



**SOUTHERN CABLE**

## **SOUTHERN CABLE GROUP BERHAD**

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

### **PRESS RELEASE**

## **Southern Cable records RM7.3 million net profit in 3Q20 as operations normalise post-MCO**

- *Reports RM16.5 million net profit on RM392.6 million revenue in 9M20*
- *Obtains TÜV SÜD certification for power cables and wires used in solar photovoltaic (PV) systems; to leverage on certification for further market development in Southeast Asia region*

Kuala Lumpur, Malaysia, 23 November 2020 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK, Reuters: SOUT.KL) is seeing a normalisation in operations following the Movement Control Order (MCO) and subsequent recovery phases, and achieved healthy group net profit of RM7.3 million on group revenue of RM151.6 million in the third quarter ended 30 September 2020 (3Q20).

Pre-pandemic in the previous financial year ended 31 December 2019, Southern Cable posted RM656.7 million revenue and RM28.5 million net profit.

“The 3Q20 performance shows our resilience, in that we have progressed beyond the MCO phase to return to the normal pace of operations and deliveries.

We are striving to upkeep this momentum, both in meeting the demand from our existing clientele and expanding our sector coverage. We know that there is vast potential in the cables and wires industry, and we intend to ride its growth wave in Malaysia and the region.”

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

Of total 3Q20 group revenue, the power cables and wires segment contributed 82.4% or RM124.9 million, the communications cables and wires segment contributed 4.0% or RM6.0 million, while the control and instrumentation cables and wires segment contributed 4.8% or RM7.2 million. The balance 8.8% or RM13.4 million was contributed by other products and services

For the nine-month period ended 30 September 2020 (9M20), the Group registered revenue of RM392.6 million and net profit at RM16.5 million. The power cables and wires segment contributed RM313.3 million or 79.8% of total revenue, while the communication cables and wires made up RM17.9 million or 4.6%. Control and instrumentation cables and wires contributed RM21.2 million or 5.4%, and other products and services contributed RM40.2 million or 10.2% of revenue.

As this is the Group's first interim financial report on consolidated results announced in compliance with the ACE Market Listing Requirements, there is no comparison to the preceding year corresponding quarter and period. Southern Cable was listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 October 2020.

**Southern Cable obtains TÜV SÜD certification of power cables and wires for solar photovoltaic (PV) systems**

Meanwhile, Southern Cable aims to further develop its market to supply power cables and wires both locally and regionally, by leveraging on the recently obtained TÜV SÜD certification.

"The TÜV SÜD certification is a testament of our product quality and safety for use in the highly demanding solar energy sector," Tung said.

Also known as Type H1Z2Z2-K PV cables and wires, the newly-certified power cables and wires are produced with sheathing material that are resistant to ultraviolet rays, heat, and fire.

Tung further shared: "Now with a complete range of TÜV SÜD certified power cables and wires, we will target more projects domestically, in line with increasing public and private sector demand. Not only that, our power cables and wires can also be a reliable and competitive import substitute for local solar industry players."

"Furthermore, through our existing distribution channels in Myanmar, Indonesia, and Cambodia, we are also casting our sights on the regional solar markets which are increasingly investing into renewable energy as part of their national agenda. We believe that with our latest offering, we are better poised to tap into Southeast Asia's growing demand for solar energy."

Founded in 1993, Southern Cable has already established a strong track record in serving the power sector.



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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 and manufacturing of plastic compounds.

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, 31,080 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.

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 (M) Sdn. Bhd.

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