

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE

Southern Cable 1Q23 net profit nearly doubles to RM5.1 million

- *Supported by higher sales volume, better product mix and higher efficiency*
- *Additional workers boost cable and wire capacity by 15% to 38,780 km per annum*
- *RM692.7 million of current orders in hand to be recognised until 2024*

Kedah, Malaysia, 23 May 2023 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) made a strong start to the year with RM5.1 million net profit in the first quarter ended 31 March 2023 (1Q23), nearly doubling from RM2.6 million in the previous corresponding quarter on better product mix, improved efficiency, and adjusted selling prices to reflect latest raw material prices.

1Q23 group revenue rose 30.1% to RM240.9 million, versus RM185.1 million previously, driven by increased sales volume from various sectors such as power distribution and transmission, infrastructure, and others.

The higher sales volume in 1Q23 was also supported by increased production efficiency. The Group onboarded additional workforce in the fourth quarter of 2022, which boosted cable and wire capacity by 15% to 38,780 kilometers per annum.

“With our enlarged capacity, Southern Cable is poised to capture the growing demand for cables and wires from various sectors. This readiness allows us to accommodate a larger volume of orders.

Furthermore, our recent wins of more than RM120 million year-to-date from Tenaga Nasional Berhad indicates the return of the infrastructure rebuilding phase. This stance by customers, together with our larger and more efficient capacity, will contribute towards our continued growth.”

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

The Group has RM692.7 million current orders in hand to be fulfilled until 2024. Major orders include power cable and conductor supply contracts from Tenaga Nasional Berhad and Sarawak Energy Berhad, as well as other orders from EPCC (Engineering, procurement, construction and commissioning) contractors, and resellers.

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Geographically, the Group's domestic revenue recorded a 27.6% increase to RM227.1 million in 1Q23 from RM177.9 million previously in line with the nation's improving economic activities. Revenue from overseas rose 91.9% to RM13.8 million in comparison to RM7.2 million previously, as the Group delivered more orders to the United States (US).

Tung concluded: "We are seeing an increase in orders by our US customer, which has contributed significantly to 1Q23 overseas sales. We look forward to maintaining our sales momentum to the US and target more customers, while also enhancing our sales in other overseas markets."

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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, 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 36,000 tonnes of aluminium and copper rods, 38,780 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.

Additionally, the Group holds certifications for product compliance to local and international standards for its cables and wires. These certifications include Malaysian Standards (MS), IEC standards or British Standards, Energy Commissions of Malaysia, Fire and Rescue Department of Malaysia, SIRIM QAS International, TÜV SÜD, and UL Standards.

Southern Cable is the registered supplier of cables and wires with Tenaga Nasional Berhad, Telekom Malaysia Berhad, Sabah Electricity Sdn Bhd, and Petroliaam Nasional Berhad, as well as supplies to Sarawak Energy Berhad.

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

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