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Southern Cable bags RM404mil TNB contracts

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PETALING JAYA: Cable and wire manufacturer Southern Cable Group Bhd has secured supply contracts totalling RM403.6mil from Tenaga Nasional Bhd (TNB).

In a statement, the company said the contracts will entail the supply and delivery of underground power cables and conductors to TNB's distribution network division for a one-year term commencing February 2025.

Southern Cable said the contracts offer significant upside potential for the company.

"TNB has the option to extend the agreements for another year with add-on orders of the original contract's value.

"Furthermore, TNB may exercise its option to request additional orders up to

30% of the original contract's value, further boosting the potential revenue from these agreements.

"Southern Cable has consistently secured significant contracts with TNB, as demonstrated by recent agreements for the 2022-2024 period totalling about RM850mil," said the company.

The group's current orders in hand also include supplying underground cables and conductors to other power utility companies, rectifier and battery systems to a major telecommunications company, as well as purchase orders for cables and wires from engineering, procurement, construction, and commissioning contractors and distributors.

In the same statement, managing director Tung Eng Hai said the contracts from

TNB demonstrated its continual confidence in the group's ability to deliver high-quality products vital to Malaysia's critical power infrastructure.

"We are committed to supporting TNB's efforts to strengthen the power grid and meet the nation's growing energy demands, driven by increasing construction and infrastructure developments.

"To meet rising demand, we are focused on expanding our production capacity and enhancing our product range, particularly for the medium and high-voltage cables essential for new substations and infrastructure projects."

Looking ahead, Tung said the group remains confident in delivering a strong performance for the financial year ending Dec 31, 2025, supported by robust orders.