

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE

Southern Cable maintains growth momentum, with 3Q23 net profit surging 73.7% to RM6.5 million

- *Higher sales volume and better product mix drive enhanced profitability; 3Q23 revenue grows 15.0% to RM273.7 million on robust cable and wire demand*
- *Annual production capacity increases by 21% to 40,780 km from a year ago*
- *Orders in hand as at 30 September 2023 stand at RM893.2 million, to be fulfilled by 2026*

Kedah, Malaysia, 29 November 2023 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) recorded a 73.7% surge in net profit to RM6.5 million in the third quarter ended 30 September 2023 (3Q23) in comparison to RM3.8 million in the previous corresponding quarter, driven by higher sales volume and better product mix.

The enhanced profitability was also attributed to improved sales margins due to lower plastic compound prices from a year ago.

In 3Q23, the Group's annual cable and wire production capacity increased by 21% to 40,780 km from 33,780 km in the previous financial year ended 31 December 2022 (FY2022) due to installation of new machinery. The expanded capacity, and fulfilment of increased orders for power, and control & instrumentation cables and wires, supported the 15.0% growth in Group revenue to RM273.7 million in 3Q23 from RM238.0 million previously.

“We are optimistic about our prospects, driven by robust demand for cables and wires from various sectors, including power transmission and distribution, construction, and oil and gas. Our expanded production capacity allows us to meet increasing market requirements and fulfil larger orders.

We are equipped to seize the opportunity from the infrastructure project rollouts under the National Energy Transition Roadmap, which will further boost the need for power cables and wires.”

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

HEAD OFFICE

Lot 42, Jalan Merbau Pulas,
Kawasan Perusahaan Kuala Ketil,
09300 Kuala Ketil, Baling, Kedah.

CONTACT

T +6 04 4161 600
F +6 04 4161 599
M sc@southerncable.com.my

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

In the nine months ended 30 September 2023 (9M23), the Group's revenue rose 17.1% to RM746.5 million from RM637.7 million previously, attributed to increased sales volume of power, and control & instrumentation cables and wires. Meanwhile, net profit in 9M23 grew 70.5% to RM17.0 million from RM10.0 million in the same period last year, on better product mix, and improved sales margins due to lower plastic compound prices from a year ago.

As at 30 September 2023, the Group's orders in hand stood at RM893.2 million and are expected to be fulfilled by 2026. The orders include the supply of underground cables and conductors to Tenaga Nasional Berhad and Sarawak Energy Berhad, the supply of rectifier and battery systems to Telekom Malaysia Berhad, as well as purchase orders from EPCC (Engineering, Procurement, Construction, and Commissioning) contractors, resellers, and others.

Expressing optimism for the current financial year, Tung noted: "Our 9M23 performance has already surpassed the net profit of RM14.5 million recorded in FY2022. To maintain our growth momentum, we will continue to look into undertaking expansion plans to seize more business opportunities."

-end-

HEAD OFFICE

Lot 42, Jalan Merbau Pulas,
Kawasan Perusahaan Kuala Ketil,
09300 Kuala Ketil, Baling, Kedah.

CONTACT

T +6 04 4161 600
F +6 04 4161 599
M sc@southern-cable.com.my





SOUTHERN CABLE

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

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, and 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 to Tenaga Nasional Berhad, Telekom Malaysia Berhad, Sabah Electricity Sdn Bhd, and Petroliam 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

For media enquiries, please contact:

Mr. Tee Wei Keat
E: weikeat@aquilas.com.my
T: 03-2711 1391

For investor enquiries, please contact:

Mr. Tay Tze Yi
E: tayty@aquilas.com.my
T: 03-2711 1391

HEAD OFFICE

Lot 42, Jalan Merbau Pulas,
Kawasan Perusahaan Kuala Ketil,
09300 Kuala Ketil, Baling, Kedah.

CONTACT

T +6 04 4161 600
F +6 04 4161 599
M sc@southerncable.com.my

