SOUTHERN CABLE

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE

Southern Cable signs IPO underwriting agreement with MIDF Amanah Investment Bank

- ***To issue 104.7 million new shares representing 26.2% of the enlarged issued share capital***
- ***Aims to increase its product offerings to include high voltage thermal resistant aluminium conductor cables, industrial cables and automotive cables and wires***

Kuala Lumpur, Malaysia, 9 March 2020 –Cable and wire manufacturer **Southern Cable Group Berhad** (Southern Cable, the Group, 南方电缆) has signed an underwriting agreement with MIDF Amanah Investment Bank Berhad (MIDF Investment) - its principal adviser, sponsor, sole underwriter and placement agent - for its proposed Initial Public Offering (IPO) on the ACE Market of Bursa Malaysia Securities Berhad.

Southern Cable's IPO entails the public issue of 104.7 million new shares representing 26.2% of the Group's enlarged share capital.

Of 104.7 million new shares, 20.0 million shares will be made available for application by the Malaysian public; and 11.0 million shares for application by eligible directors, employees and persons who have contributed to the success of the Group. The remaining 73.7 million shares will be allocated for private placement whereby 33.7 million new shares will be allocated towards selected investors while 40.0 million new shares are to be placed to selected Bumiputera investors approved by the Ministry of International Trade and Industry.

There would also be an offer for sale where 10.0 million existing shares will be allocated for private placement to selected investors.

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QUALITY SYSTEM SIRIM
UKAS MANAGEMENT SYSTEMS 074
MS ISO 9001:2015
QMS 00688

"The signing of the underwriting agreement not only reinforces MIDF Investment's confidence in us, but also takes us a step closer in our IPO journey. This comes at an opportune time as we are ready to take advantage of the possibilities and opportunities in this growing sector.

In the past 27 years, we have developed a track record for manufacturing a wide range of cables and wires that are used for power distribution, communications as well as control and instrumentation applications. Continuing our growth journey, we plan to increase our product offerings to include high voltage thermal resistant aluminium conductor cables, industrial cables and automotive cables and wires. This allows us to capture a larger market share in the cable and wire manufacturing sector going forward."

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

The Group currently manufactures cables and wires for use in numerous industry sectors including power distribution, 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 for industry leaders such as Tenaga Nasional Berhad, Telekom Malaysia Berhad, Sabah Electricity Sdn Bhd and Petroliam Nasional Berhad.

Southern Cable Group's Managing Director, Tung Eng Hai (陈永海) and Executive Director, Wong Meng Kee （黄明基）signed the underwriting agreement on behalf of Southern Cable, while MIDF Investment was represented by Chief Executive Officer, Datuk Joseph Dominic Silva.

Through its factories in Kuala Ketil and Sungai Petani, Kedah, the Group has a total annual production capacity of 26,500 tonnes of aluminium and copper rods, and 31,080 km of cables and wires.

The key supporting activities for the cable and wire manufacturing operations include furnace and continuous casting as well as manufacturing of plastic compounds with annual production capacities of 7,800 tonnes of polyvinyl chloride (PVC) compounds.

The Group targets to list on the ACE Market of Bursa Malaysia Securities Berhad in the second quarter of 2020.

"We are proud to facilitate the IPO of a player that provides an essential aspect of the nation's electricity and communications infrastructure. This underwriting further underscores MIDF Investment's commitment to be a part of Southern Cable's growth journey that includes the proposed listing on the ACE Market of Bursa Malaysia.

Southern Cable, with its market position and experienced management team has the potential to further expand in the cables and wires industry.

We believe that with their long track record and core expertise, Southern Cable is well positioned to capitalise on the growth opportunities in the cables and wires industry going forward."

Datuk Joseph Dominic Silva,
Chief Executive Officer of MIDF Amanah Investment Bank

About Southern Cable Group Berhad (南方电缆)

Founded in 1993, Southern Cable is principally involved in the business of manufacturing of cables and wires that are used for power distribution, 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 26,500 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, 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.

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About MIDF

MIDF was established in 1960 as a result of a study by the World Bank. MIDF is the country's premier development finance institution and has played an important role in accelerating the development and modernization of the country's manufacturing industry.

MIDF Group now offers a competitive and diversified range of financial services including Investment Banking, Development Finance, and Asset Management.

MIDF is a wholly-owned subsidiary of Permodalan Nasional Berhad.