

**SOUTHERN CABLE GROUP BERHAD**

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

**PRESS RELEASE****Southern Cable targets construction and infrastructure sectors with copper cable substitute**

- *New aluminium-based industrial cables as copper cables substitute to mitigate rising copper prices in the past year*
- *Revenue for the six months ended 30 June 2021 (1H21) rose 36.3% from a year ago to RM328.7 million on higher orders from utility companies*

Kedah, Malaysia, 27 August 2021 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD:MK) is targeting the construction and infrastructure sectors with its newly-developed aluminium-based cable as copper cable substitute, to mitigate rising copper prices in the past year.

Southern Cable's aluminium-based industrial cables replicate the conductivity and performance of copper cables in line with industry standards. This will enable the Group to expand its product range and provide a competitively-priced substitute to its clientele.

“With this new product, we target to serve more companies in the local construction and infrastructure sectors, which are facing the brunt of rising input prices amongst other cost pressures. This is supported by the strong customer base we have established in the past 28 years with local contractors.

Meanwhile, our operations were granted permission from the Ministry of International Trade and Industry to operate at 80% worker capacity currently. Not only that, more than 60% of our employees have completed two vaccination doses, and we target full vaccination in the near term. As a result, we can continue to support various industry sectors in the country by ensuring the smooth delivery of our cables and wires.

Moving forward, we are focused on safeguarding our business operations and our essential role to our clientele in key economic sectors.”

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

In 1H21, Southern Cable's revenue grew 36.3% to RM328.7 million from RM241.1 million a year ago, on higher sales of cables and wires to power utility companies, as well as improved productivity as compared to last year, where operations were affected by the first movement control order implemented in March 2020.

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Of the Group's total 1H21 revenue, sales of power cables and wires increased 55.2% to RM292.3 million from RM188.4 million, while sales of communication cables and wires decreased 25.1% to RM9.0 million from RM12.0 million previously. Revenue from control and instrumentation cables and wires reduced 54.5% to RM6.4 million from RM14.0 million, and related products and services declined 21.4% to RM21.0 million from RM26.7 million a year ago.

Higher plastic-based and metal-based raw material prices led to 27.0% lower 1H21 net profit of RM6.7 million from RM9.1 million previously.

In the second quarter ended 30 June 2021 (2Q21), the Group recorded a revenue of RM156.4 million and a net profit of RM3.1 million.

There are no comparative figures for the preceding corresponding quarter as the Group was listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 October 2020, and no interim financial report was prepared for the comparative financial period concerned.

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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 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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