

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE**Southern Cable shareholders pave the way for transfer listing to Main Market**

- *Expects to transfer in the fourth quarter of 2021, subject to approvals from the Securities Commission and Bursa Securities*
- *Anticipates higher demand for cables and wires in line with project rollouts from key sectors such as power, telecommunications, and infrastructure & construction*
- *New production facility is expected to commence construction in second half of 2021 with additional 5,000 km annual capacity; total annual capacity to increase approximately 15% to 38,780 km in 2022*

Kedah, Malaysia, 10 June 2021 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) secured shareholders' approval for the proposed amendments to the Company's Constitution, paving the way for the transfer of its listing status to the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).

At the Virtual Annual General Meeting today, the Group's Managing Director Mr. Tung Eng Hai said that the proposed Main Market transfer will be a landmark occasion in the Group's journey to become a leading provider of cables and wires.

The Group is aiming for the transfer listing to take place in the fourth quarter of 2021, pending approvals from the Securities Commission Malaysia and Bursa Securities.

"The transfer of Southern Cable's to the Main Market of Bursa Securities in less than a year after our ACE Market listing mirrors our bright prospects in the high-growth cables and wires market.

We have built a track record in powering up the nation's various industries and infrastructure. We not only supply cables and wires to key utility providers such as Tenaga Nasional Berhad and Telekom Malaysia Berhad, but also to major infrastructure projects such as the Mass Rapid Transit, Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang, Johor, among others.

Therefore, we expect to register resilient growth in the second half of 2021, as we meet the anticipated demand from the rollout of mega projects across key sectors such as power, telecommunication, infrastructure & construction, and oil & gas. This is on top of fulfilling existing contracts with key clientele in the industrial sector."

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

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Southern Cable is also in the process of expanding its cable and wire production capacity to support its growth by building a new production facility, adjacent to its existing facility in Kuala Ketil, Kedah.

Construction works for the new production facility are expected to commence in the second half of 2021, which would provide an additional annual capacity of 5,000 km (kilometres). Upon completion in the second half of 2022, the Group's total production capacity for cables and wires would increase by approximately 15% to 38,780 km per annum.

The expansion comes on the backdrop of favourable demand outlook for cables and wires in Malaysia. According to the Energy Commission of Malaysia, the country's total installed electricity generation capacity grew from 24,275 MW (Megawatts) in 2010 to 36,585 MW in 2019, while another 6,077 MW in new generation capacity would be required by 2030.

Commenting on the Group's prospects, Mr. Tung said:

“The transfer to the Main Market would help reinforce our profile as a leading and trusted provider of cables and wires. We also target to achieve more investor participation in our shares, which would also help to enhance shareholders' value.”

“As we continue to grow, our ongoing expansion also comes in a timely manner. The additional capacity coming on stream next years would allow us to cater to more orders, as well as broaden our product range and applications to serve more customers locally and internationally.”

Southern Cable's proposed transfer listing would not have any effect on the issued share capital and substantial shareholders' shareholdings of the company as well as the net assets, gearing, earnings and earnings per share of the Group.

Southern Cable was listed on the ACE Market of Bursa Malaysia on 16 October 2020 at an initial public offering price of RM0.34 per share.

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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 26,400 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 and Petroliam Nasional Berhad.

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

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