Integrated Annual Report 2024

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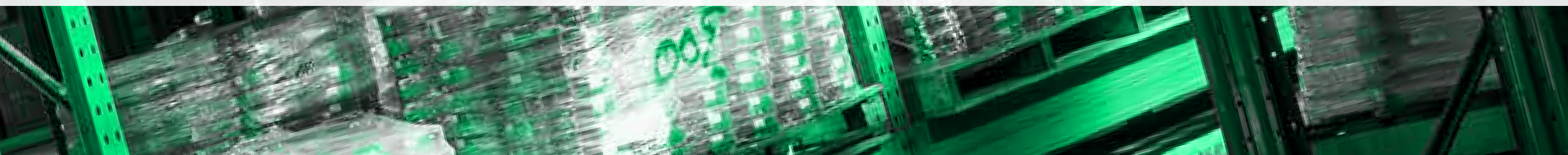


About this report

South Ocean Holdings Limited ("South Ocean Holdings" or "SOH" or "the Group" or "the Company") is pleased to present its Integrated Annual Report for the year ended 31 December 2024.

Key data

South Ocean Holdings Limited (Registration number 2007/002381/06)
Incorporated in the Republic of South Africa
Listed on the Johannesburg Stock Exchange
Share code: SOH
Listing Date: 2007
Sector: Electronic and Electrical Equipment
ISIN: ZAE000092748

Scope and boundary

This report provides a comprehensive overview of the activities and performance of South Ocean Holdings for the 12 months from 1 January 2024 to 31 December 2024.

It includes an overview of the environment in which the Group operates, details of our business model and strategy, a broad-based operational report, and comprehensive reports on both financial and non-financial matters. These are intended to inform stakeholders of all issues material and relevant to the Group in order to enable them to make an informed assessment of its performance during the reporting period. They are also intended to give an informed view of our future prospects.

South Ocean Holdings is an investment holding company listed on the Johannesburg Stock Exchange and domiciled in South Africa. It comprises the following operating subsidiaries:

- South Ocean Electric Wire Company Proprietary Limited ("South Ocean Electric Wire Company" or "SOEW"), a manufacturer of low-voltage electrical wire and power cable;
- Icembu Cables Proprietary Limited ("Icembu Cables"), a manufacturer of low-voltage electrical wire and power cable;
- Icembu Services Proprietary Limited ("Icembu Services"), a manufacturer of conduit and compounding material;
- SOH Calibre International Limited ("SOH Calibre"), a foreign procurement company; and
- Anchor Park Investments 48 Proprietary Limited ("Anchor Park Investments" or "Anchor Park"), a property investment company.

The Group also holds investments in the following associate companies, all of which are outlets for the sale of electrical wire, power cable and related accessories:

- The Electrical Owl Proprietary Limited;
- The Electrical Owl KZN Proprietary Limited;
- Lomami SARL;
- Power Cable Trading Proprietary Limited;
- Mwanga Afrika Cables Proprietary Limited;
- Consupro Proprietary Limited;
- Powerhouse Reman Mozambique;
- NC Dynamic Desert Energy Proprietary Limited; and
- Green Energy SOEW Proprietary Limited.

In addition, SOH is the holding company of Icembu Holdings Proprietary Limited and South Ocean Electric Wire Company Namibia Proprietary Limited, both of which are dormant.

All references to the Group denote the holding company and its subsidiaries, both during the reporting period and during the current financial year, which will end on 31 December 2025. These businesses operate mainly in South Africa, but also have a limited footprint in the rest of Africa.

Corporate information

The Chief Executive Officer (CEO) of South Ocean Holdings is Mr Andre Smith and our Chairperson is Mr Johannes van Rensburg. He took up this position on the resignation of the previous Chairperson, Mr Henry Pon, on 19 March 2025.

Mr Smith may be contacted at:

South Ocean Holdings Limited
16 Botha Street
Alrode
1451
+27(0) 11 864 1606
andres@soew.co.za

We welcome feedback on this report and any suggestions for future reports. All comments and suggestions should please be addressed to Mr Smith.

The six capitals

South Ocean Holdings uses the Six Capitals of Sustainable Development model developed by the International Integrated Reporting Council (IIRC) to accurately evaluate and report on both our financial and non-financial performance.

By accepting that capital is more than a statement of assets on a balance sheet, we are able to harness the value of our people, knowledge, processes and relationships. This multi-capital framework connects our strategy, values, business model and metrics to broader socio-economic development goals. Details of capital inputs and outputs in these six key areas are provided in the body of this report.

Reporting framework

This report has been prepared in accordance with:

- IFRS Accounting Standards (IFRS);
- The Companies Act (No 71 of 2008);
- JSE Listings Requirements;
- The King Report on Corporate Governance for South Africa™ (King IV™);
- The International Integrated Reporting Council's Integrated Reporting <IR> Framework; and
- The Company's Memorandum of Incorporation (MOI).

Assurance

The non-financial content of this report was prepared by management and approved by the South Ocean Holdings Board of Directors with the assistance of its relevant committees. External assurance of non-financial matters was limited to the Broad-Based Black Economic Empowerment (B-BBEE) scorecard, which was verified by an accredited ratings agency, Dextra BEE and Consulting (Pty) Ltd.

The consolidated Annual Financial Statements, presented separately, were prepared internally by Mr Werner Basson (CFO) and audited by BDO South Africa Inc., which expressed an unmodified opinion for the year ended 31 December 2024. The Annual Financial Statements were approved for issue by the directors on 19 March 2025.

Shareholders who would like to view the signed and audited Annual Financial Statements may arrange to do so at the Group's registered office.

Forward-looking statements

This report contains forward-looking statements that encompass both known and unknown risks and uncertainties. Should one or more of these risks materialise – or should any underlying assumptions prove incorrect – actual results may differ from those anticipated. Forward-looking statements apply only as of the date on which they are made and South Ocean Holdings does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Statement of responsibility

The Board of Directors and the Audit and Risk Management Committee acknowledge their responsibility to ensure the integrity of the information presented in this report as well as to ensure that it fairly presents the state of the Group at the end of the reporting period. The Annual Financial Statements included in the report have, as specified, been audited by external auditors.

Johannes van Rensburg
Chairperson

Andre Smith
Chief Executive Officer

Natasha Lalla CA(SA)
Audit and Risk Management Committee Chairperson

Group at a glance

Overview

South Ocean Holdings is a South African manufacturer and distributor of low-voltage electric wire, cable, and related products. We are a preferred supplier in the local market, servicing the building and construction industries, the mining industry and the country's parastatals. We also export into countries in the Southern African Development Community (SADC) and Africa.

As mentioned in the opening section, the Group has a number of subsidiaries, the largest of which is South Ocean Electric Wire Company, a manufacturer of low-voltage electrical wire and cable.

Our investment case

At South Ocean Holdings, we have a solid investment case to offer our shareholders. We are a leading player in the market segment in which we operate and have a Level 1 B-BBEE rating. We also have a stable, credible and highly experienced Board as well as knowledgeable, experienced and committed management teams.

In the local market, we have a large and stable customer base in the building and construction industries and are steadily growing our presence in the mining industry and parastatal sector. From a growth perspective, we are actively opening up sales and distribution channels into countries in the SADC region and beyond.

Further, in an industry that has been deeply affected by supply chain issues in recent years, we have robust strategies in place to manage our exposure to both local and international supply chain issues.

From an operational perspective, we are continuously investing in manufacturing capacity, process engineering and total quality management. We are also committed to research into and development of products such as electric vehicles and renewable energy for use in emerging markets.

Finally, our governance record speaks for itself. We are committed to being a good corporate citizen based on maintaining fully compliant corporate governance functions and structures that are independently audited. We also have strong and enduring relationships with the financial institutions we use, which contributes significantly to the financial stability we have been able to maintain in the face of the challenges we and so many other South African businesses have had to face over the past five years.

VISION

Our vision is to be the lowest cost and largest producer of low voltage power cable in Southern Africa. This includes being recognised as the employer of choice in the industry as well as a designer, developer and manufacturer of special cables for emerging markets like renewable energy and electric vehicles. Our vision is to be a level 1 B-BBEE company with a footprint in every SADC country on the African continent.

MISSION

At South Ocean Holdings, we aim to:

- **maximise the profitability of our subsidiaries through strategic management in order to deliver excellent returns for shareholders;**
- **respond to changing market dynamics, secure cost efficiencies and focus on growing the business in both established and new markets;**
- **manufacture, import and supply consistently high-quality products;**
- **provide excellent customer service; and**
- **create an environment that develops our employees and enables them to attain their true potential.**

Values

Our values, which have remained constant for many years, are an expression of our business strategy and sustainability objectives. Every component of our ecosystem, including customers, employees and shareholders, is vital to our sustainability, growth and success. Everything we do is therefore based on a foundation of integrity and ethics, as well as a commitment to being a good corporate citizen.

Our values are:

- **Accountability:** We take ownership of outputs and deliverables.
- **Trust:** We keep our promises and complete tasks and deliverables as agreed.
- **Commitment:** We commit to departmental goals and objectives, are reliable team members and help teammates to meet our shared goals.
- **Teamwork:** Each of us makes a significant contribution to performance.
- **Communication**: We maintain consistent, regular and meaningful communication within and between departments.
- **Customer centricity:** We aim to exceed customer expectations and to foster a positive experience at all stages of the customer journey.

Our values are expressed through:

Service excellence	Employee satisfaction	Empowerment	Integrity and ethics	Corporate responsibility
• Customers are the cornerstone of our business and are essential to sustainable success. • Our business is rooted in long-term, mutually respectful relationships with our customers. • We are dedicated to satisfying customer needs and have the appropriate people and systems in place to achieve this.	• We support and show concern for our employees. • We actively involve employees in managing their work processes and career growth. • We aim to develop and advance our employees so that each employee can realise their full potential. • We value, encourage and actively strive to create diversity. • We promote honesty and open debate. • We promote awareness of fraudulent practices and dishonest conduct so that employees can be an integral part of living our values of honesty and integrity. • We facilitate, encourage and monitor both individual performance and cooperation within teams.	• We aim to empower our employees with appropriate skills and knowledge. • We provide equal opportunities for them to grow in a supportive environment. • We provide support and mentorship for our employees through the Human Resources department. • We ensure that employees are aware of their rights in terms of the Basic Conditions of Employment Act (No. 75 of 1997) and the MEIBC in terms of the Main Agreement. • All employees are free to join a union of their choice or to choose not to join a union.	• We comply with all appropriate legal and regulatory frameworks and guidelines. • We subscribe to and actively create and support a culture of good corporate governance. • We act ethically, with honesty and integrity.	• We actively and consistently contribute to the improvement of the communities in the areas in which we operate. • We subscribe to business practices that are fair and just and which minimise the business's impact on the environment.

Strategy

Strategy for value creation

At South Ocean Holdings, we are strategically driven but maintain an agile approach to developments in the market and the broader socio-economic environment. This enables us to remain financially stable and to be a resilient investor, product designer, developer, manufacturer and distributor.

We consistently aim to be a successful and sustainable group that produces quality products to the highest standards and provides excellent customer care. We also aim to deliver reliable returns for our shareholders, be an employer of choice in the segment in which we operate, make a positive contribution to the communities in which we operate, be a good corporate citizen, and fulfil our responsibilities as a custodian of the natural environment.

In 2023, we introduced a new three-year strategy called 'Good to Great: 2025', which applies to the period ending 31 December 2025. This focuses in particular on enhancing our operational capabilities, securing our market position, and expanding into new markets and territories.

In our quarterly review at the end of 2024, we identified the areas in which we had made significant progress during the year and redefined our short-term objectives for 2025. Further information about this is given in our operational report.

Strategic pillars

Our strategy is based on three conceptual pillars that reflect our commitment to sustainability, good corporate governance, responsible risk management, manufacturing excellence, and the care and advancement of employees.

Our three strategic pillars are designed to:

1 **Secure sustainable returns for stakeholders**

We focus on innovation, quality and efficiency in order to secure sustainable returns in the short, medium and long term and to deliver benefits to all of our stakeholders.

2 **Secure our position as a respected and influential player in the cable manufacturing and related accessories market**

We consistently aim to maintain a leadership position in the market sectors and segments we serve. We do this through organic growth and, where appropriate, through buy-ins, mergers or acquisitions.

3 **Develop a globally competitive business**

We consistently assess and streamline our business in order to ensure that we remain competitive within the markets and segments we serve. We also strive to identify, enter into and develop within viable new geographies.

Strategic goals

Our current strategy is focused on enhancing organisational flexibility, expanding into viable new markets and territories, and securing the company against shocks in both the domestic and foreign markets.

We do this by consistently:

- securing our supply chains;
- organisational agility and flexibility;
- expanding our footprint in South Africa;
- developing distribution channels into new territories;
- maintaining a strong brand position;
- improving production efficiencies;
- rebranding South Ocean Electric Wire Company (SOEW)
- managing costs effectively;
- developing our staff; and
- securing greater independence from the national grid.

In the medium to long term, we will be focusing on:

- consistent brand and reputation management;
- organic growth;
- growth by merger and acquisition if and as appropriate;
- securing a strong presence in the countries of the Southern African Development Community (SADC);
- securing a diverse mix of local and international supply chains;
- innovation;
- skills development; and
- staff enrichment.

Critical risks

Our risk profile remains stable from year to year, with our critical risks being:

- maintaining a positive cash flow;
- managing disruptions to the supply chain, both locally and internationally;
- safeguarding our assets, especially against the risk of theft, robbery and hijacking;
- safeguarding the business against disruptions to our fuel supply;
- safeguarding the business against interruptions in the electricity supply;
- safeguarding the business against disruptions to our operations, including through civil unrest;
- managing labour relations in a way that benefits both the business and our employees; and
- managing the impact of the poor economic climate, volatile exchange rate, unpredictable Republic Copper Price (RCP) and unstable political environment.

Key opportunities

Key opportunities for the Group include:

- improving awareness and likeability of the SOEW and Icembu brands;
- securing our existing client base through innovation, efficiency, product quality and excellent customer service;
- growing our client base in the public sector and large power users;
- expanding into new territories;
- consistently improving our production capacity;
- consistently improving our quality assurance processes;
- maintaining a strong and experienced Board and executive management team;
- securing distribution channels by using our own fleet in South Africa and strategic partners in other countries;
- developing, recognising and rewarding our staff.

Board of Directors

Executive directors

Andre Smith (59)

Higher National Diploma: Mechanical Engineering

Chief Executive Officer

Andre is a qualified mechanical engineer with over 30 years of experience in the cable industry. He has been employed in several senior management and executive positions in the manufacturing, sales, export and technical areas of the industry. He has also visited and trained in cable factories around the world including in the US, Europe, Australia, China and Korea.

Andre is a proven strategic thinker with extensive experience in business strategy; new product development; operational, asset, quality and people management; Six Sigma processes; and lean management principles.

He joined the South Ocean Holdings Board on 1 March 2021 and was appointed CEO.

Werner Basson (42)

BAcc, BAcc (Hons), CA(SA)

Chief Financial Officer

Werner is a qualified chartered accountant who completed his articles at one of the 'big four' audit and advisory firms. He later gained managerial experience with the firm before joining a JSE-listed group as CFO in 2012. Since then, he has gained valuable experience in several different industries.

He joined the South Ocean Holdings Board in September 2020 and was appointed CFO.

Non-executive directors

Johannes Van Rensburg (62)

BCom (Accounting), BCom (Hons), MCom (Business Management)

Non-Executive Director and incoming Chairperson

Johannes has been a director and partner at Eureka DIY Solutions for the past twenty years. He and his sales team have been pivotal in developing the company from a small start-up into the powerhouse it is today.

He is a passionate, pioneering leader with first-class communication skills and has a three-decade track record as a successful manager. He has a natural flair for strategy and his experience will always ensure that clear objectives (KPIs) are defined and implemented.

Johannes joined the Board as a non-executive director on 10 March 2021 and was appointed as Chairperson on 19 March 2025. Johannes was also appointed as member of the Remuneration Committee on 18 March 2024 and on the Audit and Risk Management Committee, Social and Ethics Committee and Nominations Committee on 17 April 2025.

Lawrence Chen (47)

MBA

Non-Executive Director

Lawrence began his career in Hong Kong's equity capital market, where he worked on the marketing strategy for and execution of IPOs and SPOs. He participated in more than 40 projects between 2009 and 2013, when he joined Hong-Tai Electrical Industrial Company Limited (Hong Tai) as Portfolio Manager of the investment department. He later established the Development and Training Center at Hong-Tai. In this position, he was in charge of peripheral products development as well as in providing support with cost-saving, process optimisation and IP portfolio management.

Lawrence is a director of Hong Tai, which is a major shareholder in South Ocean Holdings. He joined the Board as a non-executive director on 1 March 2022. He was also appointed as member of the Nominations Committee on 31 July 2024.

Non-executive directors continued

Matthew (Matt) Hohman (54)

Non-Executive Director

Matt has served as a C-level executive or partner for 20 years. He has led expansive growth at multiple companies, including leading numerous mergers and acquisitions. He is Chief Legal and Strategy Officer of SOLV Holdings, where he manages and advises on the strategic planning process for the 20 SOLV Holdings operating companies. He also oversees all legal matters for the companies. Matt is also the CEO of SAF Metal Holdings, d/b/a Solv Africa, which manages all of SOLV's investments in Africa. SAF is a major shareholder in South Ocean.

Matt joined the Board as a non-executive director on 10 March 2025.

Alternate non-executive director

Shin-Nan (Michael) Yeh (66)

BSc (Mechanical Engineering)

Alternate Non-Executive Director

Michael is a qualified mechanical engineer with 40 years of experience in the cable industry. He joined Hong-Tai Electric Industrial Company Limited in 1993 as the project manager in charge of technical cooperation projects with Japanese cable manufacturers including Sumitomo Electric Industries Limited, Mitsubishi Electric Wire Company Limited and Fujikura Company. He held this position for ten years. He later worked in the cable industry in mainland China for a further ten years, where he implemented comprehensive technical and management improvement in several cable factories.

Michael joined the Board of South Ocean Holdings in March 2022 as an alternate director to Lawrence Chen.

Independent non-executive directors

Hung-Lung (Eric) Li (72)

MSc (Industrial and System Engineering) (USA)

Independent Non-Executive Director and Deputy Vice Chairperson

Eric began his career in Silicon Valley, where he worked in the software engineering and semi-conductor manufacturing sectors for more than 20 years. In 2004, he joined Hong-Tai Electrical Industrial Co. Ltd. (Hong-Tai), which is headquartered in Taiwan, as the Vice President of its Information Technology Center (ITC). In 2008, he was seconded to start and manage Hong-Tai's Photovoltaic Business Unit, returning to the ITC as Chief Information Officer in 2014. He retired from that position in 2017.

Eric was appointed as an alternate director in 2000, as a non-executive director in 2009 and as Deputy Vice Chairperson in 2016. He served on the Audit and Risk Management Committee until 31 December 2022, and the Nominations Committee and the Remuneration Committee, of which he was the Chairperson, until 3 August 2022. Eric will be resigning as an independent Non-Executive Director and Deputy Vice Chairperson from the board in May 2025.

Kwok Huen (Henry) Pon (88)

BCom, CA(SA)

Independent Non-Executive Director and outgoing Chairperson

Henry, a chartered accountant, member of the South African Institute of Chartered Accountants, and member of the Independent Regulatory Board of Auditors, entered the profession in 1962. During his many years of practice, he has worked in several different commercial and industrial sectors, gaining extensive experience in finance, tax, auditing, accounting and management.

He joined the South Ocean Holdings Board in November 2007 and was appointed Chairperson in April 2014. He serves on the Audit and Risk Management Committee, the Remuneration Committee and the Nominations Committee, of which he is the Chairperson.

Henry resigned from his role as Chairperson on 19 March 2025 following the approval of the financial results. Johannes Van Rensburg took up the role of Chairperson on that date. Henry will remain in a consultancy position until 10 August 2025.

Independent non-executive directors continued

Natasha Lalla (50)

BCom, BCom (Hons), CA(SA)

Lead Independent Non-Executive Director

A chartered accountant, member of the South African Institute of Chartered Accountants and member of the Institute of Internal Auditors of South Africa, Natasha also holds a post-graduate diploma in Advanced Banking (2003) and a certificate in International Treasury (2012).

She began her career as an auditor at one of the country's largest accounting firms in January 1998. She later left the accounting profession to join one of the four big commercial banks in South Africa as a financial accountant. In time, she moved into the Internal Audit Department and then progressed to various managerial roles, with her last one being Head of Internal Audit for the bank's Corporate and Investment Banking (CIB) division. She is currently the Regional Head of Internal Audit at Remgro Limited.

Natasha was appointed to the South Ocean Holdings Board in June 2014. She serves as Chairperson on both the Audit and Risk Management Committee and the Social and Ethics Committee and was appointed as Lead Independent Director in April 2025.

Jen-Hao (Kevin) Yeh (51)

BSc (Actuarial Science)

Independent Non-Executive Director

Kevin is a certified financial planner, a member of the Financial Planning Institute of Southern Africa and a Top of the Table member of the Million Dollar Round Table. He began his career in 1996 and has extensive experience in financial modelling, financial planning, investments, investor education, insurance pricing, employee benefits and business management. He is also a member of the Taiwan Chamber of Commerce.

Kevin was an independent non-executive director of South Ocean Holdings from February 2016 to May 2017. He re-joined the Board in the same capacity in June 2019 and serves on the Nominations Committee. He was appointed as a member to the Remuneration Committee on 3 August 2022 and as Chairperson of the Remuneration Committee on 31 July 2024. Kevin was also appointed as member of the Audit and Risk Management Committee on 31 July 2024.

SOUTH OCEAN

ELECTRIC WIRE COMPANY (PTY) LTD

Co Reg No.: 1989/006650/07

11 January 2022

PRODUCT GUARANTEE

To whom it may concern

Dear Sir/Madam,

All of our manufactured cables are guaranteed to comply with the relevant SANS specifications. The material content of the cable is of a high-grade quality and the cable is manufactured to high standards. Due to the above mentioned we can therefore undertake to, at our cost, to replace, at our discretion, and cable or portion thereof, with any manufacturing defect which may develop under normal working condition and proper use, provided the cable is selected and installed as per the applicable standards, within the guaranteed period of ten years from date of purchase.

Any claim in respect of defective cable will first be investigated to ascertain the defect originated solely due to a faulty manufacturing process and/or design, material and workmanship before the claim will be honored.

The respective contact person at South Ocean Electric Wire Company (Pty) Ltd will need to be notified immediately, in writing, upon discovery of the defective cable.

The repaired or replaced portion of the cable will be delivered free of charge to the initial place of delivery. The defective portion of cable that will be replaced will be the property of South Ocean Electric Wire Company (Pty) Ltd.

All liability on the Company's behalf will cease at termination of the guaranteed ten-year period.

Our liability is in all cases limited as provided in these conditions and does not extend to the consequential loss of damages, either direct or indirect, nor to expenses incurred by the customers in respect to repairs or replacements or otherwise, paid or incurred without our prior written authority.

Sincere regards

Werner Basson
Chief Financial Officer

Andre Smith
Chief Executive Officer

SABS ISO 9001
Certified company

Directors: A Smith (CEO) WP Basson (CFO),
Company Secretary: WT Green

South Ocean HOLDINGS

Chairperson's report

Overview

The only constant is change.

The low-voltage cable market proved to be very volatile, and the 2024 financial year was a difficult one for the industry and similarly for South Ocean Holdings. Yet, we are pleased to present our integrated annual report for the period. Once again, our auditors report was unmodified.

During the year, we maintained our market leadership position with increased production output. We continued our export drive acquiring an additional associate company, located in Mozambique. A business decision was taken to divest of our shareholdings in Global Cables towards the end of the period. Details are supplied in our five-year review and included in the consolidated Annual Financial Statements.

Level 1 B-BBEE accreditation provided new opportunities, especially in the public and mining sectors. SOH entered into a supply agreement with Eskom; our first ever contract with a state-owned entity. In the greater public sector, we continue to supply several municipalities and, in the private sector, we maintain a large book of loyal customers.

Macroeconomic conditions

Operating conditions remain uncertain and unpredictable.

Immediately prior to the start of the reporting period, the IMF downgraded its growth projection for South Africa to 0.9%, which was considerably lower than projections for other developing economies. Unfortunately, we did not meet even this modest projection and growth ended the year at 0.6%. Therefore, while there were signs of an improvement in the fourth quarter of 2024, the outlook for 2025 is cautious, especially as the impact of decisions taken by the current US administration early in 2025 is still to be felt and quantified.

Macroeconomic and geopolitical issues such as these continue to impact the global economy as well as global supply chains. Notably, attacks on merchant shipping in the Red Sea had a considerable effect from November 2023 to January 2025, disrupting a strategic route that accounts for approximately 30% of global container traffic. As a result, shipping traffic through the Suez Canal and Red Sea fell by 75% in 2024 and transit times increased by an average of 7 to 14 days, with shipping companies having to make use of longer alternative routes. This has influenced the cost of shipping, causing a ripple effect on the cost of all goods that would otherwise have been conveyed along this route. At the time of writing, the situation was again escalating and major shipping companies and insurers have said that it is unlikely to be resolved soon.

2024

At national level, there has been a greater level of political stability since the formation of the government of national unity (GNU) in June 2024.

Power supply from the grid seemed more stable after the first quarter. Yet we still suffer from low economic growth and little investment in national infrastructure.

2025

Since the GNU grappled with the approval of the budget, much uncertainty prevails. South Africa faces a poor exchange rate against all major currencies, a fluctuating Copper Price and a high rate of unemployment. We allow for – and insure against – said fluctuations in these rates. Given the persistent nature of the challenges, we treat them as critical risks for the business and plan accordingly.

Technology and electricity

SOH has invested in a state of the art, hybrid solar system with a stored capacity of 2.8 MVA. Most of the roofs at our main facility, are now covered by latest technology solar panels. This provides us with sufficient security pertaining to uninterrupted electricity supply. (When loadshedding occurs, the inverters switch seamlessly to stored power, safeguarding the critical manufacturing processes).

Savings in our electricity expenditure will obviously prove beneficial in the coming years. We are thankful to South African Revenue Services for the generous tax incentives enjoyed. The project was externally funded and should not impact cash resources. More details are provided in the Financial Statements.

I am glad to report that our labour relations are healthy and have consistently improved through open communication.

We cautiously carry large buffer quantities of raw materials. This practice has served us well throughout the periods of international upheaval and local labour or civil unrest.

Market conditions

Conditions have been challenging. Several competitors have been placed in business rescue or had to shut down. This has enabled us to acquire some fairly new plant and equipment to expand our production capacity – kindly note the growth in tonnes manufactured. SOH is well positioned for growth.

The future

The Group's executive directors together with management, have made numerous improvements in efficiencies, as well as strategic adjustments with a forward-looking approach. I commend all of them for their contribution to our sustainability, success in 2024, and preparation for 2025.

Business challenges

One of the greatest challenges we face as a business is the persistently low economic growth rate in South Africa and an inflation rate that, although declining, remains higher than that of key trading partners. This means South African companies are less competitive than companies operating in developed or other developing economies, making many of our markets vulnerable to cheap imports and even dumping.

Economic growth is not keeping up with population growth, so unemployment remains high, especially among people aged between 16 and 24. With an unemployment rate of 41.9% in the fourth quarter of 2024 (2023: 41.1%), this means that over 40% of the working population is not formally employed; a situation that is not sustainable.

In addition, the extremely sensitive consumer environment that prevailed in 2024 has continued into 2025, received a further shock with the announcement of a two-staged increase in VAT in the national budget. Consumers are therefore likely to continue to make significant purchasing trade-offs throughout the year.

Governance

From a governance perspective, the Group is fully compliant with all relevant legislation and regulations, including the Companies Act (No. 71 of 2008) and the principles and guidelines outlined in the King Report on Corporate Governance for South Africa™ (2016) (King IV™). We also comply fully with the JSE Listing Requirements and the Department of Trade and Industry's B-BBEE Codes of Good Practice.

Compliance is consistently monitored by both the Board and management and actively support continuous improvement in standards and practices. Members of the Board are required to uphold the highest ethical standards and adherence to these standards is closely monitored. All decisions relating to material matters are vested with the Board, which oversees all major transactions as well as risk management policies, processes, and procedures.

The health, safety and wellbeing of employees is one of our top priorities. Safety in the workplace is constantly emphasised and all staff regularly undergo safety training. The stringent controls specified by the Controller of Safety, Health, the Environment and Quality (SHEQ) are carefully adhered to and monitored – and we have a doctor on call to attend to any serious medical issues. Additional healthcare support, including advice on HIV/Aids, is available at our on-site clinic.

Changes to the Board

Ms Melanie Chong, an Independent Non-Executive Director, was not re-elected at the 2024 Annual General Meeting. Her alternate, Daphne Pan, subsequently resigned in December 2024. Mr Matt Hohman, a Non-Executive Director was appointed in March 2025.

Following the approval of the annual financial results for 2024 on 19 March 2025, the Chairperson, Mr Henry Pon, resigned.

Mr Johannes Van Rensburg, a Non-Executive Director of the past 5 years, was elected as Chairperson on the same date. Mr HL Li will be resigning as an independent Non-Executive Director and Deputy Vice Chairperson from the board in May 2025.

Change in auditors

There was a standard rotation of external auditors, with the Group moving from PwC to BDO in the 2024 financial year.

Group results

Revenue increased to R2.57 billion in 2024 from R2.36 billion in 2023. Operating profit decreased to R79.99 million from R142.91 million in the previous period, due to adverse market conditions and accompanying lower margins. Earnings per share decreased to 16.67 cents per share from 43.60 cents per share in 2023. The value of Group assets remained firm, closing at R365.82 million, up from R347.67 million in the previous period. Cash flow also continues to be carefully managed and the Group is well positioned to fund ongoing operations.

Based on solid fundamentals, South Ocean Holdings continues to be a going concern and our annual financial statements for 2024, which are presented in full in this report, received an unmodified opinion from our auditors.

Dividend

A dividend of 5.50 cents per share was declared on 19 March 2025, down from 11.00 cents per share.

Outlook

Like all South African companies, we expect to face ongoing uncertainties in 2025. Among the many challenges that we are facing are political uncertainty, low economic growth, relatively high inflation, stubbornly high interest rates, muted consumer demand, driven by the high cost of living and the high rate of unemployment. Corruption and mismanagement in government also continue to hold all businesses back.

The country's sovereign debt position nevertheless remains a concern, with debt as a percentage of GDP having increased to 75.1% in 2024 from 73.8% in 2023. As this has risen from 35.1% in 2010, South Africa's risk of falling into a sovereign debt trap is significantly higher than it should be.

With a secure market leadership position and increased production capacity, we anticipate a slightly better year. Supporting factors are a more secure supply chain, better electricity security, an expanding distribution network as well as our new contract with Eskom.

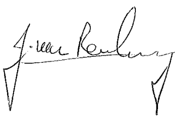
Appreciation

In concluding, I would like to extend my sincere thanks to the previous Chairperson, Mr Henry Pon, for the sure hand with which he steered the Group for many years. His contribution, often in very challenging circumstances, like Covid, has been invaluable. Thanks are also due to the members of the Board for their vision and dedication throughout 2024.

Further, a special word of thanks is due to our CEO, Andre Smith, for successfully leading the company along its strategic path. Similarly to our CFO, Werner Basson, for his great stewardship of all things financial. They are ably assisted by several members of the Board, who have extensive financial and operational experience.

I would similarly like to express the Board's appreciation to the company's management, staff and workforce for their commitment, cooperation, dedication and hard work. This is what has enabled us to attain and secure a market leadership position and to continue to maintain a profitable business.

Last, but certainly not least, sincere thanks are due to our valued customers, suppliers, advisors, business partners, banking partners, shareholders and stakeholders for their continued support and commitment to the Group and its subsidiaries. We look forward to a successful year in 2025.



Johannes van Rensburg
Chairperson

Chief Financial Officer's report

for the year ended 31 December 2024

Overview

It is my pleasure to present this report on the business performance of South Ocean Holdings for the year ended 31 December 2024. As indicated in the 'About this report' section above, SOH is an investment holding company with several operating subsidiaries, the largest of which is South Ocean Electric Wire Company (SOEW), a manufacturer of low-voltage electrical wire and power cables.

While operating conditions were challenging, especially in the second half of the year, we were able to continue on the journey of implementing our growth and diversification strategy, and were able to achieve our objectives for the period.

Revenue increased to R2.57 billion from R2.36 billion in the previous period, enabling us once again to secure the market leadership position we attained in 2022. This increase was primarily due to firm demand at home, the finalisation in the fourth quarter of a contract to supply Eskom, the positive performance of our extended branch network, and our distribution contracts with agents in the DRC, Mozambique and Namibia.

More specifically, we started off the year with a large advance order book and our strategic focus, as it was in the previous period, was on strengthening our production and distribution capacity.

From a production point of view, we continued to hold strategic reserves of raw materials in order to buffer the Group against potential risks such as supply chain disruptions, loadshedding, civil unrest and labour unrest. We also continued to streamline our production processes, resulting in an increase of 9% in output compared to the previous period.

In addition, we reviewed and rationalised our distribution network, divesting our holding in Global Cables and Niehoff Electrical Warehouse, in favour of extending our own branch and associate network.

Supply and demand

Demand for our products varied during the course of the year, with demand being high in the first half and tapering off in the second half. This was partly due to the market being overstocked after May's general election and partly due to the impact of imports on the low-voltage market as a whole.

Geopolitical conflicts continue to affect global supply chains, with the Houthi attacks on carriers sailing through the Red Sea between November 2023 and throughout 2024 affecting imports in general and, in our case, imports of copper and PVC. Delays in offloading shipments at the Port of Durban were also an issue in May, causing delays in the transportation of raw materials to our factories inland. Our practice of holding strategic stocks of raw materials nevertheless ensured that production was not affected and that our market leadership position was not compromised by this delay.

As the CEO mentions in his report, loadshedding in the first quarter nevertheless did have an impact on production. We were, however, buffered against the extent of this by the R60 million solar power installation at our Alrode site and by the capacity to switch between two different sub-stations at our Elandsfontein site.

In the second half of the year, output was affected by a decline in the Republic Copper Price (RCP), which led to customers cancelling orders. This, in turn, necessitated the implementation of short-time working arrangements in August and September due to insufficient demand.

From a labour perspective, wage negotiations for the 2025 to 2027 period were conducted in July and an agreement was reached without any disruption. We are proactive about maintaining good labour relations and conduct regular engagement sessions with the unions to which our employees belong. We also have a productivity incentive scheme for shopfloor workers.

In addition to these general factors, production at Icembu Cables was affected by a sudden drop-off in demand for specialised products after the telecommunication industry approached alternative suppliers to manufacture products we had developed for them. We are working to offset the impact of this by developing new, customised products for electric vehicles, renewable energy installations and data centres.

From a competitive point of view, the low-voltage segment remains volatile and we continue to monitor the impact changes in the competitive environment have or are likely to have on our business.

Macroeconomic issues

On a macroeconomic level, low growth, high inflation, high interest rates, the poor rand exchange rate and the volatility of the RCP all had an impact on our business during the course of the year. We actively manage our exposure to all of these factors but they remain significant obstacles, not only for our business but for the manufacturing sector as a whole. Many manufacturers therefore continue to focus on survival rather than profitability as they are currently not in a position to increase revenue or grow their businesses.

Within this context, we continue to adhere to our strategy, to focus on sectors that are still recording growth, to innovate, and to expand into new geographies where demand for our products is high.

Financial performance

Group revenue for the year ended 31 December 2024 increased by 9% to R2.567 billion (2023: R2.363 billion). However, gross profit decreased by 35% to R148.04 million (2023: R228.25 million) and operating profit decreased by 44% to R79.98 million (2023: R142.90 million). This was largely due to pressure on margins resulting from the market being overstocked in the second half of the year, excessive imports of finished goods, and to the dip in demand for specialised products in the same period. Group profit before tax therefore decreased by 62% to R45.32 million (2023: R120.76 million).

Basic earnings per share decreased by 62% to 16.67 cents per share (2023: 43.60 cents per share) and the dividend declared on 19 March 2025 was 5.50 cents per share, down from the 11.00 cents per share declared in March 2024.

With regard to the Group's holdings, the Group divested its holdings in Global Cables at the end of 2024. It also reduced its holdings in Icembu Holdings to 70% (2023: 100%), in Icembu Services to 49% (2023: 100%) and in Icembu Cables to 49% (2023: 100%). The details of these transactions are given in the Annual Financial Statements. New acquisitions were made during the period. These disposals and acquisitions fell below the 5% categorisation level in the JSE Listings Requirements and did not require a separate announcement on SENS.

The directors are not aware of any matter or circumstance arising since the end of the financial year that is not otherwise dealt with in the Annual Financial Statements.

Outlook

The macroeconomic environment in which the Group operates is not expected to improve within the foreseeable future, with growth expected to remain low, especially since the announcement of a 0.5% increase in VAT, effective 1 May, in the 2025 national budget. The power supply situation, while better than it was in the 2023 financial year, is also expected to remain uncertain.

Analysts nevertheless suggest that business confidence in 2025 is likely to be more positive than it was in 2024 and this indicates that there may be notable growth in certain sectors.

As a Group, we will continue to actively pursue our growth and diversification strategy, focusing on sustaining our leadership position in the low-voltage segment, preparing to enter into the medium- and high-voltage segments, and continuing to expand distribution into Africa, where there is an increasing demand for our products. Our strategy is therefore not only a growth strategy but also a risk mitigation strategy.

At operational level, we will continue to focus on reducing costs and on using technology to drive growth, productivity and greater efficiencies in a sustainable way.

As part of our strategy, we will be leveraging our Level 1 B-BBEE rating to expand our presence in targeted sectors, especially the public sector, mining and construction. We will also continue to leverage our research and development capabilities to develop or expand on bespoke product ranges for clients with specific needs.

Management is confident that these actions will secure the Group's sustainability and enable it to continue to grow and be profitable.

Prospects

A full analysis of the Group's financial performance for the reporting period is given in the Annual Financial Statements included in this report. As indicated in our Corporate Governance Report, these were prepared on the basis of accounting policies applicable to a going concern. This assumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors are confident that the business will be able to continue as a going concern throughout the 2025 financial year and well into the future.

Werner Basson
Chief Financial Officer

Chief Executive Officer's report

for the year ended 31 December 2024

Our business in 2024

While the 2024 financial year brought many notable challenges, we are pleased to report that SOEW had a good year with regard to performance indicators being substantially better than in the previous period. Not only did we continue to implement our strategic objectives, we continued to strengthen both our manufacturing and distribution capacity. This enabled us to retain our market leadership position and to mitigate the impact that external factors had on our business.

We were also able to take up a number of new opportunities and, at year-end, successfully secured a contract to supply low-voltage cable to Eskom, the first contract with a state-owned entity since we attained our Level 1 B-BBEE rating in 2022. This is in addition to existing contracts with several municipalities.

The operating environment

The environment in which we operate nevertheless remains volatile at an international, national and industry level.

At international level, macroeconomic and geopolitical issues continue to impact on the global economy and on global supply chains. Within the Southern African Development Community (SADC), political unrest in both Mozambique and the Democratic Republic of Congo (DRC), as well as the cessation of work on an industrial development zone (IDZ) in Namibia, have all affected our export strategy.

At national level, persistently low economic growth, political uncertainty, infrastructure issues, high interest rates and the high rate of unemployment continue to impact on businesses in all sectors.

At industry level, the Republic Copper Price (RCP) and the poor exchange rate against the dollar remain significant challenges. We nevertheless have strong measures in place to mitigate the risk these issues pose. We also continue to hold strategic reserves of raw materials to mitigate against supply chain disruptions caused by such factors as geopolitical instability, civil unrest, logistical issues and labour action.

The risk of labour action within our own business is mitigated by maintaining strong and open relationships with our employees and the unions that represent those who are members. Wage negotiations in 2024 went smoothly and we concluded a new wage agreement without experiencing any industrial action.

Further, while the industry was severely affected by loadshedding in the first quarter, power supply from the national grid was relatively stable throughout the rest of the year. As we reported in the 2023 financial year, we have also invested heavily in solar systems at our Alrode site, which is now almost completely buffered against instability in supply from the national grid. At our Elandsfontein factory, we have two substations on-site and are able to switch between the two as necessary.

From a market perspective, the electric wire and cable segment continues to be unpredictable, with high levels of imports impacting on the market as a whole and, specifically, on margins. Further issues include delays in the allocation of budgets to parastatals, the unrest in certain SADC countries and the risk of armed robberies, which continue to be carried out by organised syndicates. To counteract this, we have enhanced security at both our Alrode and Elandsfontein sites and have procedures in place to reduce the risk to the best of our ability.

From a competitive point of view, we maintain the leadership position we attained in 2022 and continue to adopt a flexible approach in order to secure and enhance this position.

Macroeconomic factors

At the beginning of the period, National Treasury predicted a growth rate of 1% for South Africa, which was significantly lower than the IMF's projection of 4% for emerging and developing economies. While growth rallied in the fourth quarter, which may have been attributable to trust in the government of national unity (GNU), the year closed out at 0.6%, marginally down from 0.7% in 2023. Of particular concern to us as a business is that real GDP in the construction sector, a major consumer of our products, remains at 25% below pre-pandemic levels. We are, of course, offsetting the risk this poses with targeted strategic and tactical actions.

Nevertheless, as the Chairperson has mentioned in his report, the country's low growth rate remains one of its most significant socio-economic challenges. Business and investor confidence continues to be variable, and unemployment and poverty remain serious issues. These will almost certainly be exacerbated over the next four years by South Africa's uncertain relationship with the current administration in the United States.

On a more positive note, the South African Reserve Bank has predicted growth of 2% for 2025, supported by projected growth in sectors such as mining, manufacturing and finance as well as a less constrained power supply situation.

Segmental impact

In our segment in particular, the unregulated inflow of imports, some of which are of poor or unreliable quality, continues to affect local manufacturers and, in turn, end users. While we are working to address this through the Association of Electrical Cable Manufacturers of South Africa in co-operation with the Department of Trade, Industry and Commerce, we seem to be making little progress.

In an attempt to mitigate the impact of these imports on the low-voltage cable market, we are an active member of Safehouse, a voluntary group of electrical industry manufacturers, business leaders and technical experts. Safehouse's function is to protect the industry and fellow South Africans from nefarious suppliers of unsafe electrical products and services and to eradicate dangerous products from the market.

External factors

External factors that impacted on the market in general included ongoing geopolitical conflicts, most notably the attacks during the first half of the year on shipping traffic in the Red Sea, through which 12% of all global trade transits. This forced many ships to circumnavigate the African continent at considerable extra cost, impacting on the cost of finished goods throughout the value chain. The evolving trade wars between the United States and its key trading partners since January 2025 are further expected to exacerbate the rising cost of living and therefore consumer spending.

The impact of factors such as these is perhaps most evident in the poor exchange rate of the rand against all major currencies. All of our imports are denominated in US dollars and, at the start of the year, the rand was trading at R18.32 to the dollar (2023: R17.07). This had weakened to R18.76 against the dollar by the end of the year (2023: R18.29). In contrast, the RCP, the price at which all copper is traded in South Africa, increased by 3.6% in 2024 (2023:4.7%).

The high copper price continues to have an effect on manufacturers throughout the sector.

We are, however, in a firm position to deal with issues such as these as we have positive cash flow, local demand for our products remains high, and we are steadily working to increase our manufacturing and distribution capabilities. Demand is also growing in Africa and we continue to work on expanding our distribution network into new jurisdictions in order to take advantage of this.

Going forward, we intend to continue implementing our strategy of backward integration and to seek new distribution channels for our products. As part of our growth strategy, we will also continue to be alert to suitable merger and acquisition opportunities, both in South Africa and in the rest of Africa, and to explore opportunities to extend our product range.

Strategy

From a strategic point of view, we continue to implement our 'Good to Great: 2025' strategy, but remain tactically agile in order to address changes in our operating environment as they arise. As you will see in the Strategy section of this report, 2023 was the first year in our current three-year strategic cycle and, throughout the reporting period, we were guided by the goals and objectives defined in our strategy.

Strategic reviews are conducted on a quarterly basis and the strategy updated if and as necessary. This practice has enabled us to retain our Level I B-BBEE rating, which is giving us the opportunity to extend our reach into the public sector and to remain a financially stable and resilient investor, product designer, developer, manufacturer and distributor.

Issues affecting profitability, including operational efficiencies and absenteeism, continue to receive focused and intensive attention as we strengthen and grow our business around core competencies.

Operational Review

The low-voltage cable market remained relatively volatile throughout the year, which enabled us to increase our production volumes and meet our sales budget for the year, even though we had to face unexpected challenges in the second half.

The fact that we were able to adjust to rapidly changing circumstances and still meet our targets is testament to the resilience of our business, the institutional knowledge of our executives and management, and the commitment of our staff. And, while disruptions to both our business and to the market have been difficult to navigate, they have also presented us with new opportunities to secure our sustainability and to grow.

Facing the challenges

On the challenge side of the equation, loadshedding remained an issue for the industry as a whole in the first quarter and, despite our contingencies, it had a negative impact on our output as well. There were, however, very few disruptions to power supply from the grid during the rest of the year.

In general, reducing our dependence on the national grid through the implementation of the R60 million solar power project in Alrode and by having secure access to two separate sub-stations in Elandsfontein has helped us to secure our production processes, reduce the amount of scrap produced during the manufacturing process, reduce our environmental impact and improve our ROI.

Market forces

A significant setback in 2024 was, however, experienced in the sales of special products we developed for the telecommunication industry. This bespoke aspect of our business yielded positive results in the previous period and during the first half of 2024, but sales declined significantly in the third quarter. On investigation, we found that both networks had approached local and Zambian factories to produce the same products we had developed for them, resulting in zero sales in the fourth quarter.

The industry and our major customers also reacted negatively to our shareholding in Global Cables, a leading cable distributor in South Africa. This concern, as well as the cost of keeping stock in the branches, led to us taking the decision to divest our holdings in Global Cables by year-end. We nevertheless continue to support smaller branches with stock.

Further, most manufacturers and customers increased stock levels in anticipation of expected disruptions before the general election in May. As these did not materialise, the market was overstocked in the second half of the year, which was exacerbated by a fall in the copper price in the third and fourth quarters. This resulted in some customers cancelling orders and sales slowing down.

All efforts were made to meet the sales budget but, unfortunately, we had to forfeit margin in the process. Therefore, while we ended the year on budget from a sales perspective, net margin reduced 2.5% when compared to the previous year.

Production management

Overall productivity, absenteeism, our scrap rate and on-time delivery remain key focus areas from a production management point of view. Production volumes increased in 2024, although total volume remains below pre-pandemic levels. Our scrap rate nevertheless continues to decline due to concerted efforts to manage this.

Further, while absenteeism is within manageable limits, we continue to monitor this carefully.

In order to support our production and human resources goals, we have an integrated talent management system for all employees. We also have an employee assistance programme (EAP) in place, which provides assistance for employees who are experiencing personal difficulties. A new EAP provider was appointed at the beginning of 2024.

Health and safety is also proactively managed and there were no fatalities during the reporting period. The number of minor injuries, all of which were treated on-site, increased to 19 from 17 in the previous period.

Identifying the opportunities

While the uncertainty in both the macro environment and our own market can be difficult to deal with, it also presents new opportunities.

For example, during the reporting period, we were able to add associates in Upington and Maputo to our local distribution network. Further afield, we concluded agreements with distributors in the DRC, supporting not only our diversification objectives but our commitment to African self-reliance.

This enlarged distribution network also supports long-term sustainability and mitigates against the risk of having a limited base of large clients.

In addition, feasibility studies for a medium- and high-voltage (MV/HV) plant are complete and suitable land has been secured in Durban. All of the relevant documentation for the project was submitted to the Department of Trade, Industry and Competition (DTIC) at the end of 2024.

In preparation for the construction and commissioning of the plant, the SOEW team attended the wire show in Germany in April, where we concluded the scope of work on machine requirements and were introduced to new materials, tooling and machine designs. We also had discussions with various equipment manufacturers regarding machine upgrades and started to prepare for the strategic cycle that will begin in 2026.

Market leadership

SOEW became the largest manufacturer of low-voltage electric cable in South Africa in 2022, and we have secured and expanded on that position over the past two periods. Demand for our products remains high as we have an established reputation for quality and on-time delivery. We therefore continue to focus on expanding our production capacity to cater for both current and future demand.

Supported by the commitment of our people, this enabled us meet our sales and production targets for the 2024 financial year as well as to declare a dividend for the fifth year in a row. A full analysis of our financial results is given in the Chief Financial Officer's report.

As a business, we have come through the past five years stronger, more productive and more future-focused than we have ever been. This is a due not only to the strength of our business model but also to the quality of our management and the hard work of our employees. New challenges are sure to present themselves during 2025, but we are in a solid position to continue to grow and thrive.

The competitive environment

The competitive environment has changed significantly since 2020 and, although this has benefited us, we need to remain alert to developments and trends within the industry and the markets we serve.

While demand for our products is increasing, which is positive for us, high levels of demand also provide fertile ground for new competitors to enter any of the markets in which we are active. Further, as I have mentioned, the unregulated importation of sub-standard cables continues to erode the market. At present, approximately 26% of the R10 billion low-voltage cable market is accounted for by cheap imports. Our growth and diversification strategy is intended to mitigate this risk.

Our Level 1 B-BBEE rating is also opening up new opportunities in mining and the public sector, where competitors previously had a strong foothold.

Sustainability and integrated reporting

In line with the guidelines set out in the King Report on Corporate Governance for South Africa™ (2016) ("King IV"™), we will continue to report not only on financial matters, but to provide non-financial information on issues such as corporate citizenship, transformation, sustainable development, industry regulation and environmental impact, all of which are material to stakeholders.

In order to align our reporting with international best practice, we will continue to be guided by the Six Capitals of Sustainable Development, which provide a widely accepted benchmark for listed companies around the world.

Further information is available in the Corporate Governance section of this report.

Outlook

While we expect to encounter similar challenges in 2025 to those we encountered in 2024, we continue to enhance our capacity for innovation as well as our production capabilities, efficiencies, quality management processes and product range. As in the previous period, we are therefore well positioned to take advantage of opportunities as they develop.

These include, among others, the implementation of renewable energy projects and the construction of new data centres.

From a brand perspective, manufacturing capacity, quality management and customer service will continue to be our key focus areas. We will also continue to explore opportunities in Africa as moving into new territories is one of the most immediate ways to secure growth and mitigate the risk posed by conditions in the local market.

Similarly, we will continue to explore opportunities to access large contractors serving government, the parastatals and corporates in South Africa, especially those working on infrastructure projects.

Naturally, the broader socio-economic context within which we operate is beyond the direct control of the Group. Persistently low economic growth, variable business confidence and low levels of investment are all of concern but, as in all other aspects of our business, we have plans in place to deal with the risk associated with these factors. We therefore anticipate another positive and productive year in 2025.

Appreciation

In conclusion, I would like to thank Mr Pon, the Chairperson who served during the reporting period, and my colleagues on the Board for their unfailing support and invaluable input. I am proud to be part of such a strong and resilient team.

Special thanks are due to our CFO, Werner Basson who, as always, has been generous in sharing his knowledge and experience with me. His input and support have been invaluable.

I would also like to extend my sincere thanks to our valued shareholders, partners, suppliers and customers for their trust in us and for their steadfast support. It is their unwavering commitment that has enabled us not only to navigate unexpected developments in the market but also to ensure that the Group is both sustainable and in a solid position to secure growth and profitability.

Last, but definitely not least, I would like to thank every member of our staff. Your hard work and dedication to the business have enabled us to report another successful year. You are the backbone of our business and your efforts are, as always, recognised and appreciated.

Andre Smith
Chief Executive Officer

Five-year review

Group performance and segmental analysis

	2024	2023	2022	2021	2020
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Net revenue (Rm)	**2 568.0**	2 363.6	1 873.2	2 001.5	1 748.8
Operating profit (Rm)	**80.0**	142.9	60.9	112.2	43.4
Net profit after taxation (Rm)	**33.9**	89.0	45.0	75.1	26.9
GROUP STATEMENT OF FINANCIAL POSITION					
Shareholders' equity (Rm)	**682.0**	670.4	593.9	567.3	498.2
Non-current liabilities (Rm)	**218.4**	159.5	50.8	75.2	59.5
Current liabilities (Rm)	**333.5**	255.9	240.7	113.0	136.6
Total liabilities (Rm)	**551.9**	415.4	291.5	188.2	196.1
Non-current assets (Rm)	**365.8**	347.7	250.3	207.5	229.6
Net cash and cash equivalents (Rm)	**121.5**	84.3	134.0	140.0	20.7
Other current assets (Rm)	**746.5**	653.8	501.1	408.0	444.0
Total assets (Rm)	**1 233.8**	1 085.8	885.4	755.5	694.3
SHAREHOLDER RETURNS					
Earnings per share (cents)	**16.67**	43.60	22.12	36.93	13.25
Headline earnings per share (cents)	**16.59**	43.60	21.96	36.83	13.32
Dividend per share (cents)	**5.5**	11.0	6.0	9.0	3.0
Net asset value per share (cents)	**335.4**	329.8	292.1	279.1	245.1
Total operating profit margin	**3.1%**	6.0%	3.3%	5.6%	2.5%
Cash generated (utilised) for the year (Rm)	**53.9**	(45.9)	85.9	126.3	39.5
Number of shares in issue (millions)	**203.3**	203.3	203.3	203.3	203.3

Subsidiaries

South Ocean Electric Wire Company

About us

South Ocean Electric Wire Company and its subsidiaries are manufacturers and distributors of a full range of low-voltage electrical wire and power cables, from those typically used in households to those used in industrial applications in which higher current ratings are required. Our product range includes general-purpose insulated wire, a range of flexible conductors, steel wire armoured cables, flat-twin and earth cables, aluminium conductor steel reinforced (ACSR) cables, aerial bundle conductors (ABC), solar cable, surface wire and conduit pipe.

The interests held by SOH in a number of subsidiary and associate companies are managed through SOEW.

During the course of the reporting period, the Group maintained a 70% shareholding in Icembu Holdings and Icembu Holdings in turn maintained a 70% shareholdings in Icembu Services and Icembu Cables. The Group also maintained a minority shareholding in Mwanga Afrika Cables, The Electric Owl, The Electric Owl KZN, Power Cable Trading, and Lomami (DRC). It also acquired minority shareholdings in Consupro, Powerhouse Reman, NC Dynamic Desert Energy and Green Energy SOEW but disposed of its holdings in Global Cables (South Africa) and Niehoff Electric Warehouse (Namibia). It remains the sole shareholder of South Ocean Electric Wire Company Namibia (Namibia).

In 2022, SOEW became the largest producer of low-voltage electric wire and cables in South Africa and we have held this position since then. In 2023, we achieved a Level 1 B-BBEE rating and have maintained that rating, enabling us to compete in market segments, specifically in the public and parastatal sectors, in which we had been unable to compete before.

Our vision is to be recognised as the employer of choice in the industry and as a designer, developer and manufacturer of both standard cables and customised cables designed for specific needs. We also aim to be the leading designer and producer of special cables for use in emerging applications such as renewable energy and electric vehicles as well as to achieve and sustain a footprint throughout South Africa and in every SADC country.

Our products are manufactured at our plant in Alrode (Gauteng), our cable factory in Alrode and our cable factory in Elandsfontein. Best-practice quality controls are in place at all of these sites.

We distribute directly to our clients in South Africa using our own fleet of trucks and delivery vehicles. Clients include electrical wholesalers and distributors who, in turn, supply the building, construction, industrial, mining and retail sectors. Distribution to clients in Namibia, Zimbabwe, Mozambique, the DRC, Zambia, Botswana and Swaziland is handled through strategic partners.

Our competitive advantage

Our competitive advantage as a company is based on product innovation, production capacity, consistently reliable quality, the efficient production processes we use and our increasing independence from the national electricity grid. All of this ensures that we produce superior products, maintain reliable distribution and deliver excellent customer service. These are the key strategic deliverables have enabled us to remain competitive despite the challenging market conditions that have prevailed in South Africa for many years.

Products

SOEW's comprehensive product range includes:

- Bare copper earth wire
- General purpose house wire
- Flat-twin and earth cables
- Surface wiring cables
- Twin illumination cable
- Cabtyre
- Single core flex
- Solid panel wire
- Flex power
- Ripcord
- Mains cord
- Submersible pump cable
- Nitrile trailing cable
- PVC nitrile welding cable
- Flame retardant (FR) armoured cable
- Low halogen (LH) armoured cable
- Flame retardant (ECC) armoured cable
- Armoured cable (FR) 1.8/3.3kv
- Single core double-insulated PVC cable
- Single core double PVC AWA PVC cable
- Aluminium conductor
- Aluminium conductor steel reinforced (ACSR)
- Low-voltage aerial bundle conductor (ABC)
- Solar PV cable
- Kiloflex
- Conduit pipe

What sets us apart?

- SOEW is a 100% local manufacturer with a Level 1 B-BBEE rating.
- Our world-class computer-integrated manufacturing (CIM) facilities feature multiple factories on various sites, accounting for floor space of 40 000 square metres.
- We have an in-house compounding plant.
- We maintain strategic reserves of key raw materials.
- Our company is ISO 9001:2008 compliant and certified by SABS.
- All of our products conform to the SANS 1507, SANS 1574, SANS 1576, SANS 1418, SANS 62930 and SANS 61386 (PVC 20mm^2, 25mm^2, 32mm^2 conduit) quality standards.
- All of our products are quality tested and approved by the SABS.
- We have an on-time in-full (OTIF) delivery record of over 90%.
- Our operations run on a flexible shift system capable of running 24/7 when required.
- We have a 24-hour maintenance team on-site to ensure production consistency, quality and reliability.
- We have in-house cable design and development capability and can as such develop standard and specialised customer specific products.
- We offer competitive pricing and proven customer service.
- We operate our own distribution and logistics division.
- Half of the workforce has been employed for at least 10 years, so we have retained valuable institutional knowledge.
- We adhere to the highest health and safety standards using our integrated Safety, Health, Environment and Quality Management (SHEQ) System.
- We procure from and empower local suppliers.
- We promote skills development and knowledge transfer.
- Our manufacturing processes are specifically designed to minimise their impact on the environment.
- We offer a 10 year guarantee on our wire and cable products.

Directors and management

SOUTH OCEAN ELECTRIC WIRE COMPANY (PTY) LTD

Andre Smith (59)

Higher National Diploma: Mechanical Engineering

Chief Executive Officer (CEO)

Andre is a qualified mechanical engineer with over 30 years of experience in the cable industry. He has been employed in several senior management and executive positions in the manufacturing, sales, export and technical areas of the industry. He has visited and trained in cable factories around the world, including in the US, Europe, Australia, China and Korea.

Andre is a proven strategic thinker with extensive experience in business strategy; new product development; operational, asset, quality, and people management; Six Sigma processes; and lean management principles.

He joined the SOH Board in March 2021 and was appointed CEO.

Werner Basson (42)

BAcc, BAcc (Hons), CA(SA)

Chief Financial Officer (CFO)

Werner is a qualified chartered accountant who completed his articles at one of the 'big four' audit and advisory firms. He later gained managerial experience with the firm before joining a JSE-listed group as CFO in 2012. Since then, he has gained valuable experience in several different industries.

He joined the SOH Board in September 2020 and was appointed CFO.

Tertius Ness (53)

Chief Operating Officer (COO)

Tertius started his career in the cable industry in 1991 and joined SOEW in 2000 when the Alrode factory was built. He later held a number of senior management positions at various cable companies, including the position of Regional Technical Manager (Africa) at British Approvals Service for Cable (BASC). He re-joined SOEW in July 2022 as General Manager: Manufacturing and Engineering Services and got promoted to COO in January 2025.

Tertius holds a Quality Management qualification through City and Guilds of London, is a Lean Six Sigma Black Belt and completed his management training at Gordon Institute of Business Science.

Mike Hlongwane (66)

Senior Manager: Human Resources

Mike began his career at the Carlton Hotel in 1990 and, while working there, completed a Business Management Diploma at Damelin and a three-year AHMA (American Hotel and Motel Association) diploma, among others. He was promoted to the role of Personnel Officer in the human resources department in 1995. After the closure of the Carlton Hotel, he joined the Powertech Group as Industrial Relations Officer, advanced progressively and was appointed as Industrial Group Executive Human Resources Manager in 2010. He was transferred to Aberdare Cables in 2012, taking up the role of Group Human Resources Manager.

He joined SOEW in 2023 and was appointed Senior Human Resources Manager in January 2024.

Angelique Swanepoel (37)

BCom (Financial Management)

General Manager: Finance

Angelique has nearly 20 years of experience in finance in the manufacturing sector. She successfully completed her BCom degree in 2015 and the Management Advancement Programme at Wits Business School in 2021. She was appointed as an accountant in December 2019 and was promoted to Financial Manager in August 2020.

Gert Loots (56)

Talent and Development Manager

Gert, who has a passion for educating people about manufacturing processes and systems, started his career in the manufacturing, supply chain and FMCG environment in 1988. In 2003, he made the transition into human resources, focusing specifically on human capital development. He designs systems and processes to mobilise people behind technical competence requirements within the manufacturing and supply chain environments. Over the course of his extensive career, he has developed both strong technical skills and business acumen.

Hamilton Ndlovu (47)

General Manager: Manufacturing

Hamilton has over 22 years' experience in cable manufacturing environment, he started his career in the cable industry in 2003 and joined SOEW in 2024. He has a National Diploma in Electrical Engineering (Heavy Current) and a number of various certificates in Management, Extrusion and Lean Six Sigma including the Talent Team Development Programme. He later held a number of senior management positions at various cable companies, including the position of General Manager Manufacturing at Aberdare Cables in 2018.

Alfred Mtapane (47)

Manufacturing Manager: Icembu Cables

Alfred started his career in the cable industry in 1997 in the Quality Department as the Quality Inspector and joined SOEW in 2023. He later held a number of positions at various cable companies, including the position of Laboratory Manager and Production Manager at Aberdare Cables. Became Talent Management graduate at Aberdare Cables in 2019. He was then promoted to the position of Manufacturing Manager at Icembu Cables in January 2025.

Anchor Park Investments

Anchor Park is an investment holding company that holds the Group's property assets. Our three properties in Alrode house SOEW's manufacturing operations and the South Ocean Holdings head office. Our property portfolio includes rental of the factory in Elandsfontein.

SOH Calibre International

SOH Calibre International Limited is a foreign procurement company that is wholly owned by South Ocean Holdings.

Operations report

The market

The low-voltage cable market remained relatively volatile during the reporting period, with SOEW, its subsidiaries and its associate companies maintaining strong relationships with long-standing clients.

However, in the absence of import protection, competitors continued to import large quantities of cable from factories in China, Portugal, Spain and Zambia to supplement their local capacity. As some wholesalers also continued to capitalise on this trend, imports of finished products amounted to approximately R2.4 billion during the reporting period, representing 24% of the approximately R10 billion low-voltage cable market in South Africa.

Production

From a production point of view, loadshedding continued to affect all companies in the sector during the first quarter, although the situation eased during the following three quarters.

At SOEW, we nevertheless continued to increase the hybrid solar capacity at our Alrode site and the system is now supplied by approximately 5 000 solar panels. When loadshedding occurs, we are able to switch over to 2.8 MVA of stored capacity within 0.2 seconds. Similarly, our factory in Elandsfontein draws electricity from two on-site sub-stations and automatically switches between the two whenever power supply from the grid is disrupted.

Partly due to this capability, we were able to record an increase in production to 17 602 metric tons (2023: 17 358 metric tons) at the Alrode factories and 4 470 metric tons (2 739 metric tons) at the Elandsfontein factory in 2024.

Labour

On the labour front, costs increased by approximately 7% from July 2024 in accordance with the current bargaining agreement. Wage negotiations for the three-year period from July 2024 to June 2027 were concluded on in June 2024 and an agreement was reached without any labour action taking place. Some of our competitors were, however, affected by labour action and this did benefit us.

Infrastructure

Infrastructural issues, which affect our imports and exports, eased slightly during the year, with fewer disruptions and delays at South African ports compared to previous years.

Unfortunately, a harbour extension project and the implementation of an international development zone in Windhoek suffered a setback as the main developer withdrew from the project. This has affected our ability to increase distribution in Namibia. Major political unrest in Mozambique after the elections there and, later in the year, in the Democratic Republic of Congo, also severely impacted on our export strategy.

Global supply chains

Further afield, global supply chains continued to be impacted by geopolitical conflict and unrest. Notably, the attacks on shipping traffic passing through the Red Sea between November 2023 and January 2025 resulted in significant disruptions. While delays caused by events like these do affect the delivery of imported materials, they do not have an impact on our production as we hold large reserves of materials to mitigate against supply chain risks.

Economic growth

Factors such as these continue to be exacerbated by South Africa's low economic growth rate, the poor rand exchange rate, fluctuations in the RCP, and muted business and investor confidence. They have, however, been mitigated by the opportunities for business expansion that have presented themselves during the past two periods and by our ability to push product into the market due to our strategic holdings of raw materials.

All of these developments have enabled us to grow our business with existing clients, expand our client base, enter new markets and territories, and strengthen our distribution channels, both locally and in the SADC region.

Business risks

Going forward, our business risks are expected to remain largely unchanged and these are detailed in full in our risk report.

Measures to mitigate risk are well established and the company's ability to manage risk continues to be robust. In particular, our practice of holding reserves of key raw materials, of securing copper supply in countries other than Russia, and of continuing to implement our backward integration strategy all minimise risk and enable us to be aggressively competitive in the market.

Further, while labour action and civil unrest continue to be risk factors, we manage the risk of labour action by maintaining open relationships with our staff and the unions to which they belong. We also accommodate the possibility of civil unrest during critical periods, such as during elections, in our planning.

Demand

Despite risks like these, demand for our products is expected to continue increasing in 2025, partly due to the ongoing realignment taking place in the competitor landscape and partly due to increasing demand both locally and in the SADC countries.

The upweighting of our production capabilities during 2024, our well-managed maintenance programme and our regular process reviews have secured both short-term and long-term sustainability and we expect to have another successful year in 2025.

People

Our full-time staff complement remained stable in 2024, closing the year at 473 (2023: 461). We also maintained a relatively large part-time staff complement to allow for periods of greater demand. As at 31 December 2024, our part-time staff complement was 104 (2023: 107).

Our employees are supported by our human resources division as well as by a well-established organisational health and safety programme. In line with our vision of becoming the employer of choice in our industry, skills training and education are a strategic priority for the business.

From an occupational health and safety point of view, we are proud to have maintained a good record, with only 19 minor incidents having been recorded during the course of the year (2023: 17). Employee health and safety remains a top priority at SOEW and we follow all statutory and best-practice guidelines in this aspect of our business.

Further information relating to staffing at both Group and subsidiary level is available in the Human Capital section of this report.

Outlook

South Africa's economic outlook is unlikely to improve markedly during 2025, although economists are cautiously optimistic that growth will be better than it was in 2024. Consumer confidence has, however, taken a knock with the announcement of two increases in VAT, one effective 1 May 2025 and one effective 1 April 2026, which will affect disposable incomes.

Within this context, we intend to retain – and expand on – our market leadership position. We intend to do this by producing sufficient volumes to meet local demand; by growing through merger and acquisition, wherever possible; by expanding our reach into the public sector; and by focusing on exports into SADC countries where there is positive growth.

We will also continue to capacitate the business in order to enter into – and secure – key segments in emerging industries such as renewable energy and electric vehicles. The first samples for use in these industries were produced in the first quarter of 2022, and research and development continues.

Although the Group is well positioned to take advantage of the opportunities available to us locally and in neighbouring countries, we are mindful that economic instability is likely to persist well into the foreseeable future. As a result, immediate planning remains largely tactical, focusing on such fundamentals such as securing our supply chains and managing input costs, production efficiency and cash flow.

Wealth creation and sustainability

Overview

At SOH, we use the Six Capitals of Sustainable Development model to accurately evaluate and report on both our financial and non-financial performance. The six capitals are financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. We aim to add value, create wealth and secure long-term sustainability by transforming these six capital inputs into outputs (products and services), resulting in positive outcomes (profits, dividends and other results) for all stakeholders.

This internationally recognised framework, developed by the Technical Task Force of the International Integrated Reporting Council (IIRC), is designed to provide a standardised model to secure long-term business sustainability, as well as to ensure that companies make a real contribution to broader socio-economic development and sound environmental management. The framework is widely used in integrated reporting as it enables listed entities to report on performance in a broader way than traditional reporting standards have previously allowed for.

By reporting in this way, we aim to provide stakeholders with:

- a meaningful assessment of the long-term viability of our strategy and business model;
- in-depth information about inputs, outputs and outcomes;
- a comprehensive overview of the effective allocation and management of business and natural resources; and
- an overview of our governance framework.

Value-added statement	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Revenue	**2 567 980**	2 363 575	1 873 155	2 001 546	1 748 796
Paid to suppliers and providers of services	**(2 100 970)**	(1 897 308)	(1 519 819)	(1 611 377)	(1 459 298)
Value added	**467 010**	466 267	353 336	390 169	289 498
Income from investment	**29 363**	20 284	23 683	6 815	4 230
Total value created	**496 373**	486 551	377 019	396 984	293 728
Distributed as follows:					
Employees	**175 535**	151 565	115 135	133 645	125 999
Providers of capital	**39 369**	25 040	13 223	6 333	9 725
Government taxes	**208 286**	173 937	164 555	132 961	89 475
Retained for growth	**73 183**	136 009	84 106	124 045	68 529
Depreciation, amortisation and impairment	**38 103**	36 364	20 357	24 381	19 584
Deferred taxation	**1 189**	11 011	18 785	24 582	22 006
Retained earnings	**33 891**	88 634	44 964	75 082	26 939
Total value distributed	**496 373**	486 551	377 019	396 984	293 728
Value-added statement ratio analysis					
Number of employees	**577**	568	463	438	473
Revenue per employee (R'000)	**4 451**	4 161	4 046	4 570	3 697
Value added per employee (R'000)	**809**	821	763	891	612
Average salary per employee (R'000)	**304**	267	249	305	266

Financial capital

Organisational equity

Financial capital, as defined by the IIRC in the International Integrated Reporting (IR) Framework, is the pool of funds an organisation has access to in order to manage it as a going concern. This includes both equity and debt financing. This section gives an overview of our sources of funding, how those are converted into outputs through added-value processes, and the financial outcomes of these processes.

From an equity point of view, we have 203.3 million shares in issue (2023: 203.3 million) and a market capitalisation as at 31 December 2024 of R400.5 million (2023: R252.1 million). The current market capitalisation of the company is lower than its net asset value in the Annual Financial Statements.

From a financing point of view, the Board may exercise its mandate to acquire funding as necessary and appropriate. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained to meet short-term obligations as they become due and payable. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

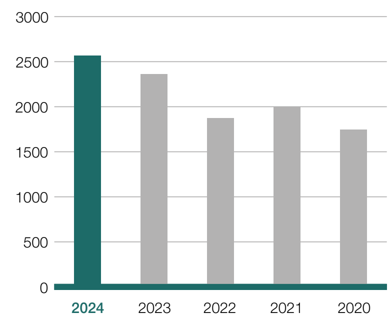
In addition to equity and financing, we make use of capital inputs that were previously considered to be non-monetary variables, but which have increasingly become monetised, such as water. A comprehensive analysis of our water usage is given in the relevant section below.

Added value

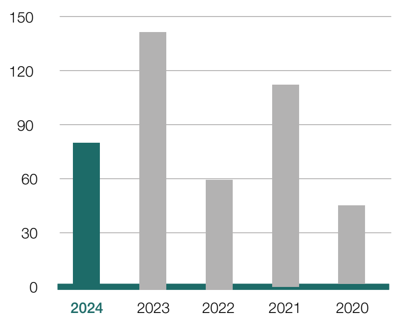
We add value, create wealth, and secure sustainability by using the financial capital at our disposal to manufacture high-quality products, run an efficient distribution system, offer competitive pricing, deliver superior customer service, empower our staff, support external stakeholders, adhere to accepted principles of good governance, and be a responsible custodian of the natural environment.

Our financial outcomes are a result of all of these activities.

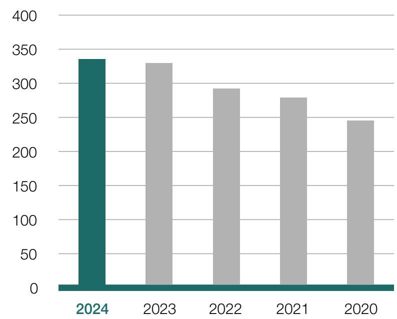
REVENUE
(Rm)



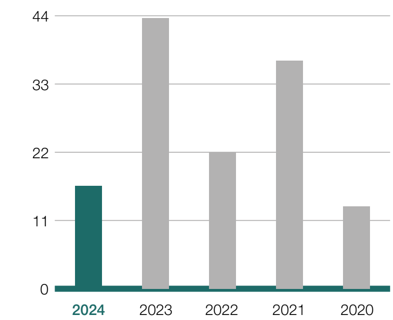
OPERATING PROFIT
(Rm)



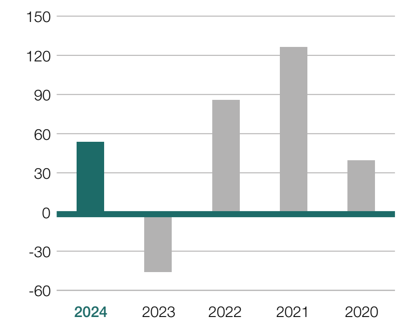
NET ASSET VALUE
Value per share (cents)



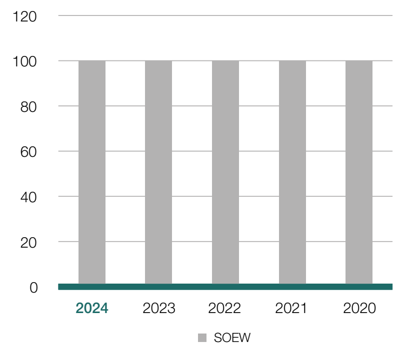
HEADLINE EARNINGS PER SHARE
(cents)



CASH GENERATED/(UTILISED)
(Rm)



SEGMENT ANALYSIS
(Contribution to revenue %)



Manufactured and intellectual capital

Manufactured capital

Infrastructure, equipment and tools

Manufactured capital is defined in the International <IR> Framework as human-created, production-oriented equipment and tools, but also includes infrastructure either owned or leased by the organisation as well as any public infrastructure – such as the road network – that it is able to make use of. We also have a 24-hour on-site maintenance team, which monitors production consistency, quality and reliability.

Added value

Like all other manufacturers in South Africa, we have had to navigate challenging and uncertain market conditions in recent years.

In the 2024 financial year, the total value added was R496 million (2023: R487 million) and the value added per employee was R809 000 (2023: R821 000).

Our financial contribution to society is summarised in the value-added statement in the preceding section of this report.

Product range

Our operating subsidiaries, SOEW, Icembu Cables and Icembu Services manufacture a comprehensive range of low-voltage electrical wire, electrical cable, and related accessories, as outlined in the section giving details of the Group's subsidiaries.

Product quality

Product quality remains the foundation on which our business is built and SOEW is certified as being fully compliant with ISO 9001: 2015 Quality Management Standards.

As mentioned elsewhere in this report, the products produced by SOEW also conform to the SANS 1507, SANS 1574, SANS 1576, SANS 1418, SANS 62930 and SANS 61386 (PVC 20mm^2, 25mm^2 and 32mm^2 conduit) quality standards. To ensure strict adherence to quality standards, we have 2 quality control testing facilities and a full compliance testing laboratory on-site at our Alrode plant. The testing facilities are manned 24 hours per day and conduct green stage testing at each stage of manufacturing to ensure our products are fully compliant with the SANS standards as well as our customer's expectations.

Intellectual capital

Protecting knowledge resources

The International <IR> Framework emphasises that the management of intellectual capital and institutional knowledge is essential to securing an organisation's long-term earning potential and to sustaining its competitive advantage.

The intellectual capital value chain involves making use of the output of research and development activities to add value in various areas of the business, most notably by using proprietary processes and procedures to create products and services. It also involves the effective management of an organisation's knowledge resources. These include customer information, employee competencies, customer relationship management procedures, financial management procedures and ICT resources. All of these can, of course, be compromised by illegal or unethical behaviours and practices.

This demonstrates the fact that there is a relationship between intellectual capital, human capital, and social and relationship capital. The reports on the latter two capitals, which follow, give insight into how we manage and secure our intellectual capital. Our proven and stable governance procedures also protect the intellectual capital that secures our leadership position in the market.

Human capital

Managing the value vested in skills and experience

The management of human capital and the creation of value in this aspect of our business is essential to the successful delivery of our strategic objectives. The value vested in the skills, abilities and productivity of our employees is critical to our sustainability, growth and development.

We therefore actively invest in developing all of our staff; enhancing human capital through training and development, competitive remuneration and incentive schemes. We also strive to create a motivating and inclusive work environment, in which the value of employees is acknowledged and in which they feel appreciated. We offer many development opportunities that inspire employees to advance their careers.

In 2024, we continued to focus on building a resilient and engaged workforce by strengthening and enhancing the skills, experience, diversity and productivity of our employees. We did this by investing significantly in sponsored study programmes, technical learning programmes, learnerships and critical skills development. We also implemented a talent management policy as well as procedures for assessing and calibrating the skills of all employees in people management positions.

The transformation and empowerment of historically disadvantaged employees, in particular, is regarded as being pivotal to our long-term success. We have therefore initiated a number of targeted interventions to ensure that employees in this demographic benefit from skills development and improvement. A Workplace Skills Plan and an Annual Training Report is submitted to the Department of Employment and Labour in April every year.

We are also committed to a process of meaningful transformation within the business as a whole. This objective is supported by intensified recruitment, the development and retention of candidates from historically disadvantaged groups and focused measures to enhance gender equality. We aim to be compliant with all laws and regulations designed to ensure that our business reflects the country's demographics. This is a particular focus in our recruitment practices.

As far as labour relations are concerned, we continue to maintain constructive relationships with all of the unions to which our employees belong. Our aim is to create an inclusive working environment and to ensure that all employees work together towards achieving this objective.

As at 31 December 2024, we were employing 473 full-time staff, including executive directors (2023: 461), and 104 part-time staff (2023: 107).

We constantly strive to increase efficiencies in human capital management and to maintain the flexibility necessary to adapt to prevailing economic conditions.

Employment equity and diversity

We are dedicated to creating a diverse workforce by attracting and developing previously disadvantaged people, women and employees with disabilities. As required, annual Employment Equity Reports were submitted for both SOEW and Icembu in 2024. Our diversity figures for the reporting period were:

Black permanent employees	Black management
Male – 83% Female – 9%	Male – 1% Female – 0%

3 Disabled employees	**3** Disabled learners

Employee development

We are very proud to be able to partner with our employees in their development. We actively encourage staff at all levels to improve their skills and experience and we provide appropriate mechanisms for them to do so.

Continuing education

In 2024, 143 courses where executives, managers, office staff and factory staff had the opportunity to enhance their skills by studying further (2023: 123). Some enrolled for courses offered through an online continuing education platform. We provided both financial and academic support for employees undertaking further studies in this way and are pleased to report that they achieved a 80% pass rate.

Bursaries

In addition to educational support for employees, we offer a number of bursaries for suitably qualified dependents. In 2024, we offered 13 bursaries for dependents of employees (2023: 6).

Learnerships

On a broader basis, we also funded learnerships for 3 disabled and unemployed learners and 6 permanently employed learners with the aim of upskilling them and bringing them into the formal workplace. On completing these learnerships, the beneficiaries had the additional opportunity to participate in an accelerated learning programme designed to improve their chances of being employed immediately after the learning process. In addition to paying their course fees, we provided learnership beneficiaries with stipends to cover their day-to-day expenses.

Supervisors and foremen were also able to benefit from a separate learnership programme designed to enhance and strengthen their skills.

Training

We continue to invest in various training programmes to ensure that the skills of our workforce are consistently being enhanced. The total invested in training during the reporting period was R3.2 million (2023: R3.5 million).

Employee incentives

As a Group, we offer both short- and long-term incentives, the details of which are set out in full in the Remuneration Report. Employees also benefit from performance-related and attendance bonus schemes. Attendance bonuses are paid out at year-end to employees who have not taken sick leave during the course of the year.

Short- and long-term incentives are paid out in March of each year after having been approved by the Remuneration Committee.

Freedom of association

In compliance with the Constitution of the Republic of South Africa, we uphold the right of employees to exercise freedom of association and collective bargaining. We recognise trade unions that are sufficiently representative of our employees and give formal assurance that our staff may associate with employee representative organisations and trade unions or, indeed, choose not to do so.

Our Code of Conduct encourages employees to refrain from performing acts that conflict with freedom of association. There were no violations of freedom of association and collective bargaining during the year.

The number of employees belonging to trade unions in 2024 was as follows:

Trade union	2024	2023	2022	2021
NUMSA	**321**	329	239	327
Solidarity	**3**	1	3	5
Number or employees who are members of Unions	**324**	330	242	332
Percentage employees who are members of Unions (%)	**56.2**	58.1	52.0	75.8

Safety, health, environment and quality (SHEQ)

Safety is fundamental to the way we do business. We believe that zero harm is not only possible but can be attained through dedicated focus and teamwork. Compliance with safety rules and procedures, which include the mandatory use of personal protective gear, is rigorously enforced.

Instances of workplace injuries and accidents are fully investigated and, where necessary, steps are taken to avoid future incidents. There are currently no outstanding claims that require employees to be compensated for health and safety matters.

Occupational health and safety standards are governed by national occupational health and safety regulations (OHS Act 85 of 1993). In order to ensure a balanced management approach, we have health and safety committees in various areas of the business and it is their function to ensure that we abide by these regulations.

The committees include representatives from senior management as well as health and safety representatives selected from all levels of staff. Meetings are scheduled on a regular basis, depending on the working environment and requirements.

The committees report compliance issues and safety incidents to the SHEQ department and make recommendations on areas for improvement. The appointment of safety representatives and first-aid practitioners and fire fighters, as well as the oversight of processes necessary to ensure the safe operation of factory equipment, are all functions that are delegated to these committees.

Safety

We facilitate and oversee the training of first-aid, fire-fighting and SHEQ representatives to ensure that, in the event of an accident, there are always trained personnel immediately on hand to assist their colleagues.

There was a slight increase in the number of safety incidents during the reporting period compared to the number in the previous period. In 2024, 19 incidents were recorded, up from 17 in 2023. All injuries were treated on-site as none of them were serious.

Management takes every injury case very seriously. Injured employees who require medical attention are provided with appropriate treatment, either on-site or in an off-site medical facility. Where needed, they are given time off work for recovery (no light duty).

The following table gives details of all safety incidents recorded during the course of the reporting period:

Injury incidents (permanent staff)	Number of employees
Minor injuries	**19**
Serious injuries	**0**
Treatment on site	**19**
Employees who received further medical treatment	**0**
Total number of injuries for 2024	**19**

Health

We value the lives of our employees and believe that preventative measures have an important role to play in securing their health. As in previous years, a number of awareness programmes and campaigns were undertaken during 2024 to ensure that employees have the knowledge to detect both acute and chronic conditions early. We also encourage employees to adopt a generally healthy way of living, partly through a programme of communications designed to inform them of the risks associated with various lifestyle choices. We, as a company, conduct baseline medicals every 2 years.

Since 2017, when we conducted a comprehensive health and wellness survey to inform our long-term approach to health management, we have a formal health and wellness programme in place. This is specifically designed to assist employees with any physical and psycho-social issues they may be experiencing.

HIV and Aids

HIV and Aids awareness programmes are available to all employees. Everyone is encouraged to attend regular educational sessions, to take the necessary precautions to prevent infection and to regularly check their HIV status. The HIV status of employees is strictly confidential and the HIV prevalence rate amongst staff is not released for publication.

Noise surveys

Noise-level screenings are routinely done on all existing equipment and on any new equipment before it is introduced into our manufacturing facilities. This is done by an independent company that specialises in monitoring noise levels in industrial installations. Employees are also required to wear ear plugs at all times when working on the factory floor. This is compulsory.

Security practices

We ensure that all employees are aware of and fully understand the Group's security policies and practices. In-house stock loss controllers and third-party security providers are all given formal training to acquaint them with these security policies and practices.

No security violations were reported during the course of the year.

Staff turnover

The table below gives a summary of the various reasons why employees left the company:

Reason for leaving (number of employees)	Number of employees
Resigned	**10**
Dismissed	**23**
Absconded	**1**
Death	**2**
Retrenched	**0**
Contract expired	**112**
Retirement	**1**
Total	**149**

Paid leave and absenteeism

Employees are encouraged to maintain a healthy work-life balance and various types of paid leave are offered to facilitate this. The following table indicates the average leave allowance employees are entitled to:

Leave type	Number of days
Annual leave (general employees)	15 days. An additional five days for longer than four years' service
Annual leave (directors)	20 days. An additional five days for longer than four years' service
Sick leave	30 days over a three-year period
Maternity/Paternity leave	Up to four months (unpaid)
Family responsibility leave	Three days (MEIBC members can accumulate family responsibility leave up to a total of nine days)
Study leave (approved courses)	Two days per paper

The following chart details the total number of leave days taken during the reporting period:

Leave type (days taken)	2024	2023
Annual leave	**7 067**	7 629
Family responsibility leave	**290**	329
Maternity/ Paternity leave	**137**	14
Sick leave	**1 988**	1 904
Study leave	**73**	197
Unpaid leave	**489**	588
Total number of leave days taken	**10 043**	10 659
Average number of leave days per employee (%)	**17**	19

Absenteeism remains a challenge and shifts lost due to absenteeism influences production output. Absenteeism is closely monitored by the human resources department.

External stakeholders

We engage regularly, openly and honestly with all stakeholders involved in and affected by the Group's operations. This enables us to build good relationships with these stakeholders, as well as to align development plans with their needs. These interactions also provide us with the opportunity to identify and report on important issues raised by both individual stakeholders and communities.

The stakeholder engagement map below graphically represents some of the communications strategies and channels we have employed in our stakeholder management process. Stakeholders are categorised as either primary, secondary or tertiary stakeholders, depending on their level of interaction with the Group.

Level	Group of stakeholders	Issues	Method of communication
Primary These stakeholders are vitally important to us as we have the greatest direct impact on them and, *vice versa*, they have the greatest direct impact on our business.	Employees	Our ability to pay salaries on time. Our performance as a Group, which impacts on employee livelihoods. Providing a safe environment for all our employees. Actively upskilling and promoting employees from previously disadvantaged communities.	The intranet Union meetings Shop steward meetings Face-to-face meetings Communication boards Internal newsletter
	Investors	Returns on their investment.	The Annual General Meeting Interim and final financial results presentations Integrated Annual Report Corporate website Investment updates on SENS
	Board	The Board carries the ultimate responsibility for the Group's decisions and for its accountability to investors.	Quarterly meetings Briefings for the Chairperson and the Board on matters of significance between meetings
	Customers	Our ability to supply quality products on time.	Advertisements Website Integrated Annual Report Exhibitions Catalogues
	Bankers	Our ability to continuously service long- and short-term borrowings.	Integrated Annual Report Specific information, as required
Secondary These stakeholders have the ability to directly impact the success of our business.	Suppliers	Our ability to procure from suppliers and settle debt as agreed.	Regular meetings The industry show Periodic communications from the respective business managers
	Government	Our ability to pay all taxes due timeously and in adherence to all legislative requirements.	Specific meetings Industry forums Adherence to legal reporting requirements
	JSE	Adherence to JSE rules and regulations.	Providing information as required
	Unions	The fair implementation of wage agreements and incentives.	Union meetings Shop steward meetings Engaging in negotiations
Tertiary These stakeholders have the ability to affect the brand's reputation.	Media	Positive and negative publicity.	Media releases Presentations

Social and relationship capital

A successful group contributing to a successful society

We strive to be a successful group that contributes to creating and sustaining socio-economic development in South Africa. We have all of the appropriate structures, policies and procedures in place to achieve this.

Social and Ethics Committee

The Social and Ethics Committee is a formal sub-committee of the Board and was established in terms of Section 72 of the Companies Act. It operates under mandate from the Board within approved terms of reference. It is the role of the Committee to ensure that the Group engages in sustainable social, ethical, health, safety and transformation practices that are aligned to the Act, other legal requirements and accepted codes of best practice. It places specific emphasis on empowerment in respect of ownership, procurement, employment equity, and skills development.

During the reporting period, the Committee was made up as follows:

N Lalla: Chairperson
KH Pon: Member (resigned 19 March 2025)
A Smith: Chief Executive Officer
J van Rensburg (appointed 17 April 2025)

The CFO, the Senior Human Resources Manager, and the Training and Development Manager also attend the Committee meetings by invitation.

Meetings

The Social and Ethics Committee meets at least twice a year unless additional meetings are required.

Reporting

The Chairperson of the Committee reports to the Board on its proceedings after each meeting. A report from the Committee is included later in this Annual Report. The Chairperson also attends the Annual General Meeting to answer an questions on the report on its functions and activities and to respond to any questions from stakeholders.

Responsibilities

The monitoring function of the Social and Ethics Committee applies, among others, to matters relating to:

- Social and economic development, with specific reference to:
  - the 10 principles defined in the United Nations Global Compact;
  - the Organisation of Economic Cooperation and Development recommendations regarding corruption;
  - the Employment Equity Act; and
  - the Broad-Based Black Economic Empowerment Act.
- Good corporate citizenship, with a particular focus on:
  - the promotion of equality, the prevention of unfair discrimination and the elimination of corruption;
  - contributions to the development of the communities in which the Group operates and in which our products are sold; and
  - sponsorships and donations.
- The environment, health and public safety.
- The impact of the Group's activities and of our products or services.
- Consumer relationships, including our advertising and public relations.
- Labour and employment, including:
  - the Group's standing in terms of the International Labour Organisation's (ILO's) protocols on decent work and working conditions; and
  - our employment relationships and our contributions towards the educational development of our employees.
- Drawing matters within its mandate to the attention of the Board, if and as required.
- Reporting on matters within its mandate at the Annual General Meeting.

Employment Equity Committee

We monitor adherence with the Employment Equity Act on an ongoing basis through our Employment Equity Committee, which is made up of a senior management representative, a shop steward and elected employee representatives for the different categories of staff. We are fundamentally committed to ensuring that our workforce profile mirrors the demographics of the country.

During the reporting year, the categorisation of employees according to their workforce profile was as follows:

	WHITE		ACI*		NON-RESIDENT		TOTAL	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total workforce	**43**	46	**632**	632	**4**	4	**679**	682
Less: non-executive directors and non-permanent staff	**(3)**	(6)	**(98)**	(107)	**(1)**	(1)	**(102)**	(114)
	40	40	**534**	525	**3**	3	**577**	568
Gender profile								
Male	**31**	31	**481**	472	**3**	3	**515**	506
Female	**9**	9	**53**	53	**0**	0	**62**	62
	40	40	**534**	525	**3**	3	**577**	568
Occupational level								
Directors	**2**	2	**0**	0	**0**	0	**2**	2
Male	**2**	2	**0**	0	**0**	0	**2**	2
Female	**0**	0	**0**	0	**0**	0	**0**	0
Senior management	**4**	5	**1**	1	**0**	0	**5**	6
Male	**3**	3	**1**	1	**0**	0	**4**	4
Female	**1**	2	**0**	0	**0**	0	**1**	2
Professionally qualified and middle management	**9**	8	**7**	7	**0**	0	**16**	15
Male	**7**	7	**4**	4	**0**	0	**11**	11
Female	**2**	1	**3**	3	**0**	0	**5**	4
Skilled and technical staff	**17**	17	**78**	78	**0**	0	**95**	95
Male	**12**	12	**63**	63	**0**	0	**75**	75
Female	**5**	5	**15**	15	**0**	0	**20**	20
Semi-skilled and unskilled staff	**8**	8	**448**	439	**3**	3	**459**	450
Male	**7**	7	**413**	404	**3**	3	**423**	414
Female	**1**	1	**35**	35	**0**	0	**36**	36
	40	40	**534**	525	**3**	3	**577**	568
Disability profile								
Disabled	**0**	0	**3**	3	**0**	0	**3**	3
Male	**0**	0	**3**	3	**0**	0	**3**	3
Female	**0**	0	**0**	0	**0**	0	**0**	0
Non-disabled	**40**	40	**531**	522	**3**	3	**574**	565
Male	**31**	31	**478**	469	**3**	3	**512**	503
Female	**9**	9	**53**	53	**0**	0	**62**	62
	40	40	**534**	525	**3**	3	**577**	568
Age profile								
Under 30	**2**	2	**49**	49	**0**	0	**51**	51
Male	**2**	2	**41**	41	**0**	0	**43**	43
Female	**0**	0	**8**	8	**0**	0	**8**	8
Over 30, but less than 50 years	**21**	21	**409**	400	**3**	3	**433**	424
Male	**17**	17	**372**	363	**3**	3	**392**	383
Female	**4**	4	**37**	37	**0**	0	**41**	41
Over 50 years	**17**	17	**76**	76	**0**	0	**93**	93
Male	**12**	12	**68**	68	**0**	0	**80**	80
Female	**5**	5	**8**	8	**0**	0	**13**	13
	40	40	**534**	525	**3**	3	**577**	568

*ACI = African, Coloured and Indian

Unfair discrimination in the workplace is actively discouraged and, where instances of such discrimination are encountered, management acts decisively as soon as the matter has been identified and/or raised.

Whenever there are vacancies within the Group, preference is given to existing employees in order to maintain continuity and a smooth equity management process.

Broad-Based Black Economic Empowerment (B-BBEE)

We regard B-BBEE and transformation as essential to achieving our strategic objectives. We have therefore consistently made improvements to our B-BBEE score and, in 2022, achieved a Level 1 rating, which we maintained in 2024.

In the area of preferential procurement, we have considerably increased our spend with key categories of supplier, including black-owned businesses (businesses with a 51% or higher black ownership), companies owned by black women (with a 30% or higher black female ownership), and companies that are defined as Qualifying Small Enterprises (QSE) and Exempt Micro Enterprises (EME). These efforts are supported by our formal supplier development programme.

We intend to continue to increase procurement from businesses like these, wherever possible.

Corporate social investment

We are committed to making sustainable contributions to and uplifting communities in the areas in which we operate. We do this primarily through a process of enterprise development, which is facilitated by accelerating the sustainability and financial independence of black-owned enterprises. This is supported by additional financial assistance for community-based development programmes, such as the New Beginnings Care Centre (NBCC).

CSI spend

Our CSI spend during the year was made up of grants to the value of R1.4 million (2023: R2.2 million).

Political party policy

We fully endorse the principles and institutions that ensure a free and democratic society. It is, however, our policy not to make any donations to or in favour of any political party.

New Beginnings Care Centre (NBCC)

The primary beneficiary of our socio-economic development programme is the NBCC, which is situated in Boksburg and which offers a range of services aimed at stabilising and empowering destitute individuals.

The centre, which has an average residency rate of approximately 300 individuals, provides homeless people of all ages with accommodation, food and structured programmes designed to assist them in integrating back into mainstream society. It also provides a crèche and educational support for children under 18 and helps adult residents to find jobs that will enable them to regain their independence and rebuild their lives.

In addition, the NBCC offers a rehabilitation programme to individuals who are struggling with substance abuse and distributes food on a daily basis to approximately 120 community feeding schemes.

We source all of our casual and part-time labour from the NBCC and are proud to be part of an initiative that is making a difference in so many lives.

Yes Programme

Our Yes Programme employs previously disadvantaged people under the age of 35. Participants are recruited, upskilled and employed for a period of 12 months. We currently employ 30 people through this initiative.

Enterprise development

Enterprise development is another critical focus for us as it is a powerful means of creating jobs and alleviating poverty. As mentioned, we focus in particular on supporting sustainable businesses owned by black people, especially black women. We assist these businesses by supplying stock at no charge, which can then be sold on to their customers at a profit. We have continued to do this throughout all of the financial challenges the business has faced in recent years.

Human rights

We ensure that all employees are afforded the dignity and respect they deserve, as enshrined in the Bill of Rights. We diligently ensure that none of our policies and procedures infringe on the rights of employees as articulated in all applicable legislation.

Child labour

We procure materials, products and services from a number of suppliers who are domiciled in various jurisdictions, each governed by a different legislative framework. We strongly reject the use of child labour by any of our suppliers as this is a violation of human rights. While monitoring labour practices across a wide range of suppliers in foreign jurisdictions can be difficult, to date we have not encountered instances of the use of child labour among our suppliers.

Natural capital

Towards a greener and cleaner future

In line with the guidelines outlined in King IV™, we regard the protection and conservation of the environment as a fundamental aspect of doing business.

Climate change

We recognise the impact of climate change on the natural environment and actively seek opportunities to mitigate our own environmental impact. A dedicated task team regularly measures the carbon impact of our manufacturing processes and our vehicles. We operate within the required environmental limit and have no negative impact on the environment that will directly or indirectly affect climate change.

Environmental impact assessment and carbon footprint analysis

The Group did not perform any environmental impact assessments or a carbon footprint analysis during reporting period. It did, however, perform its annual environmental assessments. From an energy and emissions management point of view, we have installed a R60 million solar power system at our Alrode site.

Energy usage

During the course of the year, SOEW, our main manufacturing subsidiary, used 10.84 MWh of electricity (2023: 13.50 MWh). This translates into 0.0012 MWh per hour worked (2023: 0.0015 MWh per hour worked).

Water management

Our manufacturing processes use very little water and, in this respect, we have only a minor impact on the environment. During the course of the year, SOEW used 8 645 kilolitres of water (2023: 7 797 kilolitres), translating into an average of 0.00098 kilolitres per hour worked (2023: 0.00089 kilolitres per hour worked).

While our manufacturing processes have very little impact on biodiversity and the environment, we make every effort to conserve water on a Group-wide basis and to educate our employees on the importance of keeping water usage to a minimum.

Waste management

We have a policy of re-using materials before undertaking any recycling or disposal. Only waste that cannot be re-used is disposed of and this is done in an environmentally safe manner. We use specialist companies to handle the disposal of hazardous materials, such as used oil from manufacturing machinery, and paper recycling bins are situated throughout our factories, testing facilities and offices.

A portion of the total scrap generated during the year included PVC scrap, which was recycled and reused in the production process. The balance of the PVC scrap and the copper scrap was sold. We aim to keep cable scrap to a minimum and, where it is unavoidable, we sell it on as a financial recovery measure.

Used soluble and lubricating oils, which are a by-product of the manufacturing process, are disposed of through a third party, which either recycles or disposes of them in an environmentally safe manner. During 2024, 80 000 litres of both soluble and lubricating oil was generated and disposed of (2023: 193 542 litres).

Industrial waste generated and disposed of during the course of the year totalled 182 389 kilograms (2023: 272 744 kilograms). Some soil was also disposed of from the manufacturing site. In order to minimise waste in all categories, we adhere to a planned maintenance schedule designed to maximise the operating efficiency of all our equipment over its lifetime.

Finally, we attempt to keep refuse to a minimum and we recycle as much as possible. During the course of the year, a total of 222m^3 of refuse was generated (2023: 2 727m^3).

Risk report

Risk management policy statement

The Board is committed to a process of risk management that is aligned to the principles of good corporate governance as set out in King IV™ and the Companies Act. This is defined as a structured, systematic and comprehensive process designed to:

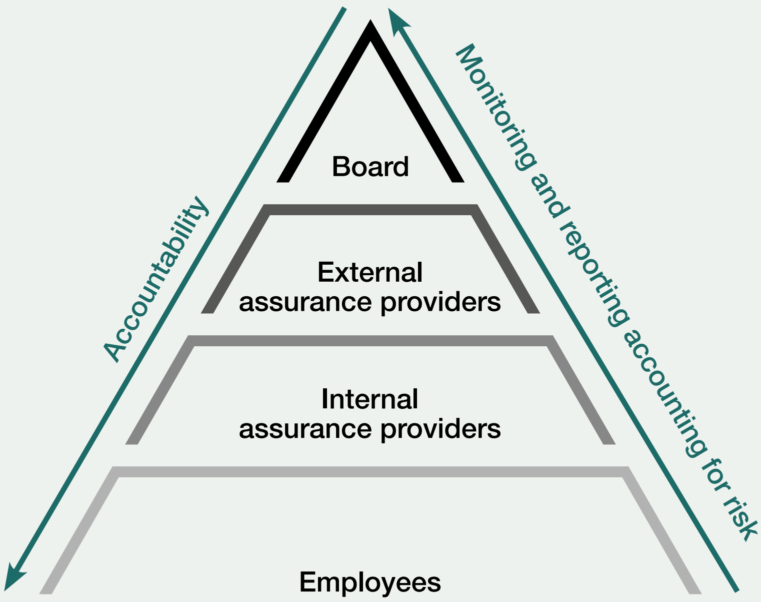
- identify potential risks that may affect the Group;
- prioritise and effectively manage these risks within clearly defined risk appetite parameters; and
- provide reasonable assurance regarding the achievement of organisational objectives.

Enterprise risk management principles

The following principles underpin our risk management processes:

- Although the Board is accountable for the entire process of risk management, it is the responsibility of all employees to embed and maintain effective risk management, control and governance processes throughout the organisation.
- Effective risk management is conducted within the approved risk management framework and structures. These have been tailored to our specific circumstances and form part of our daily operational activities.
- Risk identification, risk assessment, risk mitigation and risk monitoring are ongoing and evolving processes and form an integral part of our daily decision-making.
- Quarterly risk reporting provides a balanced assessment of significant risks and the effectiveness of internal control in managing these risks.
- Through the skilled application of high-quality, integrated risk analysis and management, our employees exploit risk to enhance opportunities, reduce threats and sustain a competitive advantage. As a Group, we take calculated risks subject to tolerance limits.

Governance structure



Enterprise risk management philosophy

Our enterprise risk management philosophy is defined by the following features:

- We are committed to proactive risk management as a discipline that is intended to create value, protect stakeholders and assets, and promote long-term sustainability. The risk management practice is founded on the ethical values of responsibility, accountability, fairness and transparency.
- We have a formal risk management policy in place to ensure that there is a standardised approach to and understanding of risks and risk management throughout the Group.
- The Board has the overall responsibility for the governance of risk. The Audit and Risk Management Committee assists the Board with risk management oversight. The Board discloses undue, unexpected or unusual risks in the Integrated Annual Report each year and provides an opinion on the effectiveness of the risk management processes.

Risk management framework

Our risk management framework has been approved by the Board and it includes a comprehensive implementation plan. The Board delegates responsibility for the implementation of the plan to the Chief Financial Officer and reviews the risk policy, risk framework and implementation plan annually.

As a Group, we adhere to ISO 31000:2009 risk management principles and guidelines and use ISO 73:2009 risk management principles to define risk-related terms.

Risk appetite

South Ocean Holdings has a low appetite for risk, with the Board prioritising organisational resilience and sustainability over aggressive risk-taking. Similarly, Management does not seek out exposure to risk in order to drive short-term financial performance or growth. It is the responsibility of management to ensure that decision-making and risk exposure is maintained within the parameters approved by the Board.

Principal risks and mitigations

Nature of risk	Cause and effect	Risk rating:	Mitigating actions
Business interruption	**Cause:** Any *force majeure* resulting from such events as a pandemic, civil unrest, labour action, a cyberattack, a radical disruption of the power or fuel supply or a radical disruption of our supply chain, including through highjacking or armed robbery by organised criminal syndicates. **Effect:** Any of these factors could lead to the cessation of operations, a critical loss of revenue or business failure. Armed robbery could also result in staff, visitors or bystanders being injured or killed.	HIGH (2023: CRITICAL)	• Many of the factors that have the potential to impact on our ability to operate are beyond our immediate control, but we proactively plan for known risks and possible eventualities, and have policies in place to mitigate their effects should they occur. • We also educate our staff about the risks to the Group and to them as individuals, and encourage or enable them to take whatever preventative measures may be within their control. • We have a well-defined business continuity plan, which is reviewed annually and which will come into effect if we have to declare a *force majeure* for any reason. • We proactively manage the risk of armed robbery by maintaining high-security measures at all of our operational facilities and offices. Our vehicles are also protected by state-of-the-art monitoring and tracking systems. • We adhere to all collective bargaining procedures and agreements and in the event of a strike – whether protected or not – our crisis management policy will be applied. • We constantly review our IT risk in accordance with international best practice and in cooperation with local and international partners. An IT crisis management policy is in place and this will be applied immediately in the event of a cyberattack. • We have implemented a R60 million on-site hybrid solar power system to mitigate the risk of ongoing loadshedding or catastrophic power failure. • We have a policy of maintaining strategic stocks of raw materials and a diversified supply chain in order to mitigate the risk of disruptions to our supply chains.

Nature of risk	Cause and effect	Risk rating:	Mitigating actions
Legal action	**Cause:** Inappropriate action or lack of action on the part of the Group, defective products, poor services and/or other events taking place during the course of doing business. **Effect:** A major impact on our ability to do business.	HIGH (2023: HIGH)	• We have formal policies and governance procedures as well as a high level of quality control, all of which mitigates the possibility of legal action.
Loss of assets through catastrophic events	**Cause:** Fire, flooding, riots or similar. **Effect:** Any of these factors could have a major impact on our ability to operate effectively.	HIGH (2023: HIGH)	• We have appropriate insurance in place for all of these risks.
Loss of revenue and/or a decrease in profitability	**Cause:** The poor economic climate, both locally and internationally; the unstable power supply situation in South Africa; the unstable political environment in the country; the risk of civil unrest; the high level of labour disputes and strikes; disruptions to local and international supply chains; the volatile exchange rate; the unstable copper price; poor sales; significant customer returns; and a decline in gross profit. **Effect:** Any of these factors could lead to an unsustainable loss of profitability or business failure.	HIGH (2023: HIGH)	• Many of the factors that can impact on revenue and profitability are beyond our immediate control, but we proactively plan for the eventualities listed and have policies in place to mitigate their effects should they occur. • We are taking advantage of changes in the competitive environment and the high level of demand for our products to secure our market leadership position, grow our client base and expand our footprint within South Africa, the SADC region and the rest of Africa. • We have entered into strategic partnerships in the DRC, Zambia, Mozambique and Namibia in order to do this. • We are exploring other growth markets in Africa in order to extend our footprint and enhance profitability. • We continue to implement a strategy of backward integration in order to further secure our supply chain and minimise the risk associated with using third-party suppliers. • We maintain a high level of quality control in order to minimise the risk of returns. • We nurture our customer relationships. • We have an established research and development programme and are adding new products to our range, specifically to meet specialist needs, to extend our reach into the public sector and to enter into developing industries, such as renewable energy. • We consistently develop and execute marketing plans to position our products within the electric wire market and to increase sales. • We maintain diversity in our revenue stream. • We consistently develop and support excellent sales teams.

Nature of risk	Cause and effect	Risk rating:	Mitigating actions
Cyberattacks, loss of data or corruption of the Group's IT systems	**Cause:** Cyberattacks, phishing attempts, power outages, poor cybersecurity and/or improper backup procedures. **Effect:** Any of these eventualities could lead to a loss of functionality or to our data being compromised, corrupted or lost.	HIGH (2023: HIGH)	• Critical IT services are outsourced to a proven and capable IT company. • Firewalls are in place to prevent infiltration by unknown parties. • Emerging cyber threats, including viruses and hacking attempts, are closely monitored and dealt with appropriately. • All backups are done offsite. • Controls are in place to ensure that backups are complete. • An IT crisis management policy is in place and this will be applied immediately in the event of a cyberattack or any other critical threat to our system or our data.
Exchange rate volatility	**Cause:** Significant fluctuations in the value of the rand against other major currencies. **Effect:** This could impact heavily on financial security and sustainability.		• We continuously monitor exchange rates and the business's expenditure against budget. • We can take foreign exchange rate cover at the best possible rates on all foreign purchases in order to minimise the impact of exchange rate losses.
Unpredictable and/or unstable legislative and/or regulatory environment	**Cause:** Unexpected or unpredictable changes to the country's legislative and/or regulatory regimes. **Effect:** This could impact on our ability to operate effectively.		• We monitor our business processes on an ongoing basis to ensure there that we are compliant with all applicable regulations and legislation. • We carefully monitor proposed changes to the regulatory and legislative regimes so that we can respond appropriately if and as necessary. • Staff are trained in order to raise awareness of Competition Commission regulations. • Further training is conducted on an ongoing basis to ensure that staff are fully aware of and compliant with changes in regulations and legislation.
Industrial action	**Cause:** Labour disputes and/or strikes. **Effect:** Interruption of operations and loss of revenue.		• Our business continuity plan outlines the actions to be taken in the event of a strike or other industrial action. • Non-union factory workers and office staff are used to maintain business continuity in the event of a strike or other industrial action.
Loss of key staff	**Cause:** Competitive offers from other companies, disputes, illness or death. **Effect:** Any of these factors would impact on the Group's knowledge base and ability to operate effectively.		• We have comprehensive job descriptions and succession plans in place for all key staff to mitigate against the loss of these staff for any reason. • Short- and long-term incentive schemes are in place to encourage the retention of key staff.

Nature of risk	Cause and effect	Risk rating:	Mitigating actions
Unstable electricity supply	**Cause:** Continuing interruptions, either planned or unplanned, in the electricity supply. **Effect:** This has the potential to impact on manufacturing operations and office functioning. More broadly, it has the potential to affect business continuity, even if only partly, and to impact on revenue and profitability.	MEDIUM (2023: HIGH)	• All of our offices are equipped with back-up generators to ensure business continuity during loadshedding and other power outages. • Manufacturing operations require capacity that cannot be supplied by generators, but we have implemented a R60 million hybrid solar system at our Alrode site and have secured access to dual on-site substations at Elandsfontein. These measures ensure that all of our plants can continue to function during loadshedding or during longer, unplanned outages.
Unstable cash flow	**Cause:** A volatile exchange rate, an unstable rand copper price, an increase in the cost of sales, reduced margins, high levels of debt, and/or reduced revenue/profitability. **Effect:** Any of these factors could lead to a critical cash flow crisis that could result in business failure.		• Reasonable fluctuations in the exchange rate and the RCP are taken into account when developing the annual budget. • Reasonable increases in the cost of sales is also taken into account when developing the annual budget. • Collections are closely monitored to identify distressed customers. • Working capital expenses are properly controlled. • Stock levels are optimally managed. • Bank borrowings are maintained at a reasonable level.
Loss of significant customers and/or a decline in sales	**Cause:** Failure to compete successfully or to retain customer trust. **Effect:** Either of these eventualities could result in the loss of one or more significant customers and/or a general decline in sales.		• We have secured a market leadership position and are working to consolidate and develop this position. • We continuously aim to improve customer experience by offering high-quality products and superior service, as well as by communicating regularly and effectively with our customers. • We are actively extending our client base in South Africa, the SADC countries and the rest of Africa to minimise dependence on a small group of significant customers.
A breakdown in the supply chain or long periods of disruption	**Cause:** Changes in or disputes with suppliers and/or disruptions in international supply chains due to global events such as military conflict. Disruptions in local supply chains due to labour action, inefficiencies within the national transport system, civil unrest or weather events. **Effect:** Any of these factors could impact directly on our ability to operate, our profitability and, potentially, even on our sustainability.		• We have a highly effective and proven supply chain management system. • We have formal processes in place to deal with supply chain disruptions, whether local or international. • We maintain close direct ties with all of our suppliers. • We have a policy of maintaining strategic stocks of raw materials to mitigate against external events that may have an impact on our supply chain. • We have mitigated our risk in the mission-critical copper supply chain by securing alternative sources of supply since trade with Russia was restricted at the start of the war in Ukraine.

Nature of risk	Cause and effect	Risk rating:	Mitigating actions
Non-compliance with JSE regulations and other regulations and legislation	**Cause:** Non-compliance with the rules and regulations defined by the JSE for all companies that trade on the exchange. **Effect:** This could lead to trading being suspended, to a loss of revenue or reputation and fines.	LOW (2023: LOW)	• The Board, the Committees of the Board, the Company Secretary, the Group's auditors, and independent external suppliers are all tasked with ensuring that the Group and its subsidiaries remain compliant with JSE regulations. Compliance is closely monitored.
Non-compliance with B-BBEE legislation	**Cause:** Non-compliance with B-BBEE legislation or a low B-BBEE rating. **Effect:** Either of these factors could lead to a loss of customers. The related inability to tender for large projects, specialist projects and/or public sector contracts would result in a loss of revenue.		• We obtained a Level 1 B-BBEE rating in 2022, which significantly mitigates this risk. • We have a comprehensive B-BBEE strategy in place to ensure that we consistently comply with legislation. • Preferential procurement assessments are undertaken on an ongoing basis to ensure that we procure goods and services from suppliers with a high B-BBEE rating. • Black-owned and black woman-owned enterprises are being identified as suppliers as well as for development assistance. • Our employment policies are consistent with our employment equity targets.
Misappropriation of assets due to fraud and/or corruption	**Cause:** Internal or external fraud and/or corruption. **Effect:** This could impact on effective financial management, reputation and even sustainability.		• To mitigate against fraud and corruption, we have a whistle-blowing hotline in place and all staff are aware of our whistle-blowing policy. • We have a clear segregation of duties throughout the Group. • The approval of the directors/senior management is necessary before assets can be removed from the premises. • There are strict security controls in place at all exit points.
A default by a major debtor and/or a significant insurance exclusion	**Cause:** Debtor default and/or insurance exclusion. **Effect:** These factors could impact on effective financial management and even sustainability.		• Sales are spread out across a number of significant customers and we monitor the debtors' book closely. • We further mitigate this effect by seeking out and taking on new customers. • The debtor's book is mainly insured through the Credit Guarantee Insurance Corporation of South Africa Limited.

Remuneration report

PART 1: REMUNERATION POLICY

South Ocean Holdings' Remuneration Policy is aligned with the guidelines set out in King IV™ and complies with both the Companies Act and the JSE Listings Requirements. As a Group, we have an integrated approach to remuneration, and we aim to ensure that there is an appropriate balance between the interests of shareholders and other stakeholders and our strategic and operational requirements.

Our remuneration policy is designed to:

- support the implementation of our business strategy;
- provide attractive and market-related remuneration;
- motivate and reinforce individual and team performance; and
- demonstrate equitable remuneration related to job description, responsibility and personal performance.

The policy aims to ensure that remuneration is:

- market-related and competitive;
- performance-related;
- appropriate to the value delivered in each job category and at every level; and
- compliant with best-practice governance in both concept and practice.

This, in turn, is designed to:

- attract, motivate and retain skilled and talented people, especially in key positions;
- support our position as an employer of choice; and
- encourage and reward superior performance.

No major changes were made to the Remuneration Policy during the reporting period and established key performance indicators (KPIs) remain aligned to our strategy and goals.

Remuneration Committee

The Remuneration Committee operates under mandate from the Board, which assesses its composition annually in order to ensure that it has the appropriate mix of skills, knowledge and experience to operate effectively. The Committee complies with all legal requirements and governance guidelines.

Composition

The Remuneration Committee was made up of two independent non-executive directors and one non-executive director, all of whom have the qualifications and experience to fulfil their duties, at the end of December 2024.

Meetings

Committee meetings are held at least twice a year unless additional meetings are required. The Chief Executive Officer and the Chief Financial Officer attend the meetings by invitation but do not participate in discussions related to their own remuneration.

Reporting

The Chairperson reports on proceedings to the Board after each meeting and attends the Annual General Meeting to respond to any questions from stakeholders that relate to the Committee's areas of responsibility.

Roles and responsibilities

The Committee does not assume the functions of management, which remain the responsibility of the executive directors and senior management. Its primary task is to assist the Board in ensuring that the remuneration of directors and executives is fair and market-related.

The Remuneration Report in this section provides a detailed overview of our remuneration practices. It deals mostly with the remuneration of directors and senior management.

Remuneration of non-executive directors

Terms of service

Non-executive directors, including the Chairperson, are appointed by the shareholders at the Annual General Meeting, but interim appointments are permitted within the framework of the Remuneration Policy during the course of the year. Interim appointees retire at the next Annual General Meeting, when they may make themselves available for re-election.

According to the terms of the Group's memorandum of incorporation, one-third of the non-executive directors may make themselves available for re-election each year under the condition that, should a director be appointed as an executive director or as an employee of the Group in any other capacity, they shall not, while they continue to hold that position or office, be subject to retirement by rotation and they shall not, in that case, be taken into account in determining the rotation or retirement of directors.

Further, once a director has served for nine or more years, they may continue to serve in an independent capacity if the Board concludes that they exercise objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. The assessment must be made each year after the nine-year period.

The independence of the non-executive directors is evaluated annually and the evaluation performed for 2024 has confirmed their independence.

Fees

Group policy is to pay competitive fees that are aligned to skill, experience and the time commitment required from the non-executive directors. Fees are benchmarked against a comparison group of JSE-listed companies. Non-executive directors are entitled to be compensated for travel and subsistence when travelling on official business, but there is no contractual agreement to compensate them for loss of office.

Non-executive directors do not receive short-term incentives and do not participate in any long-term incentive schemes. Their fees are proposed by the Remuneration Committee on an annual basis and voted on by shareholders at the Annual General Meeting. There are no retirement provisions for non-executive directors.

Remuneration of executive directors and senior management

Our remuneration philosophy is to pay executive directors, management and staff market-related remuneration that is intended to motivate them, encourage sustainable performance and secure retention. In terms of remuneration policy, above-average remuneration accrues only to employees who demonstrate a preparedness to accept the challenges of the enterprise and who excel in the achievement of the objectives of the enterprise.

Remuneration package

The remuneration packages of executive directors and senior managers are made up of:

- a guaranteed package;
- a performance-linked bonus;
- a short-term profit-sharing bonus; and
- a long-term incentive scheme.

Guaranteed package

A total cost-to-company package for each director and senior manager is determined annually based on the market value of their position. It is awarded on the assumption that performance targets are higher than they were in the preceding year and that these targets will be met. The guaranteed pay is calculated at between 75% and 80% of the total cost-to-company package for directors and at 92.4% for executive managers.

Performance bonus

Directors and executive managers are required to enter into performance contracts that clearly define individual key performance areas linked to the strategic objectives of the business. The contracts and related performance ratings are reviewed by the executive directors and reports are made to the Remuneration Committee. The Committee provides insight into how risks are being managed and controlled, as well as into succession planning at both Group and subsidiary levels.

Performance ratings aligned to KPIs are the basis on which the annual performance bonus is paid. For directors, this is calculated at between 20% and 25% of the total cost-to-company package, while for executive managers it is calculated at 7.6% of total package.

Profit-sharing bonus

Executives and senior managers employed by the Group participate in a profit-share pool if profit before taxation exceeds targeted earnings for the year. This policy was proposed by the Remuneration Committee and approved by the Board.

Target earnings are defined as the inflation-adjusted moving average of earnings for the past three years multiplied by a growth factor equal to expected inflation. For the purposes of the profit-sharing bonus scheme, a nominated percentage of the excess earnings of the Group and its subsidiaries is allocated to be shared by eligible participants. The profit-sharing bonus for 2024 was limited to the best performing subsidiary to an amount of R742 584.

Long-term incentive scheme

A long-term incentive scheme has been in place at South Ocean Holdings since 1 January 2009. The objective of this scheme is to align the interests of directors and senior managers with those of shareholders and to retain the key people who are responsible for leading the organisation.

The incentive scheme is a share-appreciation rights scheme in terms of which each participant receives a cash bonus based on equity growth. It does not confer any rights on employees to acquire, hold or subscribe for shares at any time and does not in any way dilute the shareholdings of existing or future shareholders.

The features of the scheme are as follows:

- There are separate schemes for the Group and its operating subsidiaries.
- Share appreciation rights are defined in relation to the issued shares of each entity at the commencement of each financial year.
- Each share appreciation right relates to one issued share.
- In the case of the Group scheme, eligible participants are allocated rights based on the value of ordinary shares which are, in turn, based on the volume-weighted quoted share price during the month preceding the allocation.
- Beneficiaries of the Group scheme receive a cash bonus at the end of a defined holding period, which is equal to the difference between the value of those shares at the beginning of the period and the value of the shares at the end of the period.
- In the case of subsidiaries, eligible participants are allocated rights:
  - in relation to a certain value of the shares of the company (75% of the allocation);
  - in terms of a valuation of the shares of the company which, in turn, is based on its financial results over the preceding three financial years;
  - based on the valuation of the shares of the holding company (25% of the allocation) which, in turn, is based on the volume-weighted quoted share price during the month of December in the previous year;
  - a cash bonus at the end of a defined holding period equal to the difference between the value of those shares at the beginning and end of the holding period; and
  - the holding period of allocations being three years, which may be extended to four years at the third year of each allocation at the option of the participant.
- The quantum of the allocations is in the range between 33.3% and 83.3% of the annual guaranteed pay of each participant in the years following.

Annual review by the Remuneration Committee

The total cost-to-company package for all executive directors is reviewed annually by the Remuneration Committee based on market information and individual competency assessments.

The Committee is also mandated to review, on an annual basis, the Remuneration Policy as it applies to all executive and senior managers who are members of the executive committee/ management committee.

Executive directors' remuneration from related companies

Executive directors' remuneration paid for the 2024 financial year was as follows:

Company	2024 R'000	2023 R'000
South Ocean Holdings Limited	13 732	8 614

Non-executive directors' remuneration

Non-executive directors' fixed fees paid per annum for the 2024 financial year were as follows:

	Fixed fee per annum 31 December 2024 R
Chairperson	798 721
Deputy Vice-Chairperson	405 490
Non-executive director	234 292
Chairperson of the Audit Committee	351 436
Member of the Audit Committee	75 929
Chairperson of the Remuneration Committee	108 063
Member of the Remuneration Committee	75 929
Chairperson of the Social and Ethics Committee	108 063
Member of the Social and Ethics Committee	75 929
Chairperson of a Special Committees	R4 556/hour
Member of a Special Committees	R2 735/hour

Interest of directors in the share capital of the Group

The interest of directors in the share capital of the Group as at 31 December 2024 was as follows:

2024 and 2023	Direct beneficial holding	Indirect beneficial holding	Total percentage of issued share capital
J van Rensburg	87 000	62 118 447	30.60%

Interest of directors in contracts

The directors have certified that they had no material interest in any transaction of any significance with the Group or its subsidiaries during the course of the reporting period.

Share Appreciation Scheme

Details of the Share Appreciation Scheme are set out in the notes to the Annual Financial Statements in this report.

Prescribed officers of the Group who are not executive directors

King IV™ recommends that the salaries of the prescribed officers – excluding executive directors – should be disclosed. These officers have been identified and their earnings, including any bonus and share appreciation rights paid out, have been disclosed. Remuneration, benefits and incentives paid in 2024 and 2023 are set out in the notes to the Annual Financial Statements in this report.

Service contracts and severance pay

The Group enters into formal service contracts with all non-executive directors.

Executive directors and senior managers are subject to South Ocean Holdings' standard terms and conditions of employment and have notice periods that vary between 30 and 90 days. In line with Group policy, no director is compensated for loss of position and none of the directors have special termination benefits.

Our policy when terminating the services of an individual for operational reasons is to pay a minimum of one week of the annual cost of employment for each completed year of service.

Provident fund and Group life cover

Employees who are not members of the Metal Engineering Industry Bargaining Council are contributing to the Alexander Forbes Access Retirement Fund and their contributions vary between 7.5% and 15% of their basic salaries. Employees who are members of the Metal Engineering Industry Bargaining Council belong to the Metal Industries Pension Fund or the MEIBC Provident Fund and their contributions amount to 7.6% and 15.4% of their basic salaries.

Employees also contribute to a funeral policy that covers funeral costs for the employee or for close family members in the event of death. This is packaged with a risk policy, which pays out between three and five times the employee's gross annual salary in the event of death or permanent disability.

Shareholder agreement

The Group's Remuneration Policy and related implementation plan is presented to shareholders for consideration and approval at each Annual General Meeting, as recommended by King IV™. In the event that 25% or more of the votes cast are against either the Remuneration Policy resolution or the implementation plan resolution, executive management will engage with shareholders to ascertain the reasons for the dissenting vote.

Whenever considered appropriate, non-executive directors may participate in these engagements with selected shareholders and executive management, and may then make specific recommendations to the Board as to how the legitimate and reasonable objections of shareholders might be addressed, either in the Remuneration Policy or through changes to the way in which the policy is implemented.

Remuneration Committee members

The Remuneration Committee members in 2024 were:

- M Chong: Chairperson (not re-elected 31 July 2024)
- KH Pon: Member (resigned 19 March 2025)
- JH Yeh: Chairperson (appointed as Chairperson on 31 July 2024)
- J van Rensburg: Member (appointed 18 March 2024)

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the Remuneration Policy as contained in this report.

PART 2: IMPLEMENTATION OF REMUNERATION POLICY

Executive directors' remuneration

Guaranteed pay: Basic remuneration and benefits

In determining the cost-to-company increases for executive directors in 2024, the Board considered the average increases granted to general staff and also relevant market data. Benchmarks were selected based on a number of factors including, but not limited to, the company size and the complexity of comparable listed companies with reference to market capitalisation, turnover, profitability, number of employees and sector.

The increases for the executive directors were as follows:

- Chief Executive Officer: 7.5%
- Chief Financial Officer: 7.5%

Short-term incentive outcomes

Executive directors' and prescribed officers' short-term incentives for 2024, which were paid at the beginning of 2025, were as follows:

Company	2024 R'000	2023 R'000
A Smith	–	1 602
W Basson	–	1 009

Long-term incentive outcomes

The number of shares allocated to directors and prescribed officers as at 1 January 2024 and 1 January 2023 respectively are given in the table below. Each participant will receive a cash bonus based on the equity value growth at the end of a three-year holding period.

Company	2024 SOH shares	2023 SOH shares
Allocation price	R1.85	R1.12
A Smith	3 060 404	2 299 512
W Basson	1 543 317	1 091 625

Non-executive directors' remuneration

Payment of non-executive remuneration for the reporting period was as per the 2024 Annual General Meeting.

The fixed fee per annum for non-executive directors for the 2025 financial year are proposed as follows:

	Fixed fee per annum 31 December 2025 R
Chairperson	838 657
Deputy Vice-Chairperson/Lead independent director	425 765
Non-executive director	246 007
Chairperson of the Audit Committee	369 008
Member of the Audit Committee	79 725
Chairperson of the Remuneration Committee	113 466
Member of the Remuneration Committee	79 725
Chairperson of the Social and Ethics Committee	113 466
Member of the Social and Ethics Committee	79 725
Chairperson of a Special Committees	R4 784/hour
Member of a Special Committees	R2 872/hour

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the remuneration implementation plan as contained in this report.

Approval

This remuneration report was approved by the Board of SOH.

Corporate governance report

Changes to the Board

There were some changes to the Board in 2024. Melanie Chong, an Independent Non-Executive Director, was not re-elected at the 2024 Annual General Meeting. Her alternate, Daphne Pan, accordingly resigned. Matt Hohman, a Non-Executive Director, was appointed in March 2025.

Following the approval of the annual financial results for 2024 on 19 March 2025, the Chairperson, Henry Pon, also resigned. Johannes Van Rensburg, a Non-Executive Director, was appointed to take up the role of Chairperson on the same date. Mr HL Li will be resigning as an independent Non-Executive Director and Deputy Vice Chairperson from the board in May 2025.

Role of the Board

The role of the Board is to establish, review and monitor the implementation of strategic objectives, approve major asset disposals and capital expenditure, and oversee the Group's systems of internal controls, governance and risk management.

Management information is supplied to the Board timeously so that it can fulfil its duties and carry out its responsibilities appropriately and correctly. This includes financial and non-financial information, which enables the Board to consider both quantitative and qualitative performance. The Board also has unrestricted access to all of the Company's information, records, documents and property. Non-executive directors have access to management without the need to have an executive director in attendance.

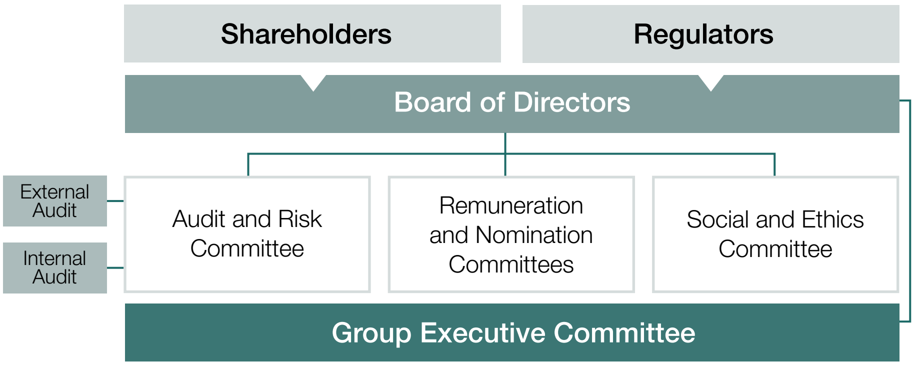
The daily management of the Group's affairs is delegated to the Chief Executive Officer, who co-ordinates and oversees the implementation of Board policies through the Executive Committee. Full and effective control over all Group operations is nevertheless maintained by the Board at all times.

Board Charter

The responsibilities of the Board are fully outlined in a formal Board Charter (Charter). The Charter sets out the powers of the Board and provides a clear definition of the responsibilities and accountability of Board members, both collectively and individually.

The Charter is reviewed from time to time and is evaluated in line with any changes in legislation and governance guidelines. It does not provide for a maximum number of Board members, but does mandate that the Board continuously evaluate itself in order to ensure it is capable of fulfilling its duties and responsibilities.

Governance structure



Board and Committees of the Board

BOARD OF DIRECTORS

J van Rensburg (incoming Chairperson):
Non-Executive Director #

KH Pon: (outgoing Chairperson):
Independent Non-Executive Director *

HL Li (Deputy Vice Chairperson):
Independent Non-Executive Director

N Lalla:
Independent Non-Executive Director
(appointed Independent Lead Director 17 April 2025)

JH Yeh:
Independent Non-Executive Director

LL Chen:
Non-Executive Director

MM Hohman:
Non-Executive Director
(appointed 10 March 2025)

SN Yeh:
Alternative to LL Chen

A Smith:
Executive Director and Chief Executive Officer

WP Basson:
Executive Director and Chief Financial Officer

Appointed as Chairperson 19 March 2025

* Resigned as Chairperson and Independent Non-Executive Director 19 March 2025 following the approval of the financial results. Will remain in a consultancy capacity until 10 August 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE

N Lalla (Chairperson):
Independent Non-Executive Director

KH Pon:
Independent Non-Executive Director and Group Chairperson
(resigned 19 March 2025)

M Chong:
Independent Non-Executive Director
(not re-elected 31 July 2024)

JH Yeh:
Independent Non-Executive Director
(appointed 31 July 2024)

J van Rensburg:
Non-Executive Director and Group Chairperson
(appointed 17 April 2025)

REMUNERATION COMMITTEE

M Chong (Chairperson):
Independent Non-Executive Director
(not re-elected 31 July 2024)

JH Yeh (Chairperson):
Independent Non-Executive Director
(appointed as Chairperson 31 July 2024)

KH Pon:
Independent Non-Executive Director and Group Chairperson
(resigned 19 March 2025)

J van Rensburg:
Non-Executive Director and Group Chairperson

NOMINATIONS COMMITTEE

KH Pon (Chairperson):
Independent Non-Executive Director and Group Chairperson
(resigned 19 March 2025)

JH Yeh:
Independent Non-Executive Director

M Chong:
Independent Non-Executive Director
(not re-elected 31 July 2024)

LL Chen:
Non-Executive Director
(appointed 31 July 2024)

J van Rensburg:
Non-Executive Director and Group Chairperson (appointed 17 April 2025)

SOCIAL AND ETHICS COMMITTEE

N Lalla (Chairperson):
Independent Non-Executive Director

KH Pon:
Independent Non-Executive Director and Group Chairperson
(resigned 19 March 2025)

A Smith:
Executive Director, and Chief Executive Officer

J van Rensburg:
Non-Executive Director and Group Chairperson (appointed 17 April 2025)

Corporate responsibility

All decisions related to material matters are approved by the Board. These include, but are not limited to, decisions regarding the allocation of the capital resources needed to optimise the return on shareholders' investment, They also include the authorisation of procurements, capital expenditure, property transactions, borrowings and investments (other than where pre-approved materiality levels, which have been identified by the Board, have been granted to management).

Composition of the Board

The Board is made up of eight directors, with two being executive directors, three being independent non-executive directors and the remaining three being non-executive directors. There is also one alternate director.

Members of the Board are required to uphold the highest ethical standards and the Board takes all appropriate measures to ensure that its members abide by these standards. It values the Group's standing as a good corporate citizen and makes every effort to preserve this standing.

The Board holds final responsibility for monitoring and reporting on the effectiveness of the Group's system of internal controls. It is assisted by the Audit and Risk Management Committee in discharging this responsibility.

Appointment procedure

Members of the Board are appointed by the Group's shareholders although the Board also has the authority to appoint directors in order to fill any vacancy that may arise from time to time. Appointments, which are a matter for the Board as a whole, are made according to a formal and transparent process defined by Board policy and are subject to ratification by shareholders at the next Annual General Meeting.

The Group's Memorandum of Incorporation does, however, allow the Board to remove any director by giving written notice signed by the majority of the directors. This process does not require shareholder approval.

While members of the Board are appointed based on their skills, experience and level of contribution to the activities of the Group, diversity considerations are taken into account. The Board recognises that, being a South African-based company, it is important for SOH to consider the racial and gender diversity of the directors and has set targets to ensure appropriate representation by black and female directors on the Board. These targets are reviewed from time to time to ensure consistently diverse representation.

Non-executive directors

Non-executive directors do not have fixed terms of appointment but are required to retire by rotation and are eligible for re-election by shareholders at Annual General Meetings.

All of the directors retire at the first Annual General Meeting after their initial appointment and a third of the directors, namely those who have been in office the longest, retire annually. They are eligible for re-election at the same meeting.

Non-executive directors are not involved in the day-to-day operations of the Group, but contribute to the deliberations and decisions of the Board. They have a fiduciary responsibility to represent the best interests of both the Group and its shareholders and have the skills and experience necessary to exercise judgement in areas such as strategy, performance, transformation, diversity and employment equity.

Henry Pon, who served as Chairperson during the reporting period, had been a non-executive director for over a decade by the time of his resignation on 19 March 2025. In accordance with King IV™, the Board had considered his independence – and that of his fellow non-executive director, Eric Li – and were of the view that both were able to exercise objective judgement on all matters. The Board was also of the view that there was no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, was likely to influence unduly or cause bias in their decision-making.

On Mr Pon's resignation, the Board appointed Johannes van Rensburg, who was already serving as a non-executive director, to the position of Chairperson.

Executive Directors

Executive directors are permanent employees of the Group and are subject to a notice period of between one and three months, depending on the terms of their contracts. The Chief Executive Officer and Chief Financial Officer are both executive directors and are responsible for the daily operations of the Group.

Role of the Chairperson

The role of the Chairperson is separate to that of the Chief Executive Officer. It is his responsibility to set an ethical tone for the Board and to ensure that the Board operates efficiently and in a focused way as a unit.

The Chairperson is also responsible for the leadership of the Board as outlined in King IV™, including for presiding over meetings and for ensuring the integrity and effectiveness of the Board's processes. He must ensure that no single director dominates Board meetings or discussions relating to the Group's business, that all relevant matters are discussed, that the opinions of all directors are solicited and freely expressed, and that discussions lead to appropriate decisions.

The role of the Chairperson is defined in the Board Charter and his ability to deliver on this role and add value to the Group is assessed annually by the Board. The Chairperson is subject to re-election annually. When appointing a candidate to this position, the Board considers the number of other positions of this nature held by the candidate and ensures that there is a formal succession plan in place.

Role of the Chief Executive Officer

Mr Andre Smith is the Group's Chief Executive Officer. He is responsible for the operational management of the Group and his responsibilities include, among others:

- developing and recommending to the Board a vision and long-term strategy for the Group that will secure its sustainability and deliver value for all stakeholders;
- developing and recommending to the Board annual business plans and budgets that support the long-term strategy;
- managing the affairs of the Group in accordance with its values and objectives; and

- managing the affairs of the Group in accordance with the general policies and specific decisions of the Board.

The Chief Executive Officer chairs and facilitates all Executive Committee meetings. He is not a member of Audit and Risk Management Committee or the Remuneration Committee but attends the meetings of these committees by invitation.

Role of the Lead independent director

This is an independent non-executive director who is appointed if the Chairman of the Board is not an independent non-executive director. Therefore in instances where the Chairman is conflicted, the lead independent director would step in and assume the leadership role. Their main function is to provide leadership and advice to the board of directors in instances where the Chairman is conflicted, without detracting from the authority of the Chairman.

Role of the Company Secretary

Mr WT Green is the Company Secretary and it is his responsibility to provide the members of the Board with the legal, ethical and practical guidance needed to assist them in fulfilling their joint and individual mandates. The Board has considered and is satisfied with his qualifications, competence and expertise.

The Company Secretary, who is accountable directly to the Board, is responsible for:

- ensuring that Board procedures are followed and reviewed regularly;
- ensuring that the rules and regulations that govern the conduct and processes of the Board are complied with;
- maintaining and submitting statutory records in accordance with legal requirements;
- guiding the Board as to how its responsibilities should be properly discharged;
- keeping abreast of and informing the Board of current and new developments regarding corporate governance practice; and
- ensuring compliance with all legal and regulatory requirements, including the JSE Listings Requirements.

All directors have access to the advice and the services of the Company Secretary and, in appropriate circumstances, are entitled and authorised, at the Group's expense, to obtain independent professional advice concerning the affairs of the Group.

The Company Secretary is not a director of the Group and the Board is satisfied that he is independent and maintains an appropriate arm's-length relationship with the Board. The appointment and removal of the Company Secretary is a matter for the consideration of the entire Board.

Evaluation of Board performance

A questionnaire-based evaluation is undertaken annually by the directors. This provides for assessment of the performance of the Board, the Chairperson, the Chief Executive Officer, the Chief Financial Officer, individual directors and the members of all the committees of the Board.

The Chairperson discusses the results of these reviews with the Board and he, in turn, receives feedback on his performance from the members of the Board.

Responses from the 2024 evaluation process indicate that the Board is well balanced, that its size and composition are adequate for the effective management of the Group, and that the members have the relevant knowledge required to fulfil the leadership role required of them. The directors are of the opinion that Board meetings are well organised and efficiently run, and that all relevant aspects of the Group's businesses are dealt with thoroughly by the Board and its various committees.

Succession planning

The Nominations Committee evaluates the pool of skills, knowledge and experience of the Board members and identifies the capabilities required for individual Board appointments. The Committee also makes recommendations for appointments to the Board, including recommendations for appointments to the committees of the Board. Appointments to the Audit and Risk Management Committee and to the Board are subject to shareholders' approval. A succession plan for the Chairperson and Chief Executive Officer is in place.

Meetings

Board meetings are held quarterly or more frequently, if required. Directors are provided with all necessary information in advance in order to enable them to discharge their duties. Any director may request additional matters be added to the agenda. Proceedings at Board meetings are properly recorded and minutes are circulated to all Board members for review prior to being approved. In addition to this, executive and non-executive directors meet formally on a regular basis.

A minimum of four Board meetings are scheduled per financial year and additional meetings may be convened if and when necessary. Four Board meetings were held in 2024 and attendance was as follows:

	Attendance of meetings in 2024			
Director	18 Mar	22 May	7 Aug	20 Nov
KH Pon (resigned 19 March 2025)	✓	✓	✓	✓
HL Li	✓	✓	✓	✓
N Lalla	✓	✓	✓	✓
M Chong (non re-elected 31 July 2024)	✓	✓		
JH Yeh	✓	✓	✓	✓
LL Chen	✓	✓	✓	✓
DJC Pan	✓	✓	✓	✓
J van Rensburg	✓	✓	✓	✓
SN Yeh	Δ	Δ	Δ	Δ
A Smith	✓	✓	✓	✓
WP Basson	✓	✓	✓	✓

✓ Present or via Microsoft Teams
Δ Not Present (alternate director)

Directors' remuneration

The Board has delegated the responsibility for dealing with all matters related to the remuneration of directors to the Remuneration Committee. The Committee was made up of two independent non-executive directors and one non-executive director at the end of December 2024. Its role is to ensure that directors are fairly and responsibly remunerated within a market-related framework.

Remuneration of non-executive directors

Non-executive directors receive an annual fee for their service on the Board. This consists of a baseline fee and, where applicable, an additional fee for serving on one or more of the ad hoc committees of the Board.

Proposed fees for non-executive directors in 2024 were submitted to shareholders in advance of the Annual General Meeting and were subsequently approved.

Remuneration of executive directors

Executive directors receive a remuneration package that consists of a baseline salary, a performance-related incentive bonus, retirement contributions, medical scheme membership and participation in both the short-term and long-term incentive schemes. Full details of executive remuneration are given in the report of the Remuneration Committee.

Committees of the Board

Certain Board responsibilities have been formally delegated to the committees of the Board, which have clearly defined terms of reference and functions. The committees are appropriately constituted with due regard to the skills required by each committee.

The committees of the Board operate in a fully transparent manner and are tasked with reporting back to the Board on all of their activities and decisions. Each committee is subject to regular evaluation by the Board in order to assess its performance and effectiveness. All of the committees are free to seek independent professional advice as and when necessary in order to fulfil their mandates. With the exception of the Executive Committee, which is chaired by the Chief Executive Officer, all other committees are chaired by an independent non-executive director.

The charters of the Board committees are reviewed on an ongoing basis to ensure that the duties, skills and responsibilities of the members are aligned with best-practice corporate governance guidelines.

Audit and Risk Management Committee

The Audit and Risk Management Committee is a statutory committee constituted to comply with the Companies Act and the guidelines set out in King IV™. The members of the Committee are elected annually by the shareholders at the Annual General Meeting.

Composition

In compliance with the requirements of King IV™, the Audit and Risk Management Committee consisted of only independent non-executive directors during the financial period ended December 2024. The Committee operates under mandate from the Board in compliance with written terms of reference as to its membership, authority and duties.

Responsibility

The Audit and Risk Management Committee's primary responsibility is to review the interim and annual financial statements, monitor the appropriateness of accounting policies, secure the effectiveness of the internal systems of control, and consider the findings of the internal and external audits.

Further responsibilities include:

- regular reviews of the Group's financial reporting standards and processes to ensure that they are compliant with all appropriate laws, guidelines and requirements;
- regular reviews of the Group's compliance with all other laws and regulations;
- regular reviews of the Group's risk management strategy and the systems in place to identify, control and manage risk;
- regular reviews of asset management processes;
- regular reviews of the expertise, experience and performance of the Group's Chief Financial Officer; and
- the appointment and oversight of both the internal and external auditors.

Appointment of the Independent Auditor

The Audit and Risk Management Committee was responsible for assessing, approving and appointing the Group's external auditor, BDO South Africa Inc. (BDO), for the 2024 financial year, as well as for assessing and approving the firm's fees for period.

As part of this process, the Committee:

- assessed potential threats to the firm's auditing practice by any non-audit work that it undertakes;
- determined that neither the firm nor the engagement partner or any of the firm's staff hold shares in South Ocean Holdings;
- determined that the partners and staff responsible for the Group's audit comply with all legal and professional requirements, specifically with regard to rotation and independence; and
- assessed a range of other factors that could potentially impact on the firm's independence and impartiality.

The Committee was satisfied with the independence, expertise and objectivity of BDO, which is accredited in terms of the JSE Listings Requirements. The annual appointment or re-appointment of the external auditor is subject to the approval of the shareholders at the Annual General Meeting.

The external auditor has unrestricted access to the Group's directors, senior managers, staff and all financial and management records. The firm provides a written report to the Committee on any significant findings following the annual audit and is able to raise any matters of concern directly with the Group Chairperson.

Internal audit

The Group is responsible for reviewing all of its internal controls, systems and procedures.

As part of its annual assessment of the internal auditor, the Committee:

- assessed potential threats to the independence of the internal audit function of each area of non-internal audit work that the firm undertakes;
- assessed whether the firm has appropriate safeguards in place to secure its independence;
- determined that neither the firm nor the engagement partner or any of the firm's staff hold shares in South Ocean Holdings; and
- assessed any other factors that could impact or be considered to impact on the firm's independence.

The Audit and Risk Management Committee is satisfied with the knowledge, expertise and objectivity of GRIPP Advisory, which was the internal auditor for the Group in 2024. The Committee is also satisfied that the internal controls in place at South Ocean Holdings are adequate to safeguard the Group's assets, prevent and detect errors and fraud, ensure the accuracy and completeness of accounting records, and guarantee the integrity of the Group's annual financial statements.

The internal auditor reports to the Audit and Risk Management Committee and has unrestricted access to the Chief Executive Officer and the Chairperson of the Audit and Risk Management Committee. The internal audit programme, which runs in two-year cycles, is approved by the Audit and Risk Management Committee.

Internal financial controls

The Committee has assessed the information and explanations given by management and the internal auditor regarding the audit of the annual financial statements. No material matters have come to the attention of the Committee or the Board that have caused the directors to believe that the Company's system of internal controls and risk management is not effective or that the internal financial controls do not form a sound basis for the preparation of reliable annual financial statements.

Evaluation of the Chief Financial Officer and the finance function

The Audit and Risk Management Committee is satisfied that the expertise and experience of the Chief Financial Officer was appropriate to meet the responsibilities of the position during the reporting period. This assessment is based on his qualifications, level of experience, continuing professional education and the Board's assessment of his financial knowledge.

The Audit and Risk Management Committee is further satisfied as to the appropriateness, expertise and adequacy of the resources of the finance function and the experience of the senior managers responsible for the finance function.

Risk management

Risk management is the responsibility of the Audit and Risk Management Committee. The development, implementation and maintenance of strategies to minimise risk to the Group is designed to support the Group's strategic, operational, reporting and compliance objectives, as well as to ensure sustainable value for shareholders.

In the area of risk management, the Audit and Risk Management Committee is responsible for:

- reviewing, on behalf of the Board, the effectiveness and integrity of the Group's risk management systems, processes, procedures and controls;
- reviewing the Group's approach to risk management and the effectiveness of its systems and processes;
- reviewing reports from the compliance officer on the adequacy and effectiveness of risk management systems and procedures;
- ensuring that disclosure regarding risk is comprehensive, timely and relevant; and
- reviewing reports from management and the internal auditors on the effectiveness and integrity of the Group's risk management systems and procedures.

Risk management is a dynamic process and the Group accepts its responsibility to:

- consistently recommend policies, systems, processes and procedures to manage risk;
- create a culture of risk awareness and ownership or risk mitigation through communication and education;
- clarify the roles, responsibilities and accountability of all staff responsible for the identification, assessment, management, monitoring and reporting of all financial and non-financial risks;
- maintain a robust and measurable approach to risk identification and assessment;
- assist management to identify, assess, manage, monitor and report effectively on risks to the business;
- establish a process that requires all material changes to the business to be subject to adequate risk assessment and due diligence prior to commencement; and
- ensure that an independent, effective, comprehensive and ongoing assessment of risks to the business is provided by the Internal Audit function.

Integrated reporting

The Audit and Risk Management Committee oversees the integrated reporting process and, in particular:

- reviews the annual financial statements, interim report, preliminary results announcement and summarised integrated information;
- ensures compliance with IFRS Accounting Standards;
- considers the frequency of interim reports and decides on whether interim results should be assured;
- reviews and approves the appropriateness of accounting policies, disclosure policies and the effectiveness of internal financial controls;
- provides oversight over the Group's integrated reporting process and considers factors and risks that could impact on the integrity of the integrated annual report;
- reviews the disclosure regarding sustainability in the integrated annual report and ensures it does not conflict with financial information;
- considers external assurance of material sustainability issues; and
- approves and recommends the Integrated Annual Report for approval by the Board.

The Integrated Annual Report for the year ended 31 December 2024 was approved by the Board.

Meetings

The Audit and Risk Management Committee meets at least four times a year and independent non-executive directors and non-executive directors who are not members of the Committee are invited to attend. Executive management, the internal auditors, the external auditors and the Group's ICT service providers are also invited to attend.

Both internal and external auditors have unrestricted access to the Audit and Risk Management Committee and its Chairperson, which ensures the independence and impartiality of their audit.

The Audit and Risk Management Committee met four times during the course of the year and attendance at the meetings was as follows:

Director	Attendance of meetings in 2024			
	13 Mar	22 May	5 Aug	20 Nov
N Lalla	✓	✓	✓	✓
KH Pon (resigned 19 March 2025)	✓	✓	✓	✓
JH Yeh (appointed 31 July 2024)			✓	✓
M Chong (not re-elected 31 July 2024)	✓	✓		

✓ Present or via Microsoft Teams

Executive Committee

Composition

The Executive Committee is made up of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, SOEW's General Manager: Factory and Operations, SOEW's National Sales Manager, SOEW's General Manager: Financial, SOEW's Human Capital Senior Manager and SOEW's Training and Development Manager. The Committee refers all matters related to policy and strategy to the Board.

Responsibility

The Executive Committee is responsible for:

- developing and implementing the Group's policies and strategies;
- monitoring the business and affairs of the Group;
- prioritising the allocation of capital, technical and human resources;
- establishing best-practice management procedures and functional standards of the Group;
- appointing and monitoring the performance of senior managers;
- ensuring that regular, detailed reports on the Group's activities and performance, as measured against strategies and operational plans, are received and submitted to the Board;
- ensuring that regular, detailed reports on the Group's financial performance and forecasts against budgets are received and submitted to the Board; and
- reviewing and monitoring the Company's system of internal controls and risk management.

Meetings

The members of the Executive Committee attend the monthly Management Committee meeting of the subsidiary, except during the month of December. The purpose of attending these meetings is to plan, review and manage the day-to-day activities of the Group.

Remuneration Committee

Composition

The Remuneration Committee was made up of three members, two of whom are independent non-executive directors and one of whom is a non-executive director at the end of December 2024. The Committee is responsible for ensuring that the Group's directors and senior managers are fairly remunerated.

Responsibility

It is the responsibility of the Remuneration Committee to advise the Board on all remuneration-related matters. The Committee is responsible for determining fair and market-related remuneration packages for directors and senior managers as well as for monitoring their performance.

During the course of the year, the Committee reviewed all of the Group's remuneration policies to ensure that these are aligned with Group strategy and are linked to individual performance.

The Remuneration Committee's responsibilities include:

- developing a remuneration policy that will support the achievement of the Group's strategic objectives and encourage individual performance;
- advising on the remuneration of non-executive directors;
- determining and administering remuneration at senior management level;
- ensuring that the mix of fixed and variable pay - in cash, short-term and long-term incentives, and other elements - meets the Group's needs and strategic objectives;
- considering the evaluation of the performance of the Chief Executive Officer and the Chief Financial Officer, both as directors and as executives responsible for determining remuneration;
- reviewing incentive schemes to ensure that these continue to contribute to shareholder value and are administered in terms of established rules; and
- reviewing the outcomes of the implementation of the remuneration policy to determine whether its objectives are being achieved.

Remuneration to directors and senior managers comprises:

- A total-cost-to-company package based on position, qualifications and experience, which is divided into:
  - Fixed and guaranteed monthly remuneration calculated as a percentage of the total-cost-to-company package; and
  - A performance bonus equal to the balance of the total cost-to-company package and payable annually after performance assessments have been completed.
- Short-term incentives, which are intended to motivate executives and senior managers to maximise short-term results and which are paid annually if pre-determined financial targets have been met.
- Long-term incentives, which take the form of a share appreciation scheme designed to retain executives and senior managers, and which is managed as follows:
  - Annual allocations are made for key staff to ensure retention;
  - These are payable three years after the allocation has been made but payment may be extended for another year;
  - The maximum value of each allocation is calculated at between 33% and 83% of guaranteed pay; and
  - The allocation is paid in cash after the specified period.

Meetings

The Remuneration Committee met twice during the course of the year and attendance at the meetings was as follows:

Director	Attendance of meetings in 2024 18 Mar	20 Nov
JH Yeh	✓	✓
KH Pon (resigned 19 March 2025)	✓	✓
M Chong (not re-elected 31 July 2024)	✓	
J van Rensburg (appointed 18 March 2024)	✓	✓

✓ Present in person or via Microsoft Teams

Nominations Committee

Composition

The Nominations Committee consisted of three independent non-executive directors at financial year end and like all of the other committees, operates under mandate from the Board. It meets whenever there is a vacancy on the Board or at executive level as well as to discuss director development.

Responsibilities

The Nominations Committee is responsible for finding suitable candidates for any vacancies on the Board. The Committee makes use of employment agencies to find suitable candidates, who are then short-listed and interviewed. It then recommends the most qualified and experienced candidates for the position.

The Board has established the Nominations Committee to:

- ensure that there is a formal process for the appointment of directors, which includes processes to:
  - identify suitable individuals for the vacant positions;
  - undertake reference and background checks of the candidates prior to nomination; and
  - formalise the appointment of directors through an agreement between the Company and the director;
- oversee the development of a formal induction programme for new directors;
- ensure that inexperienced directors are developed through a mentorship programme;
- oversee the development and implementation of continuing professional development programmes for directors;
- ensure that directors receive regular briefings on changes in risks, laws and the Group's operating environment;
- consider the performance of directors and take steps to remove directors who do not make an appropriate contribution to the activities of the Board;
- ensure that formal succession plans are in place for the Board, Chief Executive Officer, Chief Financial Officer and senior management; and
- ensure that these plans are properly implemented as and when necessary.

Gender diversity policy

The Nominations Committee is also responsible for considering all aspects of diversity on the Board, including race, disability, culture, age and gender diversity.

The Nominations Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Meetings

The Committee did not meet during the course of the year. It is noted that the new director appointment was due to a shareholder nomination as opposed to a vacancy.

Social And Ethics Committee

Composition

The Social and Ethics Committee was made up of two independent non-executive directors and the Chief Executive Officer during the financial period ended December 2024. It operates within the framework of the Social and Ethics Committee Charter.

Responsibilities

The Committee's role is to:

- monitor the Group's activities with regard to any relevant legislation of other legal requirements relating to socio-economic development; and
- monitor the Group's performance in relation to the United Nations Compact Principles.

Employment equity

The Group is an equal opportunity employer and will not tolerate discrimination on the basis of ethnicity, gender or belief. A number of programmes are in place to ensure that the Group's employee profile will progressively become more representative of the country's demographics while still maintaining the Group's high standards.

Code of Conduct and Ethics

Every employee at SOH is required to subscribe to the formal Code of Conduct and Ethics (the Code), which stipulates the Group's commitment to the highest standards of corporate governance and compliance with the laws of South Africa.

The Code sets out the standards of integrity and ethics that guide the Group's dealings with suppliers, customers, business partners, stakeholders, government and society in general. It requires that all employees act with fairness, dignity and respect to secure the Group's business reputation and a working environment that is free from harassment and discrimination.

In line with the Code, the Group recruits and promotes employees on the basis of their suitability for the requirements of each position without any discrimination on the basis of race, religion, national origin, gender, age, marital status, sexual orientation or disability unrelated to the task at hand.

Employees have been educated about the responsibility of reporting any actual, perceived or potential violation of the Code to management. Management bears the overall responsibility of monitoring compliance with the Code. The Group takes the Code very seriously and, where appropriate, employs disciplinary procedures and/or legal proceedings to address any transgressions.

Fraud, bribery, corruption and illegal acts

The Group does not condone any form of bribery, corruption or any other illegal acts in the conduct of its business. Employees are also discouraged from accepting any gifts or favours from suppliers that obligate them in any way to reciprocate. The Group's policy is to actively pursue and prosecute the perpetrators of any fraudulent or other illegal activities should they become aware of any such acts.

Other corporate governance matters

Corporate social investment

The Group invests in the communities in which it operates through job creation, donations, and educational and cultural contributions. The Social and Ethics Committee is responsible for the Group's activities in these areas.

Protection for whistle-blowers

In accordance with the provisions of the Protected Disclosures Act (No. 26 of 2000), management will ensure that no employee who has made a protected disclosure shall be subject to any occupational detriment and shall be afforded anonymity without fear of consequential victimisation. The Group has an independent hotline and reports are sent to the Chief Executive Officer, Chief Financial Officer, and the Chairperson of the Audit and Risk Management Committee.

Preferential procurement

In terms of B-BBEE spending requirements, the Group seeks to secure products and services from black-owned and black women-owned enterprises as far as it is commercially viable.

Worker participation

SOH employs a variety of participative structures to deal with issues that affect employees directly and indirectly.

These include collective bargaining mechanisms and regular shop steward and trade union meetings. They also include equity skills and development meetings, structures to drive productivity improvements, safety committees and other participative forums. These structures are designed to achieve good employer and employee relations through effective sharing of relevant information, consultation and the identification and resolution of conflict.

Meetings

The Committee met twice during the course of the year and attendance at the meetings was as follows:

	Attendance of meetings in 2024	
Director	18 Mar	5 Aug
N Lalla	✓	✓
KH Pon (resigned 19 March 2025)	✓	✓
A Smith	✓	✓

✓ Present or via Microsoft Teams

Governance of IT systems

IT systems have a vital role to play in the implementation of the Group's strategy. The Audit and Risk Management Committee has therefore adopted an IT governance charter and formed an IT steering committee to fulfil the mandate outlined in the charter. Reports on the effectiveness of the Group's IT systems are submitted to the Audit and Risk Management Committee in all regular meetings.

The IT Steering Committee ensures that the Group's strategy is aligned with its business objectives and oversees the implementation its IT strategy. The Committee meets monthly, comprises representatives from SOEW, and is chaired by the account manager of Numata, the Group's IT service provider.

The Audit and Risk Management Committee is provided with reports detailing the functionality of Group's IT systems, IT governance and IT investments. The Committee also ensures that proper security controls, backup procedures and access controls are in place in the management of its information technology and associated data.

Disaster recovery plans are in place for any unforeseen circumstances to ensure minimum disruption to operations as any interruption in the Group's information technology systems can have a material impact on the business.

Dealing in Company securities

Directors are required to disclose their shareholdings and any dealings in shares of the Group to the Chairperson and Chief Executive Officer who, together with the Group's sponsor, ensure that any such dealings are published on SENS in compliance with the JSE Listings Requirements.

In addition, all directors, including the Company Secretary, are prohibited from dealing in the shares of the Company during prohibited periods or at any time when they are in possession of unpublished price-sensitive information in relation to those shares. The consent of the Chairperson or other nominated director is required before any director or member of senior management, including the Company Secretary, can deal in the Company's shares.

Interest in contracts

Directors are required to inform the Board timeously of conflicts of interest or potential conflicts of interest they may have in relation to SOH. Directors are obliged to recuse themselves from discussions or decisions on matters in which they have a conflict of interest.

Relationships with stakeholders and investors

The Group actively promotes communication with shareholders, business analysts, business advisers and all other stakeholders. These include timeous, accurate, relevant and accessible announcements and circulars to shareholders in accordance with the JSE Listings Requirements. All shareholders are encouraged to attend the Annual General Meeting and to ask questions about the Group, its results and prospects. The Group also encourages stakeholders to approach executive directors whenever they wish.

The Group further subscribes to the principle of fair communication and disclosure. In accordance with this, there are ongoing interactions between the executive management team and a wide range of institutional investors, analysts and potential investors during the non-closed periods. These interactions include one-on-one meetings with the investor community.

Interim and final results are published in one English newspaper, on the Group's website and on SENS. The Group also undertakes regular engagement with the media in order to promote clear and transparent communications.

Going concern status

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. These are based on the assumption that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has assessed the Group's status as a going concern and is satisfied that it has adequate resources to continue operating for the next 12 months as well as into the foreseeable future.

Annual Financial Statements

Annual Financial Statements

for the year ended 31 December 2024

The reports and statements set out below comprise the Annual Financial Statements presented to the shareholders:

Level of assurance

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act, No. 71 of 2008 of South Africa.

Preparer

The Annual Financial Statements were internally compiled by:

WP Basson
Group Chief Financial Officer

Issued

19 March 2025

Audit and Risk Management Committee Report

for the year ended 31 December 2024

The Audit and Risk Management Committee is pleased to present its report for the year ended 31 December 2024.

The Audit and Risk Management Committee is a statutory committee of the Board and forms an integral component of the Group's governance framework. The Audit and Risk Management Committee has written terms of reference that deal with its membership, authority and duties. In addition to having specific statutory responsibilities to the Shareholders in terms of Section 94 of the Companies Act 71 of 2008 of South Africa, the Audit and Risk Management Committee assists the Board by examining, reviewing and advising on the reliability and accuracy of the financial information provided by management as well as that provided for dissemination to other users of financial information; the risk management process; internal financial controls; external and internal audit functions; and statutory and regulatory compliance.

The Audit and Risk Management Committee has an independent role with accountability to both the Board and Shareholders.

1. Composition

The members of the Audit and Risk Management Committee during the year were: Ms N Lalla CA(SA) (Independent Non-Executive Chairperson), Mr KH Pon CA(SA) (Independent Non-Executive Director) who is also the Chairperson of the Board, and Mr JH Yeh (Independent Non-Executive Director). Mr JH Yeh replaced Ms M Chong with effect 31 July 2024 as a member of the Audit and Risk Management Committee.

The Committee is satisfied that the members have the required knowledge, experience and expertise as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa and Regulation 42 of the Companies Regulation, 2011.

All the members have the required financial and commercial skills and experience to contribute to the Committee's deliberations. The Board is satisfied that the Audit and Risk Management Committee members act independently.

2. Terms of reference

The Audit and Risk Management Committee functions within the scope provided by approved terms of reference which were reviewed and updated during the year. The Audit and Risk Management Committee has acted upon its statutory duties and functions during the year. The Board has assessed and is satisfied with the performance of the Audit and Risk Management Committee and its members and found it to be functioning effectively.

3. Meetings

The Audit and Risk Management Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to all stakeholders.

The Audit and Risk Management Committee held four scheduled meetings during 2024 and all the members attended the Committee meetings.

The Group Chief Executive Officer, Group Chief Financial Officer and all other Board members who are not Audit and Risk Management Committee members and representatives from the external and internal auditors attend the Audit and Risk Management Committee meetings by invitation.

4. Duties

For the year ended 31 December 2024 the Audit and Risk Management Committee met their objectives and carried out their duties as per the statutory requirements.

5. External auditor

The Audit and Risk Management Committee has recommended the appointment of BDO South Africa Inc. as the independent auditors and Ms S Kock as the designated auditor, who is a registered independent auditor, for the year ended 31 December 2024 audit. BDO South Africa Inc. replaced PricewaterhouseCoopers Inc. as the independent auditors and Ms S Kock replaced Ms S Akoojee as the designated auditor. The appointment of the auditors for the 2025 financial year will be approved at the next Annual General Meeting.

The Committee satisfied itself through enquiry and receiving a written independence declaration through the Audit and Risk Management Committee document that the external auditors are independent as defined in the Companies Act 71 of 2008 of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought that internal governance processes within BDO South Africa Inc. support and demonstrate the claim to independence.

The Audit and Risk Management Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Audit and Risk Management Committee considers and pre-approves the fees relative thereto to ensure the independence of the external auditors is maintained. All non-audit services provided by the external auditors are pre-approved by the Audit and Risk Management Committee prior to the work commencing. No non-audit services were provided during the year under review.

At the end of each meeting during the year, the Audit and Risk Management Committee provided an opportunity to meet with the external auditors where management was not present, during which no matter of concern was raised by the auditors.

The Audit and Risk Management Committee reviewed the external auditor's reports and management responses to matters raised.

The Audit and Risk Management Committee has evaluated and is satisfied with the competence, quality and effectiveness of the external auditors.

The Audit and Risk Management Committee has satisfied itself through representation that the external auditors are independent and approved the following fees for work done by them. The fees approved during the year for audit services amounted to R3 200 000 (2023: R4 078 750). Fees approved for non-audit services amounted to Rnil (2023: Rnil).

Audit and Risk Management Committee Report (continued)

for the year ended 31 December 2024

6. Annual Financial Statements and internal controls

The Audit and Risk Management Committee has:

Reviewed the Annual Financial Statements for the year ended 31 December 2024 and commented on the accounting practices and the effectiveness of the internal controls with regards to:

- the appropriateness and consistent application in the adoption of accounting policies and any changes in accounting policies and practices;
- significant financial estimates based on judgement which are included in the Annual Financial Statements;
- the appropriateness of major adjustments processed at the interim and at year-end;
- the going concern assumption;
- compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), Interpretations as issued by the IFRS Interpretations Committee (IFRIC), SA financial reporting requirements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act);
- whether the Annual Financial Statements present a balanced and understandable assessment of the Group statements of financial position, statements of financial performance and cash flow statements; and
- the directors' statement included in the Annual Financial Statements, including the statement on effectiveness of the system of internal control.

Reviewed the content of the summary financial information for whether it provides a balanced view.

Following the review of the Annual Financial Statements, the Audit and Risk Management Committee recommend to the Board the approval thereof.

The Audit and Risk Management Committee will review the integrated report and make recommendations to the Board for approval. The Committee will also comment on the state of the internal control environment in the integrated report once it has been prepared.

7. Internal auditors

The Audit and Risk Management Committee has:

- appointed the internal auditors for 2024 and 2025;
- satisfied itself with the competence of the internal auditor and adequacy of the internal audit staffing;
- satisfied itself through enquiry that GRIPP Advisory is independent;
- approved the annual risk-based internal audit plan;
- reviewed the internal auditors' assessment of internal controls and confirmed that nothing has come to their attention to indicate any material failure of internal control systems;
- reviewed the internal audit reports and management's response to matters raised;
- reviewed and is satisfied with the quality and effectiveness of the internal audit;
- satisfied itself with the competence of the internal audit firm; and
- satisfied itself with the co-ordination between internal and external auditors.

8. Legal and regulatory compliance

The Audit and Risk Management Committee reports that, to its knowledge, South Ocean Holdings Limited is in compliance with the legislative provisions and JSE Listing Requirements applicable to its operational environment.

9. Review of financial function and Chief Financial Officer

The Audit and Risk Management Committee has reviewed the performance, appropriateness and expertise of the Group Chief Financial Officer and confirms his suitability in terms of the JSE Listing Requirements.

10. Going concern

The Audit and Risk Management Committee has reviewed management's assessment and the key assumptions of the going concern status of the Group. The Audit and Risk Management Committee recommended to the Board, giving due cognisance of the Group's current financial position and cash flows, that the Group is a going concern.

On behalf of the Audit and Risk Management Committee:

N Lalla CA(SA)
Chairperson: Audit and Risk Management Committee

Johannesburg
19 March 2025

Directors' Responsibilities and Approval

for the year ended 31 December 2024

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards.

The Annual Financial Statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operational risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors of the company are responsible for the controls over, and the security of the website and, where applicable for establishing and controlling the process for electronically distributing annual reports and other financial information to Shareholders and to the Companies and Intellectual Property Commission (CIPC).

The directors have reviewed the Group's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's Financial Statements. The Financial Statements have been examined by the Group's external auditor and their report is presented on pages 63 to 68.

Approval of the Annual Financial Statements

The Directors' Report and Annual Financial Statements set out on pages 59 to 62 and pages 69 to 119, which have been prepared on the going concern basis, were approved by the Board of Directors on 19 March 2025 and were signed on their behalf by:

KH Pon CA(SA)
Independent Non-Executive Director (Chairperson)

Johannesburg
19 March 2025

A Smith
Executive Director (Chief Executive Officer)

Johannesburg
19 March 2025

CEO and FD Responsibility Statement

for the year ended 31 December 2024

Annual compliance certificate in terms of form D1 of the Johannesburg Stock Exchange Listings Requirements

Each of the directors, whose names are stated below, hereby confirm that:

- The Annual Financial Statements set out on pages 69 to 119, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- To the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls; Where we are not satisfied, we have disclosed to the Audit and Risk Management Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls; and
- We are not aware of any fraud involving directors.

A Smith
Executive Director (Group Chief Executive Officer)

Johannesburg
19 March 2025

WP Basson
Executive Director (Group Chief Financial Officer)

Johannesburg
19 March 2025

Company Secretary's Certification

for the year ended 31 December 2024

Annual compliance certificate in terms of form D1 of the Johannesburg Stock Exchange Listings Requirements

In terms of Section 88(2)(e) of the Companies Act 71 of 2008 of South Africa, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

WT Green
Company Secretary

Johannesburg
19 March 2025

Directors' Report

for the year ended 31 December 2024

The directors have pleasure in submitting their report on the Annual Financial Statements of South Ocean Holdings Limited and its subsidiary companies for the year ended 31 December 2024.

1. Nature of business

South Ocean Holdings Limited (SOH) is the holding Company of four main operating subsidiary companies (Group) being South Ocean Electric Wire Company Proprietary Limited (SOEW), Icembu Cables Proprietary Limited, electrical wire manufacturing companies, Icembu Services Proprietary Limited, manufacturer of conduit and compounding material, and Anchor Park Investments 48 Proprietary Limited (Anchor Park), a property investment company. It is also the holding Company of Icembu Holdings Proprietary Limited and South Ocean Electric Wire Company Namibia Proprietary Limited, two dormant companies.

During the current year, investments in Global Cables NLP Proprietary Limited, Global Cables CPT Proprietary Limited, Global Cables DBN Proprietary Limited, Global Cables PE Proprietary Limited, Global Cables PTA Proprietary Limited and Niehoff Electrical Warehouse Proprietary Limited were disposed of. Investments in Consupro Proprietary Limited, Powerhouse Reman Mozambique, NC Dynamic Desert Energy and Green Energy SOEW Proprietary Limited were acquired which serves as outlets for electrical wire and cable. These disposals and acquisitions fell below the 5% categorisation level in the JSE Listings Requirements and did not require a separate announcement on SENS. It also wholly owns SOH Calibre International Limited, a foreign procurement company.

There have been no material changes to the nature of the Group's business from the prior year.

2. Financial results

The Group financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SA financial reporting standards, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 as amended (the Companies Act). The Group have adopted all new accounting standards and interpretations that is relevant to the business that became effective in the current reporting period.

The financial position, results of operations and cash flows of the Group are adequately reflected in the attached Annual Financial Statements.

For the full view of the Annual Financial Statements of the Group, the user of the Annual Financial Statements should, in conjunction with this set, view the Company's separate financial statements titled "South Ocean Holdings Limited Annual Financial Statements for the year ended 31 December 2024" separately. This can be found on the Company's website at www.southoceanholdings.co.za.

3. Share capital

Authorised share capital

The authorised share capital amounts to R5 000 000, being 500 000 000 ordinary shares of R0.01 each. There were no changes in the authorised share capital during the year under review.

Issued share capital

The issued share capital value amounts to R1 743 000 (2023: R1 743 000), being 203 276 794 (2023: 203 276 794) ordinary shares issued. There were no changes to the issued share capital during the year under review.

4. Special resolutions

At the Annual General Meeting of the Company held on 31 July 2024, shareholders approved the following special resolutions:

Special Resolution Number 1:

Non-executive directors' fees for the financial year ended 31 December 2024 and quarters ending 31 March 2025 and 30 June 2025.

Resolved that the fees, to be paid to the non-executive directors for their services as directors of the Company, for the year ended 31 December 2024 and the quarters ending 31 March 2025 and 30 June 2025 (being two quarters of the fees payable for the year ending 31 December 2024) be approved as follows:

Chairperson	R798 721.00
Deputy Vice-Chairperson	R405 490.00
Non-Executive Director	R234 292.00
Chairperson of the Audit Committee	R351 436.00
Member of the Audit Committee	R75 929.00
Chairperson of the Remuneration Committee	R108 063.00
Member of the Remuneration Committee	R75 929.00
Chairperson of the Social and Ethics Committee	R108 063.00
Member of the Social and Ethics Committee	R75 929.00
Chairperson of Special Committees	R4 556.00 per hour
Member of Special Committees	R2 735.00 per hour

Directors' Report (continued)

for the year ended 31 December 2024

The reason for special resolution number 1 is to obtain shareholder approval for the remuneration of each of the Non-Executive Directors of the Company for the financial year ended 31 December 2024 and for the quarters ending 31 March 2025 and 30 June 2025 in accordance with section 66(9) of the Companies Act, 2008 and to confirm and ratify the fees payable to the directors for the quarters ending 31 March 2024 and 30 June 2024. The passing of the special resolution will have the effect of approving the remuneration of the Non-Executive Directors of the Company for the financial year ended 31 December 2024 and quarter ending 31 March 2025 and 30 June 2025 as well as confirming and ratifying the increase in fees paid to the Directors for the quarters ended 31 March 2024 and 30 June 2024. The fees payable for the quarters ending 31 March 2025 and 30 June 2025 will be based on a quarters of the fees as approved above. Shareholders will be requested to approve any adjustment to the fees payable for the quarters ending 31 March 2024 and 30 June 2024 at the 2024 Annual General Meeting.

Special Resolution Number 2:

Loans or other financial assistance

Resolved that the Board of Directors may authorise the Company, in terms of Section 45 of the Companies Act, 2008, to provide any direct or indirect financial assistance that the Board of Directors may deem fit to any related or inter-related companies as defined in terms of Section 2 of the Companies Act, 2008.

The reason and effect of special resolution number 2 is to approve generally the provision of financial assistance to the Company's related or inter-related companies and as, from time to time, may be required in the normal course of the Company's businesses.

5. Borrowing limitations

In terms of the Memorandum of Incorporation of the Company, the directors may exercise their right to acquire funding as they consider appropriate.

On behalf of the Company, the directors have established credit facilities with financial institutions for use by the Company and its subsidiary companies.

6. Directorate

The directors in office during the year are as follows:

Directors	Designation	Nationality
A Smith	Executive	South African
WP Basson	Executive	South African
KH Pon resigned 19 March 2025	Independent Non-executive	South African
HL Li	Independent Non-executive	Taiwanese
N Lalla	Independent Non-executive	South African
M Chong not re-elected 31 July 2024	Independent Non-executive	South African
JH Yeh	Independent Non-executive	South African
LL Chen	Non-executive	Hong Kong
J van Rensburg	Non-executive	South African
MM Hohman appointed 10 March 2025	Non-executive	American
DJC Pan (alternate) resigned 12 December 2024	Non-executive	Brazilian
SN Yeh (alternate)	Non-executive	Taiwanese

7. Directors' emoluments

The directors' emoluments are set out in note 28 of the Annual Financial Statements.

Directors' Report (continued)

for the year ended 31 December 2024

8. Dividends

Taking into account the earnings performance for the year ended 31 December 2024, notice is hereby given that a dividend of 5.50 cents per ordinary share was approved by the directors on 19 March 2025, payable to shareholders recorded in the share register of the Company at the close of business on 17 April 2025. A dividend of 11.00 cents per share was declared and paid in 2024.

In compliance with STRATE, the Company determined the following salient dates for payments of the dividend:

Last day of trade cum dividend	Monday, 14 April 2025
Trading ex dividend commences	Tuesday, 15 April 2025
Record date	Thursday, 17 April 2025
Dividend payment date	Tuesday, 22 April 2025

Share certificates may not be dematerialised or rematerialised between Tuesday 15 April 2025 and Thursday 17 April 2025, both days inclusive.

9. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Group had an interest and which significantly affected the business of the Group.

10. Secretary

The company secretary is Mr WT Green.

Postal address:	**Business address:**
P.O. Box 123738	21 West Street
Alrode	Houghton
1451	2198

11. Directors' interests in shares

The interest of directors in the issued share capital of the Company as at 31 December 2024 and 31 December 2023 was as follows:

Interests in shares

Directors	2024/2023 Direct and indirect	Percentage of issued share capital
J van Rensburg	**62 205 447**	**30.60%**

No shares were traded by any director from 31 December 2024 until the date of this report.

12. Share-based payments

The Group has a long-term incentive plan for identified senior management. Details of the scheme and rights allocated are disclosed in note 12 of the Annual Financial Statements.

13. Management by third and related parties

Neither the business of the Company nor its subsidiaries, nor any part thereof, has been managed by a third person or a company in which a director had an interest during the year under review.

14. Interests in subsidiaries and associates

Details of material interests in subsidiary companies and investments in associates are presented in the Annual Financial Statements in notes 29 and 35.

Directors' Report (continued)

for the year ended 31 December 2024

15. Auditor

BDO South Africa Inc. replaced PricewaterhouseCoopers Inc. in office as auditors for the Company and its subsidiaries for the year ended 31 December 2024.

At the Annual General Meeting, the Shareholders will be requested to reappoint BDO South Africa Inc. as the independent external auditors of the Company and to confirm Ms S Kock as the designated lead audit partner for the 2025 annual financial year.

16. Events after the reporting period

The directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in the Annual Financial Statements, which would affect the operations of the Group or the results of those operations significantly.

17. Going concern

The Annual Financial Statements have been prepared on the basis of accounting applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

At 31 December 2024, the Group's assets, fairly valued, exceeded its liabilities. Furthermore, management assessed the Group's liquidity forecasts for a period of twelve months. Various scenarios have been considered to test the Group's resilience against operational risks and management concluded that the Group is a going concern.

Management has concluded that the Group's ability to continue to meet its financial obligations as they fall due is dependent on the Group's ability to continue to improve its performance.

The Group has short-term borrowings to the value of R19.2 million (2023: R15.8 million) as disclosed in note 11 of the Annual Financial Statements. The Group has an overdraft facility with First National Bank available of R417 million (2023: R224 million). The facility is due for renewal during July 2025.

The directors perform a property valuation every three to five years, with the latest independent valuation having been performed in 2023, management performs its own internal valuation every year. The market valuation of the properties was in excess of the carrying value at the time. The properties are stated at historical cost less accumulated depreciation and accumulated losses in line with the Group's accounting policy.

18. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008 of South Africa which indicated that the Group and Company are liquid and solvent.

Independent Auditor's Report

Independent Auditor's Report
To the Shareholders of
South Ocean Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of South Ocean Holdings Limited and its subsidiaries ("the group") set out on pages 69 to 119 which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of South Ocean Holdings Limited and its subsidiaries as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Overall Group materiality is R 25 670 000, which represents 1% of group revenue.

Consolidated revenue is the appropriate benchmark since it is consistent against which the performance of the group can be measured, as profit and loss before taxation year-on-year is volatile.

1% is a qualitative benchmark for profit orientated entities.

Independent Auditor's Report (continued)

BDO

Group Audit Scope

Our group audit was scoped by obtaining an understanding of the group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

The group consists of 6 entities that operate across South Africa and one foreign procurement subsidiary. Each of these are considered to be components for group scoping purposes. There is one holding company, 3 operating subsidiaries, 1 intermediary holding company, 1 property investment holding company and 1 foreign procurement subsidiary.

A full scope audit was performed on the holding company and South Ocean Electric Wire Company Proprietary Limited due to the significance of this component's contribution to revenue and the audit risk associated with these entities. An audit of financial statement line items for 2 other components were performed on group audit risks identified and analytical procedures were performed on the remaining financial line items of insignificant components.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of South Ocean Electric Wire Company Proprietary Limited ("SOEW") and Anchor Park Investments 48 Proprietary Limited ("Anchor Park") South Ocean Holdings Limited is required to perform an assessment of all of its assets when conditions exist or there are changes in circumstances that might indicate that the carrying value of these assets might not be recoverable. As at 31 December 2024, the market capitalisation of the company was lower than its net asset value, which was considered to be an impairment indicator. An impairment assessment was performed on the Group's two cash generating units ("CGU's") namely SOEW and Anchor Park to determine their recoverable amounts.	Our audit procedures for the impairment assessment of the carrying value of the CGU's included the following: • We obtained management's models with respect to their determination and assessment of the recoverable amount of the SOEW CGU; • Where appropriate, we involved our independent valuation expertise to perform the following procedures below: o The valuation methodology applied by management was assessed to confirm that the methodology applied to determine the recoverable amount was appropriate and in line with the requirements of IAS 36 – Impairment of Assets. The methodology was confirmed to be appropriate.

Independent Auditor's Report (continued)

The recoverable amounts were determined through an assessment of the higher of the CGU's value in use, or the fair value less costs to sell.

The relevant assumptions and judgements applied are included in note 9 to the consolidated financial statements.

We considered the impairment assessment of both CGU's to be a matter of most significance in our current year audit of the consolidated financial statements, due to the degree of estimation uncertainty and complexity of determining the recoverable amount of the CGU's based on certain estimates and assumptions.

Based on the results of the assessment, no impairment was accounted for in the current year's consolidated financial statements.

  - We tested the inputs applied to the cash flows prepared by management against approved budgets. No material exceptions were noted.
  - We assessed the reasonableness of management's budgeting process by comparing the budget for the year against actuals to ascertain whether the budgeting process is reasonable. Where differences were noted, we obtained corroborating evidence in relation to the explanations from management to support these differences. We found the budgeting process to be reasonable.
  - We independently recalculated the weighted average cost of capital discount rate (WACC), considering independently obtained data such as the risk-free rate, market risk premium, beta, small stock premium, cost of debt and the weighted average cost of capital for similar entities within the sector.

    The recoverable amount was recalculated based on application of the independently determined WACC to the free cash flows.
  - The recoverable amount recalculated was compared to that of management and no impairment was required.
  - We performed a sensitivity analysis to the relevant inputs to the valuation and found that no impairment to the recoverable amount was noted with respect to measurement purposes.
  - We compared the value in use of the CGU to the net asset value of the same CGU and noted that no impairment was required.
- We performed the following audit procedures with respect to the Anchor Park CGU:
  - Management obtained an independent valuation of the investment properties at fair value less costs to sell in the CGU in the 2023 financial year and updated the key inputs applied in the valuation by the independent valuator for changes in current market conditions as their

Independent Auditor's Report (continued)

director's valuation of the properties. The key inputs such as the rental per square meterage, the vacancy rate and the capitalisation rate was assessed independently to public available published rates of a reputable source. The rates applied were reasonable.

- We compared the fair value as determined by management to our recalculated fair value less costs to sell using our independent sourced rates and found that the fair value less costs to sell was reasonable.

We evaluated the adequacy of disclosures against the requirements of IFRS 13 Fair Value Measurement (refer note 9).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document "South Ocean Holdings Limited Consolidated Financial Statements for the year ended 31 December 2024, and the document titled " South Ocean Holdings Limited Annual Financial Statements for the year ended 31 December 2024" which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report 2024, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 or to cease operations, or have no realistic alternative but to do so.

Independent Auditor’s Report (continued)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of South Ocean Holdings Limited for 1 year.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Soné Jeanette Kock
Director
Registered Auditor

20 March 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position

for the year ended 31 December 2024

		Group	
Figures in Rand thousand	Notes	2024 R'000	2023 R'000
Assets			
Non-Current Assets			
Property, plant and equipment	3	**269 039**	242 226
Right-of-use assets	4	**73 741**	77 910
Investment in associates	35	**354**	9 045
Loans to associates	36	**263**	6 596
Deferred tax assets	5	**22 423**	11 897
		365 820	347 674
Current Assets			
Inventories	6	**510 973**	380 400
Trade and other receivables	7	**234 660**	273 329
Current tax receivable		**905**	175
Cash and cash equivalents	8	**121 452**	84 261
		867 990	738 165
Total Assets		**1 233 810**	1 085 839
Equity and Liabilities			
Equity			
Share capital	10	**461 343**	461 343
Reserves		**503**	521
Retained earnings		**247 784**	208 566
Non-controlling interest	29	**(27 705)**	–
		681 925	670 430
Liabilities			
Non-Current Liabilities			
Interest-bearing borrowings	11	**117 800**	66 206
Lease liabilities	4	**65 464**	68 064
Deferred tax liabilities	5	**23 612**	22 908
Share-based payments	12	**11 501**	2 294
		218 377	159 472
Current Liabilities			
Trade and other payables	13	**295 020**	214 978
Interest-bearing borrowings	11	**19 214**	15 804
Lease liabilities	4	**16 472**	14 839
Current tax payable		**429**	768
Share-based payments	12	**2 373**	9 548
		333 508	255 937
Total Liabilities		**551 885**	415 409
Total Equity and Liabilities		**1 233 810**	1 085 839

The accounting policies on pages 73 to 82 and the notes on pages 83 to 119 form an integral part of the Annual Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

Figures in Rand thousand	Notes	Group 2024 R'000	Group 2023 R'000
Revenue	14	**2 567 980**	2 363 575
Cost of sales	16	**(2 419 937)**	(2 135 324)
Gross profit		**148 043**	228 251
Other operating income	15	**24 659**	17 385
Administration expenses	16	**(47 689)**	(56 652)
Distribution expenses	16	**(6 034)**	(5 698)
Operating expenses	16	**(36 571)**	(49 459)
Movement in credit loss allowance	16	**465**	315
Share of net (loss)/profit from associates	35	**(2 885)**	8 763
Operating profit		**79 988**	142 905
Finance income	18	**4 704**	2 899
Finance costs	19	**(39 369)**	(25 040)
Profit before taxation		**45 323**	120 764
Taxation	20	**(11 432)**	(32 130)
Profit for the year		**33 891**	88 634
Other comprehensive (loss)/ income for the year net of taxation	21		
Foreign currency translation		**(18)**	60
Total comprehensive income for the year		**33 873**	88 694
Total comprehensive income attributable to:			
Equity holders of the parent		**46 018**	88 694
Non-controlling interest		**(12 145)**	–
Earnings per share			
Basic and diluted earnings per share (cents):	22	**16.67**	43.60

The accounting policies on pages 73 to 82 and the notes on pages 83 to 119 form an integral part of the Annual Financial Statements.

Statement of Changes in Equity

for the year ended 31 December 2024

Figures in Rand	Group						
	Share capital thousand R'000	Share premium R'000	Total share capital R'000	Foreign currency translation reserve* R'000	Retained earnings R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 January 2023	**1 743**	**459 600**	**461 343**	**461**	**133 593**	**(1 464)**	**593 933**
Profit for the year	–	–	–	–	88 634	–	88 634
Dividend paid	–	–	–	–	(12 197)	–	(12 197)
Other comprehensive income	–	–	–	60	–	–	60
Non-controlling interest reversed	–	–	–	–	(1 464)	1 464	–
Total income/(loss) for the year	**–**	**–**	**–**	**60**	**74 973**	**1 464**	**76 497**
Balance at 1 January 2024	**1 743**	**459 600**	**461 343**	**521**	**208 566**	**–**	**670 430**
Change in holdings	**–**	**–**	**–**	**–**	**15 560**	**(15 560)**	**–**
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**46 018**	**(12 145)**	**33 873**
Dividend paid	**–**	**–**	**–**	**–**	**(22 360)**	**–**	**(22 360)**
Other comprehensive loss	**–**	**–**	**–**	**(18)**	**–**	**–**	**(18)**
Total income/(loss) for the year	**–**	**–**	**–**	**(18)**	**39 218**	**(27 705)**	**11 495**
Balance at 31 December 2024	**1 743**	**459 600**	**461 343**	**503**	**247 784**	**(27 705)**	**681 925**
Note	10	10	10				

* The translation deficit represents the cumulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary company and also long-term loan of the subsidiary company, to the reporting currency.

The accounting policies on pages 73 to 82 and the notes on pages 83 to 119 form an integral part of the Annual Financial Statements.

Statement of Cash Flows

for the year ended 31 December 2024

		Group	
Figures in Rand thousand	Note	2024 R'000	2023 R'000
Cash flows from/(used in) operating activities			
Cash generated from operations	23	**110 908**	21 208
Interest received	18	**4 704**	2 899
Interest paid	19	**(39 369)**	(25 039)
Tax paid	24	**(22 323)**	(44 936)
Net cash from/(used in) operating activities		**53 920**	(45 868)
Cash flows used in investing activities			
Purchase of property, plant and equipment	3	**(46 539)**	(16 682)
Proceeds on disposal of property, plant and equipment	25	**434**	–
Proceeds on disposal of associates	35	**5 806**	–
Investment in associates		**–**	(282)
Advances on loan to associates	36	**–**	(12 898)
Repayments on loan to associates	36	**6 333**	8 234
Net cash used in investing activities		**(33 966)**	(21 628)
Cash flows from/(used in) financing activities			
Repayment of interest-bearing borrowings	26	**(16 355)**	(21 836)
Proceeds from interest-bearing borrowings	26	**71 359**	65 190
Payment of dividends	34	**(22 360)**	(12 197)
Repayment of lease liabilities	26	**(15 389)**	(13 392)
Net cash from financing activities		**17 255**	17 765
Total cash and cash equivalents movement for the year		**37 209**	(49 731)
Cash and cash equivalents at the beginning of the year		**84 261**	133 932
Effect of exchange rate movement on cash balances		**(18)**	60
Total cash and cash equivalents at end of the year	8	**121 452**	84 261

The accounting policies on pages 73 to 82 and the notes on pages 83 to 119 form an integral part of the Annual Financial Statements.

Accounting Policies

for the year ended 31 December 2024

1. Presentation of the Annual Financial Statements

General Information

South Ocean Holdings Limited ("the Company or Group") is a holding company of a number of subsidiaries whose businesses are involved in the manufacture and distribution of electrical wire and rental of property. It has investments in a number of associates whose businesses are involved in outlets for electrical wire.

The Company is a public limited company, which is listed on the Johannesburg Stock Exchange and is incorporated in South Africa.

Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Group financial statements have been prepared on the historical cost basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SA Financial reporting requirements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act). The Group have adopted all new accounting standards and interpretations that is relevant to the business that became effective in the current reporting period. The consolidated and separate financial statements are presented in South African Rands (R), which is the Group’s functional and the Group's presentation currency.

The preparation of Annual Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements are disclosed in note 1.16.

For the full view of the Annual Financial Statements of the Group, the user of the Annual Financial Statements should, in conjunction with this set, view the Company’s separate financial statements titled "South Ocean Holdings Limited Annual Financial Statements for the year ended 31 December 2024" separately. This can be found on the Company’s website at www.southoceanholdings.co.za.

1.1 Consolidation

Basis of consolidation

The Annual Financial Statements incorporate the Annual Financial Statements of the Company and all its subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and is deconsolidated from the date that the control ceases (disposal date).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless they provide evidence of impairment. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The results of the subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal.

Investments in associates

An associate is an entity in which the group has significant influence. The Group’s interests in associates are accounted for on the equity accounting basis.

Financial results of the associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity accounting method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in an associate. The Group determines at each statement of financial position date whether there is any objective evidence that the investment in the joint venture and associate is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate and the carrying value and recognises the amount in profit and loss.

The losses in the associate get recognised in profit and loss until the investment is written down to its nominal value. Equity accounting will apply once the associate has retained profits. Refer to note 36 of the notes to the consolidated financial statements for assessment of the recoverability of the loan receivable from the associate.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment comprises the purchase consideration and plus any acquisition costs and is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group; and the cost of the item can be measured reliably.

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Land is not depreciated, and capital work-in-progress is depreciated once the asset is available for use. Depreciation on other assets is calculated using the straight-line basis over its estimated useful lives, to the estimated residual value, as follows:

Item	Average useful life
Buildings	50 years
Plant and machinery	5–25 years
Furniture and fixtures	3–10 years
Motor vehicles	5–7 years

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Depreciation is recognised from the date when the assets are available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "operating expenses" in the Statement of Comprehensive Income.

Where the estimated residual value of an asset is above the carrying value, no depreciation is raised.

1.3 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

To assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially use all of the economic benefits from the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Low value assets are defined as any assets with a value of R200 000 or less when new.

Details of leasing arrangements where the Group is a lessee are presented in note 4 Leases (Group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.3 Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 16).

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 19).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation gets applied on a straight-line basis.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.4 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.5 Translation of foreign currencies

Functional and presentation currency

Items included in the Annual Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The Annual Financial Statements are presented in Rands which is the Group's presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the average exchange rate between the functional currency and foreign currency.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Annual Financial Statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Group companies

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- monetary assets and liabilities for each reporting date presented are translated at the closing rate at the reporting date;
- income and expenses for each item of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates in which case income and expenses are translated at the rate on the dates of the individual transactions); and
- all resulting exchange differences are recognised to other comprehensive income.

The cash flows of a foreign subsidiary are translated at the average exchange rates between the functional currency and the foreign currency or at the exchange rate applicable at the date of the respective cash flows, where applicable.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of manufactured goods is determined using the weighted average cost method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less variable selling expenses. There was no inventory write down recognised in the Statement of Comprehensive Income. Therefore, there were no significant judgements made in determining the variable selling expenses.

Provision is made for slow moving goods and obsolete inventories.

1.7 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell of disposal and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.8 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

Note 30, Financial instruments and risk management, presents the financial instruments held by the Group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT, deposits and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in finance income (note 18).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, deposits and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.8 Financial instruments (continued)

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. All trade receivables are credit insured. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in the Statement of Other Comprehensive Income and is separately disclosed in terms of IFRS 9.

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 30).

Borrowings

Classification

Interest-bearing borrowings (note 11) are classified as financial liabilities subsequently measured at amortised cost. Where the Group has an unconditional right to defer payments beyond 12 months, the obligation is classified as a non-current liability. If there is no right to defer the obligation, the obligation is classified as a current liability.

Recognition and measurement

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in finance costs (note 19).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 30 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 13), excluding VAT, payroll accruals and deposits, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in finance costs (note 19).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 30 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 30).

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.8 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at the bank, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution plans. The schemes are generally funded through payments to insurance companies or trustee-administered funds. A defined contribution plan is a pension or provident fund plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.10 Revenue recognition

The Group recognises revenue from the following major sources:

Revenue from contracts with customers:

- Sales of goods

Revenue other than from contracts with customers:

- Rental income

Revenue from contracts with customers is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties.

Sale of goods

The Group manufactures and sells copper and aluminium cables and conduit which is considered to represent a single performance obligation. Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

In majority of sales, transport is considered to be a fulfilment activity as the costs are incurred as the goods are shipped to the specific location and control of the goods transfer upon delivery to the customer's premises.

The goods are often sold with retrospective volume rebates to customers based on aggregate sales over a 12-month period. In addition, trade and settlement discounts are provided to customers when the criteria for early settlement have been met. Revenue is recognised based on the price specified in the contract, net of the estimated trade and settlement discounts and volume rebates. Accumulated experience is used to estimate and provide for the discounts and rebates, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group also provides a right of return to its customers. At the end of each reporting period it has been concluded that a significant reversal of cumulative revenue recognised in relation to goods sold as a result of the right of return provided will not occur from a change in the estimated returns. As a result, any impact from the right of return has been concluded to be immaterial.

No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. Due to the short period of time that elapses between the satisfaction of the performance obligation and billing of amounts due, no material contract assets are expected to arise at the reporting date. In addition, customer payments are also not received in advance, resulting in no contract liabilities having to be accounted for.

The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision. Customers do not have the ability to purchase warranties separately.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

1.11 Finance income

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Finance income on impaired loans and receivables are recognised using the original effective interest rate.

1.12 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Executive Committee that makes strategic decisions.

1.13 Tax

Current income tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes income tax liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.13 Tax (continued)

Deferred tax assets and liabilities

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.14 Share-based payments

Cash-settled share-linked instruments have been granted to certain employees in the Group. The fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and expensed over the period during which the employees are required to provide services to become unconditionally entitled to payment.

The fair value of the instrument granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employees' remuneration in employee costs (note 17).

1.15 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and judgements that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant estimates and judgements include:

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell of disposal and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised as an expense immediately and are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

Non-financial assets that were previously impaired are reviewed for possible reversal of impairment at each reporting date. Impairment losses are recognised as an expense immediately and are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, however, the increased carrying amount is limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years.

A reversal of an impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Accounting Policies (continued)

1. Presentation of the Annual Financial Statements (continued)

1.15 Significant judgements and sources of estimation uncertainty (continued)

Share-based payments (estimate)

The fair value of employee share appreciation rights granted are being determined using the Black-Scholes valuation model. The significant inputs into the model are: vesting period and conditions, risk free interest rate, volatility, price on date of grant and dividend yield. (Refer to note 12 for details on each of the share option schemes).

Tax (judgement and estimate)

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Impairment of inventory (estimate)

The Company provides for slow moving goods and will write off obsolete materials where required.

The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date. The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

1.16 Related party transactions

All subsidiaries, major shareholders and key management personnel of the Group are related parties. A list of all transactions with major subsidiaries, major shareholders and key management personnel is included in note 27. All transactions entered into with subsidiaries were on terms no more favourable than those with third parties and have been eliminated in the consolidated Group accounts. There were no other material contracts with related parties.

1.17 Earnings/(loss) per share

Earnings/(loss) per share is based on attributable earnings/(loss) for the year divided by the weighted average number of ordinary shares in issue during the year. Diluted earnings/(loss) per share is presented when the inclusion of potential ordinary shares have a dilutive effect on the earnings/(loss) per share.

1.18 Headline earnings/(loss) per share

Headline earnings/(loss) per share is based on the same calculation as above, except that attributable loss specifically excludes items as set out in Circular 1/2023: “Headline Earnings” issued by The South African Institute of Chartered Accountants. Fully diluted headline earnings/(loss) per share is presented when the inclusion of potential ordinary shares has a dilutive effect on headline earnings/(loss) per share.

1.19 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.20 Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Group financial statements in the period in which the dividends are approved by the Company directors.

Notes to the Annual Financial Statements

for the year ended 31 December 2024

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Impact:
IFRS 16 Leases (Amendment – Lease Liability in a Sale and Leaseback) • *The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022.* • *The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right-of-use retained by the seller-lessee.*	1 January 2024	The impact of this standard is not applicable
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current) • *The IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.* • *The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.*	1 January 2024	The impact of this standard is not material
IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with Covenants) • *Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022.* • *If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.* • *The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.*	1 January 2024	The impact of this standard is not material
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements) • *On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).* • *These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements — Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time.* • *During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments.* • *The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.*	1 January 2024	The impact of this standard is not material

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective in the current year

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory and relevant for the Group's accounting periods beginning on or after 1 January 2025 or later periods:

<table>
<tr><th>Standard/Interpretation:</th><th>Effective date: Years beginning on or after</th><th>Impact:</th></tr>
<tr><td>IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)
On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.
The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023.
The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.</td><td>1 January 2025</td><td>Unlikely there will be a material impact</td></tr>
<tr><td>IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (Amendment – Classification and Measurement of Financial Instruments)
In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:
Derecognition of financial liabilities
Derecognition of financial liabilities settled through electronic transfers
Classification of financial assets
Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – 'SPPI test')
Contractual terms that change the timing or amount of contractual cash flows
Financial assets with non-recourse features
Disclosures
Investments in equity instruments designated at fair value through other comprehensive income
Contractual terms that could change the timing or amount of contractual cash flows
The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.
The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.</td><td>1 January 2026</td><td>Unlikely there will be a material impact</td></tr>
<tr><td>IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027.
IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:
The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.</td><td>1 January 2027</td><td>Likely to be a material impact. Effect to be determined.</td></tr>
</table>

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

3. Property, plant and equipment

Group	2024 Cost R'000	2024 Accumulated depreciation R'000	2024 Carrying value R'000	2023 Cost R'000	2023 Accumulated depreciation R'000	2023 Carrying value R'000
Buildings	**102 461**	**(13 987)**	**88 474**	102 461	(12 983)	89 478
Plant and machinery	**290 286**	**(161 358)**	**128 928**	291 014	(162 917)	128 097
Furniture and fixtures	**29 092**	**(26 077)**	**3 015**	27 162	(24 690)	2 472
Motor vehicles	**12 645**	**(9 043)**	**3 602**	14 171	(9 919)	4 252
Capital work-in-progress	**45 020**	**–**	**45 020**	17 927	–	17 927
Total	**479 504**	**(210 465)**	**269 039**	452 735	(210 509)	242 226

Reconciliation of property, plant and equipment – Group – 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	**89 478**	**–**	**–**	**–**	**(1 004)**	**88 474**
Plant and machinery	**128 097**	**305**	**–**	**16 416**	**(15 890)**	**128 928**
Furniture and fixtures	**2 472**	**–**	**–**	**1 988**	**(1 445)**	**3 015**
Motor vehicles	**4 252**	**–**	**(214)**	**737**	**(1 173)**	**3 602**
Capital work-in-progress	**17 927**	**46 234**	**–**	**(19 141)**	**–**	**45 020**
	242 226	**46 539**	**(214)**	**–**	**(19 512)**	**269 039**

Reconciliation of property, plant and equipment – Group – 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	90 482	–	–	–	(1 004)	89 478
Plant and machinery	94 123	12 223	–	36 478	(14 727)	128 097
Furniture and fixtures	2 829	1 547	–	–	(1 904)	2 472
Motor vehicles	4 438	837	–	–	(1 023)	4 252
Capital work-in-progress	52 330	2 075	–	(36 478)	–	17 927
	244 202	**16 682**	**–**	**–**	**(18 658)**	**242 226**

Cost and accumulated depreciation for property, plant and equipment, at the start of the comparative year was R436 053 000 and (R191 851 000) respectively.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

3. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

Carrying value of assets pledged as security for interest-bearing borrowings (note 11):

	Group	
	2024 R'000	2023 R'000
Buildings	**88 474**	89 478
Plant and machinery	**30 523**	34 409

A register containing the information required by Regulation 25(3) of the Companies Regulations is available for inspection at the registered office of the Company.

4. Right-of-use assets (Group as lessee)

The Group leases several assets consisting of buildings and motor vehicles. The average lease term for buildings is six years and motor vehicles is five years. The interest rate for buildings and motor vehicles ranges from 6% to 11.25%. The buildings are subject to a 6% annual escalation clause. There is an option to extend and/or to terminate the contracts on buildings. The contracts have no residual values, guarantees or restrictions. The net cash outflow effect will be R154 356 113 should the option to extent be exercised. There are no leases not yet commenced to which the Company is committed and there are no residual value guarantees in place either.

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Group	
	2024 R'000	2023 R'000
Buildings	**60 761**	75 601
Motor vehicles	**12 980**	2 309
	73 741	77 910
Additions to right-of-use-assets		
Building	**–**	90 721
Motor vehicles	**14 422**	–
	14 422	90 721
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets, is presented below and is included in the total depreciation charge in profit or loss (note 16).		
Buildings	**14 840**	15 120
Motor vehicles	**3 751**	2 586
	18 591	17 706
Other disclosures		
Interest expense on lease liabilities	**5 292**	5 460
Capital repayment on lease liabilities	**15 389**	13 392
Total cash outflow for leases	**20 681**	18 852
Leases of low value assets included in operating expense	**501**	526
Lease liabilities		
Non-current liabilities	**65 464**	68 064
Current liabilities	**16 472**	14 839
	81 936	82 903

Refer to note 30 Financial instruments and financial risk management for details of the maturity analysis of lease liabilities and the liquidity risk exposure and management.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

5. Deferred tax

The deferred tax asset and the deferred tax liabilities are calculated on all temporary differences under the liability method using a principal taxation rate of 27%. Deferred taxation asset and liabilities are offset when the income taxes relate to the same legal entity, and there is a legal right to offset at settlement. The amount disclosed in the statement of financial position is analysed as follows:

	Group	
	2024 R'000	2023 R'000
Deferred tax asset		
Accruals	**10 057**	9 637
Estimated assessed loss	**21 899**	10 164
Lease liabilities	**25 720**	3 523
ECL allowance on receivables	**366**	292
Total deferred tax asset	**58 042**	23 616
Deferred tax liability		
Property plant and equipment	**(39 578)**	(34 359)
ROU assets	**(19 653)**	(268)
Total deferred tax liability	**(59 231)**	(34 627)
Deferred tax asset	**22 423**	11 897
Deferred tax liability	**(23 612)**	(22 908)
Total net deferred tax liability	**(1 189)**	(11 011)
Reconciliation of deferred tax (liability)/asset		
At beginning of year	**(11 011)**	(18 785)
Current year tax losses raised	**11 735**	10 686
Temporary differences on capital allowances	**(5 219)**	(262)
Temporary differences on accruals	**494**	(1 226)
Section 45 roll over relief utilised	**–**	(1 424)
Movement in leases	**2 812**	–
At end of year	**(1 189)**	(11 011)
Disclosed as		
Non-current assets	**22 423**	11 897
Non-current liabilities	**(23 612)**	(22 908)
	(1 189)	(11 011)

Recognition of deferred tax asset

The Group recognises a deferred tax asset when a loss is incurred in either the current or preceding period and the Group expects future taxable profits based on budgets and forecasted cash flows. Utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. The Group expect to recover this after 12 months.

Unremitted earnings from a foreign entity

The unremitted earnings from foreign entities are a loss of R91 038 (2023: R2 142 loss). Deferred tax on the future remittances has not been provided for as the future dividends will not be subject to tax in South Africa.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
6. Inventories		
Raw materials, components	**42 407**	69 277
Work in progress	**337 437**	216 105
Finished goods	**110 449**	75 952
Consumable stores	**20 680**	19 066
	510 973	380 400

The cost of inventories recognised as an expense and included in cost of sales is R2 322 206 128 (2023: R1 994 175 281).

	Group	
	2024 R'000	2023 R'000
7. Trade and other receivables		
Financial instruments:		
Trade receivables	**233 506**	258 797
Other receivables	**1 886**	3 300
Deposits	**266**	266
Loss allowance	**(2 364)**	(2 830)
Trade receivables at amortised cost	**233 294**	259 533
Non-financial instruments:		
VAT receivable	**1 241**	10 755
Prepayments	**125**	3 041
Total trade and other receivables	**234 660**	273 329
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:		
Financial instruments	**233 294**	259 533
Non-financial instruments	**1 366**	13 796
	234 660	273 329

Trade and other receivables pledged as security

65% (2023: 60%) of the carrying value of trade and other receivables were pledged as security for overdraft facilities limited to R417 479 179 (2023: R224 000 000) of the Group. At year end the overdraft amounted to Rnil (2023: Rnil).

Trade receivables are insured with Credit Guarantee Insurance Corporation of South Africa Limited. The Group is exposed to 15% (2023: 20%) trade receivables within their credit limits and 100% of trade receivables in excess of their approved credit limits. No trade receivables were in excess of their credit limit.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are subject to enforcement activities.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors, but also incorporates forward-looking information, including competition in the industry, volatility of copper prices and demand, and other factors such as industry stability and unemployment levels.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

7. Trade and other receivables (continued)

Safe for an isolated event in the 61 to 90 day category the Group has an improved outlook towards the factors influencing the market conditions. Trade receivables default is defined by a customer exceeding its approved trading terms. 90% of all customers have payment terms of 30 to 60 days. Trade receivables are considered to be past due the standard approved trading terms which is between 30 and 60 days and the repayment profile of the customers. 60 days past due is considered to be an appropriate indicator of default when considered against the Group's customer base, the trading terms for which are predominantly 30 to 60 days. This is also informed by the Group's extensive experience with its customer base.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is as follows:

	Group			
	2024		2023	
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 0.52% (2023: 0.30%)	**98 932**	**519**	66 854	205
Less than 30 days past due: 0.61% (2023: 0.55%)	**75 989**	**467**	128 568	709
31–60 days past due: 0.12% (2023: 0.37%)	**42 383**	**51**	41 100	152
61–90 days past due: 8.20% (2023: 8.44%)	**16 202**	**1 328**	22 275	1 764
Total	**233 506**	**2 365**	258 797	2 830

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	Group	
	2024 R'000	2023 R'000
Opening balance	**(2 830)**	(3 145)
Movement in expected credit losses on trade receivables*	**465**	(315)
Closing balance	**(2 365)**	(2 830)

* None of the expected credit losses were utilised and the expected credit losses relates to existing customers.

Trade receivables balance in the 61–90 days bucket decreased in the current year because of improved debtor terms with existing customers. This resulted in the decrease in the loss allowance in the current year.

Due to the short-term nature of trade and other receivables, the carrying amount is considered to be the same as the fair value.

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables are denominated in the following currency:

	Group	
	2024 R'000	2023 R'000
Rand amount		
Rand	**234 660**	270 551
US Dollar	**–**	2 762
Euro	**–**	16
	234 660	273 329

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	**121 443**	84 242
Cash on hand	**9**	19
	121 452	84 261

Exposure to currency risk

The net carrying amounts, in Rand, of cash and cash equivalents, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

	Group	
	2024 R'000	2023 R'000
Rand amount		
Rand	**120 234**	86 627
US Dollar	**4**	2 345
Hong Kong Dollar	**1 213**	1 288
Euro	**1**	1
	121 452	84 261
Disclosed as		
Current assets	**121 452**	84 261

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

BB- (2023: Bb-) – First National Bank, a division of FirstRand Bank Limited

AA- (2023: A+) – HSBC Hong Kong

There has been an increase in the credit risk of the banks, however, the Group has determined that no expected credit loss is required.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

9. Impairment assessment

An impairment assessment was performed to determine if the recoverable amounts of the two cash generating units (CGUs), namely South Ocean Electric Wire Company Proprietary Limited (SOEW) and Anchor Park Investments 48 Proprietary Limited (Anchor Park), exceeded the net asset value of the Group included in the Statements of Financial Position. The market capitalisation of the company is lower than its net asset value which was an impairment indicator at Group level. This assessment and disclosure was included in the annual financial statements for this purpose.

The following valuation methods were used:

- SOEW CGU – Income approach to calculate the value-in-use
- Anchor Park CGU – Fair value less costs of disposal

The debt of both units was then deducted from the values calculated above to determine the value of the businesses.

The recoverable amount of the SOEW CGU is determined based on the higher of its value-in-use or fair value less costs of disposal. Value-in-use calculations are prepared using cash flow projections based on financial budgets approved by management and cover a five-year period. The estimated growth rates applied are in line with that of the industries in which the companies operate and are materially similar to assumptions of external market sources. The CGU's recoverable amount is most sensitive to the growth rate and gross margin assumptions applied. Management assumed budgeted gross margins and growth rates for the first five years based on past performance and best estimates regarding forecasts. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The discount rates used are pre-tax and reflect the appropriate risk associated with the industry and respective business.

In addition to the assumptions mentioned above, the other key assumptions used for value-in-use calculations are as follows:

- Terminal growth rate – (Weighted average growth rate used to extrapolate cash flows into perpetuity) 5.0% (2023: 5.0%).
- Discount rate – (Weighted pre-tax discount rate applied to the cash flow projections) 16.2% (2023: 20.2%).
- Revenue growth rate – (Average growth rate applied to the revenue cash flow projections) 9.5% (2023: 10.0%)
- Gross profit rate – (Average growth rate applied to the cash flow projections) 8.6% (2023: 10.0%)

The recoverable amount of the Anchor Park CGU is determined based on the higher of its value-in-use or its fair value less costs of disposal. The fair value of the properties was determined by management. The value was performed using a single year's cash flow and applying a capitalisation rate which is the ratio between the net operating income produced by the asset and its capital cost. The single year cash flow was calculated using the square meters available for rental multiplied by the expected market rental per square meter and deducting operating expenses using an expected operating expenses ratio in relation to the derived revenues based on the market rental per square meter. All rates used in the calculation was obtained from publicly available rates prepared by a reputable source. The calculation represents the open market value of the properties.

A summary of the key assumptions used for fair value calculations are as follows:

- Vacancy allowance 3.0% – 5.0% (2023: 3.0% – 5.0%).
- Capitalisation rate – (weighted average rate used to calculate the market value of the property) 11.0% (2023: 11.0%).

After calculating the value for the individual CGUs, the individual results were reduced by the associated debt and these amounts were compared to the carrying value of the underlying assets and liabilities in the CGUs, and no impairment losses were identified.

After calculating the individual recoverable amount of the CGUs and comparing it to the net asset value of each CGU, no impairment were identified and recognised for the Group in 2024 (2023: Rnil).

Sensitivity analysis

SOEW and Anchor Park sensitivity analysis assessments indicated that there was significant headroom available therefore no sensitivity analysis disclosed.

	Group	
	2024 R'000	2023 R'000
10. Share capital		
Authorised		
500 000 000 ordinary shares of R0.01 each	**5 000**	5 000
Issued		
203 276 794 fully paid ordinary shares	**1 743**	1 743
Share premium	**459 600**	459 600
	461 343	461 343

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
11. Interest-bearing borrowings		
Mortgage bond		
First National Bank, a division of FirstRand Bank Limited: 3-000-013-732-425	**–**	373
First National Bank, a division of FirstRand Bank Limited: 3-000-013-460-751	**–**	30 000
First National Bank, a division of FirstRand Bank Limited: 3-000-017-904-697	**–**	17 229
First National Bank, a division of FirstRand Bank Limited: 3-000-021-317-784	**106 491**	–
Other loans		
Instalment sales agreement	**30 523**	34 408
	137 014	82 010
Non-current liabilities		
Mortgage bonds	**99 438**	43 089
Instalment sales agreements	**18 362**	23 117
	117 800	66 206
Current liabilities		
Mortgage bonds	**7 053**	4 513
Instalment sales agreements	**12 161**	11 291
	19 214	15 804

Refer to note 30 Financial instruments and financial risk management for details of the maturity analysis of interest-bearing borrowings and the liquidity risk exposure and management.

Borrowing powers

The Company's Memorandum of Incorporation does not limit the Company's borrowing powers.

Securities

The interest-bearing borrowings are secured as follows:

First National Bank, a division of FirstRand Bank Limited

The loans are secured by first covering mortgage bond over the following properties:

Loan agreement 3-000-013-732-425 for an initial R68 665 000

Erf 688 Alrode Extension 2 for R30 000 000 and a cession of all rights, title and interest in, and to any existing and future income derived from rental of the property, and all rental agreements in respect of the property in favour of First National Bank Limited, suretyship for R400 000 000 by South Ocean Electric Wire Company Proprietary Limited and Anchor Park Investments 48 Proprietary Limited. The interest is payable at First National Bank's prime lending rate less 0.50% per annum. The prime lending rate at year end is 11.25% (2023: 11.75%). The loan was repayable in monthly instalments of R417 649 (2023: R471 642) inclusive of interest. Covenant includes that the loan as a ratio to the value of the mortgaged property may not exceed the loan-to-value for the term of the loan. There have been no breaches and were compliant and has been settled in full the financial year ended 31 December 2024.

Loan agreement 3-000-013-460-751 for an initial R14 918 150

Erf 637 Alrode Extension 4 Township of R14 918 150 and a cession of all rights, title and interest in, and to any existing and future income derived from rental of the property, and all rental agreements in respect of the property in favour of First National Bank. The interest is payable at First National Bank's prime lending rate less 0.50% per annum. The prime lending rate at year end is 11.25% (2023: 11.75%). The loan was repayable in monthly instalments of R143 000 (2023: R183 854) inclusive of interest. Covenant includes that the loan as a ratio to the value of the mortgaged property may not exceed the loan-to-value for the term of the loan. There have been no breaches and were compliant and have been settled in full during the financial year ended 31 December 2024.

Loan agreement 3-000-013-460-697 for an initial R20 200 000

Erf 685 Alrode Extension 2 Township of R24 000 000 and a cession of all rights, title, and interest in, and to any existing and future income derived from rental of the property, and all rental agreements in respect of the property in favour of First National Bank. The interest is payable at First National Bank's prime lending rate less 0.50% per annum. The prime lending rate at year end is 11.25% (2023: 11.75%). The loan was secured by a cross suretyship for R300 000 dated 13 May 2019 by Anchor Park and SOEW, and a cross suretyship for R30 000 000 dated 23 June 2021 by Anchor Park and SOEW. The loan is repayable in monthly instalments of R276 589 (2023: R276 589) inclusive of interest. Covenant includes that the loan as a ratio to the value of the mortgaged property may not exceed the loan-to-value for the term of the loan. There have been no breaches and were compliant and have been settled in full during the financial year ended 31 December 2024.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

11. Interest-bearing borrowings (continued)

Loan agreement 3-000-021-317-784 for an initial R108 000 000

Erf 685 and Erf 688 Alrode Extension 2 Township and Erf 637 Alrode Extension 4 Township of R29 000 000, R54 000 000 and R25 000 000 respectively and a cession dated 16 September 2021 of all rights, title and interest in, and to any existing and future income derived from rental of the property, and all rental agreements in respect of the property in favour of First National Bank. The interest is payable at First National Bank's prime lending rate less 1.40% per annum. The prime lending rate at year end is 11.25%. The loan is secured by a cross suretyship for R300 000 000 dated 15 July 2024 by Anchor Park and SOEW, and by a combined cross suretyship for R250 000 000 by Anchor Park and SOEW. The loan is repayable in monthly instalments of R1 434 106 inclusive of interest. Covenant includes that the loan as a ratio to the value of the mortgaged property may not exceed the loan-to-value for the term of the loan. There have been no breaches and were compliant for the financial year ended 31 December 2024.

Other loans

Instalment sale agreements are secured by the underlying assets with a net book value of R30 523 119 (2023: R34 408 516), bear interest at rates varying from 11.25% to 11.75% (2023: ranged between 11.25% to 11.75%) and are repayable over 36 months (note 3).

Exposure to liquidity risk

Refer to note 30 Financial instruments and financial risk management for details of liquidity risk exposure and management. For the borrowings, the fair values are not materially different from their carrying amounts since the interest payable on those borrowings are close to current market rates.

Banking facilities

The following securities are held by the Group's bankers:

First National Bank Limited, a division of FirstRand Bank Limited

The Group has an overdraft facility with First National Bank of R417 million (2023: R224 million). The facility is secured by a cession of the Group's trade receivables, a cession of trade receivables cover policy with Credit Guarantee Insurance Corporation of Africa Limited, a general notarial bond over stock for the amount of R135 million (2023: R75 million), as well as noting the bank's interest and deed of negative pledge of assets. The facility, when utilised, bears interest at prime (2023: prime). The unused facility at year end amounted to R417 million (2023: R224 million). The facility is renewable annually in July. The Group has an instalment sale facility of R60 million (2023: R60 million) with the same bank, of which R29.4 million (2023: R25.6 million) was un-utilised at year end.

12. Share-based payment liabilities

Share Appreciation Rights (SAR) – Long-term incentive plan

The Group has a 100% cash-settled Share Appreciation Rights (SAR) plan in place, which has been in place since 2009. The next SARs were eligible to be exercised in 2024, if not exercised in 2024, they can be exercised in 2025. The fair value of the rights was calculated using the Black-Scholes Valuation Model. The assumptions used in determining the fair value of each SAR granted as at the end of the respective reporting periods are summarised as follows:

	2024	2023
Share price (Volume Weighted Average Price)	**R1.85**	R1.17
Strike price: SOH	**R1.97**	R1.24
Strike price: SOEW	**R62.48**	R39.49
Spot price: SOH	**R1.97**	R1.24
Spot price: SOEW	**R92.44**	R67.87
Dividend yield	**0.00%**	0.00%
Volatility	**60.00%**	60.00%

Expected SAR life: Three years, may be extended at the option of the holder for one more year.

Risk-free rate: Zero coupon perfect fit swap curve from the JSE Debt Market of South Africa.

The volatility was determined by applying the equally weighted methodology to the historical share prices of SOH. The spot price of the rights in the subsidiary is determined using three-year average profit after tax.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

12. Share-based payment liabilities (continued)

	Group	
	2024 R'000	2023 R'000
Rights granted		
Grant date	**1 January 2024**	1 January 2023
Grant price: SOEW	**R62.48**	R39.49
Grant price: SOH	**R1.85**	R1.24
Number of units granted	**4 580**	4 580
Reconciliation of liability		
Opening balance	**11 842**	9 245
Change in statement of comprehensive income	**2 032**	2 597
Closing balance	**13 874**	11 842
Non-current liabilities	**11 501**	2 294
Current liabilities	**2 373**	9 548
	13 874	11 842

	Number of SAR units 2024	Number of SAR units 2023
Reconciliation of units		
Opening balance	**11 049**	9 045
Units granted	**6 122**	4 580
Equity units forfeited/Encashment of units	**(5 530)**	(2 576)
Closing balance	**11 641**	11 049

Units comprise a combination of SOH and SOEW units.

At year end 1 563 413 (2023: 1 378 501) shares have vested with an intrinsic value of R871 989 (2023: R6 757 924).

	Number of SAR units	**Value R'000**
Directors interest in long-term incentive plans		
2024		
A Smith	**6 329**	**4 744**
W Basson	**3 229**	**2 398**
2023		
A Smith	**3 268**	**292**
W Basson	**4 517**	**2 733**

	Number of SAR units 2024	Number of SAR units 2023
Reconciliation of units		
Opening balance	**7 785**	4 394
Units granted	**4 604**	3 391
Equity units forfeited/Encashment of units	**(2 831)**	–
Closing balance	**9 558**	7 785

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group 2024 R'000	Group 2023 R'000
13. Trade and other payables		
Financial instruments:		
Trade payables	**234 696**	177 369
Accruals*	**45 832**	29 795
Deposits received	**212**	212
Non-financial instruments:		
Payroll accruals	**7 608**	7 349
South African Revenue Services – VAT payable	**6 672**	253
	295 020	214 978
Financial instrument and non-financial instrument components of trade and other payables		
Financial instruments	**280 740**	207 376
Non-financial instruments	**14 280**	7 602
	295 020	214 978

* Accruals mainly consist of audit fees, printing and stationery, professional fees and legal fees.

Exposure to currency risk

The trade and other payables are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

	Group 2024 R'000	Group 2023 R'000
Rand amount		
US Dollar	**57 778**	119
Euro	**(721)**	–
	57 057	119

The carrying amounts of trade and other payables are considered to be the same as their fair values due to the short-term nature. Refer to note 30 Financial instruments and financial risk management for details of liquidity risk exposure and management.

	Group 2024 R'000	Group 2023 R'000
14. Revenue		
Revenue from contracts with customers		
Sale of goods	**2 567 980**	2 363 207
	2 567 980	2 363 207
Revenue other than from contracts with customers		
Rental income	**–**	368
	–	368
	2 567 980	2 363 575
Disaggregation of revenue from contracts with customers		
The Group disaggregates revenue from customers as follows:		
Sale of goods at a point in time		
Copper cable sold	**2 436 239**	2 291 352
Aluminium cable sold	**115 422**	55 540
Conduit sold	**16 319**	16 315
Total revenue from contracts with customers	**2 567 980**	2 363 207

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
15. Other operating income		
Profit on exchange differences	**23 466**	16 263
Profit on the sale of assets	**220**	–
Sundry income	**973**	1 122
	24 659	17 385
16. Expenses by nature		
The total cost of sales, administrative expenses, distribution expenses and other operating expenses are analysed by nature as follows:		
Cost of sales		
Depreciation	**14 961**	14 727
Electricity and water	**41 760**	33 726
Employee benefit expense (refer to note 17)	**134 010**	111 064
Rental	**13 920**	15 944
Changes in inventories of finished goods and WIP	**(130 465)**	(87 549)
Motor vehicle expenses	**5 593**	5 483
Other expenses	**(385)**	34 537
Raw materials and consumables purchased	**2 322 206**	1 994 175
Repairs and maintenance	**18 337**	13 217
Administration expenses		
Auditors' remuneration	**3 200**	3 818
Depreciation	**1 427**	2 905
Advertising	**715**	327
Employee benefit expense (refer to note 17)	**36 564**	35 373
Legal fees	**1 097**	(4 969)
Other expenses	**119**	15 495
Security expenses	**4 567**	3 703
Distribution expenses		
Other expenses	**6 034**	5 698
Operating expenses		
Depreciation	**7 360**	18 731
Electricity and water	**2 757**	1 710
Employee benefit expense (refer to note 17)	**6 199**	6 438
Insurance – trade receivables	**4 498**	4 279
Insurance – other	**6 894**	5 305
Low value leases	**501**	526
Motor vehicle expenses	**4 630**	5 083
Other expenses	**529**	5 905
Consumables purchased	**–**	468
Repairs and maintenance	**3 203**	1 014
Movement in credit loss allowance		
Loss allowance movement	**(465)**	(315)
Total cost of sales, administration, distribution and operating expense	**2 509 766**	2 246 818

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
17. Employee benefit expense		
Salaries, wages and bonuses	**167 595**	143 220
Share-based payment expense	**2 032**	2 597
Pension and provident fund contributions	**7 146**	7 058
	176 773	152 875

The employees of the Group are the members of the following contribution plans:

- Alexander Forbes Access Retirement Fund
- MEIBC Provident Fund

	Group	
Number of persons employed at 31 December		
Full time	**473**	461
Part time	**104**	107
	577	568

	Group	
	2024 R'000	2023 R'000
18. Finance income		
Bank and other cash	**2 578**	1 786
Other	**2 126**	1 113
Total finance income	**4 704**	2 899
19. Finance costs		
Mortgage bonds	**6 416**	4 337
Bank overdraft	**24 118**	12 679
Lease liabilities	**5 292**	5 460
Other	**3 543**	2 564
Total finance costs	**39 369**	25 040

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group 2024 R'000	Group 2023 R'000
20. Tax		
Major components of the tax expense /(income)		
Current		
Local income tax – current period	**21 254**	37 647
Local income tax – prior period under provision	**–**	2 257
	21 254	39 904
Deferred		
Originating and reversing temporary differences – current period	**(7 665)**	(9 198)
Originating and reversing temporary differences – prior period	**(2 157)**	–
Section 45 roll over relief utilised	**–**	1 424
	11 432	32 130
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting profit	**45 323**	120 764
Tax at the applicable tax rate of 27% (2023: 27%)	**12 237**	32 606
Tax effect of adjustments on taxable income		
Expenses of a capital nature which are deductible	**(114)**	(4 157)
Non-taxable income	**1 466**	–
Local income tax – prior period under provision	**–**	2 257
Deferred tax – prior period	**(2 157)**	–
Section 45 roll over relief utilised	**–**	1 424
	11 432	32 130

	Gross	Tax	Net
21. Other comprehensive (loss) income			
Components of other comprehensive (loss) – Group – 2024			
Items that may be reclassified to (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	**(18)**	**–**	**(18)**
	(18)	**–**	**(18)**
Components of other comprehensive income – Group – 2023			
Items that may be reclassified to income			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	60	–	60
	60	–	60

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group	
	2024 R'000	2023 R'000
22. Earnings per share		
Basic and diluted earnings per share (cents)	**16.67**	43.60
Profit for the year	**33 891**	88 634
Headline earnings per share		
Headline earnings and diluted headline earnings per share (cents)	**16.59**	43.60
Reconciliation between earnings and headline earnings		
Profit for the year	**33 891**	88 634
Profit on disposal of property, plant and equipment	**(220)**	–
Tax effect on adjustments	**59**	–
Headline earnings	**33 730**	88 634
Number of shares in issue ('000)	**203 277**	203 277
Headline and diluted headline earnings (cents)	**16.59**	43.60
Weighted average number of shares		
Number of shares	**203 276 794**	203 276 794
Weighted average number of shares in issue at the beginning of the year	**203 276 794**	203 276 794
Weighted average number of shares in issue at the end of the year	**203 276 794**	203 276 794
23. Cash generated from operations		
Profit before taxation from operations	**45 323**	120 764
Adjustments for:		
Depreciation	**38 103**	36 364
Finance income	**(4 704)**	(2 899)
Finance costs	**39 369**	25 040
Share-based payment provision	**2 032**	2 597
Profit on disposal of property, plant and equipment	**(220)**	–
Share in net loss/(profits) from associates	**2 885**	(8 763)
Other non-cash items	**(18)**	–
Changes in working capital:		
Inventories	**(130 573)**	(85 048)
Trade and other receivables	**38 669**	(69 380)
Trade and other payables	**80 042**	2 533
	110 908	21 208
24. Tax paid		
Balance at beginning of the year	**(593)**	(5 625)
Current tax for the year recognised in profit or loss	**(21 254)**	(39 904)
Balance at end of the year	**(476)**	593
	(22 323)	(44 936)

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

	Group 2024 R'000	Group 2023 R'000
25. Proceeds on disposal of property, plant and equipment		
Profit on disposal of property, plant and equipment	**220**	–
Net book value of assets disposed of	**214**	–
	434	–
26. Net debt reconciliation		
Cash and cash equivalents	**121 452**	84 261
Interest-bearing borrowings repayable within one year	**(19 214)**	(15 804)
Interest-bearing borrowings repayable after one year	**(117 800)**	(66 206)
Lease liabilities repayable within one year	**(16 472)**	(14 839)
Lease liabilities repayable after one year	**(65 464)**	(68 064)
Net debt	**(97 498)**	(80 652)

Net debt movement reconciliation – Group	Cash and cash equivalents	Interest-bearing borrowings	Lease liabilities	Total
Balance at 1 January 2023	133 932	(38 656)	(5 574)	89 702
Cash movement capital repayments	(49 731)	21 836	13 392	(14 503)
Cash movement interest repayments	–	4 337	5 460	9 797
Funds advanced	–	(65 190)	–	(65 190)
Non-cash movement*	60	(4 337)	(96 181)	(100 458)
Balance at 1 January 2024	**84 261**	**(82 010)**	**(82 903)**	**(80 652)**
Cash movement capital repayments	**(13 621)**	**16 355**	**15 389**	**18 123**
Cash movement interest repayments	**(24 118)**	**6 416**	**5 292**	**(12 410)**
Funds advanced	**74 948**	**(71 359)**	**–**	**3 589**
Non-cash movement*	**(18)**	**(6 416)**	**(19 714)**	**(26 148)**
Balance at 31 December 2024	**121 452**	**(137 014)**	**(81 936)**	**(97 498)**

* Non-cash movement includes interest, instalment sales and right-of-use liability.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

27. Related parties

Relationships

Directors	KH Pon HL Li N Lalla M Chong JH Yeh J van Rensburg MM Hohman LL Chen A Smith WP Basson DJC Pan (Alternate) SN Yeh (Alternate)
Subsidiaries	Anchor Park Investments 48 Proprietary Limited Icembu Holdings Proprietary Limited Icembu Cables Proprietary Limited Icembu Services Proprietary Limited South Ocean Electric Wire Company Proprietary Limited South Ocean Electric Wire Company Namibia Proprietary Limited SOH Calibre International Limited
Associates	Global Cables PE Proprietary Limited Global Cables PTA Proprietary Limited Global Cables DBN Proprietary Limited Global Cables CPT Proprietary Limited Global Cables NLP Proprietary Limited The Electric Owl Proprietary Limited The Electric Owl KZN Proprietary Limited Power Cable Trading Proprietary Limited Lomami SARI Niehoff Electrical Warehouse Proprietary Limited Mwanga Afrika Cables Proprietary Limited Powerhouse Reman Mozambique NC Dynamic Desert Energy Proprietary Limited Green Energy SOEW Proprietary Limited

Dividends paid to directors were as follows:

	2024 R'000	2023 R'000
J van Rensburg through Joseph Investments (Pty) Ltd	**6 842**	3 732

Related party balances

	Group	
	2024 R'000	2023 R'000
Loan accounts – Owing by related parties		
Niehoff Electrical Warehouse Proprietary Limited	**–**	3 589
Global Cables PE Proprietary Limited	**–**	1 254
Global Cables PTA Proprietary Limited	**–**	1 490
The Electrical Owl Proprietary Limited	**263**	263
	263	6 596

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

27. Related parties (continued)

	Group	
	2024 R'000	2023 R'000
Amounts included in trade receivables regarding related parties		
Global Cables PE Proprietary Limited	**386**	3 340
Global Cables PTA Proprietary Limited	**448**	18 768
Niehoff Electrical Warehouse Proprietary Limited	**–**	5 471
Global Cables DBN Proprietary Limited	**150**	38 569
Global Cables NLP Proprietary Limited	**144**	3 397
Global Cables CPT Proprietary Limited	**90**	26 725
The Electrical Owl Proprietary Limited	**11 164**	4 701
The Electrical Owl KZN Proprietary Limited	**13 362**	5 039
Power Cable Trading Proprietary Limited	**221**	–
Consupro Proprietary Limited	**1 071**	–
	27 036	106 010
Revenue to branches		
Global Cables PTA Proprietary Limited	**38 296**	49 785
Global Cables PE Proprietary Limited	**34 579**	31 863
Global Cables DBN Proprietary Limited	**55 180**	71 388
Global Cables CPT Proprietary Limited	**34 254**	24 728
Global Cables NLP Proprietary Limited	**7 068**	2 954
Niehoff Electrical Warehouse Proprietary Limited	**–**	22 879
The Electrical Owl Proprietary Limited	**20 463**	9 185
The Electrical Owl KZN Proprietary Limited	**24 385**	5 206
Power Cable Trading Proprietary Limited	**6 323**	–
Consupro Proprietary Limited	**3 206**	–
	223 754	217 988
Compensation to directors and other key management personnel		
Salaries and short-term benefits	**17 097**	11 548

Refer to note 12 Share-based payments for details on key management personnel. Refer to note 28 Directors' and prescribed officers' emoluments for details on terminations and post-employment details on key personnel.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

28. Directors' and prescribed officers' emoluments

Executive

	Group				
	Salary R'000	Medical group benefit contributions R'000	Provident fund R'000	Bonus and performance payments R'000	Total R'000
2024					
A Smith	**3 294**	**205**	**431**	**2 901**	**6 831**
W Basson	**2 276**	**67**	**170**	**4 387**	**6 900**
	5 570	**272**	**601**	**7 288**	**13 731**
2023					
A Smith	4 872	176	317	–	5 365
W Basson	3 085	32	132	–	3 249
	7 957	208	449	–	8 614

Non-executive

	Group	
	Directors' fees 2024	Directors' fees 2023
KH Pon (resigned 19 March 2025)	**1 044**	846
HL Li	**405**	369
N Lalla	**722**	631
M Chong (resigned 31 July 2024)	**316**	380
JH Yeh	**355**	282
J van Rensburg	**287**	213
LL Chen	**237**	213
	3 366	2 934

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

28. Directors' and prescribed officers' emoluments (continued)

Directors' interests in share capital

No shares were traded by any director from 31 December 2024 until the date of this report. Refer to note 12 for details of share appreciation rights allocated to the directors during the year.

The interest in the issued share capital of the Company as at 31 December 2024 was as follows:

	Direct beneficial holding	Indirect beneficial holding	Total	Percentage of issued share capital
2024 and 2023				
J van Rensburg	**87 000**	**62 118 447**	**62 205 447**	**30.60%**
Beneficial shareholders holdings > 5% of issued shares				
2024 and 2023				
Joseph Investments Proprietary Limited			62 118 447	30.56%
Hong Tai Electric Industrial Co Limited			56 270 187	27.68%
Metalic City International Limited			41 048 988	20.19%

29. Interest in subsidiaries

Direct Holdings	Issued share capital and percentage held 2024 %	2023 %	Shares at cost 2024 R'000	Shares at cost 2023 R'000
South Ocean Electric Wire Company Proprietary Limited	**100**	100	**368 325**	368 325
Anchor Park Investments 48 Proprietary Limited	**100**	100	**–***	–*
SOH Calibre International Limited	**100**	100	**–***	–*
Indirect Holdings				
Icembu Holdings Proprietary Limited	**70**	100	**–***	–*
Icembu Services Proprietary Limited	**49**	100	**–***	–*
Icembu Cables Proprietary Limited	**49**	100	**–***	–*
South Ocean Electric Wire Company Namibia Proprietary Limited	**100**	100	**–***	–*
			368 325	368 325

* denotes amounts of less than R1 000.

The carrying amount of subsidiaries are shown net of impairment changes. The carrying amount of the investment in South Ocean Electric Wire Company Proprietary Limited and Anchor Park Investments 48 Proprietary Limited were evaluated at year end. No impairments were recognised in the current year (2023: Nil). Cumulative impairments for 2024 amounted to R302 290 000 (2023: R302 290 000). All subsidiaries are incorporated and operate in South Africa with the exception of SOH Calibre International Limited which is incorporated in Hong Kong. All subsidiaries have a 31 December year end.

The Group owns 70% equity shares of Icembu Holdings, Icembu Holdings owns 70% equity shares in Icembu Services, and 70% of the equity shares Icembu Cables, collectively known as Icembu. The Directors of the company concluded that the company has control in terms of IFRS 10: Consolidated Financial Statements over Icembu, and that they are consolidated in the Group's financial statements due to the following reasons:

- the Group's directors are the only appointees to the Icembu executive board of directors at financial year end;
- Icembu is dependent on South Ocean for providing key management services and vital expertise and the Icembu operations are dependent on South Ocean's key management personnel;
- South Ocean is the only appointee of key management personnel and the Icembu business is run by South Ocean appointed personnel;
- Icembu is dependent on South Ocean to fund a significant portion of its operations and guarantees a significant portion of the investees obligation;
- the Group is responsible to secure Icembu's suppliers and customers; and
- the Group's exposure to variable returns disproportionately exceeds the exposure of the other investors due to a significant management fee being charged.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

29. Interest in subsidiaries (continued)

Summarised financial information of non-wholly owned subsidiaries:

Group – 2024 Summary statement of comprehensive income	Revenue	Interest expense	Tax income/ (expense)	Loss from continuing operations	Total compre-hensive income
Icembu Holdings	–	–	–	–	–
Icembu Cables	57 781	(10 018)	7 817	(21 135)	(21 135)
Icembu Services	16 318	(1 100)	990	(2 678)	(2 678)
	74 099	(11 118)	8 807	(23 813)	(23 813)

Summary statement of financial position	Non-current assets	Cash and cash equivalents	Other current assets	Total current assets	Total assets
Assets					
Icembu Holdings	–	–	–	–	–
Icembu Cables	107 851	999	1 204	2 203	110 054
Icembu Services	3 027	1 665	9 439	11 104	14 131
	110 878	2 664	10 643	13 307	124 185

	Non-current liabilities	Total non-current liabilities	Other current liabilities	Total current liabilities	Total liabilities
Liabilities					
Icembu Holdings	–	–	–	–	–
Icembu Cables	135 216	135 216	26 439	26 439	161 655
Icembu Services	16 694	16 694	159	159	16 853
	151 910	151 910	26 598	26 598	178 508

	NLV at transaction date	Loss since date of transaction	NLV at 31 December 2024	Non-controlling interest %	Non-controlling interest %
Net liability value (NLV)					
Icembu Holdings	–	–	–	30%	–
Icembu Cables	30 466	21 135	51 601	51%	10 779
Icembu Services	44	2 678	2 722	51%	1 366
	30 510	23 813	54 323		12 145

All subsidiaries were wholly owned for the year ended 31 December 2023.

There were no contingent liabilities or commitments in the non-wholly owned subsidiaries.

There were no unrecognised share of losses realised during the period under review.

The principle place of business for the subsidiaries are in Alrode and Elandsfontein respectively.

No dividends were received from the subsidiaries.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

30. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Notes	Group Amortised cost R'000	Group Total R'000
2024			
Trade and other receivables	7	**233 294**	**233 294**
Cash and cash equivalents	8	**121 452**	**121 452**
Loan to associates	36	**263**	**263**
		355 009	**355 009**
2023			
Trade and other receivables	7	259 533	259 533
Cash and cash equivalents	8	84 261	84 261
Loan to associates	36	6 596	6 596
		350 390	350 390

Categories of financial liabilities

	Notes	Group Amortised cost R'000	Group Total R'000
2024			
Trade and other payables	13	**280 740**	**280 740**
Interest-bearing borrowings	11	**137 014**	**137 014**
Lease liabilities	4	**81 936**	**81 936**
		499 690	**499 690**
2023			
Trade and other payables	13	207 376	207 376
Interest-bearing borrowings	11	82 010	82 010
Lease liabilities	4	82 903	82 903
		372 289	372 289

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The executive directors are involved in the daily operations of the Group, and the necessary decisions regarding capital risk management are made as and when necessary.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 4 and 11, cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

The Group maintains overdraft facilities with reputable financial institutions for short-term financing needs. Where operational needs require prolonged use of overdraft facilities, the Group seeks opportunities to use long-term financing. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total debt plus net overdraft divided by total equity. The Group's strategy is to maintain the ratio below 50%.

At 31 December 2024 the gearing ratio was 12.00% (2023: 12.27%). The gearing ratio considers interest-bearing borrowings and decreased as a result thereof.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

30. Financial instruments and risk management (continued)

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (foreign currency risk, interest rate risk).

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by Board of Directors.

Credit risk

Potential concentrations of credit risk consist primarily of cash and cash equivalents and trade receivables. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas, but we draw attention to the fact that 25% (2023: 18%) of revenue was derived from a single customer. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and in most instances, utilises credit insurance. The ongoing creditworthiness of the trade receivables is assessed taking into account the specific debtors balances against their credit limit. Details of credit risk for trade receivables is disclosed in note 7.

The Group manages outstanding trade receivables using a combination of Credit Guarantee and outside collection agents. The Credit Guarantee terms require that before the outstanding accounts are handed over to them for management, an effort must have been made by management to collect the outstanding amounts. The amount not recoverable from Credit Guarantee is limited to 15% (2023: 20%) of trade receivables within their credit limit and 100% of trade receivables in excess of their approved limits. The amounts recoverable from Credit Guarantee are only recoverable 60 to 90 days after they have been handed over to Credit Guarantee for management. Trade debtors are not individually classed for insurance purposes, as all trade debtors within their credit limits are covered by Credit Guarantee.

The overdraft is renewable annually in July. All the indications from the Group's bankers is that the facility will be renewed.

The maximum exposure to credit risk is presented in the table below:

		Group					
		2024			2023		
	Note	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	7	**235 659**	**(2 365)**	**233 294**	262 363	(2 830)	259 533
Cash and cash equivalents	8	**121 452**	**–**	**121 452**	84 261	–	84 261
Loan to associates	36	**263**	**–**	**263**	6 596	–	6 596
		357 374	**(2 365)**	**355 009**	353 220	(2 830)	350 390

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

30. Financial instruments and risk management (continued)

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained to meet short-term obligations as they become due and payable. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

	Group			
	2024		2023	
	Credit limit R'000	Balance utilised R'000	Credit limit R'000	Balance utilised R'000
Counter party				
First National Bank – Overdraft	**(417 000)**	**–**	(224 000)	–

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

		Group					
	Note	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
2024							
Non-current liabilities							
Interest-bearing borrowings	11	**–**	**37 278**	**67 375**	**63 164**	**167 817**	**117 800**
Lease liabilities	4	**–**	**23 907**	**56 531**	**–**	**80 438**	**65 464**
Current liabilities							
Trade and other payables	13	**280 740**	**–**	**–**	**–**	**280 740**	**280 740**
Interest-bearing borrowings	11	**31 667**	**–**	**–**	**–**	**31 667**	**19 214**
Lease liabilities	4	**21 359**	**–**	**–**	**–**	**21 359**	**16 472**
		333 766	**61 185**	**123 906**	**63 164**	**582 021**	**499 690**
2023							
Non-current liabilities							
Interest-bearing borrowings	11	–	33 389	26 936	25 054	85 379	66 206
Lease liabilities	4	–	35 434	64 508	–	99 942	68 064
Current liabilities							
Trade and other payables	13	207 376	–	–	–	207 376	207 376
Interest-bearing borrowings	11	21 878	–	–	–	21 878	15 804
Lease liabilities	4	15 447	–	–	–	15 447	14 839
		244 701	68 823	91 444	25 054	430 022	372 289

Foreign currency risk

The Group operates and trades internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollars (USD). The Group buys its major machinery and raw copper in USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities when they are denominated in a currency that is not the entity's functional currency.

The Group does not hedge foreign currency risk.

At 31 December 2024, if the currency had weakened/strengthened against the USD by 2.00% (2023: 2.00%) with all other variables held constant, (loss)/profit after tax would have decreased/increased by Rnil (2023: R72 825), mainly as a result of foreign exchange gains/losses on translation of trade payables.

At 31 December 2024, if the currency had weakened/strengthened against the Hong Kong Dollar (HKD) by 2.00% (2023: 2.00%) with all other variables held constant, (loss)/profit after tax would have decreased/increased by R17 710 (2023: R18 806), mainly as a result of foreign exchange gains/losses on translation of trade payables and cash and cash equivalents.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

30. Financial instruments and risk management (continued)

Currency exposure

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

		Group	
	Notes	Amortised cost R'000	Total R'000
USD exposure			
Current assets:			
Cash and cash equivalents	8	**4**	2 345
Trade and other receivables	7	**–**	2 762
Current liabilities:			
Trade and other payables	13	**57 057**	(119)
Net US Dollar exposure		**57 061**	4 988
HKD exposure			
Current assets:			
Cash and cash equivalents	8	**1 213**	1 288
Net Hong Kong Dollar exposure		**1 213**	1 288
Euro exposure			
Current assets:			
Cash and cash equivalents	8	**1**	1
Trade and other receivables	7	**–**	16
Net Euro exposure		**1**	17
Net exposure to foreign currency in Rand		**1 218**	6 293

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term and current borrowings as well as cash and cash equivalents. Borrowings, cash balances and leasing arrangements issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rates are monitored when there are indications that rates may change. Details of interest rates on borrowings are disclosed in note 11.

All Group borrowings are denominated in Rands. The Group is exposed to interest rate risk as it borrows funds at floating interest rates. Interest rate exposure is not analysed on a specific basis. However, should the interest rates increase/decrease by 2% the Group profit after tax will decrease/increase by R1 973 002 (2023: R1 197 356).

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

31. Segment reporting

The Group is organised into two main business segments:

- Electrical cable manufacturing – manufacturing and distribution of electric wire (South Ocean Electric Wire Company and Icembu Cables); and
- Property investments (Anchor Park).

The activities of other Group companies are not significant enough and do not warrant to be regarded as a segment on their own and are reported together with corporate activities as other assets or liabilities or other overheads and are included in corporate and other assets in the reconciliation of total assets. The chief operating decision maker who has been identified as the Group's executive committee, reviews the Group's internal reporting to assess performance and has determined the operating segments based on these reports.

The assessment of the performance of the operating segments is based on the adjusted operating profit before interest, income tax, depreciation and amortisation (adjusted EBITDA). This measurement basis excludes intercompany management fees and the effect of non-recurring expenditure from the operating segments, such as profit on disposal of property, plant and equipment and impairments. Earnings are defined as the operating profits. The reported total assets and liabilities exclude current and deferred taxation and intercompany balances.

The details of the business segments are reported as follows:

	Electric cable manufacturing R'000	Property investments R'000	Total R'000
2024			
Revenue	**2 625 761**	**20 886**	**2 646 647**
Employee benefit expense	**(176 773)**	**–**	**(176 773)**
Change in inventories of finished goods and WIP	**(130 465)**	**–**	**(130 465)**
Raw materials and consumables purchased	**(2 322 206)**	**–**	**(2 322 206)**
Other expenses	**146 295**	**(6 839)**	**139 456**
Adjusted EBITDA	**142 612**	**14 047**	**156 659**
Segment assets	**1 119 996**	**160 990**	**1 280 986**
Segment liabilities	**417 518**	**175 836**	**593 354**
2023			
Revenue	2 454 911	23 626	2 478 537
Employee benefit expense	(152 875)	–	(152 875)
Change in inventories of finished goods and WIP	(87 549)	–	(87 549)
Raw materials and consumables purchased	(1 994 175)	–	(1 994 175)
Other expenses	(28 573)	(3 212)	(31 785)
Adjusted EBITDA*	191 739	20 414	212 153
Segment assets	1 000 248	115 641	1 115 889
Segment liabilities	340 502	49 341	389 843

Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash. Segment assets exclude taxes and any inter-group loans existing at reporting date.

Segment liabilities comprises operating liabilities and exclude taxes and any inter-group liabilities existing at reporting date.

Corporate assets and liabilities incorporates the assets and liabilities of South Ocean Holdings Limited and SOH Calibre International which comprise receivables, payables and cash balances.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

31. Segment reporting (continued)

Reconciliation of segment results to statements of comprehensive income and financial position

	Group	
	2024 R'000	2023 R'000
Revenue		
Reportable segment revenue	**2 646 647**	2 478 537
Inter-segment revenue	**(78 667)**	(114 962)
Revenue per statement of profit or loss and other comprehensive income	**2 567 980**	2 363 575
EBITDA		
Adjusted EBITDA	**156 659**	212 153
Corporate and other overheads	**(20 655)**	(10 218)
Depreciation	**(68 334)**	(51 701)
Impairment of Group loans	**(28 784)**	(25 879)
Inter-segment eliminations	**43 987**	9 787
Share of net (loss)/profit in equity accounted investments	**(2 885)**	8 763
Operating profit per consolidated statement of profit or loss and other comprehensive income	**79 988**	142 905
Operating profit	**79 988**	142 905
Finance income	**4 704**	2 899
Finance costs	**(39 369)**	(25 040)
Profit before taxation per consolidated statement of profit or loss and other comprehensive income	**45 323**	120 764
Assets		
Reportable segment assets	**1 280 986**	1 115 889
Corporate and other assets	**3 239**	1 921
Current tax receivable	**905**	175
Deferred tax	**22 423**	11 897
Inter-segment eliminations	**(73 743)**	(44 043)
Total assets per statement of financial position	**1 233 810**	1 085 839
Liabilities		
Reportable segment liabilities	**593 354**	389 843
Corporate and other liabilities	**16 426**	12 243
Current tax payable	**429**	768
Deferred tax	**23 611**	22 907
Inter-segment eliminations	**(81 935)**	(10 352)
Total Liabilities per statement of financial position	**551 885**	415 409

The Group operates primarily in South Africa. No geographical segmental information is disclosed as there are no separately defined segments that contribute more than 10% of revenue, results, assets or liabilities.

The Group revenue earned in South Africa is R2 555 097 713 (2023: R2 335 272 257) and earned from other countries is R12 882 404 (2023: R28 624 801). Revenue of 25% (2023: 18%) of total revenue was derived from a single external customer.

The total non-current assets other than financial instruments and excluding deferred tax assets located in South Africa is R269 038 296 (2023: R241 445 157) and the total of these non-current assets located in other countries is Rnil (2023: Rnil).

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

32. Going concern

The Annual Financial Statements have been prepared on the basis of accounting applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

At 31 December 2024, the Group's assets, fairly valued, exceeded its liabilities. Furthermore, management also assessed the Group's liquidity forecasts for a period of twelve months. Various scenarios have been considered to test the Group's resilience against operational risks and find the results to be acceptable.

Management has concluded that the Group's ability to continue to meet its financial obligations as they fall due is dependent on the Group's ability to continue to improve its performance, and/or the Group's bankers, First National Bank, renewing the Group's working capital facilities (refer note 8). Each of these matters present a risk to the Group remaining as a going concern.

Management will continue to capitalise on available market opportunities, seek new markets, and secure and increase market share. Operationally, these goals will continue to be supported by stringent internal cost-control measures and continual improvements in both efficiency and capacity.

The Group has short-term borrowings to the value of R19.2 million (2023: R15.8 million) as disclosed in note 11 of the Annual Financial Statements. The Group has an overdraft facility with First National Bank available of R417 million (2023: R224 million). The facility is due for renewal during July 2025.

The directors perform a property valuation every three to five years, with the latest independent valuation having been performed in 2023. The market valuation of the properties was in excess of the carrying value at the time. The properties are stated at historical cost less accumulated depreciation and accumulated losses in line with the Groups' accounting policy.

33. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in the Annual Financial Statements.

	Group	
	2024 R'000	2023 R'000
34. Dividends per share		
Dividends recommended (R'000)	**11 180**	22 360
Number of shares in issue ('000)	**203 277**	203 277
Dividend per share (cents)	**5.5**	11.00

A final dividend of 5.50 cents per share was approved at the board meeting of the Company held on 19 March 2025. In compliance with IAS 10, 'Events after reporting date', the annual financial statements do not reflect this dividend. This dividend will only be accounted for in the financial statements for the year ending 31 December 2025.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

35. Investment in associates

The following amounts represent the Group's share of the aggregate carrying amount of the assets and liabilities and income and expenses in the associates.

Name of company	2024 % Ownership interest	2023 % Ownership interest	2024 Carrying amount	2023 Carrying amount
Global Cables PE Proprietary Limited^	–	50	–	2 369
Global Cables PTA Proprietary Limited^	–	50	–	2 938
Global Cables DBN Proprietary Limited^	–	50	–	3 566
Global Cables CPT Proprietary Limited^	–	50	–	306
Global Cables NLP Proprietary Limited^	–	50	–	(289)
The Electric Owl Proprietary Limited	30	30	74	(214)
The Electric Owl KZN Proprietary Limited	30	30	(127)	(115)
Power Cable Trading Proprietary Limited	30	30	90	–*
Lomami SARI	30	30	282	282
Niehoff Electrical Warehouse Proprietary Limited^	–	25	–	202
Mwanga Afrika Cables Proprietary Limited	30	30	–*	–*
Consupro (Pty) Ltd**	50	–	35	–
Powerhouse Reman Mozambique**	48	–	–*	–
NC Dynamic Desert Energy Proprietary Limited**	30	–	–*	–
Green Energy SOEW Proprietary Limited**	30	–	–*	–
			354	9 045

* denotes amounts of less than R 1 000.

** investments in associates acquired during the financial year ended 31 December 2024. This was acquired through a subscription of shares at a nominal value. These associates had no value at date of subscription.

^ investments in associates disposed of during the financial year ended 31 December 2024.

All associates are incorporated and operate in South Africa except for Niehoff Electrical Warehouse, Powerhouse Reman and Lomami which is incorporated in Namibia, Mozambique and the Democratic Republic of Congo respectively.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

35. Investment in associates (continued)

Group – 2024

	Opening net assets	Profit/ (loss) for the period	Closing net assets	Group's share in profit/ (loss) for the period	Group share in CU	Disposal of interest	Carrying amount
Reconciliation to carrying value							
Global Cables PE Proprietary Limited	4 739	1 981	6 720	991	3 360	(3 360)	–
Global Cables PTA Proprietary Limited	5 877	(2 224)	3 653	(1 112)	1 826	(1 826)	–
Global Cables DBN Proprietary Limited	7 133	(5 627)	1 506	(2 814)	753	(753)	–
Global Cables CPT Proprietary Limited	614	1 213	1 827	607	914	(914)	–
Global Cables NLP Proprietary Limited	(578)	(1 166)	(1 744)	(583)	(872)	872	–
The Electric Owl Proprietary Limited	(715)	964	249	289	74	–	74
The Electric Owl KZN Proprietary Limited	(384)	(41)	(425)	(12)	(127)	–	(127)
Power Cable Trading Proprietary Limited	–	302	302	91	90	–	90
Lomami SARI	940***	–	940	–	282	–	282
Niehoff Electrical Warehouse Proprietary Limited	805	(1 509)	(704)	(377)	(176)	176	–
Mwanga Afrika Cables Proprietary Limited	–	–	–	–	–	–	–
Consupro Proprietary Limited	–	70	70	35	35	–	35
Powerhouse Reman Mozambique	–	–	–	–	–	–	–
NC Dynamic Desert Energy Proprietary Limited	–	–	–	–	–	–	–
Green Energy SOEW Proprietary Limited	–	–	–	–	–	–	–
	18 431	(6 037)	12 394	(2 885)	6 159	(5 805)	354

*** value represents initial equity investment.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

35. Investment in associates (continued)

Summarised financial information of associates:

Group – 2024

Summary statement of comprehensive income	Revenue R'000	Interest expense R'000	Tax/ (expense) R'000	Profit/ (loss) R'000	Total comprehensive income/(loss) R'000
Global Cables PE Proprietary Limited	79 248	(255)	(2 409)	1 981	1 981
Global Cables PTA Proprietary Limited	87 639	(992)	(1 551)	(2 224)	(2 224)
Global Cables DBN Proprietary Limited	97 600	(1 228)	(1920)	(5 627)	(5 627)
Global Cables CPT Proprietary Limited	106 787	(760)	(486)	1 213	1 213
Global Cables NLP Proprietary Limited	13 501	(143)	–	(1 166)	(1 166)
The Electric Owl Proprietary Limited	19 341	–	(167)	964	964
The Electric Owl KZN Proprietary Limited	22 848	–	(112)	(41)	(41)
Niehoff Electrical Warehouse Proprietary Limited	–	–	–	(1 509)	(1 509)
Power Cable Trading Proprietary Limited	6 750	–	–	302	302
Consupro Proprietary Limited	2 219	–	–	70	70
Other*	–*	–*	–*	–*	–*
	435 933	(3 378)	(6 645)	(6 037)	(6 037)

Summary statement of financial position	Non-current assets R'000	Cash and cash equivalents R'000	Other current assets R'000	Total current assets R'000	Total assets R'000
Assets					
The Electric Owl Proprietary Limited	857	1 053	9 393	10 446	11 303
The Electric Owl KZN Proprietary Limited	6	1 669	10 300	11 969	11 975
Power Cable Trading Proprietary Limited	–	364	268	632	632
Consupro Proprietary Limited	41	–	1 606	1 606	1 647
Other*	–*	–*	–*	–*	–*
	904	3 086	21 567	24 653	25 557

Summary statement of financial position	Non-current liabilities R'000	Total non-current liabilities R'000	Other current liabilities R'000	Total current liabilities R'000	Total liabilities R'000
Liabilities					
The Electric Owl Proprietary Limited	(463)	(463)	(10 591)	(10 591)	(11 054)
The Electric Owl KZN Proprietary Limited	(200)	(200)	(12 200)	(12 200)	(12 400)
Power Cable Trading Proprietary Limited	(32)	(32)	(298)	(298)	(330)
Consupro Proprietary Limited	(452)	(452)	(1 124)	(1 124)	(1 576)
Other*	–*	–*	–*	–*	–*
	(1 147)	(1 147)	(24 213)	(24 213)	(25 360)

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

35. Investment in associates (continued)

Group – 2023

	Opening net assets R'000	Profit/ (loss) for the period R'000	Closing net assets R'000	Group's share in % R'000	Group share in CU R'000	Disposal of interest R'000	Carrying amount R'000
Reconciliation to carrying value							
Global Cables PE Proprietary Limited	–	4 739	4 739	50	2 369	–	2 369
Global Cables PTA Proprietary Limited	–	5 877	5 877	50	2 938	–	2 938
Global Cables DBN Proprietary Limited	–	7 133	7 133	50	3 566	–	3 566
Global Cables CPT Proprietary Limited	–	614	614	50	306	–	306
Global Cables NLP Proprietary Limited	–	(578)	(578)	50	(289)	–	(289)
The Electric Owl Proprietary Limited	–	(715)	(715)	30	(214)	–	(214)
The Electric Owl KZN Proprietary Limited	–	(384)	(384)	30	(115)	–	(115)
Power Cable Trading Proprietary Limited	–	–	–	30	–	–	–
Lomami SARI	940***	–	940***	30	–	–	282
Niehoff Electrical Warehouse Proprietary Limited	–	805	805	–	202	–	202
Mwanga Afrika Cables Proprietary Limited	–	–	–	30	–	–	–
	940	17 491	18 431		8 763	–	9 045

*** value represents initial equity investment.

Group – 2023

Summary statement of comprehensive income	Revenue	Interest expense	Tax/ (expense)	Profit/ (loss)	Total compre-hensive income/(loss)
Global Cables PE Proprietary Limited	98 071	–	(147)	4 739	4 739
Global Cables PTA Proprietary Limited	122 834	–	(136)	5 877	5 877
Global Cables DBN Proprietary Limited	122 635	–	(135)	7 133	7 133
Global Cables CPT Proprietary Limited	35 705	–	–	614	614
Global Cables NLP Proprietary Limited	6 121	–	–	(578)	(578)
The Electric Owl Proprietary Limited	6 751	–	(31)	(715)	(715)
The Electric Owl KZN Proprietary Limited	2 518	–	(36)	(384)	(384)
Niehoff Electrical Warehouse Proprietary Limited	78 660	–	–	805	805
Other*	–*	–*	–*	–*	–*
	473 295	–	(485)	17 491	17 491

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

35. Investment in associates (continued)

Summary statement of financial position	Non-current assets	Cash and cash equivalents	Other current assets	Total current assets	Total assets
Assets					
Global Cables PE Proprietary Limited	1 006	–	24 321	24 321	25 327
Global Cables PTA Proprietary Limited	189	5	45 862	45 867	46 056
Global Cables DBN Proprietary Limited	705	13	50 502	50 515	51 220
Global Cables CPT Proprietary Limited	585	846	55 812	56 658	57 243
Global Cables NLP Proprietary Limited	386	880	7 475	8 355	8 741
The Electric Owl Proprietary Limited	630	–	2 751	2 751	3 381
The Electric Owl KZN Proprietary Limited	–	353	3 476	3 829	3 829
Niehoff Electrical Warehouse Proprietary Limited	289	3 244	19 213	22 457	22 746
Other*	–*	–*	–*	–*	–*
	3 790	5 341	209 412	214 753	218 543
Liabilities					
Global Cables PE Proprietary Limited	–	–	(20 319)	(20 319)	(20 319)
Global Cables PTA Proprietary Limited	–	–	(40 063)	(40 063)	(40 063)
Global Cables DBN Proprietary Limited	–	–	(44 221)	(44 221)	(44 221)
Global Cables CPT Proprietary Limited	–	–	(56 630)	(56 630)	(56 630)
Global Cables NLP Proprietary Limited	–	–	(9 318)	(9 318)	(9 318)
The Electric Owl Proprietary Limited	–	–	(4 133)	(4 133)	(4 133)
The Electric Owl KZN Proprietary Limited	(200)	(200)	(4 044)	(4 044)	(4 244)
Niehoff Electrical Warehouse Proprietary Limited	–	–	(23 409)	(23 409)	(23 409)
Other*	–*	–*	–*	–*	–*
	(200)	(200)	(202 137)	(202 137)	(202 337)

* denotes amounts of less than R1 000.

There were no contingent liabilities or commitments in the associates.

There were no unrecognised share of losses realised during the period under review.

The associates are outlets, established mainly for the sale and distribution of electric cables and house wire.

The principle place of business for the associates are in Gqeberha, Pretoria, Durban, Cape Town, Nelspruit, Brits, Richards Bay, Lubumbashi, Windhoek, Upington, Maputo and Alrode respectively.

No dividends were received from the associates.

	Group	
	2024 R'000	2023 R'000
Profit/(loss) in the sale of associates		
Proceeds on the sale of associates	**5 806**	–
Carrying value of the associates disposed of	**(5 806)**	–

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

36. Loan to associates

The following amounts represent the Group's loans to associates.

Name of company	Basis of accounting	Group 2024 R'000	Group 2023 R'000
Global Cables PE Proprietary Limited	Amortised costs	**–**	1 254
Global Cables PTA Proprietary Limited	Amortised costs	**–**	1 490
The Electric Owl Proprietary Limited	Amortised costs	**263**	263
Niehoff Electrical Warehouse Proprietary Limited	Amortised costs	**–**	3 589
		263	6 596
These loans bear no interest (2023: 0%) per annum. These loans are available to settle with 12 months' notice, which has not been given at the reporting date.			
Split between non-current and current portions			
Non-current assets		**263**	6 596
Current assets		**–**	–
		263	6 596

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for Group loans receivable is calculated based on the twelve-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

Management has considered the effect of forward-looking information, taking into account the cash flow forecast information for the company and have concluded that any potential resulting impact in ECL is not material.

Management has assessed the cash flow forecasts of the counterparties and obtained evidence that they have a strong ability to make payments should they become due and payable.

The maximum exposure to credit risk is gross carry amount of the loans as presented below. The Company does not hold collateral or other credit enhancements against Group loans receivable.

The Company's exposure to various risks associated with financial instruments is discussed in note 30.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2024

36. Loan to associates (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for the Group loans receivable by credit rating grade:

		Group		
		Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
2024				
Summary statement of comprehensive income				
Global Cables PE Proprietary Limited	12-month ECL (not credit impaired)	–	–	–
Global Cables PTA Proprietary Limited	12-month ECL (not credit impaired)	–	–	–
The Electric Owl Proprietary Limited	12-month ECL (not credit impaired)	**263**	–	**263**
Niehoff Electrical Warehouse Proprietary Limited	12-month ECL (not credit impaired)	–	–	–
		263	–	**263**
2023				
Summary statement of comprehensive income				
Global Cables PE Proprietary Limited	Lifetime ECL (not credit impaired)	**1 254**	–	**1 254**
Global Cables PTA Proprietary Limited	Lifetime ECL (not credit impaired)	**1 490**	–	**1 490**
The Electric Owl Proprietary Limited	Lifetime ECL (not credit impaired)	**263**	–	**263**
Niehoff Electrical Warehouse Proprietary Limited	Lifetime ECL (not credit impaired)	**3 589**	–	**3 589**
		6 596	–	**6 596**

37. Commitments and contingencies

The Company invested in a solar project, the balance of the commitment at year end 31 December 2024 equates to R18 million. The Group is currently party to a legal arbitration with respect to the acquisition of certain equipment. The possible outcome at this stage is uncertain.

Analysis of Ordinary Shareholders

for the year ended 31 December 2024

Shareholder spread	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
1–1 000	2 472	**86.19%**	215 583	0.11%
1 001–10 000	235	**8.19%**	1 005 897	0.50%
10 001–100 000	112	**3.91%**	3 821 957	1.88%
100 001–1 000 000	40	**1.40%**	12 205 460	6.00%
Over 1 000 000	9	**0.31%**	186 027 897	91.51%
Total	**2 868**	**100.00%**	**203 276 794**	**100.00%**

Shareholder types	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Banks, brokers and nominees	5	**0.17%**	61 422	0.03%
Close corporations	8	**0.28%**	777 146	0.38%
Collective investment schemes	3	**0.11%**	7 908 773	3.89%
Non-SA custodians	2	**0.07%**	6 645 792	3.27%
NPO and charity funds	1	**0.04%**	70	0.00%
Pooled and mutual funds	2	**0.07%**	392 175	0.19%
Private companies	21	**0.73%**	63 575 928	31.28%
Public companies	3	**0.11%**	103 541 805	50.94%
Retail individuals	2 797	**97.52%**	15 235 245	7.50%
Retirement benefit funds	5	**0.17%**	1 755 469	0.86%
Trusts and investment partnerships	21	**0.73%**	3 382 969	1.66%
Total	**2 868**	**100.00%**	**203 276 794**	**100.00%**

Key shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Non-public shareholders	*3*	***0.10%***	*159 437 622*	*78.43%*
Beneficial holders >10%	2	**0.07%**	97 319 175	47.88%
Directors and associates (indirect holdings)	1	**0.03%**	62 118 447	30.56%
Directors and associates (direct holdings)	0	**0.00%**	–	0.00%
Public shareholders	*2 865*	***99.90%***	*43 839 172*	*21.57%*
Total	**2 868**	**100.00%**	**203 276 794**	**100.00%**

Beneficial shareholders holding >3% of issued shares	Number of shares	% of issued shares
Joseph Investments (Pty) Ltd	62 118 447	30.56%
Hong Tai Electric Industrial Co Ltd	56 270 187	27.68%
Metallic City International Ltd	41 048 988	20.19%
Ninety One	7 131 491	3.51%
Moneywin International Ltd	6 222 630	3.06%
Total	**172 791 743**	**85.00%**

Fund managers holding >3% of issued shares	Number of shares	% of issued shares
Ninety One	9 666 442	4.76%
Total	**9 666 442**	**4.76%**

Analysis of Ordinary Shareholders (continued)

for the year ended 31 December 2024

Shareholders by country	Number of shares	% of issued shares
South Africa	88 351 232	43.46%
Taiwan, Province of China	60 885 243	29.95%
Virgin Islands, British	47 271 618	23.26%
United States	4 809 000	2.37%
Luxembourg	1 836 792	0.90%
Australia	60 839	0.03%
Namibia	31 449	0.02%
Botswana	29 898	0.01%
Eswatini	426	0.00%
Other	297	0.00%
Total	**203 276 794**	**100.00%**

Non-public shareholder type

Strategic shareholders (>10%)	Account	Shares	%
Hong Tai Electric Industrial Co Ltd	Hong Tai Electric Industrial Co Ltd	56 270 187	27.68%
Metallic City International Ltd	Metallic City International Ltd	41 048 988	20.19%
		97 319 175	47.87%

Directors and associates	Account	Shares	%
J van Rensburg	Joseph Investments Proprietary Limited and J van Rensburg	62 205 447	30.60%

Non-public shareholder totals	**159 524 622**	**78.48%**

Share price performance	Indicator
Opening price 2 January 2024	R1.00
Closing price 31 December 2024	R1.97
High for period (14 October 2024)	R2.85
Low for period (9 and 12 February 2024)	R1.00
Number of shares in issue	203 276 794
Volume traded during period	4 743 204
Ratio of volume traded to shares issued	2.33%
Rand value traded during the period	R9 502 065
Dividend yield as at 31 December 2024	4.47
Earnings yield as at 31 December 2024	20.91
Price/earnings ratio as at 31 December 2024	4.78
Market capitalisation at 31 December 2024	R400 455 284

Notice of the Annual General Meeting

for the year ended 31 December 2024

Notice is hereby given that the Annual General Meeting of shareholders of South Ocean Holdings Limited ("SOH" or "the Company") will be held virtually on Monday, 11 August 2025 at 11:00. The Annual General Meeting will be conducted entirely by electronic communication as contemplated in Section 63 (2) of the Companies Act, 2008, as amended ("Companies Act"). Shareholders or their proxies may only participate in the Annual General Meeting by way of electronic participation. Shareholders will need to access an online meeting platform. Shareholders who wish to participate in the Annual General Meeting are advised to contact Computershare Investor Services Proprietary Limited on +27 11 370 5000 or via email on proxy@computershare.co.za.

The Board has determined, in terms of section 62(3)(a), as read with sections 59(1)(a) and (b) of the Companies Act, the following dates in respect of the Annual General Meeting ("AGM").

	2025
Record date for determining those shareholders entitled to receive the notice of AGM	Friday, 25 April
Last day to trade to be eligible to participate in, and vote at the AGM	Tuesday, 29 July
Record date (for voting purposes at the AGM)	Friday, 1 August

The purpose of the Annual General Meeting is to propose the passing of the following ordinary and special resolutions:

1. ORDINARY RESOLUTION NUMBER 1

Approval of Annual Financial Statements

Resolved that the Annual Financial Statements of the Company and its subsidiary companies for the year ended 31 December 2024, together with the reports of the Directors, Auditors and Audit and Risk Management Committee be and are hereby considered and adopted.

2. ORDINARY RESOLUTION NUMBER 2

Appointment of auditors and designated auditor

Resolved that BDO South Africa Inc. be and are hereby re-appointed auditors of the Company and that Ms. S Kock is hereby appointed as the designated auditor to hold office for the ensuing year.

The Company's Audit and Risk Management Committee has recommended the re-appointment of BDO South Africa Inc. as auditors of the Company with Ms. S Kock being appointed the designated auditor for the current financial year.

3. ORDINARY RESOLUTION NUMBER 3

Re-election of Mr. LL Chen as a director

Resolved that Mr. LL Chen, who retires in terms of the Company's Memorandum of Incorporation, be re-elected a director of the Company.

The curriculum vitae for Mr. LL Chen appears on page 5 of this annual report.

4. ORDINARY RESOLUTION NUMBER 4

Confirmation of director appointment of Mr. MM Hohman as a director

Resolved that Mr. MM Hohman, who being eligible, offers himself for election as a director of the Company, be and hereby approved.

The curriculum vitae for Mr. MM Hohman appears on page 6 of this annual report.

5. ORDINARY RESOLUTION NUMBER 5

Re-election of Ms. N Lalla as a director

Resolved that Ms. N Lalla, who retires in terms of the Company's Memorandum of Incorporation, be re-elected a director of the Company.

The curriculum vitae for Ms. N Lalla appears on page 7 of this annual report.

6. ORDINARY RESOLUTION NUMBER 6

Appointment of Audit and Risk Management Committee member

Resolved that Ms. N Lalla be appointed a member of the Company's Audit and Risk Management Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

7. ORDINARY RESOLUTION NUMBER 7

Appointment of Audit and Risk Management Committee member

Resolved that Mr. J van Rensburg be appointed a member of the Audit and Risk Management Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

8. ORDINARY RESOLUTION NUMBER 8

Appointment of Audit and Risk Management Committee member

Resolved that Mr. JH Yeh be appointed a member of the Audit and Risk Management Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

9. ORDINARY RESOLUTION NUMBER 9

Appointment of Social and Ethics Committee member

Resolved that Ms. N Lalla be appointed a member of the Social and Ethics Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

10. ORDINARY RESOLUTION NUMBER 10

Appointment of Social and Ethics Committee member

Resolved that Mr. A Smith be appointed a member of the Social and Ethics Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

11. ORDINARY RESOLUTION NUMBER 11

Appointment of Social and Ethics Committee member

Resolved that Mr. J van Rensburg be appointed a member of the Social and Ethics Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

12. ORDINARY RESOLUTION NUMBER 12

Remuneration Report and Implementation Report

Section 3.84(k) of the JSE Listings Requirements requires the Company to submit its Remuneration Report and Implementation Report every year to shareholders for consideration and to provide shareholders with an opportunity to indicate whether they do or do not support the material provisions of the Remuneration Report and policy of the Company and the implementation thereof. Shareholders are referred to the Remuneration Report and the Implementation Report set out on pages 40 to 43 of the Integrated Annual Report.

As the above are not matters that are required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, for record purposes, the minimum percentage of voting rights that is required for each resolution to be adopted as non- binding advisory votes is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolutions.

12.1 Ordinary resolution number 12.1

Resolved that, as a non-binding advisory vote, the Remuneration Report, as tabled, be and is hereby approved.

12.2 Ordinary resolution number 12.2

Resolved that, as a non-binding advisory vote, the Implementation Report, as tabled, be and is hereby approved.

The Remuneration Policy, which forms part of the Remuneration Report, as set out on page 40 of the annual report, for the financial year ended 31 December 2025, will be tabled at the Annual General Meeting.

13. SPECIAL RESOLUTION NUMBER 1

Non-executive directors' fees for the financial year ending 31 December 2025 and quarters ending 31 March 2026 and 30 June 2026

Resolved that the fees, to be paid to the Non-Executive Directors for their services as Directors of the Company, for the year ending 31 December 2025 and the quarters ending 31 March 2026 and 30 June 2026 (being two quarters of the fees payable for the year ending 31 December 2025) be approved as follows:

	31 December 2025
• Chairperson	R838 657.00
• Deputy Vice-Chairperson/Lead independent director	R425 765.00
• Non-Executive Director	R246 007.00
• Chairperson of the Audit Committee	R369 008.00
• Member of the Audit Committee	R 79 725.00
• Chairperson of the Remuneration Committee	R113 466.00
• Member of the Remuneration Committee	R 79 725.00
• Chairperson of the Social and Ethics Committee	R113 466.00
• Member of Social and Ethics Committee	R 79 725.00
• Chairperson of Special Committees	R4 784.00 per hour
• Member of Special Committees	R2 872.00 per hour

The reason for special resolution number 1 is to obtain shareholders' approval for the remuneration of each of the Non-Executive Directors of the Company for the financial year ending 31 December 2025 and for the quarters ending 31 March 2026 and 30 June 2026 in accordance with section 66(9) of the Companies Act, 2008 and to confirm and ratify, if necessary, the fees payable to the directors for the quarters ended 31 March 2025 and 30 June 2025. The passing of this special resolution will have the effect of approving the remuneration of each of the Non-Executive Directors of the Company for the financial year ending 31 December 2025 and quarters ending 31 March 2026 and 30 June 2026 as well as confirming and ratifying, if necessary, the increase in fees paid to the Directors for the quarters ended 31 March 2025 and 30 June 2025. The fees payable for the quarters ending 31 March 2026 and 30 June 2026 will be based on a quarter of the fees as approved above. Shareholders will be requested to approve, if necessary, any adjustment to the fees payable for the quarters ending 31 March 2025 and 30 June 2025 at the 2025 Annual General Meeting.

14. SPECIAL RESOLUTION NUMBER 2

Loans or other financial assistance

Resolved that the Board of Directors may authorise the Company, in terms of section 45 of the Companies Act, 2008, to provide any direct or indirect financial assistance that the Board of Directors may deem fit to any related or inter-related companies as defined in terms of section 2 of the Companies Act, 2008.

The reason and effect of special resolution number 2 is to approve generally the provision of financial assistance to the Company's related or inter-related companies and as, from time to time, may be required in the normal course of the Company's businesses.

15. SPECIAL RESOLUTION NUMBER 3

Amendment to Memorandum of Incorporation

Resolved that clause 15.7.1 of the Memorandum of Incorporation be deleted in its entirety and that new clause 15.7.1, as set out below, be inserted in its stead:

"15.7.1 Tied votes

Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairperson shall have a second or casting vote. Should the quorum requirements in article 15.6.4 be amended to provide for 2 (two) Directors and only 2 (two) Directors are present at a meeting of the Directors or only 1 (one) Director and the chairperson is present, the chairperson shall have a second or casting vote".

The reason and effect of special resolution number 3 is to allow the Chairperson to have a casting or second vote should there be an equality of votes on any question arising at a Directors meeting of the Company.

16. ORDINARY RESOLUTION NUMBER 13

Directors' or Company Secretary's authority to implement special and ordinary resolutions

Resolved that any Director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting.

17. SOCIAL AND ETHICS COMMITTEE

A report on the Social and Ethics Committee, in terms of Regulation 43 of the Companies Act, 2008, has been included in the annual report (page 30). The report sets out the matters as required in terms of the Social and Ethics Committee's terms of reference. Shareholders will not be asked to vote on any matters contained in the Social and Ethics Committee's Report but may raise any questions they may have regarding the said terms of reference.

General instructions and information

The annual report to which this notice of the Annual General Meeting is attached, provides details of:

- the directors of the Company on pages 5 to 7;
- the major shareholders of the Company on pages 120 to 121;
- the directors' shareholding in the Company on page 104; and
- the share capital of the Company in note 10 on page 91.

There are no other material changes to the Company's financial or trading position, nor are there any material, legal or arbitration proceedings (pending or threatened) that may affect the financial position of the Company between 31 December 2024 and 19 March 2025.

The directors, whose names are given on pages 5 to 7 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and beliefs there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contains all information required by law and the JSE Listings Requirements.

All shareholders are encouraged to attend, speak and vote at the Annual General Meeting.

Entitlement to attend and vote at the Annual General Meeting in person or by proxy

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name in the Company sub-register), as at Friday, 1 August 2025, then:

- You may participate and vote at the Annual General Meeting; alternatively
- You may appoint an individual as a proxy (who need not also be a shareholder of the Company) to participate in and speak and vote in your place at the Annual General Meeting by completing the attached form of proxy and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited, the details of which are set out on the inside back cover of the annual report. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited as aforesaid, before your proxy may exercise any of your rights as a shareholder at the Annual General Meeting.

Any shareholder of the Company that is a company may authorise any person to act as its representative at the Annual General Meeting. Section 63(1) of the 2008 Companies Act, requires that persons wishing to participate at the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Please note that if you are the owner of dematerialised shares i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Share Transactions Totally Electronic ("STRATE") held through a CSDP or broker (or their nominee) and are not registered as an "own name dematerialised shareholder" then you are not a registered shareholder of the Company, but your CSDP or broker (or their nominee) would be. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- If you wish to participate at the Annual General Meeting of the Company you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- If you are unable to participate at the Annual General Meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the Annual General Meeting and/or request it to appoint a proxy.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to participate and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited, the details of which are set out on the inside back cover of the annual report.

By order of the Board

WT Green
Company Secretary

Johannesburg
25 April 2025

Form of proxy

for the year ended 31 December 2024

Form of proxy for use at the Annual General Meeting of South Ocean Holdings Limited ("the Company") to be held, at 11:00 on Monday, 11 August 2025. Shareholders listed in the shareholder register as at Friday, 1 August 2025 will be eligible to vote at the Annual General Meeting.

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised ordinary shares.

Each shareholder entitled to participate and vote at the Annual General Meeting is entitled to appoint a proxy (who need not also be a shareholder of the Company) to participate in and speak and vote in place of that shareholder at the Annual General Meeting, and at any adjournment thereafter.

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the Annual General Meeting;
- The appointment of the proxy is revocable; and
- You may revoke the proxy appointment by (i) cancelling it in writing or, making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the Annual General

Meeting. Please also note that section 63(1) of the Companies Act, 2008 requires that persons wishing to participate in the Annual General Meeting (including the afore mentioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so each shareholder present or represented by way of proxy will be entitled to vote.

I/We

Address:

Contact telephone number:

being the holder/s of ______ ordinary shares in the Company, hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the Annual General Meeting,

as my/our proxy to participate in and speak and vote at the meeting in my/our place and on my/our behalf at the Annual General Meeting which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the instructions set out below.

My/our proxy may delegate to another person his/her authority to act on my behalf at the Annual General Meeting, provided that my/our proxy:

- May only delegate his/her authority to act on my behalf at the Annual General Meeting to a director of the Company; and
- Must provide written notification to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the Annual General Meeting; and
- Must provide to his/her delegee a copy of his/her authority to delegate his/her authority to act on my behalf at the Annual General Meeting.

Number of votes (one vote per ordinary share)		For	Against	Abstain
Ordinary resolution number 1:	Approval of Annual Financial Statements			
Ordinary resolution number 2:	Appointment of the auditors and designated auditor			
Ordinary resolution number 3:	Re-election of Mr. L L Chen as a director			
Ordinary resolution number 4:	Confirmation of director appointment of Mr. M M Hohman as a director			
Ordinary resolution number 5:	Re-election of Ms. N Lalla as a director			
Ordinary resolution number 6:	Appointment of Audit and Risk Management Committee member Ms. N Lalla			
Ordinary resolution number 7:	Appointment of Audit and Risk Management Committee member Mr. J van Rensburg			
Ordinary resolution number 8:	Appointment of Audit and Risk Management Committee member Mr. J H Yeh			
Ordinary resolution number 9:	Appointment of Social and Ethics Committee member Ms. N Lalla			
Ordinary resolution number 10:	Appointment of Social and Ethics Committee member Mr. A Smith			
Ordinary resolution number 11:	Appointment of Social and Ethics Committee member Mr. J van Rensburg			
Ordinary resolution number 12.1:	Approval of Remuneration report			
Ordinary resolution number 12.2:	Approval of Implementation report			
Special resolution number 1:	Approval of non-executive directors' fees for financial year ending 31 December 2025 and quarters ending 31 March 2026 and 30 June 2026			
Special resolution number 2:	Approval of loans or other financial assistance to related or inter-related companies			
Special resolution number 3:	Amendment Memorandum of Incorporation chairperson to have casting vote			
Ordinary resolution number 13:	Directors' and Company Secretary's authority to implement ordinary and special resolutions			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote.

Signed at on 2025

Signature:

(Authority of signatory to be attached if applicable – see note 8)

Telephone number:

Notes to the form of proxy

for the year ended 31 December 2024

Summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act, 2008

Please note that in terms of section 58 of the Companies Act, 2008:

- This proxy form must be dated and signed by the shareholder appointing the proxy;
- You may appoint an individual as a proxy, including an individual who is not a shareholder of the Company, to participate in and speak and vote at the Annual General Meeting on your behalf;
- Your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- This proxy form must be delivered to the Company, or to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the Annual General Meeting;
- The appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the Annual General Meeting;
- The appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- As the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing or, by making a later appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to participate on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid;
- If this proxy form has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act, 2008 or the Company's Memorandum of Incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
- Your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the Annual General Meeting, but only as directed by you on this proxy form;
- The appointment of your proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of 6 (six) months, whichever is shortest, unless it is revoked by you before then on the basis set out above.

1. Only shareholders listed in the shareholder register as at Friday, 1 August 2025 will be eligible to participate and vote at the Annual General Meeting to which this proxy forms part.
2. The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to participate as a proxy to the exclusion of those whose names which follow thereafter.
3. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
5. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
6. Proxy forms must be lodged at the Head Office of the Company, 16 Botha Street, Alrode, 1451 or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107, South Africa).
7. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company Secretary or waived by the Chairperson of the Annual General Meeting if he is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107, South Africa), together with this form of proxy.
8. Any alteration or correction made to this proxy form must be initialed by the signatory/ies.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.

General information

COMPANY REGISTRATION NUMBER

2007/002381/06

COUNTRY OF INCORPORATION AND DOCMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPLE ACTIVITIES

Holding company with interest in electrical wire, power cable and conduit manufacturing and property investments

DIRECTORS

J van Rensburg
HL Li
A Smith
W Basson
N Lalla
JH Yeh
LL Chen
MM Hohman
SN Yeh (Alternate)

REGISTERED OFFICE

12 Botha Street
Alrode
1451

BUSINESS ADDRESS

16 Botha Street
Alrode
1451

POSTAL ADDRESS

PO Box 123738
Alrode
1451

BANKER

First National Bank, a division of FirstRand Bank Limited

AUDITOR

BDO South Africa Inc.

SPONSOR

AcasiaCap Advisors Proprietary Limited

LEVEL OF ASSURANCE

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008 of South Africa.

PRERARER

The Annual Financial Statements were internally compiled by:

WP Basson CA(SA)
Group Chief Financial Officer

ISSUED

25 April 2025

Shareholders' diary

2024 FINANCIAL YEAR-END

Annual General Meeting – 11 August 2025

FINANCIAL YEAR-END

Financial year-end – 31 December

REPORTS

2025 Interim Report – August 2025

2025 Final Report – March 2026

Publication of 2025 Annual Report – April 2026

DIVIDEND

Final – April 2025

2025 ANNUAL GENERAL MEETING

Annual General Meeting – August 2026

SOUTH OCEAN HOLDINGS INTEGRATED ANNUAL REPORT for the year ended 31 December 2025

South Ocean
HOLDINGS

southoceanholdings.co.za