

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE**Southern Cable's orders in hand amount to RM549.7 million**

- *Orders mainly consist of power cables and wires to be delivered over the next two years*
- *9M21 group revenue rose 16.1% year-on-year to RM455.9 million on strong demand for power cables and wires, and higher selling prices*

Kedah, Malaysia, 26 November 2021 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) has orders in hand of RM549.7 million, estimated to be delivered over the next two years, as it meets the surging demand for power cables and wires locally.

The orders in hand comprise RM225.7 million unbilled purchase orders from new customers, as well as RM324.0 million order book from existing customers, including recently-won contracts, such as the RM30.4 million contract supply rectifier systems to Telekom Malaysia Berhad, and the RM18.5 million contract to supply underground cables and conductors to Tenaga Nasional Berhad.

The Group has been receiving higher orders and supply contracts from new and existing customers, in line with the resumption of economic and business activities as majority of the nation's states have advanced to phase 4 of the National Recovery Plan.

“We have seen an encouraging uptrend in customer enquiries in recent months, indicating the return of expansionary sentiment across all sectors, including power distribution and renewable energy, telecommunications, construction and infrastructure, as well as manufacturing sectors.

Our operations are now at 100% workforce capacity since October 2021, with more than 80% of our employees fully vaccinated. With our operations back to peak condition compared to half-capacity in 3Q21, we aim to ensure the smooth fulfilment of orders and deliveries to our clients.

We will remain vigilant and prioritise the health and safety of our employees. Not only that, we intend to continue our product development and expansion plans to sustain our long-term growth prospects.”

**Mr. Tung Eng Hai (“陈永海”),
Managing Director of Southern Cable Group Berhad**

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For the nine months ended 30 September 2021 (9M21), Southern Cable's revenue grew 16.1% to RM455.9 million from RM392.6 million a year ago, due to higher sales of power cables and wires, as well as higher average selling prices to account for the increase in metal-based material costs for ongoing contracts.

Of total 9M21 revenue, sales of power cables and wires increased 27.1% to RM398.4 million from RM313.3 million, while sales of communication cables and wires decreased 37.4% to RM11.2 million from RM17.9 million a year ago. Revenue from control and instrumentation cables and wires reduced 52.7% to RM10.0 million from RM21.2 million, and related products and services declined 9.7% to RM36.3 million from RM40.2 million a year ago.

Despite revenue growth, 9M21 net profit stood at RM8.1 million compared to RM16.5 million previously, as the Group recorded higher plastic-based and metal-based raw material prices.

In the third quarter ended 30 September 2021 (3Q21), Group revenue declined 18.7% to RM127.2 million from RM151.6 million last year, on weaker sales of power cables and wires and the impact of various phases of Movement Control Orders. Consequently, 3Q21 net profit decreased 81.2% to RM1.4 million from RM7.3 million last year due to the lower revenue, as well as impact of higher plastic-based and metal-based raw material prices.

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About Southern Cable Group Berhad (南方电缆集团)

Founded in 1993, Southern Cable is principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. The key supporting activities for the cable and wire manufacturing operations include furnace and casting operations, as well as manufacturing of plastic compounds and wooden cable drums.

Through its factories in Kuala Ketil and Sungai Petani, Kedah, the Group has a total annual production capacity of 26,400 tonnes of aluminium and copper rods, 33,780 km of cables and wires and 7,800 tonnes of polyvinyl chloride (PVC) compounds.

The Group's cables and wires are used in various industry sectors including power distribution and transmission, telecommunications, building and construction, infrastructure, manufacturing and processing industries including oil and gas processing and petrochemical plants. The Group has also obtained TÜV SÜD certification for power cables and wires used in solar photovoltaic systems.

Southern Cable is the registered supplier of cables and wires with Tenaga Nasional Berhad, Telekom Malaysia Berhad, Sabah Electricity Sdn Bhd and Petroliam Nasional Berhad.

Issued for and on behalf of SOUTHERN CABLE GROUP BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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