PRESS RELEASE

Southern Cable announces corporate exercise to fund major capacity expansion

- ***Proposes private placement of up to 10% of total number of issued shares, to raise up to RM259 million***
- ***To increase cable and wire output by 25% to 65,000 km/year and triple aluminium rods output to over 60,000 MT/year by end-2027***

Kedah, Malaysia, 14 October 2025 – Cable and wire manufacturer **Southern Cable Group Berhad** (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD MK) proposed a private placement of up to 10% of its total number of issued shares, to fund the Group's multi-year expansion plans to capture increasing opportunities from local and overseas demand for cables and wires.

The expansion will increase the Group's annual cable and wire output by 25% to 65,000 km/year, from 51,980 km/year as at 30 June 2025. Concurrently, it will triple its aluminium rod production to over 60,000 MT/year, from approximately 20,000 MT/year as at 30 June 2025. These expansions will be carried out in stages and are targeted to complete by the end of 2027.

"Southern Cable is expanding to meet rising demand for cables and wires, while also playing a role in supporting Malaysia's development through projects in power utility, renewable energy, construction, infrastructure, and data centres.

To achieve our long-term growth aspirations, we are also increasing our overseas revenue, with a target to have it contribute 30% of total revenue within the next three years. The funds raised will strengthen our manufacturing capabilities and support our vision of becoming a leading integrated cables and wires manufacturer in the region."

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

Of the total proceeds to be raised from the proposed exercise, RM129.0 million will be allocated for capital expenditure and expansion. This will fund the construction and renovation of factories and warehouse adjacent to the Group's existing operations in Kuala Ketil, Kedah, acquisition of a warehouse, as well as the purchase of new machinery and equipment.

The key investments in the expansion include two production lines—one for medium- to extra high-voltage cables and another for medium- to high-voltage cables—in addition to a high-capacity aluminium furnace. These new machines will be installed on Lots 20, 21, and 22, which are situated next to the existing Kuala Ketil facilities.

HEAD OFFICE
Lot 42, Jalan Merbau Pulas,
Kawasan Perusahaan Kuala Ketil,
09300 Kuala Ketil, Baling, Kedah.

CONTACT
T +6 04 4161 600
F +6 04 4161 599
M sc@southerncable.com.my

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Furthermore, the Group will establish an additional facility adjacent to Lots 20, 21, and 22 to house production machinery for low-voltage (LV) cables and wires, while also introducing a new range of products under the LV category.

Separately, RM5.1 million will be utilised to settle the balance purchase price of an industrial land previously acquired in July 2025, and related expenses.

The remaining proceeds will primarily be allocated for working capital to purchase raw materials such as copper, aluminium, and plastic compounds, supporting the Group's growing cable and wire production capacity. A portion will also be used for repayment of borrowings and to defray estimated expenses from the proposed exercise.

At an indicative issue price of RM2.16 per Placement Share, the Proposed Private Placement is expected to raise total gross proceeds ranging from RM218 million to RM259 million under the Minimum Scenario and Maximum Scenario, respectively.

RHB Investment Bank Berhad has been appointed as the Principal Adviser and Sole Placement Agent for the Proposed Private Placement.

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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, 51,980 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

For media enquiries, please contact:

Mr. Tee Wei Keat
E: weikeat@aquilas.com.my
T: 03-2711 1391

For investor enquiries, please contact:

Mr. Tay Tze Yi
E: tayty@aquilas.com.my
T: 03-2711 1391

HEAD OFFICE

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