



# **SOUTHERN CABLE GROUP BERHAD**

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

## **Interim Financial Report**

**For The First Quarter Ended**

**31 March 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>**

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	312,027	240,934	312,027	240,934
Cost of sales		(286,596)	(227,220)	(286,596)	(227,220)
<b>Gross profit</b>		<b>25,431</b>	<b>13,714</b>	<b>25,431</b>	<b>13,714</b>
Other income		1,975	1,836	1,975	1,836
Distribution expenses		(4,127)	(3,426)	(4,127)	(3,426)
Administrative expenses		(2,731)	(2,606)	(2,731)	(2,606)
Other expenses		-	-	-	-
<b>Operating profit</b>	B12	<b>20,548</b>	<b>9,518</b>	<b>20,548</b>	<b>9,518</b>
Finance costs		(1,976)	(2,701)	(1,976)	(2,701)
<b>Profit before tax</b>		<b>18,572</b>	<b>6,817</b>	<b>18,572</b>	<b>6,817</b>
Income tax expense	B5	(4,499)	(1,677)	(4,499)	(1,677)
<b>Profit/Total comprehensive income for the financial period</b>		<b>14,073</b>	<b>5,140</b>	<b>14,073</b>	<b>5,140</b>
<b>Profit/Total comprehensive income for the financial period after taxation attributable to:</b>					
Owners of the Company		14,073	5,140	14,073	5,140
		<b>14,073</b>	<b>5,140</b>	<b>14,073</b>	<b>5,140</b>
<b>Earnings per Share</b>					
- Basic (sen)	B11	1.76	0.64	1.76	0.64
- Diluted (sen)	B11	1.55	0.64	1.55	0.64



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>  
(CONT'D)**

**Notes:**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**

	<b>Unaudited as at 31.03.2024 RM'000</b>	<b>Audited as at 31.12.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	57,706	54,633
Right-of-use assets	44,032	44,435
Investment properties	508	510
<b>Total non-current assets</b>	<b>102,246</b>	<b>99,578</b>
<b>Current Assets</b>		
Inventories	127,993	144,096
Current tax assets	734	995
Trade and other receivables	299,867	264,904
Cash and short-term deposits	83,931	96,009
Derivative financial assets	1	-
<b>Total current assets</b>	<b>512,526</b>	<b>506,004</b>
<b>TOTAL ASSETS</b>	<b>614,772</b>	<b>605,582</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	217,787	217,670
Retained earnings	232,392	218,319
Reserves	(120,947)	(120,947)
<b>Total equity</b>	<b>329,232</b>	<b>315,042</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	9,355	9,640
Deferred tax liabilities	7,828	7,759
<b>Total non-current liabilities</b>	<b>17,183</b>	<b>17,399</b>
<b>Current Liabilities</b>		
Loans and borrowings	157,370	186,093
Provisions	320	322
Current tax liabilities	6,778	3,349
Trade and other payables	103,889	82,789
Derivative financial liabilities	-	588
<b>Total current liabilities</b>	<b>268,357</b>	<b>273,141</b>
<b>TOTAL LIABILITIES</b>	<b>285,540</b>	<b>290,540</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>614,772</b>	<b>605,582</b>
Number of issued shares ('000)	800,480	800,050
Net assets per share attributable to owners of the company (RM)	0.41	0.39



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup> (CONT'D)

### Notes:

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>**

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
<b>Balance as at 1 January 2024 (Audited)</b>	217,669	(120,947)	218,319	315,041
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)		-	14,073	14,073
Transaction with owners: Proceed from warrants conversion	118	-	-	118
<b>Balance as at 31 March 2024 (Unaudited)</b>	<u>217,787</u>	<u>(120,947)</u>	<u>232,392</u>	<u>329,232</u>

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
<b>Balance as at 1 January 2023 (Audited)</b>	217,656	(120,947)	191,123	287,832
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	5,140	5,140
<b>Balance as at 31 March 2023 (Unaudited)</b>	<u>217,656</u>	<u>(120,947)</u>	<u>196,263</u>	<u>292,972</u>

**Note:**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS<sup>(1)</sup>**

	CURRENT YEAR TO-DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR TO-DATE 31.03.2023 Unaudited RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	18,572	6,817
Adjustments for:		
Amortisation/depreciation of investment properties	2	2
Amortisation/depreciation of property, plant and equipment	1,918	1,655
Depreciation of right-of-use assets	578	550
Fair value gain on derivative financial instruments	(589)	(825)
Loss/(gain) on disposal of property, plant and equipment	2	(101)
Interest expenses	1,976	2,701
Interest income	(342)	(98)
Provision for employee benefit (net)	(2)	17
Property, plant and equipment written off	-	2
Right-of-use assets written off	7	-
Unrealised loss/(gain) on foreign exchange	122	(87)
<b>Operating profit before changes in working capital</b>	<b>22,244</b>	<b>10,633</b>
Changes in working capital:		
Inventories	16,103	18,037
Trade and other receivables	(34,929)	784
Trade and other payables	20,942	(9,603)
Net cash generated from operations	24,360	19,851
Income tax paid	(740)	(1,113)
Interest received	342	98
Interest paid	(130)	(112)
<b>Net cash from operating activities</b>	<b>23,832</b>	<b>18,724</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS<sup>(1)</sup> (CONT'D)**

	<b>CURRENT YEAR TO-DATE 31.03.2024 Unaudited RM'000</b>	<b>PRECEDING YEAR TO-DATE 31.03.2023 Audited RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,993)	(707)
Purchase of right-of-use assets	(109)	(76)
Proceed from disposal of property, plant and equipment	1	101
<b>Net cash used in investing activities</b>	<b>(5,101)</b>	<b>(682)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,846)	(2,589)
Repayment of term loans	(278)	(274)
Drawdown of lease liabilities	-	1,000
Repayment of lease liabilities	(838)	(610)
Drawdown of bankers' acceptance	133,092	209,084
Repayment of bankers' acceptance	(161,057)	(218,763)
Proceed from warrants conversion	118	-
<b>Net cash used in financing activities</b>	<b>(30,809)</b>	<b>(12,152)</b>
Net (decrease)/increase in cash and cash equivalents	(12,078)	5,890
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>95,976</b>	<b>21,840</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>83,898</b>	<b>27,730</b>

**Note:**

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



**A. NOTES TO THE INTERIM FINANCIAL REPORT****A1. Basis of Preparation**

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

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

**A2. Significant Accounting Policies**

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

New MFRS

MFRS 17 Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

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

**A3. Auditors’ Report on Preceding Annual Financial Statements**

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



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

**A4. Seasonal or Cyclical Factors**

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

**A5. Items or Incidence of an Unusual Nature**

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

**A6. Material Changes in Estimates**

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

**A7. Debt and Equity Securities**

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

**A8. Dividend Paid**

There were no dividends paid for the current quarter.



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

**A9. Segmental Reporting**

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

	<b>Power cables and wires</b>	<b>Communication cables and wires</b>	<b>Control and instrumentation cables and wires</b>	<b>Others</b>	<b>Adjustment and eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current quarter 31 March 2024</b>						
<b>Revenue:</b>						
Revenue from external customers	277,949	1,717	6,979	25,382	-	312,027
Inter-segment revenue	-	-	-	11,194	(11,194)	-
	<u>277,949</u>	<u>1,717</u>	<u>6,979</u>	<u>36,576</u>	<u>(11,194)</u>	<u>312,027</u>
<b>Segment profit</b>	22,850	314	1,324	1,229	(286)	25,431
Other income						1,975
Unallocated expenses						(6,858)
Finance costs						(1,976)
Income tax expenses						(4,499)
Profit for the financial period						<u>14,073</u>
<b>Result:</b>						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						9,187
Depreciation and amortisation						2,498



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Previous quarter 31 March 2023</b>						
<b>Revenue:</b>						
Revenue from external customers	207,844	3,649	6,231	23,210	-	240,934
Inter-segment revenue	-	-	-	8,748	(8,748)	-
	<u>207,844</u>	<u>3,649</u>	<u>6,231</u>	<u>31,958</u>	<u>(8,748)</u>	<u>240,934</u>
<b>Segment profit</b>	11,584	456	761	845	68	13,714
Other income						1,836
Unallocated expenses						(6,032)
Finance costs						(2,701)
Income tax expenses						<u>(1,677)</u>
Profit for the financial period						<u>5,140</u>
<b>Result:</b>						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						8,675
Depreciation and amortisation						2,207



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year-to-date 31 March 2024</b>						
<b>Revenue:</b>						
Revenue from external customers	277,949	1,717	6,979	25,382	-	312,027
Inter-segment revenue	-	-	-	11,194	(11,194)	-
	<u>277,949</u>	<u>1,717</u>	<u>6,979</u>	<u>36,576</u>	<u>(11,194)</u>	<u>312,027</u>
<b>Segment profit</b>	22,850	314	1,324	1,229	(286)	25,431
Other income						1,975
Unallocated expenses						(6,858)
Finance costs						(1,976)
Income tax expenses						(4,499)
Profit for the financial period						<u>14,073</u>
<b>Result:</b>						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						9,187
Depreciation and amortisation						2,498



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year-to-date 31 March 2023</b>						
<b>Revenue:</b>						
Revenue from external customers	207,844	3,649	6,231	23,210	-	240,934
Inter-segment revenue	-	-	-	8,748	(8,748)	-
	<u>207,844</u>	<u>3,649</u>	<u>6,231</u>	<u>31,958</u>	<u>(8,748)</u>	<u>240,934</u>
<b>Segment profit</b>	11,584	456	761	845	68	13,714
Other income						1,836
Unallocated expenses						(6,032)
Finance costs						(2,701)
Income tax expenses						<u>(1,677)</u>
Profit for the financial period						<u>5,140</u>
<b>Result:</b>						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						8,675
Depreciation and amortisation						2,207

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

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

**A11. Changes in Composition of the Group**

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

**A12. Contingent Assets and Contingent Liabilities**

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

	<b>Unaudited as at 31.03.2024 RM'000</b>	<b>Audited as at 31.12.2023 RM'000</b>
Bank guarantee		
- Trade facilities	21,497	22,057
- Contract financing for performance bonds and guarantee	26,734	26,606
	<u>48,231</u>	<u>48,663</u>

**A13. Capital Commitments**

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

	<b>Unaudited as at 31.03.2024 RM'000</b>	<b>Audited as at 31.12.2023 RM'000</b>
Capital expenditures contracted but not provided for:		
- Construction of building	3,741	845
- Purchase of machineries and factory equipment	7,625	7,576
- Enterprise Resource Planning information technology system	-	57
Capital expenditures not contracted and not provided for:		
- Acquisition of land and building and factory equipment	13,950	-
- Construction of building and Enterprise Resource Planning information technology system	3,218	5,076
- Electrical installation	625	-
	<u>29,159</u>	<u>13,554</u>

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

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>Unaudited 31.03.2024 RM'000</b>	<b>Unaudited 31.03.2023 RM'000</b>	<b>Unaudited 31.03.2024 RM'000</b>	<b>Unaudited 31.03.2023 RM'000</b>
Rental expenses charged by a person connected to a director	14	14	14	14



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

Result for current quarter

	QUARTER ENDED		Variance	
	Current Quarter	Previous Corresponding Quarter	RM'000	%
	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	%
Revenue	312,027	240,934	71,093	29.51
Profit before tax	18,572	6,817	11,755	172.44

In the current quarter ended 31 March 2024, the Group recorded revenue of RM312.03 million compared with RM240.93 million previous corresponding quarter ended 31 March 2023, an increase of RM71.09 million or 29.51%.

Geographically, the Malaysian market remained the largest contributor to group revenue, accounting for approximately 98.65% of total revenue, while overseas market made up the balance of 1.35% in the current financial quarter. In absolute terms, sales from Malaysia grew by 35.54%, whereas sales from overseas decreased by 69.50%, respectively, as compared to the same quarter last year.

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

The power cables and wires segment accounted for RM277.95 million, or 89.08%, of the Group's total revenue for the current quarter, an increase of RM70.10 million, or 33.73%, from RM207.84 million in the previous corresponding quarter.

The balance of RM34.08 million, or 10.92% of total group revenue was, derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments increased by RM0.99 million, or 2.99%, from RM33.09 million in the previous corresponding quarter, mainly on higher sales of aluminium rods.

The Group's profit before tax jumped to RM18.57 million in the current quarter compared with RM6.82 million in the previous corresponding quarter, an increase of RM11.76 million, or 172.44%, on the back of higher revenue, better product mix, and improved sales margin from lower plastic compound prices. The lower finance costs also contributed to the improved profit before tax.

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

	INDIVIDUAL QUARTER		Variance	
	Current Quarter	Preceding Quarter	RM'000	%
	31.03.2024	31.12.2023	RM'000	
Revenue	312,027	306,553	5,474	1.79
Profit before tax	18,572	16,506	2,066	12.52

The Group's revenue for the current quarter increased by 1.79% to RM312.03 million from RM306.55 million in the preceding quarter ended 31 December 2023 on higher sales volume of power cables and wires. Additionally, there was an increase in sales of aluminium rods.

The Group recorded a 12.52% increase in profit before tax from RM16.51 million in the preceding quarter to RM18.57 million in the current quarter, attributed to improved efficiency, higher other income, lower administrative and income tax expenses, and decreased finance costs.

**B3. Commentary of Prospects**

Southern Cable's prospects are supported by the growing demand for cables and wires in Malaysia, driven by ongoing development and infrastructure projects.

As at 31 March 2024, the Group's orders in hand amounted to RM903.00 million, expected to be fulfilled by 2026. These orders include supplying underground cables and conductors to Tenaga Nasional Berhad and Sarawak Energy Berhad, provision of rectifier and battery systems to Telekom Malaysia Berhad, and purchase orders from EPCC (Engineering Procurement Construction Commissioning) contractors, resellers, and others. During the first quarter of 2024, the Group secured over RM100 million worth of power cable and wire orders from EPCC contractors to supply several data centre projects.

Southern Cable also aims to capitalise on the growing demand for power cables and wires from Malaysia's National Energy Transition Roadmap (NETR) objectives. The Group has supplied a wide range of power cables and wires used in power transmission and distribution networks, including TÜV SÜD certified solar photovoltaic cables used by EPCC solar players in projects such as Large Scale Solar, positioning the Group favourably to tap into the renewable energy market.

Barring unforeseen circumstances, Southern Cable's outlook for FY2024 remains positive, supported by its annual cable and wire production capacity of 41,980 km, which has increased from 40,780 km as at 31 December 2023, after the commencement of its newly installed production line for medium-voltage power cables and wires in March 2024.

To meet increasing market demand and capture growth opportunities, the Group continues to expand its production capacity. In May 2024, the Group's subsidiary, Southern Cable Sdn. Bhd., acquired a 7.9-acre industrial land with an existing building from S.G. Steel Industries (Kedah) Sdn. Bhd., for RM13.95 million.

The acquired property, adjacent to the Group's existing Lot 28 and 29 production facilities in Kuala Ketil, Kedah, will support growth initiatives targeting the United States market. Capacity expansion planning for the new facility is underway, with setup work scheduled to commence in 2025.

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**
**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense**

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>Unaudited 31.03.2024 RM'000</b>	<b>Unaudited 31.03.2023 RM'000</b>	<b>Unaudited 31.03.2024 RM'000</b>	<b>Unaudited 31.03.2023 RM'000</b>
<b>In respect of current period:</b>				
Income tax	4,499	1,677	4,499	1,677
Effective tax rate (%)	24.22	24.60	24.22	24.60
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group for the current quarter and financial year-to-date was higher than the statutory tax rate mainly due to non-deductible expenses.

**B6. Status of Corporate Proposals**

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

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**
**B7. Use of Proceeds Raised from Public Issue**

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

<b>Detail of utilisation</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance Unutilised RM'000</b>	<b>Intended timeframe for utilisation from the date of listing</b>
Capital expenditure and expansion				Within 36 months*
- Purchase and upgrade of new machinery and equipment	18,500	18,500	-	
- Construction of factories	7,500	5,724	1,776	
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	1,365	2,635	
	<b>30,000</b>	<b>25,589</b>	<b>4,411</b>	
Repayment of bank borrowings	9,188	9,188	-	Within 6 months
Working capital	27,490	27,490	-	Within 6 months
Estimated listing expenses	4,500	4,500	-	Within 3 months
<b>Total</b>	<b>71,178</b>	<b>66,767</b>	<b>4,411</b>	

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

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

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

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

	<b>Unaudited 31.03.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b>Non-current</b>		
Term loans	3,676	3,432
Lease liabilities	5,679	6,208
	<b>9,355</b>	<b>9,640</b>
<b>Current</b>		
Term loans	589	1,110
Lease liabilities	2,963	3,199
Bankers' acceptance	153,818	181,784
	<b>157,370</b>	<b>186,093</b>
<b>Total</b>	<b>166,725</b>	<b>195,733</b>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material Litigation**

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

**B10. Proposed Dividends**

The Board of Directors have proposed a final single tier dividend of 0.75 sen per ordinary share, amounting to approximately RM6 million for the financial year ended 31 December 2023. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.03.2024	Unaudited 31.03.2023	Unaudited 31.03.2024	Unaudited 31.03.2023
Profit attributable to owners of the Company (RM'000)	14,073	5,140	14,073	5,140
Weighted average number of shares for basic EPS ('000):				
Number of shares in issue as at 1 Jan ('000)	800,050	800,000	800,050	800,000
Effect of issuance of ordinary shares ('000)	430	-	430	-
Weighted average number of shares for basic EPS ('000)	800,041	-	800,041	-
Basic EPS (sen)	1.76	0.64	1.76	0.64

**(b) Diluted EPS**

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.03.2024	Unaudited 31.03.2023	Unaudited 31.03.2024	Audited 31.03.2023
Profit attributable to owners of the Company (RM'000)	14,073	5,140	14,073	5,140
Weighted average number of shares in issue ('000)	800,041	800,000	800,041	800,000
Effect of warrants conversion ('000')	105,886	*	105,886	*
Weighted average number of shares adjusted for the effect of dilution ('000)	905,927	800,000	905,927	800,000
Diluted EPS (sen)	1.55	0.64	1.55	0.64

\* The effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share. As a result, the diluted earnings per share is the same as basic earnings per share.

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000
Interest income	(342)	(98)	(342)	(98)
Interest expenses	1,976	2,701	1,976	2,701
Amortisation/depreciation of investment properties	2	2	2	2
Amortisation/depreciation of property, plant and equipment	1,918	1,655	1,918	1,655
Depreciation of right-of-use assets	578	550	578	550

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

**B13. Derivative Financial Instruments**

The Group has entered into forward foreign exchange contracts in the current quarter to manage the foreign currency exposures arising from the Group's payables denominated in United States Dollar (USD). Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 31 March 2024 was RM97.60 million. The derivative financial assets of RM797.76, which measured at fair value, has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.