

**SOUTHERN CABLE GROUP BERHAD**

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

**PRESS RELEASE****Southern Cable completes trial runs for new automotive wires**

- *Ongoing negotiations with several potential customers in Malaysia and Vietnam*
- *Posts revenue of RM562.7 million and net profit of RM21.3 million for the financial year ended 31 December 2020 (FY2020)*
- *Proposes a final dividend of 0.4 sen per share in respect of FY2020; subjected to shareholders' approval at upcoming Annual General Meeting*

Kedah, Malaysia, 23 February 2021 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) had recently completed trial runs for its new automotive wires which are used by automotive wire harnessing manufacturers and supporting industries.

With the successful trial runs of internal quality tests, the Group is pursuing several potential customers in Malaysia and Vietnam with commercial negotiations underway.

“We have firmly pursued this new product development effort as a way to expand our range of products with higher value-added offerings.

With the positive feedback on our automotive wire trials, we hope to secure maiden sales to the robust automotive market in Vietnam this year, which would enhance our revenue mix to include more exports. Additionally, we would also seek to potentially serve Malaysia's robust automotive market.

In the meantime, we are currently meeting higher demand especially from major utilities clients across Malaysia and on increased project activity including oil and gas and urban transportation, in addition to other sectors.

Going forward, we are positive of delivering sustainable growth, backed by uptrending orders from the diverse industries that we supply to. This would complement our product development efforts to expand our customer base.”

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

For FY2020, Southern Cable registered a revenue of RM562.7 million and a net profit of RM21.3 million.

Of total group revenue, the power cables and wires segment contributed RM458.4 million or 81.5%, while the communication cables and wires contributed RM21.7 million or 3.8%. Control and instrumentation cables and wires contributed RM28.2 million or 5.0%, and other related products and services at RM54.4 million or 9.7%.

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Meanwhile, FY2020 net profit included one-off listing expenses of RM2.1 million in conjunction with its Initial Public Offering exercise. Without the one-off expenses, FY2020 adjusted net profit would amount to RM23.4 million.

Comparatively, the Group's FY2019 revenue stood at RM656.7 million with net profit of RM28.5 million. The decline in FY2020 performance was due to interruptions in business and operations during the Movement Control Order period from March to April 2020.

For 4Q20, group revenue stood at RM170.1 million with net profit of RM4.8 million. Adjusting for the one-off listing expenses, 4Q20 net profit would amount to RM6.6 million. As this is the Group's second interim financial report on consolidated results, there is no comparison to the preceding year corresponding quarter. Southern Cable was listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 October 2020.

Southern Cable proposed a final single tier dividend of 0.4 sen per share in respect of FY2020, which will be subject to shareholders' approval at the Group's upcoming Annual General Meeting. The dividend payout is estimated to be RM3.2 million or 15.1% of the Group's net profit in FY2020.

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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.

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, 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 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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