

South Ocean Holdings Limited and its subsidiary companies
(Registration number 2007/002381/06)
Annual Financial Statements
for the year ended 31 December 2024

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

General Information

| | |
|--|---|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Holding company with interest in electrical wire manufacturing, distribution and property investments |
| Directors | HL Li N Lalla A Smith WP Basson JH Yeh LL Chen J van Rensburg 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 Gauteng 1451 |
| Banker | First National Bank, a division of FirstRand Bank Limited |
| Auditor | BDO South Africa Inc. |
| Secretary | WT Green |
| Registration number | 2007/002381/06 |
| Level of assurance | These 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 CA(SA) Group Chief Financial Officer |
| Issued | 19 March 2025 |

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Audit and Risk Management Committee Report

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.

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Audit and Risk Management Committee Report

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).

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.

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Audit and Risk Management Committee Report

6. Annual Financial Statements and internal controls (continue)

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.

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Audit and Risk Management Committee Report

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

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Annual Financial Statements for the year ended 31 December 2024

Directors' Responsibilities and Approval

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 16 to 21.

Approval of the Annual Financial Statements

The Directors' Report and Annual Financial Statements set out on pages 11 to 15 and pages 22 to 84, 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

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CEO and FD Responsibility Statement

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:

A Smith

WP Basson

The Annual Financial Statements set out on pages 22 to 84, 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

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Company Secretary's Certification

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

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Directors' Report

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. 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 (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:

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Directors' Report

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 2025) 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 |

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 2025 and 30 June 2025. 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 2025 and 30 June 2025. 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 2025 and 30 June 2025 at the 2025 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.

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Annual Financial Statements for the year ended 31 December 2024

Directors' Report

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 the note 28 the Annual Financial Statements.

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.

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Directors' Report

10. Secretary

The company secretary is Mr WT Green.

Postal address: P.O. Box 123738
Alrode
1451

Business address: 21 West Street
Houghton
2198

11. Directors' interests in shares

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

Interests in shares

| Directors | 2024 Indirect 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.

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.

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Directors' Report

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

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 22 to 84, 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.

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 |
|---|---|
| <p>Impairment assessment of South Ocean Electric Wire Company Proprietary Limited ("SOEW") and Anchor Park Investments 48 Proprietary Limited ("Anchor Park")</p> <p>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.</p> <p>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.</p> <p>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.</p> | <p>Our audit procedures for the impairment assessment of the carrying value of the CGU's included the following:</p> <ul style="list-style-type: none">• 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:<ul style="list-style-type: none">○ 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. |

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

- 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.

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.



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

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

| Figures in Rand thousand | Note | Group | |
|-------------------------------------|------|------------------|------------------|
| | | 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 26 to 39 and the notes on pages 40 to 84 form an integral part of the Annual Financial Statements.

South Ocean Holdings Limited and its subsidiary companies

Annual Financial Statements for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

| Figures in Rand thousand | Note | Group | |
|--|------|----------------|----------------|
| | | 2024 | 2023 |
| | | R'000 | 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 26 to 39 and the notes on pages 40 to 84 form an integral part of the Annual Financial Statements.

South Ocean Holdings Limited and its subsidiary companies

Annual Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

| Figures in Rand thousand | Share capital | Share premium | Total share capital | Foreign currency translation reserve* | Retained earnings | Non-controlling Interest | Total equity |
|--|---------------|----------------|---------------------|---------------------------------------|-------------------|--------------------------|----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Group | | | | | | | |
| Balance at 01 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 01 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 accumulative 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 26 to 39 and the notes on pages 40 to 84 form an integral part of the Annual Financial Statements.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Statement of Cash Flows

| Figures in Rand thousand | Note | Group | |
|--|------|-----------------|-----------------|
| | | 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 26 to 39 and the notes on pages 40 to 84 form an integral part of the Annual Financial Statements.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

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.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.1 Consolidation (continue)

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.

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.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

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 determine 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.

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).

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 Leases (continue)

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.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

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 Rand 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.

South Ocean Holdings Limited and its subsidiary companies

(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

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 or 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.

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:

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Accounting Policies

1.8 Financial instruments (continued)

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.

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.

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Accounting Policies

1.8 Financial instruments (continued)

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.

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Accounting Policies

1.8 Financial instruments (continued)

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are 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).

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.

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Accounting Policies

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.

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.

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Accounting Policies

1.10 Revenue recognition (continue)

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 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 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.

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Accounting Policies

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 rates (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.

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).

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Accounting Policies

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 or 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.

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.

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Accounting Policies

1.16 Significant judgements and sources of estimation uncertainty (continue)

Impairment of trade receivables (estimate)

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.

1.17 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.

1.18 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.

1.19 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.

1.20 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.

1.21 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.

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Notes to the Annual Financial Statements

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: |
|---|---|---|
| <ul style="list-style-type: none">IFRS 16 Leases (Amendment - Lease Liability in a Sale and Leaseback)<i>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.</i><i>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.</i> | 01 January 2024 | The impact of this standard is not applicable |
| <ul style="list-style-type: none">IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)<i>The IASB issued amendments to IAS 1 - Classification of Liabilities as</i><i>Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.</i><i>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.</i> | 01 January 2024 | The impact of this standard is not material |
| <ul style="list-style-type: none">IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with Covenants)<i>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.</i><i>If an entity's right to defer is subject to the entity complying with</i><i>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.</i><i>The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.</i> | 01 January 2024 | The impact of this standard is not material |
| <ul style="list-style-type: none">IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment - Supplier Finance Arrangements) | 01 January 2024 | The impact of this standard is not material |

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2.1 Standards and interpretations effective and adopted in the current year (continue)

- 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.

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 01 January 2025 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|--|--|
| <ul style="list-style-type: none">• IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> (Amendment – Lack of Exchangeability)• On 15 August 2023, the IASB issued <i>Lack of Exchangeability</i> which amended IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> (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. | 01 January 2025 | Unlikely there will be a material impact |

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2.2 Standards and interpretations not yet effective in the current year (continue)

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (Amendment - Classification and Measurement of Financial Instruments) 01 January 2026 Unlikely there will be a material impact
- *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.*

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2.2 Standards and interpretations not yet effective in the current year (continue)

- IFRS 18 Presentation and Disclosure in Financial Statements 01 January 2027
 - *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.*
- Likely to be a material impact. Effect to be determined.

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| | Group | |
|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

3. Property, plant and equipment

| Group | 2024 | | | 2023 | | |
|--------------------------|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| 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.

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

3. Property, plant and equipment (continue)

Property, plant and equipment encumbered as security

Carrying value of assets pledged as security for interest-bearing borrowings (note 11):

| | | |
|---------------------|--------|--------|
| 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 6 years and motor vehicles is 5 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:

| | | |
|----------------|---------------|---------------|
| 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 |

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|--|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |
| 4. Right-of-use assets (Group as lessee) (continue) | | |
| 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.

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:

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 | (39578) | (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) |

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|--|-----------------|-----------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |
| 5. Deferred tax (continue) | | |
| 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.

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).

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|--|----------------|----------------|
| | 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. 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.

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

7. Trade and other receivables (continue)

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 | 2024 | 2023 | 2023 |
|---|--|--|--|--|
| | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) |
| Expected credit loss rate: | | | | |
| 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:

| | | |
|--|----------------|----------------|
| 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 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.

| Rand Amount | | |
|-------------|----------------|----------------|
| Rand | 234 660 | 270 551 |
| US Dollar | - | 2 762 |
| Euro | - | 16 |
| | 234 660 | 273 329 |

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| | Group | |
|--------------------------|---------------|---------------|
| Figures in Rand thousand | 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.

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.

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

9. Impairment assessment

An impairment assessment was performed to determine if the recoverable amounts of the two cash generating units ("CGU's"), 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 CGU's 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 CGU's and no impairment losses were identified.

After calculating the individual recoverable amount of the CGU's and comparing it to the net asset value of each CGU, no impairment were identified and recognised for the Group in 2024 (2023: Rnil).

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| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

9. Impairment assessment (continue)

Sensitivity analysis

SOEW and Anchor Park sensitivity analysis assessments indicated that there was significant headroom available therefore no sensitivity analysis disclosed.

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

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| Figures in Rand thousand | 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.

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

11. Interest-bearing borrowings (continue)

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 (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.

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.

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|--|--|----------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |
| 11. Interest-bearing borrowings (continue) | | |
| 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. | | |
| <hr/> | | |
| 10. 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 SAR's 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: | | |
| 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. | | |
| 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 |

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|---|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |
| 12. Share-based payment liabilities (continue) | | |
| Non-current liabilities | 11 501 | 2 294 |
| Current liabilities | 2 373 | 9 548 |
| | 13 874 | 11 842 |

| Reconciliation of units | Number of SAR Units | Number of SAR 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).

| Directors interest in long-term incentive plans | Number of SAR Units | Value R '000 |
|---|------------------------|--------------|
| 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 |

| Reconciliation of units | Number of SAR Units | Number of SAR 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 |

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.

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

13. Trade and other payables (continue)

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.

| 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.

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 |

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 |

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|---|------------------|------------------|
| | 2024 R'000 | 2023 R'000 |
| 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 |

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 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

Number of persons employed at 31 December

| | | |
|-----------|------------|------------|
| Full time | 473 | 461 |
| Part time | 104 | 107 |
| | 577 | 568 |

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 |

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| Figures in Rand thousand | Group | | |
|--|---------------|---------------|-------------|
| | 2024 R'000 | 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 utilized | - | 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 utilized | - | 1 424 | |
| | 11 432 | 32 130 | |
| 21. Other comprehensive (loss) income | | | |
| Components of other comprehensive (loss) - Group – 2024 | | | |
| | Gross | Tax | Net |
| 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 | | | |
| | Gross | Tax | Net |
| Items that may be reclassified to income | | | |
| Exchange differences on translating foreign operations | | | |
| Exchange differences arising during the year | 60 | - | 60 |
| | 60 | - | 60 |

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| Figures in Rand thousand | 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 |

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|---|-----------------|-----------------|
| | 2024 R'000 | 2023 R'000 |
| 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) |

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.

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

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:

| | | |
|---|-------|-------|
| J van Rensburg through Joseph Investments (Pty) Ltd | 6 842 | 3 732 |
|---|-------|-------|

Related party balances

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 |

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| Figures in Rand thousand | Group | |
|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

27. Related parties (continue)

Related party balances

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.

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| Figures in Rand thousand | Group | |
|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

28. Directors' and prescribed officers' emoluments

Executive 2024

| | Salary | Medical group benefit contributions | Provident fund | Bonus and performance payments | Total |
|----------|--------------|---|-------------------|--------------------------------------|---------------|
| 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

| | Salary | Medical group benefit contributions | Provident Fund | Total |
|----------|--------------|---|-------------------|--------------|
| A Smith | 4 872 | 176 | 317 | 5 365 |
| W Basson | 3 085 | 32 | 132 | 3 249 |
| | 7 957 | 208 | 449 | 8 614 |

Non-executive

| | 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 |

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

28. Directors' and prescribed officers' emoluments (continue)

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:

| 2024 and 2023 | Direct beneficial holding | Indirect beneficial Holding | Total | Percentage of issued share capital |
|----------------|---------------------------------|-----------------------------------|------------|--|
| J van Rensburg | 87 000 | 62 118 447 | 62 205 447 | 30.60% |

Beneficial Shareholders holdings > 5% of Issued Shares

| 2024 and 2023 | Total | Percentage of issued share capital |
|---|------------|--|
| 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

| | Issued share capital and percentage held | | Shares at cost | |
|---|--|-----------|----------------|----------------|
| | 2024 % | 2023 % | 2024 R'000 | 2023 R'000 |
| Direct Holdings | | | | |
| 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 |

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

29. Interest in subsidiaries (continue)

*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 IFRS10: 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.

Summarized financial information of non-wholly owned subsidiaries:

Group – 2024

| | Revenue | Interest expense | Tax income (expense) | Loss from continuing operations | Total comprehensive income |
|--|---------------|---------------------|-------------------------|--|----------------------------------|
| Summary statement of comprehensive 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) |

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|--|--------------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------------------|
| | 2024 R'000 | 2023 R'000 | | | |
| 29. Interest in subsidiaries (continue) | | | | | |
| | Non current assets | Cash and cash equivalents | Other current assets | Total Current assets | Total assets |
| Summary Statement of financial position | | | | | |
| 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 |

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

30. Interest in subsidiaries (continue)

| | NLV at transaction date | Loss since date of transaction | NLV at 31 December 24 | 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.

30. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group – 2024

| | Note | Amortised cost | Total |
|-----------------------------|------|-------------------|----------------|
| 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 |

Group – 2023

| | Note | Amortised cost | Total |
|-----------------------------|------|-------------------|----------------|
| 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 |

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|--------------------------|--|-------|-------|
| | | Group | |
| Figures in Rand thousand | | 2024 | 2023 |
| | | R'000 | R'000 |

30. Financial instruments and risk management (continue)

Categories of financial instruments

Categories of financial liabilities

Group – 2024

| | Note | Amortised Cost | Total |
|-----------------------------|------|-------------------|----------------|
| 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 |

Group – 2023

| | Note | Amortised Cost | Total |
|-----------------------------|------|-------------------|----------------|
| 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 |

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|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

30. Financial instruments and risk management (continue)

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 there of.

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 program 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.

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

30. Financial instruments and risk management (continue)

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 | Note | 2024 | | | 2023 | | |
|-----------------------------|------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|----------------|
| | | 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 |

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 | 2024 | 2023 | 2023 |
|---------------------------------|--------------|------------------|--------------|------------------|
| | Credit limit | Balance utilised | Credit limit | Balance utilised |
| | R'000 | R'000 | R'000 | 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 – 2024

| | Note | Less than 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total | Carrying amount |
|--------------------------------|------|------------------|---------------|----------------|---------------|----------------|-----------------|
| 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 |

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|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

30. Financial instruments and risk management (continue)

Group – 2023

| | Note | Less than 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total | Carrying amount |
|--------------------------------|------|---------------------|-----------------|---------------|-----------------|----------------|--------------------|
| 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.

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:

| USD exposure | Note | | |
|-------------------------------|------|---------------|--------------|
| 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 |

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|---|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |
| 30. Financial instruments and risk management (continue) | | |
| HKD exposure | | |
| Current assets: | | |
| Cash and cash equivalents | 8 | 1 213 |
| Net Hong Kong Dollar exposure | 1 213 | 1 288 |
| Euro exposure | | |
| Current assets: | | |
| Cash and cash equivalents | 8 | 1 |
| Trade and other receivables | 7 | - |
| 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).

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.

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| | Group | |
|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

31. Segment reporting (continue)

The details of the business segments are reported as follows:

| 2024 | Electric cable manufacturing R'000 | Property investments R'000 | Total R'000 |
|---|--|----------------------------------|------------------|
| 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 | Electric cable manufacturing R'000 | Property investments R'000 | Total R'000 |
|---|--|----------------------------------|------------------|
| 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.

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|---|------------------|------------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |
| 31. Segment reporting (continue) | | |
| Reconciliation of segment results to statements of comprehensive income and financial position | | |
| 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 |

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| | Group | |
|--------------------------|---------------|---------------|
| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

31. Segment reporting (continue)

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).

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.

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.

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| Figures in Rand thousand | Group | |
|--------------------------|---------------|---------------|
| | 2024 R'000 | 2023 R'000 |

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.

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| Group - 2024 | Group | | | | | | |
|--|--------------------|------------------------------|--------------------|---|-------------------|----------------|------------|
| | Opening net assets | Profit (loss) for the period | Closing net assets | Group's share in Profit (loss) for the period | Group share in CU | 2024 R'000 | 2023 R'000 |
| 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.

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| | 2024 R'000 | 2023 R'000 |

35. Investment in associates (continue)

Summarised financial information of associates:

Group – 2024

| | Revenue | Interest expense | Tax (expense) | Profit (loss) | Total comprehensive income (loss) |
|--|----------------|------------------|----------------|----------------|-----------------------------------|
| Summary statement of comprehensive income | | | | | |
| 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 | Cash and cash equivalents | Other current assets | Total Current assets | Total Assets |
|--|--------------------|---------------------------|----------------------|----------------------|---------------|
| 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 |

| | Non-current liabilities | Total non-current liabilities | Other current liabilities | Total current liabilities | Total Liabilities |
|--|-------------------------|-------------------------------|---------------------------|---------------------------|-------------------|
| 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) |

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|--|--------------------------|-------------------------------------|--------------------------|--------------------------|----------------------|-------------------------|--------------------|
| | 2024 R'000 | 2023 R'000 | | | | | |
| 35. Investment in associates (continue) | | | | | | | |
| Group - 2023 | | | | | | | |
| | Opening net assets | Profit/ (loss) for the period | Closing net assets | Group's share in % | Group share in CU | Disposal of interest | Carrying amount |
| 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

| | Revenue | Interest expense | Tax (expense) | Profit (loss) | Total comprehensive income (loss) |
|--|----------------|---------------------|------------------|------------------|--------------------------------------|
| Summary statement of comprehensive income | | | | | |
| 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 |

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(Registration number 2007/002381/06)

Annual Financial Statements for the year ended 31 December 2024

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| | | |
|--------------------------|-------|-------|
| | Group | |
| Figures in Rand thousand | 2024 | 2023 |
| | R'000 | R'000 |

35. Investment in associates (continue)

| 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 | | | | | |
| | Non-current liabilities | Total non-current liabilities | Other current liabilities | Total Current liabilities | Total 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.

Profit/ (loss) in the sale of associates

| | | |
|--|---------|---|
| Proceeds on the sale of associates | 5 806 | - |
| Carrying value of the associates disposed of | (5 806) | - |
| | - | - |

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| Figures in Rand thousand | 2024 R'000 | 2023 R'000 |

36. Loan to associates

The following amounts represent the Group's loans to associates.

| Name of company | Basis of accounting | |
|--|---------------------|------------------|
| 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 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.

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:

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| | 2024 R'000 | 2023 R'000 |

36. Loan to associates (continue)

Group – 2024

| | | Gross carrying amount | Loss allowance | Amortised cost |
|--|------------------------------------|-----------------------|----------------|----------------|
| 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 |

Group – 2023

| | | Gross carrying amount | Loss allowance | Amortised cost |
|--|------------------------------------|-----------------------|----------------|----------------|
| 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.