

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE**Southern Cable 1Q22 topline grows on adjusted selling prices**

- *Prompted by higher commodity prices including copper and aluminium*
- *Poised to support accelerated economic activity; RM628.6 million orders in hand to be fulfilled over two years*

Kedah, Malaysia, 23 May 2022 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) reported 7.5% revenue growth to RM185.1 million in the first quarter ended 31 March 2022 (1Q22) from RM172.3 million a year ago, as it benefited from adjusted selling prices in line with higher commodity prices.

The industry had faced increasing international prices of metal-based materials such as copper and aluminium, and non-metal-based materials including plastic and sawn timber since early-2021. This prompted the Group to increase product prices to mitigate higher input costs.

Southern Cable Managing Director Mr. Tung Eng Hai said that the Group aimed to strike a balance between adapting its pricing strategy while remaining competitive, especially as demand for cables and wires were anticipated to trend upwards on Malaysia's recovering economic and business activities.

“As a player with a track record in key sectors including power, telecommunications, and infrastructure, we are poised to support the accelerated economic activity, especially following the country's transition to COVID-19 endemicity. We are also actively participating in new tenders to support the local power infrastructure.

These would add on to our orders in hand of RM628.6 million which are slated to be fulfilled over two years.”

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

The Group's RM628.6 million orders in hand comprises RM385.8 million unbilled purchase orders, and RM242.8 million order book. The latter includes a RM13 million contract secured on 31 March 2022 to supply copper telephone cables to a local telecommunications company.

Despite the improved revenue, group net profit reduced to RM2.6 million from RM3.6 million previously, due to product mix, higher administrative expenses and finance costs on account of short-term borrowings for working capital purposes.

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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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