PRESS RELEASE

Southern Cable 2Q25 net profit surges 119% to RM31.6 million fuelled by strategic expansion

- ***2Q25 revenue rises 33.0% to RM419.3 million, driven by higher sales volume and enlarged production capacity***
- ***Investing close to RM40 million in a new high-capacity aluminium furnace and Medium - to Extra-High Voltage (33kV to 275kV) production line***
- ***Declares first-interim dividend of 1.20 sen per share in respect of FY2025***

Kedah, Malaysia, 25 August 2025 - Cable and wire manufacturer **Southern Cable Group Berhad** (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD MK) more than doubled its net profit by 119.3% to RM31.6 million for the second quarter ended 30 June 2025 (2Q25) from RM14.4 million in the same quarter last year, on the back of growing domestic and overseas demand.

Group revenue rose 33.0% to RM419.3 million in 2Q25, up from RM315.3 million previously, due to higher sales volume of cables and wires. The performance was led by a 23.1% increase in domestic revenue to RM372.2 million, underpinned by buoyant demand in the power utility and construction sectors.

Overseas revenue also surged by 261.8% to RM47.1 million, propelled by higher sales to the United States (US). The Group's enlarged annual production capacity of 51,980 km, a 14% increase year-on-year, supported the higher sales volume.

"Our strong 1H25 performance was fuelled by robust demand for cables and wires in both domestic and export markets.

In Malaysia, we are capitalising on rising demand for high-voltage power cables, driven by developments in renewable energy, railways, and data centres. At the same time, ongoing geopolitical shifts have accelerated demand for our products in the US market. With overseas revenue quadrupling in the latest quarter, we are on track to surpass our RM100 million overseas revenue target this year.

To meet this rising demand and sustain our growth momentum, we are investing in a new manufacturing facility that will position us to capture even greater opportunities ahead."

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

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Southern Cable's expansion adjacent to its Kuala Ketil facilities in Kedah is on schedule for completion in 2026. The project, backed by a capital expenditure of close to RM40 million, features a new facility on a 7.9-acre site. The facility will be equipped with a high-capacity aluminum furnace to triple its aluminum rods output to over 60,000 MT annually, and a new production line for Medium- to Extra-High Voltage (33kV to 275kV) power cables. The expansion will strengthen the Group's position in the high-voltage cable sector.

For the first half ended 30 June 2025 (1H25), the Group's net profit doubled to RM59.0 million, from RM28.5 million in the same period last year. The performance was attributed to profit improvements through economies of scale and better product mix. The rise came on the back of a 29.1% higher revenue of RM810.1 million, compared to RM627.4 million previously.

Revenue from the domestic market increased by 20.0% to RM731.9 million in 1H25, from RM 610.1 million in the previous corresponding period, spurred by domestic infrastructure developments. Concurrently, revenue from the overseas market surged by 353.6% to RM78.2 million in 1H25, from RM17.2 million previously, propelled by higher sales to the US.

As at 30 June 2025, Southern Cable's orders in hand stood at RM1.17 billion, providing earnings visibility until 2026. The orders include 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.

The Group declared a first interim dividend of 1.20 sen per share in respect of the financial year ending 31 December 2025, with the dividend entitlement date on 30 September 2025 and payment date on 15 October 2025. The dividend payout amounts to RM11.8 million or 20% of 1H25 net profit.

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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 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

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