

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE

Southern Cable wins RM83.2 million contract from Sarawak Energy

- *Largest contract from state power provider to supply and deliver power cables and conductors for 18 months from November 2022*
- *Current orders in hand at RM752.9 million to last until 2024*

Kedah, Malaysia, 10 November 2022 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) through its wholly-owned subsidiary Southern Cable Sdn. Bhd. won a Letter of Award worth RM83.2 million from Sarawak Energy Berhad (Sarawak Energy) to provide power cables and conductors.

The contract entails Southern Cable supplying and delivering cables and conductors to Sarawak Energy's Distribution Network Division for a period of 18 months starting from November 2022.

“This sizable contract from Sarawak Energy signifies our client’s confidence in our manufacturing capabilities. We hope this will lead to increased tenders for us, and eventually higher revenue contribution from East Malaysia.

We are optimistic of our prospects in Sarawak, not just because we have made inroads into the state, but also due to the vast opportunities as the Government plans to invest more than RM100 billion in infrastructure and development.”

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

For the first half ended 30 June 2022, East Malaysia contributed 11.0% or RM43.5 million of the total RM399.7 million in group revenue, improving 70.7% from RM25.5 million in the same period last year, attributed to higher orders from the construction and utility sectors.

With this new win, the Group’s current orders in hand amount to RM752.9 million, which would improve its earnings for the financial years ending 31 December 2022 until 2024. The current orders include the RM293.8 million supply contract secured from Tenaga Nasional Berhad in July 2022

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Meanwhile, Sarawak is aiming to become a developed state by 2030. Over the next eight years from 2022, the state is expected to invest more than RM100 billion to fund various state projects such as the anticipated H2biscus hydrogen plant, and development of infrastructure such as roads and bridges, water and electricity supply, and telecommunication network. This in turn would lead to higher demand for cables and wires to support the state's expansion plans.

Tung further said: "Our recent appointment as a registered supplier with Sarawak Energy is a recognition of our track record in meeting their quality expectations. This will enable us to take part in larger-size tenders in the future with the state power provider, supporting them in meeting Sarawak's power demands."

"Southern Cable has extensive experience in producing cables and wires used for power generation to distribution, communications, as well as control and instrumentation applications. Additionally, we have supplied to major projects including the Mass Rapid Transit 1 and 2, as well as the Refinery and Petrochemical Integrated Development in Pengerang, Johor. Backed by these competencies, we stand ready to take part in Sarawak's forthcoming development growth."

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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, 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, Sarawak Energy Berhad and Petroliam Nasional Berhad.

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

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