



SOUTHERN CABLE GROUP BERHAD

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

Interim Financial Report

For The Second Quarter Ended

30 June 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	315,329	231,847	627,356	472,781
Cost of sales		(287,867)	(217,819)	(574,463)	(445,039)
Gross profit		27,462	14,028	52,893	27,742
Other income		885	1,775	2,860	3,611
Distribution expenses		(4,738)	(3,709)	(8,865)	(7,135)
Administrative expenses		(2,628)	(2,612)	(5,359)	(5,218)
Other expenses		(1)	-	(1)	-
Operating profit	B12	20,980	9,482	41,528	19,000
Finance costs		(2,236)	(2,394)	(4,212)	(5,095)
Profit before tax		18,744	7,088	37,316	13,905
Income tax expense	B5	(4,314)	(1,742)	(8,813)	(3,419)
Profit/Total comprehensive income for the financial period		14,430	5,346	28,503	10,486
Profit/Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		14,430	5,346	28,503	10,486
		14,430	5,346	28,503	10,486
Earnings per Share					
- Basic (sen)	B11	1.79	0.67	3.56	1.31
- Diluted (sen)	B11	1.67	0.66	2.97	1.22



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾
(CONT'D)**

Notes:

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 30.06.2024 RM'000	Audited as at 31.12.2023 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	63,540	54,633
Right-of-use assets	44,724	44,435
Investment properties	507	510
Total non-current assets	108,771	99,578
Current Assets		
Inventories	140,023	144,096
Current tax assets	723	995
Trade and other receivables	317,125	264,904
Cash and short-term deposits	103,755	96,009
Derivative financial assets	286	-
Total current assets	561,912	506,004
TOTAL ASSETS	670,683	605,582
EQUITY AND LIABILITIES		
Equity		
Share capital	226,117	217,670
Retained earnings	240,431	218,319
Reserves	(120,947)	(120,947)
Total equity	345,601	315,042
Non-current Liabilities		
Loans and borrowings	8,136	9,640
Deferred tax liabilities	7,845	7,759
Total non-current liabilities	15,981	17,399
Current Liabilities		
Loans and borrowings	197,421	186,093
Provisions	275	322
Current tax liabilities	9,962	3,349
Trade and other payables	101,443	82,789
Derivative financial liabilities	-	588
Total current liabilities	309,101	273,141
TOTAL LIABILITIES	325,082	290,540
TOTAL EQUITY AND LIABILITIES	670,683	605,582
Number of issued shares ('000)	830,768	800,050
Net assets per share attributable to owners of the company (RM)	0.42	0.39



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

Notes:

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2024 (Audited)	217,669	(120,947)	218,319	315,041
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)		-	28,503	28,503
Transaction with owners:				
Dividend payable	-	-	(6,391)	(6,391)
Proceed from warrants conversion	8,448	-	-	8,448
Balance as at 30 June 2024 (Unaudited)	226,117	(120,947)	240,431	345,601

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2023 (Audited)	217,656	(120,947)	191,123	287,832
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	10,486	10,486
Transaction with owners:				
Dividend payable	-	-	(2,240)	(2,240)
Balance as at 30 June 2023 (Unaudited)	217,656	(120,947)	199,369	296,078

Note:

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2023 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	37,316	13,904
Adjustments for:		
Amortisation/depreciation of investment properties	3	3
Amortisation/depreciation of property, plant and equipment	3,942	3,313
Depreciation of right-of-use assets	1,077	1,132
Fair value gain on derivative financial instruments	(874)	(1,154)
Loss/(gain) on disposal of property, plant and equipment	2	(100)
Interest expenses	4,212	5,095
Interest income	(606)	(268)
Provision for employee benefit (net)	(47)	15
Property, plant and equipment written off	-	2
Right-of-use assets written off	7	-
Unrealised loss on foreign exchange	229	216
Operating profit before changes in working capital	45,261	22,158
Changes in working capital:		
Inventories	4,074	32,698
Trade and other receivables	(52,235)	742
Trade and other payables	12,047	6,409
Net cash generated from operations	9,147	62,007
Income tax paid	(1,842)	(1,313)
Income tax refunded	-	2,331
Interest received	606	268
Interest paid	(239)	(238)
Net cash from operating activities	7,672	63,055

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

	CURRENT YEAR TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2023 Audited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,697)	(2,399)
Purchase of right-of-use assets	(234)	(420)
Proceed from disposal of property, plant and equipment	1	101
Net cash used in investing activities	(13,930)	(2,718)
Cash flows from financing activities		
Interest paid	(3,973)	(4,857)
Drawdown of term loan	-	777
Repayment of term loans	(556)	(550)
Drawdown of lease liabilities	-	2,367
Repayment of lease liabilities	(1,676)	(2,972)
Drawdown of bankers' acceptance	306,825	382,621
Repayment of bankers' acceptance	(295,064)	(408,703)
Proceed from warrants conversion	8,448	-
Net cash from/(used in) financing activities	14,004	(31,317)
Net increase in cash and cash equivalents	7,746	29,020
Cash and cash equivalents at the beginning of the financial period	95,976	21,840
Cash and cash equivalents at the end of the financial period	103,722	50,860

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

The Company declared a final dividend of 0.75 sen per ordinary share amounting to a RM6.39 million in respect of the financial year ended 31 December 2023. The final dividend has been paid by the Company on 26 July 2024 to shareholders whose names appeared in the Record of Depositors at the close of business on 12 July 2024.



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

A9. Segmental Reporting

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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter 30 June 2024						
Revenue:						
Revenue from external customers	285,455	810	8,332	20,732	-	315,329
Inter-segment revenue	-	-	-	11,117	(11,117)	-
	<u>285,455</u>	<u>810</u>	<u>8,332</u>	<u>31,849</u>	<u>(11,117)</u>	<u>315,329</u>
Segment profit	24,571	220	1,487	827	357	27,462
Other income						885
Unallocated expenses						(7,367)
Finance costs						(2,236)
Income tax expenses						(4,314)
Profit for the financial period						<u>14,430</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						9,268
Depreciation and amortisation						2,524



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous quarter 30 June 2023						
Revenue:						
Revenue from external customers	205,151	1,592	5,487	19,617	-	231,847
Inter-segment revenue	-	-	-	10,232	(10,232)	-
	<u>205,151</u>	<u>1,592</u>	<u>5,487</u>	<u>29,849</u>	<u>(10,232)</u>	<u>231,847</u>
Segment profit	12,229	270	748	935	(154)	14,028
Other income						1,775
Unallocated expenses						(6,321)
Finance costs						(2,394)
Income tax expenses						<u>(1,742)</u>
Profit for the financial period						<u>5,346</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						9,049
Depreciation and amortisation						2,241



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 June 2024						
Revenue:						
Revenue from external customers	563,404	2,527	15,311	46,114	-	627,356
Inter-segment revenue	-	-	-	22,311	(22,311)	-
	<u>563,404</u>	<u>2,527</u>	<u>15,311</u>	<u>68,425</u>	<u>(22,311)</u>	<u>627,356</u>
Segment profit	47,421	534	2,811	2,056	71	52,893
Other income						2,860
Unallocated expenses						(14,225)
Finance costs						(4,212)
Income tax expenses						<u>(8,813)</u>
Profit for the financial period						<u>28,503</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						18,455
Depreciation and amortisation						5,022



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

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 June 2023						
Revenue:						
Revenue from external customers	412,995	5,241	11,718	42,827	-	472,781
Inter-segment revenue	-	-	-	18,980	(18,980)	-
	<u>412,995</u>	<u>5,241</u>	<u>11,718</u>	<u>61,807</u>	<u>(18,980)</u>	<u>472,781</u>
Segment profit	23,813	726	1,509	1,780	(86)	27,742
Other income						3,611
Unallocated expenses						(12,353)
Finance costs						(5,095)
Income tax expenses						<u>(3,419)</u>
Profit for the financial period						<u>10,486</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						17,724
Depreciation and amortisation						4,448

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

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

A11. Changes in Composition of the Group

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

A12. Contingent Assets and Contingent Liabilities

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

	Unaudited as at 30.06.2024 RM'000	Audited as at 31.12.2023 RM'000
Bank guarantee		
- Trade facilities	22,228	22,057
- Contract financing for performance bonds and guarantee	27,148	26,606
	<u>49,376</u>	<u>48,663</u>

A13. Capital Commitments

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

	Unaudited as at 30.06.2024 RM'000	Audited as at 31.12.2023 RM'000
Capital expenditures contracted but not provided for:		
- Acquisition of land and building and factory equipment	12,555	-
- Construction of building	3,289	845
- Purchase of machineries and factory equipment	11,349	7,576
- Enterprise Resource Planning information technology system	-	57
Capital expenditures not contracted and not provided for:		
- Construction of building and Enterprise Resource Planning information technology system	1,334	5,076
- Purchase of machineries and factory equipment	1,710	-
	<u>30,237</u>	<u>13,554</u>

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000
Rental expenses charged by a person connected to a director	13	13	27	27

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

(a) Result for current quarter

	QUARTER ENDED		Variance RM'000	%
	Current Quarter	Previous Corresponding Quarter		
	30.06.2024 RM'000	30.06.2023 RM'000		
Revenue	315,329	231,847	83,482	36.01
Profit before Tax	18,744	7,088	11,656	164.45

In the current quarter ended 30 June 2024, the Group recorded revenue of RM315.33 million compared with RM231.85 million in the previous corresponding quarter ended 30 June 2023, an increase of RM83.48 million or 36.01%.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 95.87% of total revenue, while overseas market made up the balance 4.13% in the current financial quarter. In absolute terms, sales from Malaysia and overseas grew 34.56% and 81.31%, respectively from a year ago.

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

The power cables and wires segment accounted for RM285.46 million or 90.53% of the Group's total revenue for the current quarter, an increase of RM80.31 million or 39.15% from RM205.15 million in the previous corresponding quarter.

The balance RM29.87 million or 9.47% 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 RM3.18 million or 11.90% from RM26.70 million in the previous corresponding quarter, mainly due to higher sales of control and instrumentation cables and wires, and contribution from battery system installation services for the telecommunications sector.

The Group's profit before tax jumped to RM18.74 million in the current quarter compared with RM7.09 million in the previous corresponding quarter, an increase of RM11.66 million or 164.45%, on the back of the higher revenue, better product mix, and lower plastic compound costs.

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

(b) Result for financial year-to-date

	YEAR-TO-DATE ENDED		Variance	
	Current Year to Date 30.06.2024 RM'000	Previous Year to Date 30.06.2023 RM'000	RM'000	%
Revenue	627,356	472,781	154,575	32.69
Profit before tax	37,316	13,905	23,411	168.36

The Group recorded revenue of RM627.36 million for the current financial period ended 30 June 2024 as compared with RM472.78 million for the previous financial period ended 30 June 2023, an increase of RM154.58 million or 32.69%.

Geographically, the Malaysian market remained the larger contributor to group revenue, accounting for 97.25% of total revenue, while overseas market made up the balance 2.75% in the current financial period. In absolute terms, sales from Malaysia grew 35.06% while sales from overseas decreased 18.02% compared to the previous period.

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

The power cables and wires segment accounted for RM563.40 million or 89.81% of the Group's total revenue for the current period, an increase of RM150.41 million or 36.42% from RM413.00 million in the previous period.

The balance RM63.95 million or 10.19% 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 RM4.17 million or 6.97% from RM59.77 million in the previous period, mainly on higher sales of control and instrumentation cables and wires, and contribution from battery system installation services for the telecommunications sector.

The Group recognised profit before tax of RM37.32 million in the current financial period compared with RM13.91 million in the previous period, an increase of RM23.41 million or 168.36% on the back of higher revenue, better product mix, and lower plastic compound costs.

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

	INDIVIDUAL QUARTER		Variance	
	Current Quarter	Preceding Quarter		
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000		
Revenue	315,329	312,027	3,302	1.06
Profit before tax	18,744	18,572	172	0.93

The Group's revenue for the current quarter increased by 1.06% to RM315.33 million from RM312.03 million in the preceding quarter ended 31 March 2024 on higher sales of power cables and wires and control and instrumentation cables and wires.

The Group recorded a 0.93% increase in profit before tax from RM18.57 million in the preceding quarter to RM18.74 million in the current quarter in line with the higher revenue and product mix.

B3. Commentary of Prospects

Southern Cable's prospects are strengthened by the rising demand for cables and wires in Malaysia and its strategic focus on leveraging the National Energy Transition Roadmap objectives. The Group boasts a strong track record in supplying a diverse range of power cables and wires for power transmission and distribution networks, large scale solar farms, infrastructures, and building & construction.

On 5 July 2024, the Group secured a RM99.64 million contract from Tenaga Nasional Berhad (TNB) for the supply of underground cables and conductors, reinforcing the Group's position in supporting Malaysia's growing power infrastructure. The new contract represents an optional value added to an existing agreement with TNB, bringing the total value of the Group's agreements with TNB to RM854.29 million.

With the recent win, the Group's current orders in hand stood at RM923.14 million and are expected to be fulfilled by 2026. These orders include supplying underground cables and conductors to TNB and Sarawak Energy Berhad, providing rectifier and battery systems to Telekom Malaysia Berhad, as well as purchase orders from EPCC (Engineering Procurement Construction Commissioning) contractors, resellers, and others.

Meanwhile, Southern Cable is also optimistic of its cable and wire sales overseas and targets to secure RM50 million sales in 2024, especially from the United States (US).

According to the US Census Bureau, total construction spending during the first half of 2024 has increased 8.6% to USD \$1,034.8 billion, from USD \$952.5 billion in the same period last year. This growth in the US construction sector presents an opportunity for the Group to capitalise on the growing cable and wire demand.

Capacity expansion is underway at the Group's recently acquired 7.9-acre industrial land in Kuala Ketil, Kedah. Located next to the existing Lot 28 and 29 production facilities, this property will bolster growth initiatives aimed at the US and domestic markets. Construction works for the new production facility is scheduled to commence in 2025.

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

Barring unforeseen circumstances, Southern Cable's outlook for FY2024 remains positive, supported by a production capacity of 45,480 km, rising from 41,980 km as at 31 March 2024. This increase is due to the installation of a new production line and machinery for low-voltage and medium-voltage cables and wires. The Group targets an annual capacity of 46,980 km by year-end.

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000
In respect of current period:				
Income tax	4,314	1,742	8,813	3,419
Effective tax rate (%)	23.02	24.58	23.62	24.59
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group for the current quarter and financial year-to-date was lower than the statutory tax rate mainly due to the adjustment for the over-provision of taxation in the previous financial year.

B6. Status of Corporate Proposals

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

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

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

Detail of utilisation	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Variation	Revised Utilisation of Proceeds	Initial Time Frame for Utilisation	Previous Revised Time Frame
	RM'000	RM'000	RM'000	RM'000	RM'000		
Capital expenditure and expansion						Within 36 months	Within 24 months until 15 October 2025
- Purchase and upgrade of new machinery and equipment	18,500	18,500	-	-	-		
- Construction of factories	7,500	5,910	1,590	2,000 ^(a)	3,590		
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	1,393	2,607	(2,000) ^(a)	607		
	30,000	25,803	4,197	-	4,197		
Repayment of bank borrowings	9,188	9,188	-	-	-	Within 6 months	
Working capital	27,490	27,490	-	-	-	Within 6 months	
Estimated listing expenses	4,500	4,500	-	-	-	Within 3 months	
Total	71,178	66,981	4,197	-	4,197		

Note:

(a) RM2 million out of RM2.733 million allocated for the purchase and installation of Enterprise Resource Planning information technology system has been re-allocated to construction of factories.

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

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

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

	Unaudited 30.06.2024 RM'000	Audited 31.12.2023 RM'000
Non-current		
Term loans	2,873	3,432
Lease liabilities	5,263	6,208
	8,136	9,640
Current		
Term loans	1,113	1,110
Lease liabilities	2,762	3,199
Bankers' acceptance	193,546	181,784
	197,421	186,093
Total	205,557	195,733

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Proposed Dividends

The Company declared a final dividend of 0.75 sen per ordinary share amounting to a RM6.39 million in respect of the financial year ended 31 December 2023. The final dividend has been paid by the Company on 26 July 2024 to shareholders whose names appeared in the Record of Depositors at the close of business on 12 July 2024.

No dividends were declared or recommended for payment by the Board of Directors of the Company during the current quarter.

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

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2024	Unaudited 30.06.2023	Unaudited 30.06.2024	Unaudited 30.06.2023
Profit attributable to owners of the Company (RM'000)	14,430	5,346	28,503	10,486
Effect of issuance of ordinary shares ('000)	30,288	-	30,768	-
Weighted average number of shares for basic EPS ('000)	805,752	800,000	801,475	800,000
Basic EPS (sen)	1.79	0.67	3.56	1.31

(b) Diluted EPS

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2024	Unaudited 30.06.2023	Unaudited 30.06.2024	Audited 30.06.2023
Profit attributable to owners of the Company (RM'000)	14,430	5,346	28,503	10,486
Weighted average number of shares in issue ('000)	805,752	800,000	801,475	800,000
Effect of warrants conversion ('000')	58,227	9,836	159,672	56,250
Weighted average number of shares adjusted for the effect of dilution ('000)	863,979	809,836	961,147	856,250
Diluted EPS (sen)	1.67	0.66	2.97	1.22

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000
Interest income	(264)	(170)	(606)	(268)
Interest expenses	2,236	2,394	4,212	5,095
Amortisation/depreciation of investment properties	1	1	3	3
Amortisation/depreciation of property, plant and equipment	2,024	1,658	3,942	3,313
Depreciation of right-of-use assets	499	582	1,077	1,132

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

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in the current quarter to manage the foreign currency exposures arising from the Group's payables denominated in United States Dollar (USD). Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 30 June 2024 was RM66.18 million. The derivative financial assets of RM0.29 million, which measured at fair value, has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.