	14,300,000
Purchase of property, plant and equipment		(61,833,352)	(48,063,183)	-	-
Additions of right-of-use assets	(A)	(768,158)	(1,121,468)	-	-
Derecognition of right-of-use assets		-	39,260	-	-
Proceeds from disposal of property, plant and equipment		305,930	4,000	-	-
Investment in short-term funds		(130,000,000)	(774)	(100,000,000)	-
Net cash (used in)/from investing activities		(192,295,580)	(49,142,165)	(84,500,000)	14,300,000
Cash flows from financing activities					
	(B)				
Interest paid		(11,181,870)	(8,959,353)	-	-
Dividends paid		(20,436,931)	(13,080,719)	(20,436,931)	(13,080,719)
Net change in amount owing by subsidiaries		-	-	(139,407,833)	(27,700,000)
Net drawdown of bankers' acceptance		7,107,402	24,238,283	-	-
Drawdown of term loans		14,643,210	-	-	-
Repayment of term loans		(1,402,449)	(1,720,169)	-	-
Repayment of lease liabilities		(537,445)	(557,376)	-	-
Repayment of hire purchase		(1,848,811)	(2,704,323)	-	-
Proceeds from issuance of shares pursuant to warrants exercised		34,536,123	27,494,747	34,536,123	27,494,747
Proceeds from issuance of shares capital via private placement		203,733,215	-	203,733,215	-
Net cash from/(used in) financing activities		224,612,444	24,711,090	78,424,574	(13,285,972)
Net changes in cash and cash equivalents		42,394,610	(13,381,271)	(917,160)	889,140
Effect of exchange rate changes on cash and cash equivalents		(1,350,548)	76,407	-	-
Cash and cash equivalents at the beginning of the financial year		82,671,013	95,975,877	6,058,763	5,169,623
Cash and cash equivalents at the end of the financial year	11	123,715,075	82,671,013	5,141,603	6,058,763

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Cont'd

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

		Group	
	Note	2025 RM	2024 RM
Addition of right-of-use assets	4	2,056,111	1,800,384
Operating lease recognised as right-of-use assets		(1,287,953)	(678,916)
Cash payments on addition of right-of-use assets		768,158	1,121,468

(B) Reconciliation of liabilities arising from financing activities:

	1 January 2025 RM	Cash flows RM	Group Lease remeasurement RM	Non-cash acquisition RM	31 December 2025 RM
Term loans	2,821,946	13,240,761	-	-	16,062,707
Lease liabilities	918,215	(537,445)	699,715	1,287,953	2,368,438
Hire purchase	5,945,279	(1,848,811)	-	-	4,096,468
Bankers' acceptance	206,021,991	7,107,402	-	-	213,129,393
	215,707,431	17,961,907	699,715	1,287,953	235,657,006

	1 January 2024 RM	Cash flows RM	Group Non-cash acquisition RM	31 December 2024 RM
Term loans	4,542,115	(1,720,169)	-	2,821,946
Lease liabilities	757,415	(557,376)	718,176	918,215
Hire purchase	8,649,602	(2,704,323)	-	5,945,279
Bankers' acceptance	181,783,708	24,238,283	-	206,021,991
	195,732,840	19,256,415	718,176	215,707,431

Company

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

(C) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM763,225 (2024: RM3,693,040).

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 8 April 2026.

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 121 The Effects of Changes in Foreign Exchange Rates

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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

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

		Effective for financial periods beginning on or after
<u>New MFRS</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 2027
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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 New MFRS 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

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

Amendments to MFRS 121 clarifies how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

- When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.
- When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of MFRS 129 Financial Reporting in Hyperinflationary Economies.

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.

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	RM	RM	RM	RM	RM	RM	RM	RM		
Cost																						
At 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)	
Reclassification		-	-	-	109,500	-	16,897,784	-	-	-	605,930	-	288,153	-	-	-	-	-	(17,901,367)	-	-	
Transfers from 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	
Additions		-	148,401	-	652,144	-	924,400	-	1,288,053	-	1,977,067	-	1,231,509	-	21,000	-	-	-	55,590,778	-	61,833,352	
Disposals		-	-	-	(125,418)	-	(955,500)	-	(388,425)	-	-	-	-	-	-	-	-	-	(221,929)	-	(1,691,272)	
Reclassification		-	5,040,021	-	563,825	-	9,968,969	-	-	-	3,823,013	-	896,669	-	-	-	-	-	(20,292,497)	-	-	
Transfers from/(to) right-of-use assets	4	-	-	-	-	-	2,168,038	-	522,370	-	-	-	-	-	-	-	-	-	(6,105,504)	-	(3,415,096)	
At 31 December 2025		2,325,189	7,357,257		6,935,862		138,311,873		9,897,136		28,466,438		9,747,500		808,529		5,184,384		36,933,345		245,967,513	

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 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	22	-	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)
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
Depreciation for the financial year	22	-	147,145	578,025	8,248,471	509,049	1,651,478	581,046	53,939	207,375	-	11,976,528
Disposals		-	-	(122,218)	(955,499)	(388,421)	-	-	-	-	-	(1,466,138)
Transfers from right-of-use assets	4	-	-	-	1,095,756	522,368	-	-	-	-	-	1,618,124
At 31 December 2025		-	588,828	4,836,771	83,125,895	7,965,503	15,996,041	5,611,392	628,710	704,629	-	119,457,769
Carrying amount												
At 31 December 2025		2,325,189	6,768,429	2,099,091	55,185,978	1,931,633	12,470,397	4,136,108	179,819	4,479,755	36,933,345	126,509,744
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

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)
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

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 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)
Transfer 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
Additions		-	768,158	-	-	1,287,953	2,056,111
Remeasurement		-	-	-	-	844,359	844,359
Written off		-	-	-	-	(448,853)	(448,853)
Transfer from/(to) property, plant and equipment	3	-	6,105,504	(2,168,038)	(522,370)	-	3,415,096
At 31 December 2025		21,552,206	50,947,855	-	481,452	3,361,239	76,342,752

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

Group	Note	Leasehold land RM	Leasehold buildings RM	Plant and machineries RM	Motor vehicles RM	Warehouse and workers' accommodation RM	Total RM
Accumulated depreciation							
At 1 January 2024		1,968,282	9,025,039	2,626,531	985,156	374,020	14,979,028
Depreciation for the financial year	22	227,321	799,232	506,395	247,388	519,872	2,300,208
Written off		-	-	-	-	(112,449)	(112,449)
Transfer 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
Depreciation for the financial year	22	501,202	995,531	101,372	118,543	608,420	2,325,068
Written off		-	-	-	-	(309,945)	(309,945)
Transfer to property, plant and equipment	3	-	-	(1,095,756)	(522,368)	-	(1,618,124)
At 31 December 2025		2,696,805	10,819,802	-	405,319	1,079,918	15,001,844
Carrying amount							
At 31 December 2025		18,855,401	40,128,053	-	76,133	2,281,321	61,340,908
At 31 December 2024		19,356,603	34,249,922	1,173,654	194,678	896,337	55,871,194

(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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

(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 of three (3) years. The lease for warehouse has an option to renew another six (6) years.

The Group leases plant and machineries and motor vehicles 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.

5. INVESTMENT PROPERTIES

Group	Note	Leasehold building RM	Freehold land RM	Freehold building RM	Total RM
Cost					
At 1 January 2024/31 December 2024/ 31 December 2025		180,000	198,616	215,887	594,503
Accumulated depreciation					
At 1 January 2024		28,193	-	56,133	84,326
Depreciation for the financial year	22	2,168	-	4,317	6,485
At 31 December 2024		30,361	-	60,450	90,811
Depreciation for the financial year	22	2,169	-	4,318	6,487
At 31 December 2025		32,530	-	64,768	97,298
Carrying amount					
At 31 December 2025		147,470	198,616	151,119	497,205
At 31 December 2024		149,639	198,616	155,437	503,692

The strata title for a leasehold building has yet to be obtained as at the financial year ended 31 December 2025.

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

	Group	
	2025	2024
	RM	RM
Direct operating expenses:		
- Non-income generating investment properties	11,648	11,710

NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENT PROPERTIES *cont'd*

Fair value information

Fair value of investment property is categorised as follows:

	Group RM
2025	
Investment properties	<u>724,431</u>
2024	
Investment properties	<u>661,979</u>

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 2025 or 31 December 2024.

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

NOTES TO THE FINANCIAL STATEMENTS

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6. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares	147,662,998	147,662,998
Quasi loan	233,048,641	93,640,808
	380,711,639	241,303,806

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 impairment, if any.

Details of subsidiaries are as follows:

Name of Company	Country of Incorporation	Ownership		Principal activities
		2025	2024	
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.

Held through Southern Cable Sdn. Bhd.

Southern Cable (Thailand) Company Limited ("SCTH")*	Thailand	#100%	-	Dormant
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* SCTH was incorporated on 1 October 2025. For the purpose of consolidation, the management account of SCTH for financial period ended 31 December 2025 has been used.

99% held through Southern and 1% held by the director of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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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.

(c) Incorporation of new subsidiary

On 1 October 2025, Southern Cable Sdn. Bhd. had incorporated a new subsidiary known as Southern Cable (Thailand) Company Limited with share capital of 5,000,000 Thai Baht (equivalent to RM645,950) comprising 50,000 unit of ordinary shares.

7. SHORT-TERM FUNDS

	Group	
	2025	2024
	RM	RM
Financial assets designed at fair value through profit or loss ("FVPL")		
- Investment in money market fund	130,281,989	-
	Company	
	2025	2024
	RM	RM
Financial assets designed at fair value through profit or loss		
- Investment in money market fund	100,198,531	-

The short-term funds represent funds that are managed by financial institution. These short-term funds are readily convertible to cash and have insignificant risk of changes in value.

Material accounting policy information

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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8. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost:		
Raw materials	38,861,403	52,232,461
Work-in-progress	27,025,976	30,205,824
Finished goods	144,368,415	100,751,163
Packing materials	43,673	39,122
Trading products	494,233	494,233
	210,793,700	183,722,803

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM1,415,391,268 (2024: RM1,132,239,033).

(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 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 standard costing 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

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9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current:					
Trade					
Trade receivables	(b)	456,386,115	301,204,527	-	-
Less: Impairment losses for trade receivables		(5,885,346)	(3,744,236)	-	-
		450,500,769	297,460,291	-	-
Non-trade					
Other receivables	(c)	764,285	691,286	21,000,000	9,002,036
Deposits		778,709	642,207	-	79,749
Advance payments	(d)	26,263,870	7,264,432	-	-
Prepayments		20,407,224	9,217,858	-	-
		48,214,088	17,815,783	21,000,000	9,081,785
Total trade and other receivables		498,714,857	315,276,074	21,000,000	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 and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company'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 and the Company'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 (2024: 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 RM1,903,996 (2024: RM3,791,605). The retention sum is receivable upon the expiry of defect liability period as provided in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

9. TRADE AND OTHER RECEIVABLES *cont'd*

(b) Trade receivables *cont'd*

The retention sums are expected to be collected as follows:

	Group	
	2025	2024
- not more than one year	1,903,996	3,791,605

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	
		2025	2024
	Note	RM	RM
At 1 January		3,744,236	1,984,191
Impairment loss during the financial year	22	2,493,325	2,335,694
Reversal		(352,215)	(575,649)
At 31 December		5,885,346	3,744,236

The information about the credit risk exposures are disclosed in Note 27(c)(i) to the financial statements.

(c) Other receivables

Included in the other receivables of the Company, is an amount of RM21 million (2024: RM9 million) of dividend receivables from a subsidiary.

(d) Advance payments

Being advance payment for the purchase of raw materials.

10. DERIVATIVE FINANCIAL (LIABILITIES)/ASSETS

	Group	
	2025	2024
	RM	RM
Derivatives used for hedging:		
Forward foreign exchange contracts	(435,705)	487,428

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 2025 were RM73,234,374 (2024: RM57,204,246).

NOTES TO THE FINANCIAL STATEMENTS

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

Fair value hedge

	Carrying amount RM	Change in fair value RM	Nominal value RM	Line item in the financial statements
31 December 2025				
Derivatives used for hedging:				
Forward foreign exchange contracts	(435,705)	(923,133)	73,234,374	Derivatives liabilities
31 December 2024				
Derivatives used for hedging:				
Forward foreign exchange contracts	487,428	1,075,549	57,204,246	Derivatives assets

11. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Short-term deposits	5,034,232	33,448	-	-
Cash and bank balances	118,715,075	82,671,013	5,141,603	6,058,763
	123,749,307	82,704,461	5,141,603	6,058,763

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Short-term deposits	5,034,232	33,448	-	-
Less: Pledged deposits	(34,232)	(33,448)	-	-
	5,000,000	-	-	-
Cash and bank balances	118,715,075	82,671,013	5,141,603	6,058,763
	123,715,075	82,671,013	5,141,603	6,058,763

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

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12. SHARE CAPITAL

	Group/Company Number of shares		Group/Company Amount	
	2025	2024	2025	2024
	Unit	Unit	RM	RM
Issued and fully paid up (no par value):				
At 1 January	900,030,900	800,050,000	245,164,141	217,669,394
Issuance of shares pursuant to:				
- private placement	102,378,500	-	203,733,215	-
- exercise of warrants	125,585,900	99,980,900	34,536,123	27,494,747
At 31 December	1,127,995,300	900,030,900	483,433,479	245,164,141

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.

During the financial year, the Company issued 102,378,500 new ordinary shares at a price of RM1.99 per ordinary share for working capital purpose.

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.

NOTES TO THE FINANCIAL STATEMENTS

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12. SHARE CAPITAL *cont'd*

Warrants 2022/2027 *cont'd*

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

	Group/Company	
	2025	2024
	Number of warrants Units	Number of warrants Units
At 1 January	299,969,100	399,950,000
Exercised during the financial year	(125,585,900)	(99,980,900)
At 31 December	174,383,200	299,969,100

During the financial year, the Company issued 125,585,900 new ordinary shares pursuant to the conversion of 125,585,900 warrants at an issue price of RM0.275 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

13. REORGANISATION RESERVE

	Group	
	2025	2024
	RM	RM
At 1 January/31 December	(120,947,002)	(120,947,002)

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

NOTES TO THE FINANCIAL STATEMENTS

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14. LOANS AND BORROWINGS

	Group	
	2025	2024
	RM	RM
Non-current:		
Term loans	14,374,925	1,778,691
Hire purchase payable	2,443,607	4,097,463
Lease liabilities	2,067,493	336,699
	18,886,025	6,212,853
Current:		
Term loans	1,687,782	1,043,255
Hire purchase payable	1,652,861	1,847,816
Lease liabilities	300,945	581,516
Bankers' acceptance	213,129,393	206,021,991
	216,770,981	209,494,578
Total loans and borrowings:	Note	
Term loans	(b) 16,062,707	2,821,946
Hire purchase payable	(c) 4,096,468	5,945,279
Lease liabilities	(d) 2,368,438	918,215
Bankers' acceptance	(e) 213,129,393	206,021,991
	235,657,006	215,707,431

(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 3.77% to 6.89% (2024: 5.64% to 6.64%) per annum and are secured and supported by corporate guarantee by the Company.

(c) Hire purchase payable

Hire purchase payables of the Group of RM4,096,468 (2024: RM5,945,279) bears interest ranging from 3.90% to 5.91% (2024: 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.

NOTES TO THE FINANCIAL STATEMENTS

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14. LOANS AND BORROWINGS *cont'd*

(d) Lease liabilities

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

	Group	
	2025	2024
	RM	RM
Minimum lease payments:		
Not later than one year	409,860	608,270
Later than one year but not later than five years	1,102,848	345,360
Later than five years	1,398,712	-
	2,911,420	953,630
Less: Future finance charges	(542,982)	(35,415)
Present value of minimum lease payments	2,368,438	918,215
Present value of minimum lease payments payable:		
Not later than one year	300,945	581,516
Later than one year but not later than five years	2,067,493	336,699
	2,368,438	918,215
Less: Amount due within twelve months	(300,945)	(581,516)
Amount due after twelve months	2,067,493	336,699

(e) Bankers' acceptance

The bankers' acceptance bears interests ranging from 3.12% to 4.55% (2024: 3.93% to 4.46%) per annum and is secured and supported by corporate guarantee by the Company.

15. DEFERRED TAX LIABILITIES

	As at 1 January 2025	Recognised in profit or loss (Note 24)	As at 31 December 2025
	RM	RM	RM
Group			
Deferred tax liabilities:			
Property, plant and equipment	9,871,630	1,685,011	11,556,641

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAX LIABILITIES *cont'd*

	As at 1 January 2024 RM	Recognised in profit or loss (Note 24) RM	As at 31 December 2024 RM
Group			
Deferred tax liabilities:			
Property, plant and equipment	7,759,412	2,112,218	9,871,630

16. PROVISION

	Group	
	2025 RM	2024 RM
Short-term compensated leaves		
At 1 January	292,609	322,379
Recognised in profit or loss	330,749	292,609
Utilised/paid during the financial year	(292,609)	(322,379)
At 31 December	330,749	292,609

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.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade				
Trade payables	62,058,222	39,280,783	-	-
Non-trade				
Other payables	42,419,231	35,070,639	499,485	692,175
Accruals	19,695,335	8,887,737	357,500	347,000
	62,114,566	43,958,376	856,985	1,039,175
Total trade and other payables	124,172,788	83,239,159	856,985	1,039,175

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 21 to 90 days. (2024: 21 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

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18. 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. (2024: 7 to 60 days).

Significant changes in contract liabilities:

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	6,532,818	6,708,903
Revenue recognised that was included in contract liabilities at the beginning of the financial year	(6,532,818)	(6,708,903)
Contract liabilities relating to manufacturing of cables and wires contracts	13,868,409	6,532,818
Total contract liabilities	13,868,409	6,532,818

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 27(c)(ii)

19. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contract with customers:				
Manufacturing of cables and wires	1,757,515,873	1,344,583,192	-	-
Related products and services	2,138,644	2,432,659	-	-
	1,759,654,517	1,347,015,851	-	-
Revenue from other source:				
Dividends income	-	-	36,500,000	23,300,000
	1,759,654,517	1,347,015,851	36,500,000	23,300,000
Timing of revenue recognition				
At a point in time	1,759,654,517	1,347,015,851	-	-

(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.

NOTES TO THE FINANCIAL STATEMENTS

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19. REVENUE *cont'd*

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

Financing components *cont'd*

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 (2024:14 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.

20. OTHER INCOME

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Interest income	2,433,936	1,394,155	186,683	186,411
Insurance claimed	154,223	53,280	-	-
Gain on disposal of property, plant and equipment	80,796	-	-	-
Net gain on realised foreign exchange	789,380	155,299	-	-
Net gain on unrealised foreign exchange	-	1,473,434	-	-
Fair value gain on financial derivatives	-	1,075,549	-	-
Sundry income	577,419	1,417,989	-	-
Sales of scrap	249,991	321,024	-	-
Rental income	4,276	2,169	-	-
Dividend income from short-term funds	281,989	-	198,531	-
	4,572,010	5,892,899	385,214	186,411

NOTES TO THE FINANCIAL STATEMENTS

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21. FINANCE COSTS

	Group	
	2025	2024
	RM	RM
Interest expenses on:		
- Term loans	429,577	208,104
- Lease liabilities	99,524	10,989
- Hire purchase liabilities	260,141	415,792
- Bankers' acceptance	10,392,628	8,324,468
- Bank overdrafts	38	110
- Others	1,549,773	607,094
	12,731,681	9,566,557

22. 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Auditors' remuneration - Statutory audit				
- Baker Tilly Monteiro Heng PLT	180,000	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	30,050	85,500	3,450	12,000
Depreciation of property, plant and equipment	11,976,528	8,832,065	-	-
Depreciation of right-of-use assets	2,325,068	2,300,208	-	-
Depreciation of investment properties	6,487	6,485	-	-
Employee benefits expense	48,362,961	42,611,723	342,500	322,000
Expense relating to lease of low value asset	9,693	4,560	-	-
Expense relating to short-term lease	108,500	77,968	-	-
Fair value loss/(gain) on derivative financial instruments	923,133	(1,075,549)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(80,796)	5,977	-	-
Impairment loss on trade receivables	2,493,325	2,335,694	-	-
Reversal of impairment loss on trade receivables	(352,215)	(575,649)	-	-
Lease termination	(28,151)	-	-	-
Right-of-use assets written off	-	7,474	-	-
Net loss/(gain) on unrealised foreign exchange	3,650,106	(1,473,434)	-	-
Provision for employee benefits (net)	38,140	(29,770)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, allowances and bonuses	40,046,835	34,904,043	12,500	10,000
Directors' fee	330,000	312,000	330,000	312,000
Defined contribution plans	2,909,462	2,434,391	-	-
Provision for employee benefits (net)	38,140	(29,770)	-	-
Other staff related expenses	5,038,524	4,991,059	-	-
	48,362,961	42,611,723	342,500	322,000

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Included in employee benefits expense are:				
Directors' remuneration				
- Fees	330,000	312,000	330,000	312,000
- Salaries, allowances and bonuses	2,784,660	2,619,494	12,500	10,000
- Defined contribution plans	293,100	274,838	-	-
- Other staff related expenses	3,691	3,875	-	-
- Benefits-in-kind	55,600	39,952	-	-
	3,467,051	3,250,159	342,500	322,000

24. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current income tax:				
- Current income tax charge	43,876,917	18,402,116	43,197	43,451
- Adjustment in respect of prior years	226,066	(535,451)	8,357	-
	44,102,983	17,866,665	51,554	43,451

NOTES TO THE FINANCIAL STATEMENTS

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24. INCOME TAX EXPENSE *cont'd*

The major components of income tax expense for the financial years ended 31 December 2025 and 31 December 2024 are as follows: *cont'd*

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deferred tax (Note 15):				
- Origination of temporary differences	1,440,411	2,254,818	-	-
- Adjustment in respect of prior years	244,600	(142,600)	-	-
	1,685,011	2,112,218	-	-
Income tax expense recognised in profit or loss	45,787,994	19,978,883	51,554	43,451

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2024: 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before tax	177,207,171	92,296,021	33,004,439	22,584,809
Tax at the Malaysian statutory income tax rate of 24% (2024: 24%)	42,529,721	22,151,045	7,921,065	5,420,354
Adjustments:				
Income not subject to tax	(840,300)	(611,324)	(8,760,000)	(5,592,000)
Non-deductible expenses	3,627,907	2,158,613	882,132	215,097
Utilisation of reinvestment allowance claimed	-	(3,041,400)	-	-
Adjustments in respect of current income tax in prior years	226,066	(535,451)	8,357	-
Adjustments in respect of deferred tax in prior years	244,600	(142,600)	-	-
Income tax expense	45,787,994	19,978,883	51,554	43,451

NOTES TO THE FINANCIAL STATEMENTS

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25. 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	
	2025	2024
Profit attributable to owners of the Company (RM)	131,419,177	72,317,138
Weighted average number of ordinary shares for basic earnings per share:		
Number of shares in issue as at 1 January	900,030,900	800,050,000
Effect of issuance of ordinary shares	125,585,900	99,980,900
Weighted average number of ordinary shares for basic earnings per share (unit)	966,337,111	838,501,021
Basic earnings per ordinary share (sen)	13.60	8.62

(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	
	2025	2024
Profit attributable to owners of the Company (RM)	131,419,177	72,317,138
Weighted average number of ordinary shares for basic earnings per share (unit)	966,337,111	838,501,021
Effect of dilution from:		
- Warrants	145,097,472	194,604,754
Weighted average number of ordinary shares for diluted earnings per share (unit)	1,111,434,583	1,033,105,775
Diluted earnings per ordinary share (sen)	11.82	7.00

During the financial year, there was issuance of 102,378,500 ordinary shares at the price of RM1.99 per ordinary shares and warrants exercised amounting to 125,585,900 ordinary shares at the price of RM0.275 per ordinary share subsequent to end of the financial year.

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26. DIVIDENDS

	Group/Company	
	2025	2024
	RM	RM
Recognised during the financial year:		
Single tier final dividend of 0.85 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 25 July 2025	8,316,167	-
Single tier first interim dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2025, paid on 15 October 2025	12,120,764	-
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
	20,436,931	13,080,719

At the forthcoming Annual General Meeting, a single tier final dividend of 1.83 sen per ordinary share, amounting to RM20,687,204 in respect of the current financial year, based on the number of outstanding ordinary shares in issue as at 31 December 2025, 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 2026.

27. 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 assets at fair value through profit and loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are 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.

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL INSTRUMENTS *cont'd*

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

Derivatives

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

(b) Categories of financial instruments

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

- (i) Amortised cost and
- (ii) FVPL

	Carrying amount RM	Amortised cost RM	FVPL RM
2025			
Financial assets			
Group			
Trade receivables, other receivables and deposit	452,043,763	452,043,763	-
Cash and short-term deposits	123,749,307	123,749,307	-
Short-term funds	130,281,989	-	130,281,989
	706,075,059	575,793,070	130,281,989
Company			
Cash and short-term deposits	5,141,603	5,141,603	-
Short-term funds	100,198,531	100,198,531	-
	105,340,134	105,340,134	-
Financial liabilities			
Group			
Loans and borrowings	233,288,568	233,288,568	-
Trade and other payables	124,172,788	124,172,788	-
Derivative financial liabilities	435,705	-	435,705
	357,897,061	357,461,356	435,705
Company			
Other payables	856,985	856,985	-

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

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

	Carrying amount RM	Amortised cost RM	FVPL RM
2024			
Financial assets			
Group			
Trade receivables, other receivables and deposit	298,793,784	298,793,784	-
Derivative financial assets	487,428	-	487,428
Cash and short-term deposits	82,704,461	82,704,461	-
	<u>381,985,673</u>	<u>381,498,245</u>	<u>487,428</u>
Company			
Other receivable	9,081,785	9,081,785	-
Cash and short-term deposits	6,058,763	6,058,763	-
	<u>15,140,548</u>	<u>15,140,548</u>	<u>-</u>
Financial liabilities			
Group			
Loans and borrowings	215,707,431	215,707,431	-
Trade and other payables	83,239,159	83,239,159	-
	<u>298,946,590</u>	<u>298,946,590</u>	<u>-</u>
Company			
Other payables	1,039,175	1,039,175	-

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management

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

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

(i) Credit risk

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

Trade receivables

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

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

Credit risk concentration profile

As at the end of the reporting period the Group has significant concentration of credit risk in the form of outstanding balances owing by 5 (2024:1) customers representing 33% (2024: 17%) of the total receivables.

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

Credit risk concentration profile *cont'd*

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

	Group	
	2025	2024
	RM	RM
Current (not past due)	69,430,947	177,963,852
1 to 30 days past due	54,519,079	55,776,129
31 to 60 days past due	108,921,761	24,404,301
61 to 90 days past due	64,286,417	14,773,602
91 to 120 days past due	82,059,762	2,855,385
More than 120 days past due	71,282,803	21,687,022
	450,500,769	297,460,291
Impairment losses:		
- generally assessed	1,000,000	1,000,000
- individually assessed	4,885,346	2,744,236
	456,386,115	301,204,527

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

Other receivables and other financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Other receivables and other financial assets *cont'd*

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 Company provides 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 Company will consider the expected manner of recovery and recovery period of the advances.

Other than the 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 RM77,635,680 (2024: RM57,618,472), 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

27. 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:

	Contractual cash flows				
	Carrying amount	On demand or within one year	Between one to five years	More than five years	Total
	RM	RM	RM	RM	RM
As at 31 December 2025					
Financial liabilities					
Group					
Term loans	16,062,707	2,412,850	6,528,679	12,250,621	21,192,150
Hire purchase payable	4,096,468	1,816,417	2,548,987	-	4,365,404
Lease liabilities	2,368,438	409,860	1,102,848	1,398,712	2,911,420
Bankers' acceptance	213,129,393	213,129,393	-	-	213,129,393
Trade and other payables	124,172,788	124,172,788	-	-	124,172,788
	359,829,794	341,941,308	10,180,514	13,649,333	365,771,155
Company					
Other payables	856,985	856,985	-	-	856,985

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. 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 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	83,239,159	83,239,159	-	-	83,239,159
	<u>298,946,590</u>	<u>293,168,233</u>	<u>6,136,430</u>	<u>709,222</u>	<u>300,013,885</u>
Company					
Other payables	<u>1,039,175</u>	<u>1,039,175</u>	<u>-</u>	<u>-</u>	<u>1,039,175</u>

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iii) Foreign currency risk

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

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

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

	Group	
	2025	2024
	RM	RM
<u>Trade receivables</u>		
United States Dollar ("USD")	72,752,306	16,560,920
<u>Cash and bank balances</u>		
USD	31,605,761	13,977,368
<u>Trade payables</u>		
USD	(5,567,322)	(12,512,891)
<u>Other payables</u>		
USD	(7,217,977)	(1,856,756)

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

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

The following table demonstrates the sensitivity to a reasonably possible change in the USD, 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 2025			
USD	+15%	10,439,296	10,439,296
	-15%	(10,439,296)	(10,439,296)
31 December 2024			
USD	+15%	1,843,225	1,843,225
	-15%	(1,843,225)	(1,843,225)

(iv) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Financial risk management *cont'd*

(iv) Interest rate risk *cont'd*

Sensitivity analysis for interest rate risk

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

	Change in basis points	Effect on profit for the financial year RM	Effect on equity RM
Group:			
31 December 2025			
Term loans	+50	(61,038)	(61,038)
	-50	61,038	61,038
Bankers' acceptance	+50	(809,892)	(809,892)
	-50	809,892	809,892
Short-term deposits	+50	19,130	19,130
	-50	(19,130)	(19,130)
31 December 2024			
Term loans	+50	(10,723)	(10,723)
	-50	10,723	10,723
Bankers' acceptance	+50	(782,884)	(782,884)
	-50	782,884	782,884
Short-term deposits	+50	127	127
	-50	(127)	(127)

(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 (2024: no transfers in either direction).

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long-term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

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27. 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 2025									
Financial asset									
Short-term funds	130,281,989	130,083,458	-	-	130,083,458	-	-	-	-
Financial liabilities									
Term loans	16,062,707	-	-	-	-	-	-	14,050,245	14,050,245
Derivative financial liabilities	435,705	-	435,705	-	435,705	-	-	-	-
Company									
31 December 2025									
Financial asset									
Short-term funds	100,198,531	100,198,531	-	-	100,198,531	-	-	-	-
31 December 2024									
Financial asset									
Derivative financial liabilities	487,428	-	487,428	-	487,428	-	-	-	-
Financial liability									
Term loans	2,821,946	-	-	-	-	-	-	1,755,767	1,755,767

NOTES TO THE FINANCIAL STATEMENTS

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27. 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.

28. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2025	2024
	RM	RM
Capital expenditures contracted but not provided for:		
- Construction of buildings	10,463,625	920,000
- Purchase of machineries and factory equipment	43,900,028	19,701,446
Capital expenditures approved but not contracted for:		
- Construction of building and Enterprise Resource Planning information technology system	2,370,266	627,000
- Purchase of machineries and factory equipment	852,670	7,400,000
	57,586,589	28,648,446

NOTES TO THE FINANCIAL STATEMENTS

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29. 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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Sale of goods				
Fellow subsidiaries	49,362,598	46,931,138	-	-
Purchase of goods				
Fellow subsidiaries	49,362,598	46,931,138	-	-
Rental expense charged by				
A person connected to a director	56,400	54,000	-	-
Dividends received/receivable				
Subsidiaries	-	-	36,500,000	23,300,000

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 7 and 9.

(c) Compensation of key management personnel

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fees	330,000	312,000	330,000	312,000
Salaries, allowances and bonuses	3,827,090	3,543,114	12,500	10,000
Defined contribution plans	417,081	387,377	-	-
Other staff related expenses	14,115	6,896	-	-
Benefits-in-kind	74,800	86,027	-	-
	4,663,086	4,335,414	342,500	322,000

NOTES TO THE FINANCIAL STATEMENTS

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30. 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 2025 and 31 December 2024.

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 2025 and 31 December 2024 are as follows:

		Group	
		2025	2024
	Note	RM	RM
Loans and borrowings	14	235,657,006	215,707,431
Less:			
Short-term funds	7	(130,281,989)	-
Cash and short-term deposits	11	(123,749,307)	(82,704,461)
Total net debts		(18,374,290)	133,002,970
Total equity		751,024,441	401,772,857
Net gearing ratio (times)		-	0.33

There were no bank borrowings for the Company for the financial years ended 31 December 2025 and 31 December 2024. 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

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31. 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.

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31 December 2024

Revenue from external customers

Inter-segment revenue

Other income

Unallocated expenses

Finance costs

Income tax expense

Profit for the financial year

Included in the measure of segments profit are:

Employee benefits expense

Depreciation and amortisation

Impairment loss on trade

Reversal on impairment loss on trade receivables

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Related products and services	Adjustments and eliminations	Total
Note	RM	RM	RM	RM	RM	RM
A	1,224,092,746	4,059,153	27,186,269	91,677,683	-	1,347,015,851
	-	-	-	46,931,138	(46,931,138)	-
	<u>1,224,092,746</u>	<u>4,059,153</u>	<u>27,186,269</u>	<u>138,608,821</u>	<u>(46,931,138)</u>	<u>1,347,015,851</u>
	124,372,032	944,991	5,074,900	4,563,217	286,325	135,241,465
						5,892,899
						(39,271,786)
						(9,566,557)
						(19,978,883)
						<u>72,317,138</u>
						42,466,596
						11,138,758
						2,335,694
						(575,649)

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

31. 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 2025		
Local	1,525,855,953	318,629,846
Overseas	233,798,564	-
	1,759,654,517	318,629,846
31 December 2024		
Local	1,281,138,132	138,286,160
Overseas	65,877,719	-
	1,347,015,851	138,286,160

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 two(2) (2024: one(1)) customers represented approximately RM563,517,739 (2024: RM313,341,715) 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 104 to 154 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 2025 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

WONG MENG KEE
Director

Date: 8 April 2026

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 104 to 154 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 8 April 2026.

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 2025 of the Group and of the Company, 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 104 to 154.

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 2025, 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"), as applicable to audit of financial statements of public interest entities, 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 8 to the financial statements)

The Group's accounting policy is to use standard costing in measuring its inventories, 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 9 to the financial statements)

The Group has significant trade receivables as at 31 December 2025. 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; 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.

INDEPENDENT AUDITORS' 'REPORT

TO THE MEMBERS OF SOUTHERN CABLE GROUP BERHAD

(INCORPORATED IN MALAYSIA)

Cont'd

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

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. 03076/07/2027 J
Chartered Accountant

Kuala Lumpur

Date: 8 April 2026

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 RM'000	2024 RM'000
Total Income			
Revenue		1,759,655	1,347,016
Other income		4,572	5,893
Total		1,764,227	1,352,909
Total Assets		1,152,785	721,206

(b) Business Activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Interest income	Conventional	1,143	1,055
Total		1,143	1,055

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 RM'000	2024 RM'000
Islamic Account/Instruments			
Short-term funds		130,282	-
Cash at bank (exclude cash in hand)		27,157	14
Total		157,439	14

	Remarks	Group	
		2025 RM'000	2024 RM'000
Conventional Account/Instruments			
Short-term deposits		5,034	33
Cash at bank (exclude cash in hand)		91,526	82,599
Total		96,560	82,632

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Cont'd

(c) Component of Financial Position *cont'd*

(ii) Debt Component

Remarks	Group	
	2025 RM'000	2024 RM'000
Islamic Financing		
Current		
Islamic hire purchase payables	-	81
Invoice financing	116,294	60,035
Term loans	1,688	1,043
Non-Current		
Term loans	14,375	1,779
Total Financing	132,357	62,939
Remarks	Group	
	2025 RM'000	2024 RM'000
Conventional Borrowing		
Current		
Hire purchase payables	1,653	1,766
Banker's acceptances	84,405	145,987
Invoice financing	12,430	-
Non-Current		
Hire purchase payables	2,444	4,097
Total Debt	100,931	151,850

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2026

Total Number of Issued Shares	:	1,130,645,000 ordinary shares
Class of Equity Securities	:	Ordinary shares ("shares")
Voting Rights by Show of Hands	:	One vote for every member
Voting Rights by Poll	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1-99	40	0.47	628	0.00
100-1,000	1,561	18.36	965,082	0.09
1,001-10,000	4,358	51.26	21,641,260	1.91
10,001-100,000	2,020	23.76	63,227,689	5.59
100,001-less than 5% of issued shares	522	6.14	730,285,929	64.59
5% and above of issued shares	1	0.01	314,524,412	27.82
TOTAL:	8,502	100.00	1,130,645,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Sino Shield Sdn. Bhd.	314,524,412	27.82	-	-
Tung Eng Hai	2,100,000	0.19	314,524,412 ⁽¹⁾	27.82
Employees Provident Fund Board	106,701,300	9.44	-	-
Ooi Gaik Bee	-	-	316,624,412 ⁽²⁾	28.00

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.

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	0.19	314,524,412 ⁽¹⁾	27.82
Wong Meng Kee	1,659,204	0.15	7,212,000 ⁽²⁾	0.64
Daphne Choy Gaik Choo	600,000	0.05	-	-
Eugene Lee Cheng Hoe	400,000	0.04	-	-
Rizvi Bin Abd Halim	400,000	0.04	-	-
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.

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2026

Cont'd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 3 APRIL 2026

(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.	314,524,412	27.82
2	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	42,107,500	3.72
3	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (NOMURA)</i>	33,857,800	3.00
4	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (BNP NAJMAH EQ)</i>	18,267,800	1.62
5	Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH (LUX) SCA for Fidelity Funds Asean</i>	15,368,400	1.36
6	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	15,109,900	1.34
7	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)</i>	14,296,500	1.26
8	Yeoh Yew Choo	13,856,700	1.23
9	Semangat Handal Sdn. Bhd.	12,468,400	1.10
10	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2</i>	12,437,200	1.10
11	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (RHB INV)</i>	11,500,000	1.02
12	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)</i>	10,157,300	0.90
13	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund</i>	10,112,900	0.89
14	Amanahraya Trustee Berhad <i>Public Strategic Smallcap Fund</i>	9,571,200	0.85
15	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (2)</i>	9,500,000	0.84
16	CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	9,296,000	0.82
17	Lim Boon Liat	9,000,000	0.80
18	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad – Kenanga Growth Fund</i>	8,785,700	0.78
19	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Public Takaful Bhd.</i>	8,258,100	0.73
20	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (Maybank 2)</i>	8,159,100	0.72
21	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (NIAM EQ)</i>	7,251,500	0.64
22	Tung Cheng Im	7,195,000	0.64
23	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Petroliaam Nasional Berhad (PET-MIAM-EQSH)</i>	7,037,700	0.62
24	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Islamic)</i>	6,996,900	0.62

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2026

Cont'd

No.	Name	No. of Shares held	%
25	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	6,761,000	0.60
26	KAF Trustee Berhad <i>KIFB for Altima, Inc</i>	6,540,100	0.58
27	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)</i>	6,160,000	0.55
28	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Petroliaam Nasional Berhad (ACF-KENANGA-EQ)</i>	6,004,000	0.53
29	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)</i>	5,815,900	0.51
30	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (NOMURA)</i>	5,815,600	0.51

ANALYSIS OF WARRANT HOLDINGS

AS AT 3 APRIL 2026

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	269	14.77	12,316	0.01
100-1,000	332	18.23	202,524	0.12
1,001-10,000	776	42.61	3,728,298	2.17
10,001-100,000	367	20.16	11,714,850	6.82
100,001 - less than 5% of the no. of outstanding Warrants	76	4.17	42,313,306	24.64
5% and above of the no. of outstanding Warrants	1	0.06	113,762,206	66.24
TOTAL:	1,821	100.00	171,733,500	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	0.61	113,762,206 ⁽¹⁾	66.24
Wong Meng Kee	529,602	0.31	3,111,000 ⁽²⁾	1.81
Rizvi Bin Abd Halim	100,000	0.06	-	-
Eugene Lee Cheng Hoe	200,000	0.12	-	-
Daphne Choy Gaik Choo	-	-	-	-
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.

THIRTY LARGEST WARRANT HOLDERS AS AT 3 APRIL 2026

(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.	113,762,206	66.24
2	Lee Wei Ming	5,000,000	2.91
3	Tung Cheng Im	3,101,000	1.81
4	Shen, Yumei	3,000,000	1.75
5	Tan Chin Keat	2,200,004	1.28

ANALYSIS OF WARRANT HOLDINGS

AS AT 3 APRIL 2026

Cont'd

No.	Name	No. of Warrants held	%
6	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>(Pledged Securities Account for Cheang Wai Kett (MY4704))</i>	2,031,100	1.18
7	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yap Moi Cheng (E-SKN/SMY)</i>	1,817,800	1.06
8	TA Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Chen, Quanqing</i>	1,641,500	0.96
9	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Koay Hean Eng</i>	1,512,200	0.88
10	Yap Yong Sing	1,350,000	0.79
11	William Thong Tuck Weng	1,225,000	0.71
12	Tung Eng Hai	1,050,000	0.61
13	Ooi Shin Yi	1,000,000	0.58
14	Chee Keat Hoe	840,200	0.49
15	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ser Kong Lam</i>	800,000	0.47
16	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tay Moy Koh (MY3164)</i>	690,800	0.40
17	Tan Soo Eng	650,000	0.38
18	Teh Kiak Seng	600,000	0.35
19	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Medical Fund (IFM Kenanga) (410224)</i>	590,700	0.34
20	Chan Boon Beng	564,600	0.33
21	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chee Keat Hoe (MP0350)</i>	533,400	0.31
22	Wong Meng Kee	529,602	0.31
23	MooMoo Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chan Boon Beng</i>	524,100	0.31
24	Chan Boon Beng	514,300	0.30
25	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Maybank Securities Pte Ltd for William Thong Tuck Weng</i>	471,200	0.27
26	Yap Koon Yee	464,200	0.27
27	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Kenanga Amanah Saham Wanita (N14011980040)</i>	450,000	0.26
28	Adrian Choong Ewe Beng	367,650	0.21
29	Wong Teck Quee	341,400	0.20
30	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Too Boon Siong</i>	331,700	0.19

LIST OF PROPERTIES

AS AT 31 DECEMBER 2025

Property	Description an Existing Use of Building/Land	Tenure	Land Area (sq ft)	Year of acquisition	Age of Building (years)	Net book value as at 31 Dec 2025 RM'000
1. Land and buildings Lots 35 and 42, Jalan Merbau Pulas, Kawasan Persahaan 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	29	4,660
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	19	5,990
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 18 Office 16	5,996
4. Land and building PT 4845 and PT 4846 Kawasan Perusahaan Cendana, 08000 Sungai Petani, Kedah Darul Aman	A single storey detached factory with double storey office Office and factory	Freehold	100,040	2013/2008	Office 21 and factory 9 Factory and office 1	6,997
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 29 Office and factory 11 years	4,451
6. Land and buildings PT 9133 (previously known as 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	6	7,592
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	9	2,097

LIST OF PROPERTIES

AS AT 31 DECEMBER 2025

Cont'd

	Property	Description an Existing Use of Building/Land	Tenure	Land Area (sq ft)	Year of acquisition	Age of Building (years)	Net book value as at 31 Dec 2025 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	15	6,017
9	Land PT 46 (previously known as 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	3,582
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	27	19,996

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting (“7th 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 Thursday, 25 June 2026 at 2:00 p.m. or at any adjournment thereof, to transact the following businesses, with or without modifications:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 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 1.83 sen per ordinary share for the financial year ended 31 December 2025. *(Ordinary Resolution 1)*
3. To approve the payment of Directors’ fees and benefits of up to RM300,000.00 for the financial year ending 31 December 2026. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company’s Constitution:-
 - (i) Mr. Tung Eng Hai *(Ordinary Resolution 3)*
 - (ii) Ms. Daphne Choy Gaik Choo *(Ordinary Resolution 4)*
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 5)*

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 6)*

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time (“Mandate”) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities, and that 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 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 1.83 sen per ordinary share in respect of the financial year ended 31 December 2025, if approved by the shareholders at the 7th AGM of the Company, will be paid on 17 July 2026 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 10 July 2026.

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 10 July 2026 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 2026

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 2026. Only members whose names appear in the General Meeting Record of Depositors as at 18 June 2026 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 2025

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 2026 ("FYE 2026"). 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. Tung Eng Hai and Ms. Daphne Choy Gaik Choo 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 7th AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval for the re-election of 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 2025.

4. Item 5 of the Agenda – Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") has undertaken an annual assessment of the suitability, effectiveness, and independence of Baker Tilly Monteiro Heng PLT as auditors. Based on the outcome of the assessment, the ARMC is satisfied that Baker Tilly Monteiro Heng PLT has maintained its independence and has performed its duties effectively. Accordingly, the ARMC recommended to the Board that Baker Tilly Monteiro Heng PLT be re-appointed as the Auditors of the Company.

The Board has endorsed the ARMC's recommendation and will seek shareholders' approval for the re-appointment of Baker Tilly Monteiro Heng PLT as Auditors for the FYE 2026, and to hold office until the conclusion of the next AGM.

5. 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 proposed Ordinary Resolution 6 under Agenda item 6 is to seek a general mandate for the issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will 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 (excluding treasury shares, if any) for such purposes as the Directors consider would be in the best interest of the Company. 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 the issuance and allotment of new Shares without the need to convene a separate general meeting to obtain shareholders' approval, so as to avoid incurring additional cost and time. The purpose of this general mandate is for any possible fund-raising activities, including but not limited to further placement of shares for the purpose of funding current and/or future investment project(s), working capital and/or acquisition(s), investments and/or for the issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other purposes as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its Sixth AGM ("6th AGM") held on 25 June 2025, 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 in time ("General Mandate"). This General Mandate will expire at the conclusion of the 7th AGM.

The Company had undertaken a private placement exercise pursuant to the General Mandate ("Private Placement"). As at the date of this Notice, the Company had issued a total of 102,378,500 new ordinary shares under the Private Placement and raised total proceeds of RM203,733,215. Details of the utilisation of proceeds raised from the Private Placement are disclosed under Additional Compliance Information of the Annual Report 2025.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE SEVENTH ANNUAL GENERAL MEETING (“7TH AGM”)

Day and Date	: Thursday, 25 June 2026
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 7th AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 June 2026 (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 7th 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 7th 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 **Tuesday, 23 June 2026 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)	Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2. • 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.
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ADMINISTRATIVE GUIDE

Cont'd

	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	Individual and Corporate Shareholder - Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. - Select “SOUTHERN CABLE GROUP BERHAD 7TH 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. Authorised Nominee and Exempt Authorised Nominee <u>Via Email</u> - Write in to bsr.proxy@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 Tuesday, 23 June 2026 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. <u>Via BSIP</u> - Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. - Select “SOUTHERN CABLE GROUP BERHAD 7TH 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 **Tuesday, 23 June 2026 at 2:00 p.m.** to participate the 7th 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 **Tuesday, 23 June 2026 at 2:00 p.m.** to participate the 7th 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 7th AGM yourself, please revoke the appointment of the earlier appointed proxy(ies) not less than forty-eight (48) hours before the 7th AGM through the following options:-

1. Hardcopy form

Write in to bsr.proxy@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 7th 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 7th AGM proceedings is allowed without the prior written permission of the Company.

F. Enquiry

If you have any enquiries prior to the 7th 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.

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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/or failing him/her*

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 Seventh Annual General Meeting ("7th 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 Thursday, 25 June 2026 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 1.83 sen per ordinary share for the financial year ended 31 December 2025.		
2.	To approve the payment of Directors' fees and benefits of up to RM300,000.00 for the financial year ending 31 December 2026.		
3.	To re-elect Mr. Tung Eng Hai as a Director of the Company.		
4.	To re-elect Ms. Daphne Choy Gaik Choo as a Director of the Company.		
5.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company.		
6.	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 _____ 2026

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.**
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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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>.
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- (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.



SOUTHERN CABLE

SOUTHERN CABLE GROUP BERHAD

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

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