

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE**Southern Cable 1Q25 net profit surges 94.7% to RM27.4 million**

- *Revenue climbs 25.2% to RM390.8 million, driven by higher sales volume and 19% boost in annual capacity*
- *RM1.32 billion in firm orders secures strong earnings visibility until 2026*
- *Overseas revenue leaps 636.3% to RM31.1 million, targets RM100 million export revenue for FY2025*

Kedah, Malaysia, 29 May 2025 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD MK) started the year 2025 on a high note, with a net profit increase of 94.7% to RM27.4 million in the first quarter ended 31 March 2025 (1Q25), from RM14.1 million in the corresponding quarter last year. The profit jump was driven by robust domestic demand and capacity expansion.

The exceptional 1Q25 performance reflects heightened demand for power cables and wires, largely fuelled by Malaysia's accelerated infrastructure, manufacturing, renewable energy, and data centre developments. As the country fortifies its power grid to meet burgeoning electricity requirements, Southern Cable remains a critical enabler and key supplier of power cables and wires in the country.

In response to the robust market demand, the Group's revenue for 1Q25 climbed by 25.2% to RM390.8 million, up from RM312.0 million previously. The substantial growth was underpinned by a 19% increase in annual production capacity to 49,980 km compared to the same quarter last year. Anticipating sustained market growth, Southern Cable is poised to further enhance its annual production capacity to 51,980 km by the end of 2025.

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“Southern Cable’s strong 1Q25 performance underscores our capabilities to reliably supply cables and wires crucial for Malaysia’s rapid industrialization and infrastructure development.

Our investments in expanding production capacity and enhancing operational capabilities have been instrumental in effectively meeting the escalating domestic demand and strengthening our market leadership. The additional capacity slated for this year will cater to the robust demand for low-and-medium voltage cables and wires, further expanding our product range to bolster ongoing infrastructure growth.

Looking ahead, the sustained demand for cables and wires will keep us operating at high utilisation. As production volume scales, we expect to realize better economies of scale, leading to a sustainable earnings growth.”

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

Southern Cable’s future trajectory is further secured by a substantial RM1.32 billion of orders in hand as at 31 March 2025, providing earnings visibility until 2026. These orders encompass supplying underground cables and conductors to power utility companies, providing rectifier and battery systems to a telecommunication company, as well as purchase orders from EPCC (Engineering Procurement Construction Commissioning) contractors, resellers, and others.

Building on its domestic strengths, Southern Cable is also making significant strides in its global reach, achieving substantial growth in its international business during 1Q25. Overseas revenue surged by 636.3% to RM31.1 million from RM4.2 million previously, driven by higher exports to the United States (U.S.). The U.S. construction sector presents a compelling and expanding opportunity, with total construction spending increasing 2.9% to \$485.7 billion in 1Q25, from \$472.2 billion in the same period last year, according to the U.S. Census Bureau.

Capitalizing on the positive export outlook, Southern Cable has set an ambitious target of RM100 million in revenue from overseas markets for FY2025.

Mr. Tung added: “Our record overseas growth, particularly in the U.S., validates our strategy of international market capture. The demand for our UL-certified aluminum wires within the active U.S. construction sector presents a significant inflection point. We are actively expanding our specialized product offerings and supply chain capabilities to establish a stronger foothold and achieve our ambitious export target for FY2025. Global expansion is key to diversifying our revenue base and cementing our position as a global supplier.”

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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 and wooden cable drums.

Through its factories in Kuala Ketil and Sungai Petani, Kedah, the Group has an annual production capacity of 20,400 tonnes and 18,000 tonnes for aluminium and copper rods, respectively, 49,980 km for cables and wires, and 7,800 tonnes for plastic 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 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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