

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ACO GROUP BERHAD (“ACO” OR THE “COMPANY”) DATED 27 FEBRUARY 2020 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Alliance Investment Bank Berhad (“**AIBB**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, AIBB and ACO take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 27 February 2020 and will close at 5.00 p.m. on 6 March 2020.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



www.acogroup.com.my



ACO GROUP BERHAD

P R O S P E C T U S



ACO Group

ACO Group Berhad

Registration No. 201901020410 (1329739-A)
(Incorporated in Malaysia under the Companies Act 2016)



PROSPECTUS

THIS PROSPECTUS IS DATED 27 FEBRUARY 2020

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF ACO GROUP BERHAD ("ACO") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:-

- (I) PUBLIC ISSUE OF 58,000,000 NEW ORDINARY SHARES IN ACO ("ACO SHARES" OR "SHARES") IN THE FOLLOWING MANNER:-
- 15,000,000 NEW ACO SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 9,000,000 NEW ACO SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
 - 4,000,000 NEW ACO SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS;
 - 30,000,000 NEW ACO SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;

AND

- (II) OFFER FOR SALE OF 25,000,000 EXISTING ACO SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS,

AT AN IPO PRICE OF RM0.28 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

Principal Adviser, Sponsor, Sole Underwriter and Placement Agent



THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE APPROVAL, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES BEING OFFERED FOR INVESTMENT.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 158.

RESPONSIBILITY STATEMENTS

The Directors, Promoters and Offerors of the corporation have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

Alliance Investment Bank Berhad, being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the offering.

STATEMENTS OF DISCLAIMER

Approval has been granted by Bursa Malaysia Securities Berhad for the listing of and quotation for the securities being offered. Admission to the official list of ACE Market of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, corporation, or its shares.

Bursa Malaysia Securities Berhad is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the application form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the corporation.

Shares listed on Bursa Malaysia Securities Berhad are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

The shares of this corporation are classified as Shariah compliant by the Shariah Advisory Council of the Securities Commission Malaysia. This classification remains valid from the date of issue of the Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the Securities Commission Malaysia. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of the IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

This Prospectus is prepared and published solely for the IPO in Malaysia under the laws of Malaysia. Our shares are issued in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for the IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to the IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for the IPO would be in compliance with the terms of the IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted the IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion, to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com. The contents of the electronic Prospectus are as per the contents of the copy of this Prospectus registered by the Securities Commission Malaysia.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined in this Prospectus) is subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of an electronic Prospectus, you should immediately request from us, our Principal Adviser or the issuing house, a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to the copy of the Prospectus registered by the Securities Commission Malaysia, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software.

The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following dates:-

Event(s)	Tentative Date(s)
Issuance of Prospectus / Opening of the application period for the IPO	27 February 2020
Closing of the application period for the IPO	6 March 2020
Balloting of applications	11 March 2020
Allotment of Issue Shares / Transfer of Offer Shares to successful applicants	17 March 2020
Listing on the ACE Market	18 March 2020

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia.

PRESENTATION OF INFORMATION

All references to “our Company” or “ACO” in this Prospectus are to ACO Group Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key senior management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Vital Factor (as defined in this Prospectus), an independent business and market research consulting company. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on their research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

FORWARD-LOOKING STATEMENT

This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group’s control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:-

- (i) demand of our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 8 – Risk Factors and Section 11.3 – Management’s Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD of this Prospectus. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of Issue Shares/transfer of Offer Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:-

COMPANIES WITHIN OUR GROUP

ACO or Company	:	ACO Group Berhad (201901020410 (1329739-A))
ACO Group or Group	:	ACO, ACO Holdings, Actgen, Maydenki, Electric Master, Voltage Master and Maylec, collectively
ACO Holdings	:	ACO Holdings Sdn Bhd (199701005489 (420985-P))
Actgen	:	Actgen Industry Sdn Bhd (199601002817 (375163-T))
Electric Master	:	Electric Master Sdn Bhd (199401027481 (313163-H))
Maydenki	:	Maydenki Sdn Bhd (199001017811 (209480-P))
Maylec	:	Maylec Sdn Bhd (199001017166 (208835-T))
Voltage Master	:	Voltage Master Sdn Bhd (199701004820 (420316-K))

GENERAL

ACE Market	:	ACE Market of Bursa Securities
ACO Holdings Vendors	:	Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan, collectively in relation to the Acquisition of ACO Holdings
ACO Share(s) or Share(s)	:	Ordinary shares in ACO
Act	:	Companies Act 2016, as may be amended from time to time
Actgen-SE Distribution Agreement	:	A distribution agreement dated 1 January 2019 and extension letter dated 1 January 2020 between Schneider Electric as principal and Actgen as distributor whereby Schneider Electric grants Actgen the right to among others, market and distribute certain "Schneider" brand products in Malaysia
Acquisition of ACO Holdings	:	Acquisition by ACO of the entire issued share capital of ACO Holdings of RM2,500,000 comprising 2,500,000 ordinary shares from the ACO Holdings Vendors for a purchase consideration of RM35,320,350 (excluding the Acquisitions of the Non-Controlling Interests), which was entirely satisfied by the issuance of 235,469,000 new ACO Shares at an issue price of RM0.15 each. The Acquisition of ACO Holdings was completed on 22 January 2020
Acquisitions of the Non-Controlling Interests	:	Acquisitions by ACO Holdings involving the following:- <ul style="list-style-type: none"> (i) the remaining 20.0% equity interest in Electric Master not already owned by ACO Holdings for a purchase consideration of RM684,750, which was entirely satisfied by the issuance of 4,565,000 new ACO Shares at an issue price of RM0.15 each; (ii) the remaining 7.5% equity interest in Voltage Master not already owned by ACO Holdings for a purchase consideration of RM131,250, which was entirely satisfied by the issuance of 875,000 new ACO Shares at an issue price of RM0.15 each; and

DEFINITIONS (Cont'd)

	(iii)	the remaining 10.0% equity interest in Maylec not already owned by ACO Holdings for a purchase consideration of RM163,500, which was entirely satisfied by the issuance of 1,090,000 new ACO Shares at an issue price of RM0.15 each.
		The Acquisitions of the Non-Controlling Interests were completed on 22 January 2020
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
AIBB	:	Alliance Investment Bank Berhad (197401004393 (21605-D))
Application	:	The application for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	:	The printed application form for the application of the Issue Shares
ATM	:	Automated Teller Machine
Board	:	Board of Directors of ACO
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCC	:	Certificate of Completion and Compliance
CDS	:	Central Depository System
CDS Account	:	Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CMSA	:	Capital Markets and Services Act 2007, as may be amended from time to time
Constitution	:	The constitution of ACO
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and within the meaning given in Section 2 of the CMSA
EIS	:	Employment Insurance Scheme
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
EPF	:	Employees Provident Fund
EPS	:	Earnings per share

DEFINITIONS (Cont'd)

Executive Director(s)	:	Non-independent executive director(s) of ACO
FPE	:	9-month financial period ended
FYE	:	Financial year ended/ending
GM	:	Geran Mukim
GP	:	Gross profit
GRN	:	Geran
GST	:	Goods and Services Tax
H.S.(M)	:	Hakmilik Sementara Pejabat Tanah
IMR or Vital Factor	:	Vital Factor Consulting Sdn Bhd (199301012059 (266797-T)), an independent business and market research consultant
Industry Overview	:	Industry Overview titled "Independent Assessment of the Distribution of Electrical Products Industry in Malaysia" prepared by Vital Factor as set out in Section 7 of this Prospectus
Internal Reorganisation Exercise	:	Acquisition of ACO Holdings and Acquisitions of the Non-Controlling Interests, collectively
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 14 of this Prospectus
Internet Share Application	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution
IPO	:	Initial public offering of the IPO Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market comprising the Public Issue and the Offer for Sale
IPO Price	:	The issue price/offer price of RM0.28 for each Issue Share/Offer Share
IPO Shares	:	The Issue Shares and Offer Shares, collectively
Issue Shares	:	58,000,000 new ACO Shares, representing approximately 19.33% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Issuing House or Tricor	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
Kompas	:	Kompas Realty Sdn Bhd (formerly known as Kompas Electrical Distributor Sdn Bhd) (199401002774 (288452-V))
Listing	:	The admission of ACO to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM52,540,850 comprising 300,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as may be amended from time to time
Listing Scheme	:	Comprising the Internal Reorganisation Exercise, Public Issue, Offer for Sale, Share Transfer to Kompas and Listing, collectively

DEFINITIONS (Cont'd)

LPD	:	3 February 2020, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day on which Bursa Securities is open for trading of securities
Maydenki-SE Distribution Agreement	:	A distribution agreement dated 1 January 2019 and extension letter dated 1 January 2020 between Schneider Electric as principal and Maydenki as distributor whereby Schneider Electric grants Maydenki the right to among others, market and distribute certain "Schneider" brand products in Malaysia
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry of Malaysia
N/A	:	Not applicable
NA	:	Net assets
Offer for Sale	:	Offer for sale of the Offer Shares at the IPO Price by the Offerors by way of private placement to identified investors
Offer Shares	:	25,000,000 existing ACO Shares, representing approximately 8.33% of the enlarged issued share capital, which are to be offered pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus
Offerors	:	Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan, collectively
Official List	:	Official list of the ACE Market
Participating Financial Institutions	:	Participating financial institutions for Electronic Share Application, as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PN	:	Pajakan Negeri
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	The allocation of 9,000,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group pursuant to the Public Issue
Placement Agent	:	AIBB
PPE	:	Property, plant and equipment
Prescribed Security	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Principal Adviser	:	AIBB

DEFINITIONS (Cont'd)

Promoters	:	Kompas, Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan
Prospectus	:	This Prospectus dated 27 February 2020 in relation to the IPO
Public Issue	:	Public issue of 58,000,000 new ACO Shares at the IPO Price comprising:- <ul style="list-style-type: none"> (a) 15,000,000 new ACO Shares made available for application by the Malaysian Public; (b) 9,000,000 new ACO Shares made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group; (c) 4,000,000 new ACO Shares made available by way of private placement to identified investors; and (d) 30,000,000 new ACO Shares made available by way of private placement to Bumiputera investors approved by MITI.
RM and sen	:	Ringgit Malaysia and sen, respectively
ROC	:	Registrar of Companies
ROU	:	Right of use of assets
Rules	:	Rules of Bursa Depository, as may be amended from time to time
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SC ECU	:	Equity Compliance Unit of the SC
Schneider Electric	:	Schneider Electric Industries (M) Sdn Bhd (199601006230 (378576-M))
Share Transfer to Kompas	:	Transfer of 210,469,000 Shares received by the ACO Holdings Vendors from the Acquisition of ACO Holdings to Kompas, an investment holding company held by the ACO Holdings Vendors, during the prescription period
SICDA	:	Securities Industry (Central Depositories) Act 1991, as may be amended from time to time
SOCISO	:	Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
Sole Underwriter	:	AIBB
Sponsor	:	AIBB
Sq. ft.	:	Square feet
Sq. m.	:	Square metres
SST	:	Sales and Services Tax
Underwriting Agreement	:	The underwriting agreement dated 3 February 2020 entered into between our Company and AIBB pursuant to our IPO

GLOSSARY OF TECHNICAL TERMS

Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

Accura	:	Actgen's online ordering system for selected power and communication cables and wires
Air movement equipment	:	An electrical device that creates a current of air or a breeze such as fans, blowers, ventilating fans and air-conditioners
Al	:	Aluminium
Amp	:	Ampere
Armoured cables	:	Cables that have a protective layer of materials such as aluminium or galvanised steel wire to provide physical protection for the cables
Authorised distributor	:	In the context of this Prospectus, it refers to our status with some brand owners where we have formal agreements or performance target letters. It may also refer to our status as business partners, authorised dealers and distributors
Brand	:	In the context of this Prospectus, a brand refers to the name assigned to a product and in some situations, it may also be the name of the manufacturer. The brands disclosed in this Prospectus were based on at least one (1) sale transaction during the past three (3) financial years under review and up to the LPD
Cables and wires	:	In the context of this Prospectus, it refers to cables and wires primarily used for the transmission of power or signals. It excludes mechanical cables and wires. Any reference to cables in this Prospectus are used interchangeably with wires, as the case may be
Capacitor bank	:	A group of several capacitors of the same rating that are connected in series or parallel with each other to store electrical energy
CCTV	:	Close circuit television
Central region	:	In the context of this Prospectus, central region refers to the markets served by our Group which includes Selangor, Kuala Lumpur and Putrajaya
Circuit breaker	:	An automatically-operated electrical switch that will shut itself off (trips) and stop the flow of electricity if it detects overcurrent
Communications cables and wires	:	Used for transmission of data including text (letters, numbers and symbols), sound (audible voice, music and other sounds) and images (still images such as drawings, pictures and photos, and moving images such as videos and movies)
Conductor	:	In the context of this Prospectus, it refers to the medium used for the transmission of electricity, data or signals. Such conductors are mostly made from copper or aluminium or aluminium alloy
Conduit fittings	:	Connectors and fittings used to connect one piece of conduit to another
Control and instrumentation cables and wires	:	Used in the transmission or communications of signals or data output from measuring and monitoring instruments and other devices, and where subsequently the data is used for data processing, displaying processed information, controlling devices and automating processes

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Cu	:	Copper
Current rating	:	Current rating of a cable refers to the maximum electric current it is permitted to have flowing through it under normal operating conditions. This rating is usually expressed in Ampere (Amp)
Distribution centre	:	In the context of this Prospectus, a distribution centre is a facility used for the storage of goods especially bulky items such as cables and wires, air conditioners, fans, HDPE corrugated pipes, and pipes for communication cables to support sales outlets
East coast region	:	In the context of this Prospectus, east coast region refers to the markets served by our Group which includes Kelantan, Terengganu and Pahang
Electrical conduit	:	Electrical conduit is a tube or pipe designed to protect electrical cables and wires. They are made from metal, plastic or composite materials
Electrical distribution, protection and control devices	:	Devices which are used to distribute, control, regulate, protect and automate electrical distribution. These devices are used in industrial, commercial, institutional and residential premises, as well as plant, machinery and equipment
Electrical product and accessories	:	Electrical products are machine, equipment, apparatus, appliances and devices that require electricity for it to function. They also include those that generate, transmit, distribute, control or store electricity. In the context of this Prospectus, they also include parts and components that make up the final electrical product. Accessories are various types of hardware and products that may not be electrical in nature, but are commonly used when using, installing or fabricating an electrical product or system
Enclosure	:	An electrical enclosure is a cabinet for electrical devices to mount switches, circuit breakers, knobs, and displays. It is designed to keep the electrical devices clean, dry and protected while also making the components accessible
ERP system	:	Enterprise Resource Planning (ERP) system is a software system used by businesses to manage and integrate certain business processes including purchasing inventory, sales, marketing, finance, human resources and many others
Fire rated cables	:	Refers to fire resistance and flame-retardant cables
Fittings	:	In the context of light fittings, they are fixtures that is used to hold the source of illumination, focus the light in a specified manner, and provide attachments to the wall or ceiling
HDPE	:	High Density Polyethylene, a type of plastic
HDPE corrugated pipes	:	A type of flexible plastic pipe used for cable protection
Industrial users	:	Industrial users are commercial, institutional, government, professionals or other groups but not the general public
IT	:	Information Technology
LED	:	Light-emitting diode, a device that emits light when an electric current passes through it

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Lightings	:	In the context of this Prospectus, it refers to an electrical product that provides illumination commonly in the form of lamps, light bulbs, tubes and light-emitting diodes
Lighting concept store	:	In the context of this Prospectus, it is an outlet that is designed with a theme-based interior to display decorative light fixtures, lighting controls, switches and fans
LV power cables	:	Cables with rated voltage of less than 1kV
LV	:	Low voltage
kV	:	Kilovolt
Maydenki-mart	:	Maydenki's online ordering system for selected electrical distribution, protection and control devices
MV power cables	:	Cables with rated voltage from 1kV up to 49kV
MV	:	Medium voltage
Northern region	:	In the context of this Prospectus, northern region refers to the markets served by our Group which includes Pulau Pinang, Kedah, Perlis and Perak
Own brands	:	In the context of this Prospectus, own brands refer to the collective brands that are owned by our Group and this includes <i>Multi5</i> cables and wires, <i>Afg</i> lightings and fittings and <i>Sonko</i> LV transformers for metering devices
PE	:	Polyethylene, a type of plastic
Power cables and wires	:	Medium used to transmit electricity
Principal	:	The brand owner that grants our Group the right to resell goods on its behalf and this is specified in the authorised distributorships
PVC	:	Polyvinyl chloride, a type of plastic
Relay	:	A switch that opens and closes circuits electromechanically or electronically
Retailers	:	Operators that sell goods to the general public using store-based and/or non-store-based format. Store-based retailers have physical outlets to display and sell goods. Non-store-based retailers include sales through single and multilevel marketing, telephone, television, catalogue, mail order and online
Sales outlet	:	In the context of this Prospectus, each sales outlet comprises a sales front which are accessible to customers including industrial users and resellers. These sales outlets are generally located in commercial or light industrial areas
Sheath	:	Refers to the outermost protection layer of cables and wires, also known as jacket

GLOSSARY OF TECHNICAL TERMS (Cont'd)

- SIRIM** : SIRIM QAS International Sdn Bhd is a certification, inspection and testing body which provides certification on certain products. Products bearing SIRIM certification mark demonstrates that the product is in compliance with national or international standards and provides the user an assurance for safety and reliability.
- Some products are made mandatory to be certified by regulatory agencies such as the Energy Commission, Fire and Rescue Department Malaysia, Malaysian Communications and Multimedia Commission, National Water Services Commission, Road Transport Department and others. These products must be affixed with SIRIM labels. Meanwhile, some non-regulated products may also be certified by SIRIM QAS International and affixed with SIRIM labels
- Southern region** : In the context of this Prospectus, southern region refers to the markets served by our Group which includes Johor, Melaka and Negeri Sembilan
- Switchboard** : An electrical device that distributes electricity from an electrical source to another device or location. It is made up of several electric panels. Each electric panel contains some combination of relays, regulators, transformers and switches that safely divert or distributes electricity to devices and pathways that require the electricity. It also incorporates electrical protection devices
- Voltage rating** : Voltage rating of a cable refers to the maximum voltage to which the cable can be connected to or is able to withstand. For example, a cable with voltage rating of 0.6/1 kV indicates that this cable is capable of withstanding a voltage of between 0.6kV and 1kV
- XLPE** : Cross-linked polyethylene, a type of plastic

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TABLE OF CONTENTS

	PAGE
1. CORPORATE DIRECTORY	1
2. APPROVALS AND CONDITIONS	5
2.1 APPROVALS FROM RELEVANT AUTHORITIES	5
2.2 MORATORIUM ON SALE OF SHARES	7
3. PROSPECTUS SUMMARY	8
3.1 PRINCIPAL DETAILS OF THE IPO	8
3.2 BUSINESS MODEL	8
3.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS	11
3.4 OUR BUSINESS STRATEGIES AND PLANS	12
3.5 RISK FACTORS	13
3.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP	14
3.7 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS	15
3.8 USE OF PROCEEDS	16
3.9 FINANCIAL HIGHLIGHTS	17
3.10 DIVIDEND POLICY	17
4. PARTICULARS OF THE IPO	18
4.1 DETAILS OF THE IPO	18
4.2 BASIS OF ARRIVING AT THE IPO PRICE	27
4.3 DILUTION	28
4.4 USE OF PROCEEDS FROM THE IPO	30
4.5 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE	35
4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT	35
5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	39
5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS	39
5.2 DIRECTORS AND KEY SENIOR MANAGEMENT	44
5.3 BOARD PRACTICES	57
5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT	61
5.5 MANAGEMENT REPORTING STRUCTURE	64
5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	65
5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS	65
5.8 SERVICE AGREEMENTS	65
6. INFORMATION ON OUR GROUP	66
6.1 INFORMATION ON OUR GROUP	66
6.2 INFORMATION ON OUR SUBSIDIARIES	74
6.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES	84
6.4 BUSINESS OVERVIEW	86
6.5 PROPERTIES, PLANT AND EQUIPMENT	121
6.6 EMPLOYEES	131
6.7 MAJOR CUSTOMERS	132
6.8 MAJOR SUPPLIERS	135
6.9 EXCHANGE CONTROL	137
6.10 OUR BUSINESS STRATEGIES AND PLANS	138
7. INDUSTRY OVERVIEW	147

TABLE OF CONTENTS (Cont'd)

	PAGE
8. RISK FACTORS	158
8.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP	158
8.2 RISKS RELATING TO OUR INDUSTRY	162
8.3 RISKS RELATING TO INVESTING IN OUR SHARES	163
9. RELATED PARTY TRANSACTIONS	165
9.1 RELATED PARTY TRANSACTIONS	165
9.2 RELATED PARTY TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION	168
9.3 OUTSTANDING LOANS AND/OR FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF THE RELATED PARTIES	169
10. CONFLICT OF INTEREST	170
10.1 CONFLICT OF INTEREST	170
10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST	170
11. FINANCIAL INFORMATION	172
11.1 HISTORICAL AUDITED COMBINED FINANCIAL INFORMATION	172
11.2 CAPITALISATION AND INDEBTEDNESS	175
11.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	176
11.4 KEY FINANCIAL RATIOS	206
11.5 TREND INFORMATION	212
11.6 ORDER BOOK	212
11.7 SIGNIFICANT CHANGES	212
11.8 DIVIDEND POLICY	212
11.9 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	214
12. ACCOUNTANTS' REPORT	233
13. ADDITIONAL INFORMATION	341
13.1 EXTRACT OF OUR CONSTITUTION	341
13.2 SHARE CAPITAL	346
13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES	346
13.4 PUBLIC TAKE-OVERS	347
13.5 MATERIAL CONTRACTS	347
13.6 CONSENTS	349
13.7 RESPONSIBILITY STATEMENTS	349
13.8 DOCUMENTS FOR INSPECTION	349
14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	351
14.1 OPENING AND CLOSING OF APPLICATIONS	351
14.2 METHODS OF APPLICATIONS	351
14.3 ELIGIBILITY	352
14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS	353
14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	354
14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS	354

TABLE OF CONTENTS (Cont'd)

	PAGE
14.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	354
14.8 OVER/UNDER-SUBSCRIPTION	355
14.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS	355
14.10 SUCCESSFUL APPLICANTS	357
14.11 ENQUIRIES	357

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/(Designation)	Address	Nationality
Yap Koon Roy <i>(Independent Non-Executive Chairman)</i>	5581E, Taman Ciptaco Bukit Baru 75450 Melaka	Malaysian
Ir. Tang Pee Tee @ Tan Chang Kim <i>(Group Managing Director)</i>	B1-23-07 Molek Pine Tower 3 Jalan Molek 1/27 Taman Molek 81100 Johor Bahru Johor Darul Takzim	Malaysian
Tan Yushan <i>(Non-Independent Executive Director)</i>	B1-23-07 Molek Pine Tower 3 Jalan Molek 1/27 Taman Molek 81100 Johor Bahru Johor Darul Takzim	Malaysian
Chai Poh Choo <i>(Non-Independent Executive Director)</i>	48, Tecoma Jalan Goodview 11 Goodview Heights 43000 Kajang Selangor Darul Ehsan	Malaysian
Dr. Teh Chee Ghee <i>(Independent Non-Executive Director)</i>	15, Jalan Kenanga SD9/3C Bandar Sri Damansara 52200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Malaysian
Ir. Dr. Ng Kok Chiang <i>(Independent Non-Executive Director)</i>	No. 79, Jalan 1/8 Villa Heights 43000 Kajang Selangor Darul Ehsan	Malaysian

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Dr. Teh Chee Ghee	Chairman	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Chairman
Ir. Dr. Ng Kok Chiang	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ir. Dr. Ng Kok Chiang	Chairman	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Chairman
Dr. Teh Chee Ghee	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Yap Koon Roy	Chairman	Independent Non-Executive Chairman
Dr. Teh Chee Ghee	Member	Independent Non-Executive Director
Ir. Dr. Ng Kok Chiang	Member	Independent Non-Executive Director

COMPANY SECRETARIES :

Wong Wai Foong
 1164, Jalan 17/46
 Happy Garden
 46400 Petaling Jaya
 Selangor Darul Ehsan
 Telephone No. : (03) 2783 9191
 Professional : The Malaysian Institute of Chartered
 Qualification Secretaries and Administrators ("**MAICSA**")
 (MAICSA Membership No.: 7001358)

Fong Seah Lih
 17, Jalan Mutiara 2/12A
 Taman Mutiara Indah
 47100 Puchong
 Selangor Darul Ehsan
 Telephone No. : (03) 2783 9191
 Professional : **MAICSA**
 Qualification (MAICSA Membership No.: 7062297)

1. CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No. : (03) 2783 9191
Fax No. : (03) 2783 9111
- HEAD OFFICE** : 108 & 110, Jalan Seroja 39
Taman Johor Jaya
81100 Johor Bahru
Johor Darul Takzim
Telephone No. : (07) 355 9898
Website : <http://www.acogroup.com.my/>
Email : ir@acogroup.com.my
- EXTERNAL AUDITORS
AND REPORTING
ACCOUNTANTS** : Baker Tilly Monteiro Heng PLT (LLP0019411-LCA & AF 0117)
Baker Tilly Tower, Level 10
Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No. : (03) 2297 1000
Partner-in-charge : Heng Fu Joe
Approval No. : 02966/11/2020 J
Professional Qualification : Chartered Accountant – Member of
Malaysian Institute of Accountants
("MIA")
(MIA Membership No.: 24745)
- SOLICITORS FOR THE
LISTING** : Chooi & Company + Cheang & Ariff
CCA @ Bangsar
Level 5, Menara BRDB
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No. : (03) 2055 3888

1. CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL ADVISER,
SPONSOR, SOLE
UNDERWRITER AND
PLACEMENT AGENT** : Alliance Investment Bank Berhad
Level 3, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No. : (03) 2604 3333
- ISSUING HOUSE AND
SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Telephone No. : (03) 2783 9299
- INDEPENDENT BUSINESS
AND MARKET RESEARCH
CONSULTANTS** : Vital Factor Consulting Sdn Bhd
V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7931 3188
- Person-in-charge : Wooi Tan
- Qualification : Master of Business Administration from
The New South Wales Institute of
Technology (now known as University of
Technology, Sydney), Australia, Bachelor
of Science from The University of New
South Wales, Australia and a Fellow of the
Australian Marketing Institute, and Institute
of Managers and Leaders, Australia
(formerly known as the Australian Institute
of Management)
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by the SAC

2. APPROVALS AND CONDITIONS

2.1 APPROVALS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 21 November 2019, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM52,540,850 comprising 300,000,000 Shares on the ACE Market. The approval from Bursa Securities is subject to the following conditions:-

Details of conditions imposed	Status of compliance
<p>1. Submission of the following information with respect to the moratorium on the shareholdings of the promoter to Bursa Depository:-</p> <p>(a) Name of shareholders;</p> <p>(b) Number of Shares; and</p> <p>(c) Date of expiry of the moratorium for each block of Shares.</p>	To be complied prior to Listing.
<p>2. Approvals from other relevant authorities have been obtained for implementation of the listing proposal;</p>	Complied.
<p>3. Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;</p>	To be complied prior to Listing.
<p>4. Furnish Bursa Securities a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire issued share capital of ACO on the first day of listing;</p>	To be complied upon Listing.
<p>5. Any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to Listing of the Company;</p>	To be complied. An application for extension of time from complying with this condition has been submitted to Bursa Securities on 18 February 2020.
<p>6. In relation to the public offering to be undertaken by ACO, please announce at least 2 Market Days prior to the Listing date, the result of the offering including the following:-</p> <p>(a) Level of subscription of public balloting and placement;</p> <p>(b) Basis of allotment/allocation;</p> <p>(c) A table showing the distribution for placement tranche, as per the format attached in Appendix I of the approval letter of Bursa Securities; and</p> <p>(d) Disclosure of placees who become substantial shareholders of ACO arising from the public offering, if any.</p> <p>AIBB to ensure that the overall distribution of the Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and</p>	To be complied prior to Listing.

2. APPROVALS AND CONDITIONS (Cont'd)

Details of conditions imposed	Status of compliance
7. ACO / AIBB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of ACO to the Official List.	To be complied upon Listing.

2.1.2 SC

Our Listing Scheme is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 11 December 2019, approved the resultant equity structure of ACO pursuant to our Listing under the equity requirement for public listed companies, subject to the following condition:-

Details of conditions imposed	Status of compliance
ACO allocating Shares equivalent to at least 12.50% of the enlarged issued share capital at the point of Listing to Bumiputera public investors. This includes the Shares offered under the balloted public offer portion, of which at least 50% are to be offered to Bumiputera public investors.	To be complied upon Listing.

The SC had noted the effects of the Listing on the equity structure of our Group as follows:-

Category of shareholders	As at 31 July 2019		After Listing	
	No. of Shares	% of issued share capital	No. of Shares	% of enlarged issued share capital
Bumiputera	-	-	37,500,000 ⁽¹⁾	12.50
Non-Bumiputera	1,000	100.00	262,500,000	87.50
Malaysians	1,000	100.00	300,000,000	100.00
Foreigners	-	-	-	-
Total	1,000	100.00	300,000,000	100.00

Note:-

- (1) Based on the assumption that the Shares allocated to Bumiputera investors shall be fully subscribed as follows:-

Category	No. of Shares
Bumiputera public investors via balloting	7,500,000
Private placement to Bumiputera investors approved by MITI	30,000,000
Total	37,500,000

2.1.3 MITI

The MITI had, vide its letter dated 13 December 2019, taken note of and has no objection to our Listing on the ACE Market.

2. APPROVALS AND CONDITIONS (Cont'd)

2.1.4 SAC

The SAC had, vide its letter dated 27 September 2019, classified our Shares as Shariah-compliant based on the latest audited combined financial statements of ACO for the FYE 28 February 2019.

2.2 MORATORIUM ON SALE OF SHARES

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:-

- (i) The moratorium applies to our Promoters' entire shareholdings for a period of six (6) months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) Upon the expiry of the First 6-Month Moratorium, we must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our issued ordinary share capital remain under moratorium for another period of six (6) months ("**Second 6-Month Moratorium**"); and
- (iii) Upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of our Shares held under moratorium.

Details of our Shares which will be subject to moratorium are as follows:-

Name of Promoter/ shareholder	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	% of enlarged issued share capital [^]	No. of Shares	% of enlarged issued share capital [^]
Kompas	210,470,000	70.16	135,000,000	45.00

Note:-

[^] Based on our enlarged issued share capital of 300,000,000 Shares after our IPO.

Kompas has provided its written undertaking that it will not sell, transfer or assign any part of its interest in the Shares during the moratorium period.

The moratorium, which is fully acknowledged by Kompas, is specifically endorsed on our share certificate representing its shareholding which is under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

The shareholders of Kompas have each furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their shareholdings in Kompas during the moratorium period.

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF THE IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:-

Number of Shares to be issued under the Public Issue	58,000,000
- <i>Malaysian Public</i>	<i>15,000,000</i>
- <i>Eligible Directors, employees and persons who have contributed to the success of our Group</i>	<i>9,000,000</i>
- <i>Private placement to identified investors</i>	<i>4,000,000</i>
- <i>Private placement to Bumiputera investors approved by the MITI</i>	<i>30,000,000</i>
Number of Shares to be offered under the Offer for Sale	25,000,000
Enlarged issued share capital upon Listing	RM 52,540,850 comprising 300,000,000 Shares
IPO Price	RM0.28
Market Capitalisation upon Listing (based on the IPO Price and our enlarged issued share capital after the IPO)	RM84,000,000

Further details on our IPO are set out in Section 4.1 of this Prospectus.

Kompas' entire shareholding after the IPO will be held under moratorium for six (6) months from the date of Listing. Thereafter, Kompas' shareholding amounting to 45% of our share capital will remain under moratorium for another six (6) months. Kompas may sell, transfer or assign up to a maximum of one-third per year (on a straight line basis) of its share held under moratorium upon expiry of the second 6-month period.

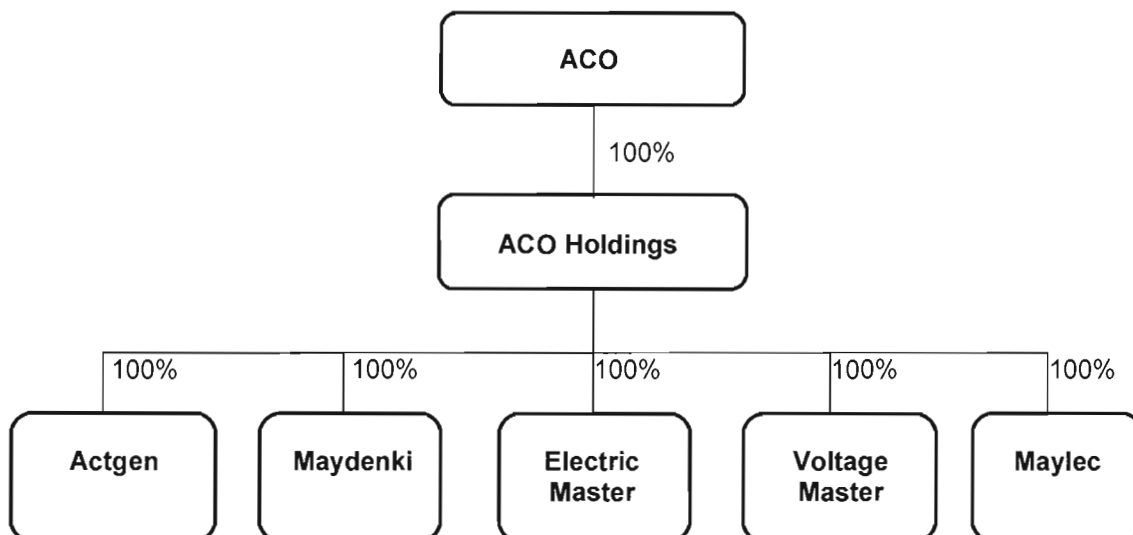
3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 11 June 2019 as a private limited company under the name of ACO Group Sdn Bhd and was subsequently converted to a public limited company on 8 August 2019.

Our Company is an investment holding company. Through our subsidiaries, we are primarily involved in the distribution of electrical products and accessories.

3. PROSPECTUS SUMMARY (Cont'd)

Our corporate Group structure is as follows:-



The principal activities of our subsidiaries are as follows:-

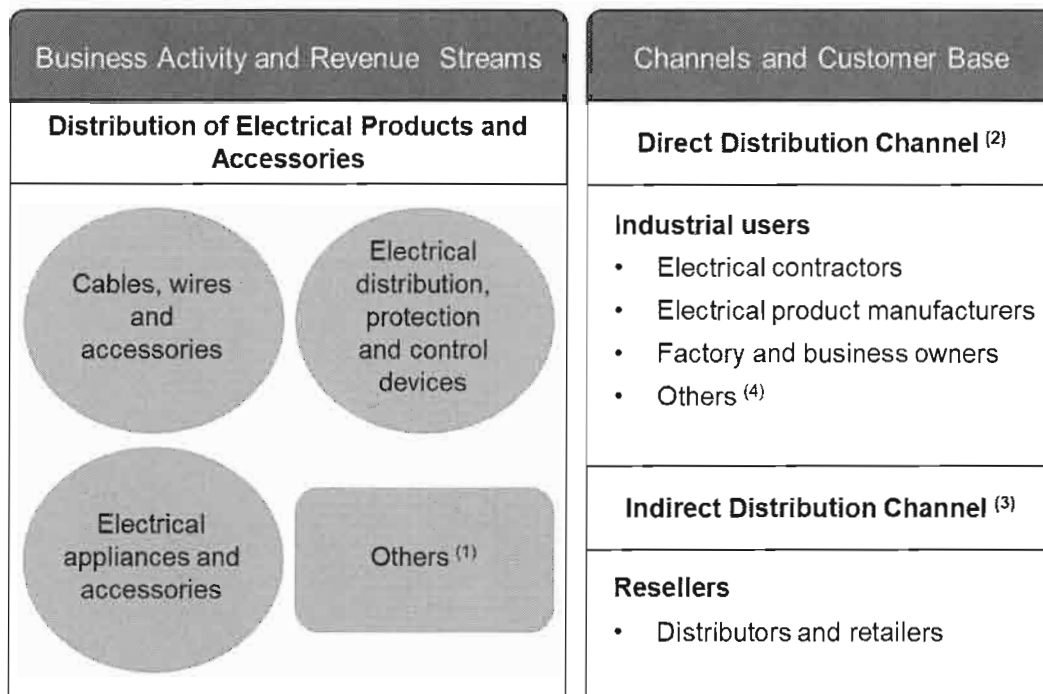
Company	Principal activities
ACO Holdings	Investment holding
Actgen	Distribution of electrical products and accessories ⁽¹⁾
Maydenki	Distribution of electrical products and accessories ⁽²⁾
Electric Master	Distribution of electrical products and accessories ⁽³⁾
Voltage Master	Distribution of electrical products and accessories ⁽³⁾
Maylec	Distribution of electrical products and accessories ⁽⁴⁾

Notes:-

- (1) Mainly focusing on the distribution of electrical appliances, cables, wires and accessories with two (2) sales outlets in Johor, two (2) sales outlets in Selangor, one (1) distribution centre in Selangor, one (1) distribution centre in Johor and one (1) lighting concept store in Johor.
- (2) Mainly focusing on the distribution of electrical distribution, protection and control devices with one (1) sales outlet in Johor.
- (3) Mainly focusing on the distribution of electrical appliances, cables, wires and accessories with one (1) sales outlet in Melaka.
- (4) Mainly focusing on the distribution of electrical appliances, cables, wires and accessories with one (1) sales outlet in Johor.

3. PROSPECTUS SUMMARY (Cont'd)

The following is an overview of our Group's business model:-



Notes:-

- (1) Others include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems.
- (2) Direct distribution channel involves selling our products directly to end-users which includes people who purchase our products to carry out their work; for use as input materials to manufacture other electrical products; and/or for their own use.
- (3) Indirect distribution channel involves selling our products to intermediaries who will resell our products to their respective customers.
- (4) Other industrial users include architects and interior designers, equipment and machinery repair and maintenance service providers, as well as walk-in customers.

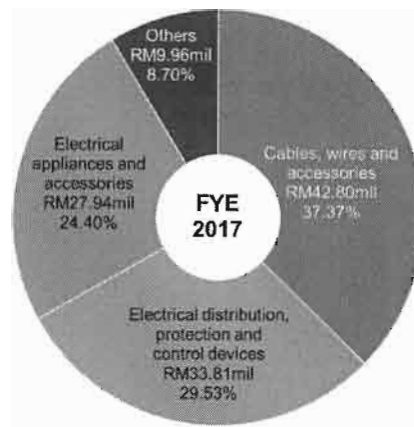
(i) Overview of business activities

We are a distributor of electrical products and accessories specialising in cables, wires and accessories; electrical distribution, protection and control devices; and electrical appliances and accessories. Our other products include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems. We mainly distribute third party brands of electrical products and accessories which accounted for 96.78%, 96.69%, 95.44% and 93.61% of our Group's total revenue for the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, respectively. The remaining revenue of 3.22%, 3.31%, 4.56% and 6.39% of our Group for the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, respectively were derived from the distribution of our own brands of electrical products and accessories.

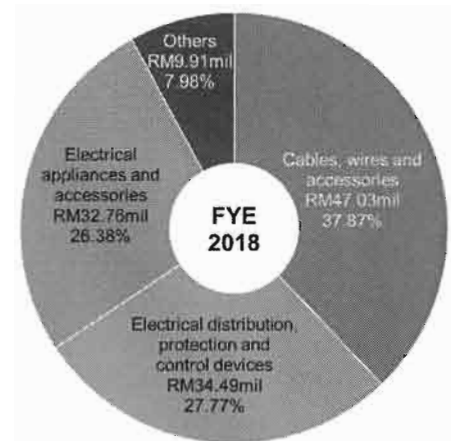
3. PROSPECTUS SUMMARY (Cont'd)

We serve the market in Peninsular Malaysia where our market reach extends from our base in the Southern region of Peninsular Malaysia, namely Johor and Melaka, to cover the Central region including Kuala Lumpur and Selangor. In this respect, we are supported by eight (8) sales outlets, of which four (4) are located in Johor, two (2) in Melaka and two (2) in Selangor. We also have two (2) distribution centres located in Johor and Selangor, as well as one (1) lighting concept store in Johor.

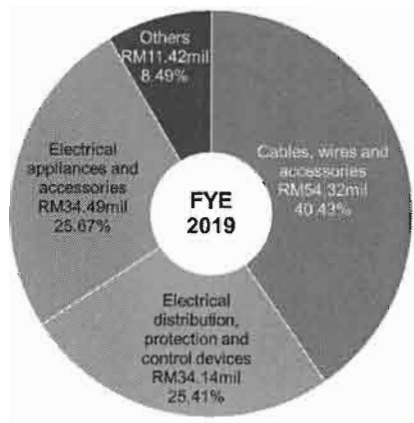
The breakdown of our Group's revenue by product category are as follows:-



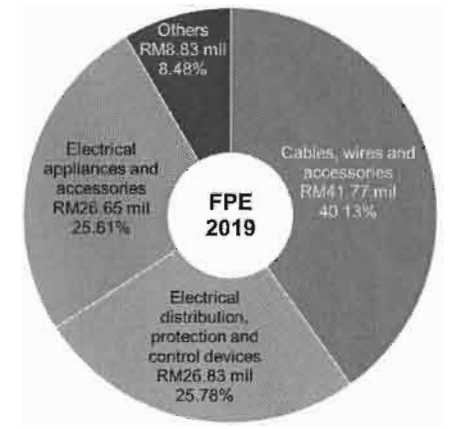
Total revenue = RM114.51 million



Total revenue = RM124.19 million



Total revenue = RM134.37 million



Total revenue = RM104.08 million

Note:-

"Others" include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems. For the purposes of the above chart, "FPE 2019" refers to the 9-month financial period commencing 1 March 2019 to 30 November 2019.

3.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths are set out below:-

- (i) We have an established track record of 29 years in the distribution of electrical products and accessories;

3. PROSPECTUS SUMMARY (Cont'd)

- (ii) We carry a wide range of electrical products and accessories to meet the needs of our customers;
- (iii) We are an authorised distributor for 10 brands of electrical products and accessories;
- (iv) We have experienced Executive Directors and key senior management team; and
- (v) We provide customer convenience and facilitate timely delivery of goods to our customers.

Further details of our competitive advantages and key strengths are set out in Section 6.1.2 of this Prospectus.

3.4 OUR BUSINESS STRATEGIES AND PLANS

Our Group's business strategies and plans are set out below:-

3.4.1 Expansion of operational and logistic facilities

Part of our business strategy and future plans as a distributor of electrical products and accessories is to expand on the coverage of the market in Malaysia by expanding our operational facilities involving:-

- (a) Setting up of new sales outlets and distribution centres

Our business strategy is to increase our coverage and presence in other towns within Johor as well as in other states in Peninsular Malaysia. This includes Negeri Sembilan, Kelantan, Terengganu, Pahang and Pulau Pinang. In view of this, we plan to establish an additional seven (7) sales outlets and two (2) distribution centres in Peninsular Malaysia commencing progressively from 2020 up to 2022.

- (b) Setting up new lighting concept stores

We plan to rent premises and set-up two (2) new lighting concept stores, including another one (1) lighting concept store in Johor by second quarter of 2020 and also one (1) lighting concept store in Kuala Lumpur by 2022. This will enable us to tap into opportunities in the building and construction industry including renovation and interior fit-outs segment of the market.

- (c) Setting up our new head office and distribution centre in Johor

We plan to set up a new head office for our Group together with a distribution centre for our distribution operations in Johor by 2022. Upon completion, we intend to relocate our existing distribution operations in Taman Perindustrian Sri Plentong, as well as our existing head office in Taman Johor Jaya to this said new facility.

- (d) Purchasing new trucks

We plan to expand our in-house logistics with the purchase of three (3) 16-tonne trucks with hoist by the first half of 2020. These trucks will be used to facilitate loading and unloading of bulky items such as HDPE corrugated pipes, armoured cables and lighting poles.

3. PROSPECTUS SUMMARY (Cont'd)

3.4.2 Upgrading of IT system

We plan to upgrade our IT system by second quarter of 2020 as follows:-

(a) Upgrading ERP system

We plan to upgrade our existing ERP system to a new version which will provide us with added functionalities and features such as remote access through internet based website and mobile devices, as well as increase the number of users to our ERP system.

(b) Upgrading online ordering system

We plan to upgrade *Accura*, one (1) of our online ordering systems for selected cables and wires presently, to include other range of electrical products. This includes our range of electrical appliances and accessories such as lightings and fittings, fans, air-conditioners, water heaters, switches and power outlets.

3.4.3 Expansion of product range

We will continue the expansion for our range of products to include other types of electrical products and accessories to provide customer convenience. In this respect, we plan to widen the range of electrical products and accessories to include the following:-

(a) Third party brands

We plan to expand our range of cables, wires and accessories as well as electrical distribution, protection and control devices. This includes, among others, MV power cables and wires, and electrical distribution, protection and control devices which will be sourced from our existing principals and/or suppliers. We will gradually expand our product portfolio by incorporating these range of products by 2020.

(b) Own brands

We plan to expand the range of products under our own brands of electrical products namely *Afg* (lightings and fittings), as well as *Multi5* (cables and wires). We intend to engage contract manufacturers to produce these electrical products and accessories under our specifications and brands.

Further details of our business strategies and plans are set out in Section 6.10 of this Prospectus.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance.

The following are the key risks and investment considerations that we are currently facing or that may develop in the future:-

- (i) We could lose our authorised distributorships if we are unable to fulfil agreed sales target and/or obligations;

3. PROSPECTUS SUMMARY (Cont'd)

- (ii) We face competition from other operators that are involved in the distribution of electrical products and accessories;
- (iii) We rely on our distribution centres to support our business operations and any significant disruptions at our distribution centres could adversely affect our business;
- (iv) We are dependent on our Executive Directors and key senior management for the continuing success of our Group;
- (v) Our business depends on our ability to manage our inventory;
- (vi) Our growth prospects may be limited if there is a delay in the implementation of our business strategies and future plans;
- (vii) We may not be able to secure sufficient financing, especially on terms acceptable to us, to meet our future capital needs;
- (viii) We rely on contract manufacturers and/or suppliers for our own brands of electrical products;
- (ix) We are subject to the risk of product liability;
- (x) We may not have adequate insurance to cover all losses or liabilities; and
- (xi) We are exposed to the risk of pilferage and theft.

Please refer to Section 8 of this Prospectus for the full list of risk factors which should be considered before investing in our Shares.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

Our Directors and key senior management are as follows:-

Name	Designation
DIRECTORS	
Yap Koon Roy Ir. Tang Pee Tee @ Tan Chang Kim Tan Yushan Chai Poh Choo Dr. Teh Chee Ghee Ir. Dr. Ng Kok Chiang	Independent Non-Executive Chairman Group Managing Director Non-Independent Executive Director Non-Independent Executive Director Independent Non-Executive Director Independent Non-Executive Director
KEY SENIOR MANAGEMENT	
Ooi Gin Hui Chong Su Yee Lim Lee Hua Low Swee Ching Foong Kah Hong	Chief Financial Officer Head of Human Resource Head of Procurement Head of Operations Head of Business Development

Further details on our Directors and key senior management are disclosed in Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after the IPO are as follows:-

Place of incorporation/ Nationality	Before the IPO / As at the LPD		After the Public Issue	
	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽¹⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Promoters and substantial shareholders				
Kompas [^]	1,000 ⁺	*	1,000 ⁺	*
Ir. Tang Pee Tee @ Tan Chang Kim	188,375,200	77.84	188,375,200	62.79
			47,094,800@#	15.70@#
Jin Siew Yen	23,546,900	9.73	23,546,900	7.85
			211,923,100 ^o #	70.64 ^o #
Tan Yushan	23,546,900	9.73	23,546,900	7.85
			211,923,100 ^o #	70.64 ^o #

Place of incorporation/ Nationality	After the Offer for Sale		After IPO and the Share Transfer to Kompas	
	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Promoters and substantial shareholders				
Kompas [^]	1,000 ⁺	*	210,470,000	70.16
Ir. Tang Pee Tee @ Tan Chang Kim	168,375,200	56.12	-	-
			42,094,800@#	14.04@#
Jin Siew Yen	21,046,900	7.02	-	-
			189,423,100 ^o #	63.14 ^o #
Tan Yushan	21,046,900	7.02	-	-
			189,423,100 ^o #	63.14 ^o #

3. PROSPECTUS SUMMARY (Cont'd)

Notes:-

- (1) Based on our issued share capital of 242,000,000 Shares after the Internal Reorganisation Exercise, but before the IPO.
- (2) Based on our enlarged issued share capital of 300,000,000 Shares after the Public Issue, Offer for Sale and Share Transfer to Kompas pursuant to the IPO.
- @ Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.
- α Deemed interested by virtue of her spouse Ir. Tang Pee Tee @ Tan Chang Kim's and her son Tan Yushan's direct shareholdings in ACO.
- ∞ Deemed interested by virtue of his parents Ir. Tang Pee Tee @ Tan Chang Kim's and Jin Siew Yen's direct shareholdings in ACO.
- ^ Kompas is held by Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan with equity interest of 80%, 10% and 10%, respectively.
- # Deemed interested in 1,000 Shares held by Kompas by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.
- + Transferred by the subscriber shareholders of ACO, namely Ng Ching Huwai and Ong Soo Mei to Kompas by share transfer forms dated on 23 August 2019 which became effective on 19 September 2019 upon completion of stamping and registration of the transfer pursuant to the Act.
- * Negligible.
- ** Deemed interested by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.

3.8 USE OF PROCEEDS

The total gross proceeds from the Public Issue amounting to RM16,240,000 are intended to be used in the following manner:-

Purposes	RM	%	Estimated time frame for use of proceeds (from the listing date)
Setting up of new sales outlets and lighting concept store	4,200,000	25.86	Within 24 months
Setting up of new head office and distribution centre in Johor	2,500,000	15.39	Within 30 months
Purchasing of new trucks and upgrading of IT system	2,000,000	12.32	Within 12 months
Working capital	4,240,000	26.11	Within 12 months
Estimated listing expenses	3,300,000	20.32	Within 3 months
Total	16,240,000	100.00	

There is no minimum subscription to be raised from the IPO. Further details on the use of proceeds are set out in Section 4.4 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

The Offer for Sale will raise gross proceeds of approximately RM7.00 million. All the proceeds from the Offer for Sale will be credited to the Offerors and we will not receive any part of the proceeds. The Offerors shall bear all the expenses on a pro-rated basis including registration and transfer fees, placement fees and miscellaneous expenses relating to their respective portion of the Offer for Sale amounting to approximately RM0.18 million.

The pro forma impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 30 November 2019 is reflected in Section 11.9 of this Prospectus.

In addition, we intend to secure financing from financial institution for the setting up of new head office and distribution centre in Johor. In the event that the said financing had been effected as at 30 November 2019, our gearing ratio would have increased from 0.57 times to 0.92 times. Please refer to Section 8.1.6 of this Prospectus for further details on the risk factor and Section 11.3.5 of this Prospectus for the pro forma illustration of our Group's gearing ratio.

3.9 FINANCIAL HIGHLIGHTS

The key financial highlights of our historical audited combined statements of comprehensive income for the FYE 28 February 2017 to 2019 and FPE 30 November 2019 are set out below:-

	<-----Audited-----> <-----FYE 28 February----->			Unaudited	Audited
	2017	2018	2019	2018	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	114,509	124,193	134,373	95,670	104,084
Cost of sales	(97,095)	(104,517)	(112,155)	(80,566)	(84,511)
GP	17,414	19,676	22,218	15,104	19,573
PBT	5,771	6,612	9,167	5,398	7,968
PAT	4,454	5,003	7,416	4,336	6,044
PAT attributable to:-					
- Owners of the Group	3,836	4,333	6,871	3,849	5,927
- Non-controlling interests	618	670	545	487	117
GP margin ⁽¹⁾ (%)	15.21	15.84	16.53	15.79	18.81
PBT margin ⁽²⁾ (%)	5.04	5.32	6.82	5.64	7.66
PAT margin ⁽³⁾ (%)	3.89	4.03	5.52	4.53	5.81

Notes:-

- (1) GP margin is calculated based on GP divided by revenue.
- (2) PBT margin is calculated based on PBT divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.

Please refer to Section 11.1 of this Prospectus for further discussion on our historical audited combined financial information.

3.10 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. Notwithstanding, our Group presently does not have a fixed dividend policy.

Further details on our dividend policy are disclosed in Section 11.8 of this Prospectus.

4. PARTICULARS OF THE IPO

4.1 DETAILS OF THE IPO

4.1.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged issued share capital on the ACE Market involves the following:-

- (a) Internal Reorganisation Exercise;
- (b) Public Issue;
- (c) Offer for Sale;
- (d) Share Transfer to Kompas; and
- (e) Listing.

(a) Internal Reorganisation Exercise

(i) Acquisition of ACO Holdings

On 2 August 2019, our Company entered into a conditional share sale agreement to acquire the entire issued share capital of ACO Holdings of RM2,500,000 comprising 2,500,000 ordinary shares from the ACO Holdings Vendors for a purchase consideration of RM35,320,350 (excluding the non-controlling interests). The said purchase consideration was entirely satisfied by the issuance of 235,469,000 new Shares at an issue price of RM0.15 per Share.

The abovementioned 235,469,000 new Shares were issued to the ACO Holdings Vendors as follows:-

ACO Holdings Vendors	No. of ACO Holdings ordinary shares acquired	Shareholdings held in ACO Holdings (%)	Purchase consideration (RM)	No. of ACO Shares issued
Ir. Tang Pee Tee @ Tan Chang Kim	2,000,000	80.00	28,256,280	188,375,200
Jin Siew Yen	250,000	10.00	3,532,035	23,546,900
Tan Yushan	250,000	10.00	3,532,035	23,546,900
Total	2,500,000	100.00	35,320,350	235,469,000

The purchase consideration of RM35,320,350 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of ACO Holdings as at 28 February 2019 of approximately RM35.32 million (excluding the non-controlling interests). The above purchase consideration includes the capital contribution of RM5,000,000 in aggregate from Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan to ACO Holdings. The Acquisition of ACO Holdings was completed on 22 January 2020 and ACO Holdings became a wholly-owned subsidiary of our Company.

4. PARTICULARS OF THE IPO (Cont'd)**(ii) Acquisitions of the Non-Controlling Interests**

On 2 August 2019, ACO, ACO Holdings and the respective vendors in the table below entered into three (3) conditional share sale agreements to acquire the remaining shares not already owned by ACO Holdings in Electric Master, Voltage Master and Maylec from the respective shareholders below with the objective of consolidating Electric Master, Voltage Master and Maylec as wholly-owned subsidiaries of ACO Holdings. The purchase consideration for these subsidiaries' shares were fully satisfied by the issuance of ACO Shares to the respective vendors of Electric Master, Voltage Master and Maylec as below:-

	No. of ordinary shares acquired	Shareholdings held in companies (%)	Purchase consideration (RM)	No. of ACO Shares issued
<u>Vendor of Electric Master</u>				
Gan Bee Hong	80,001	20.00	684,750	4,565,000
<u>Vendor of Voltage Master</u>				
Goh Bee Tin	15,000	7.50	131,250	875,000
<u>Vendor of Maylec</u>				
Woo Yoong Eng	55,500	10.00	163,500	1,090,000

The purchase consideration for the remaining 20.00% of the issued share capital of Electric Master of RM684,750 was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA position of Electric Master as at 28 February 2019 of approximately RM3.41 million (based on proportionate share of 20.00% of the audited NA of approximately RM0.68 million). The acquisition of Electric Master was completed on 22 January 2020.

The purchase consideration for the remaining 7.50% of the issued share capital of Voltage Master of RM131,250 was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA position of Voltage Master as at 28 February 2019 of approximately RM1.73 million (based on proportionate share of 7.50% of the audited NA of approximately RM0.13 million). The acquisition of Voltage Master was completed on 22 January 2020.

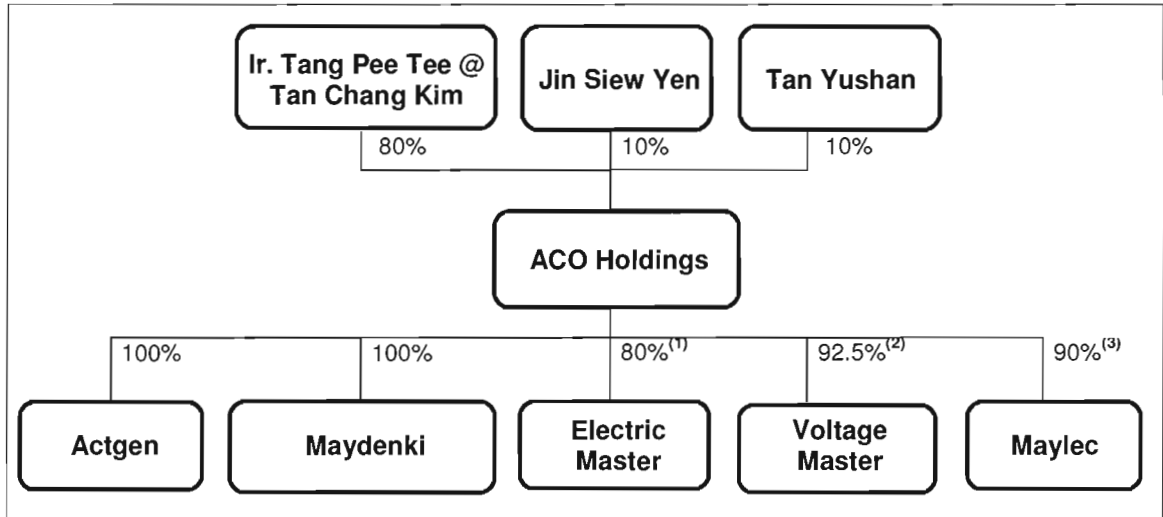
The purchase consideration for the remaining 10.00% of the issued share capital of Maylec of RM163,500 was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA position of Maylec as at 28 February 2019 of approximately RM1.62 million (based on proportionate share of 10.00% of the audited NA of approximately RM0.16 million). The acquisition of Maylec was completed on 22 January 2020.

4. PARTICULARS OF THE IPO (Cont'd)

Upon completion of the Acquisition of ACO Holdings and the Acquisitions of the Non-Controlling Interests, the issued share capital of our Company increased to RM36,300,850 comprising 242,000,000 Shares.

Our Group structure before and after the Internal Reorganisation Exercise is illustrated below:-

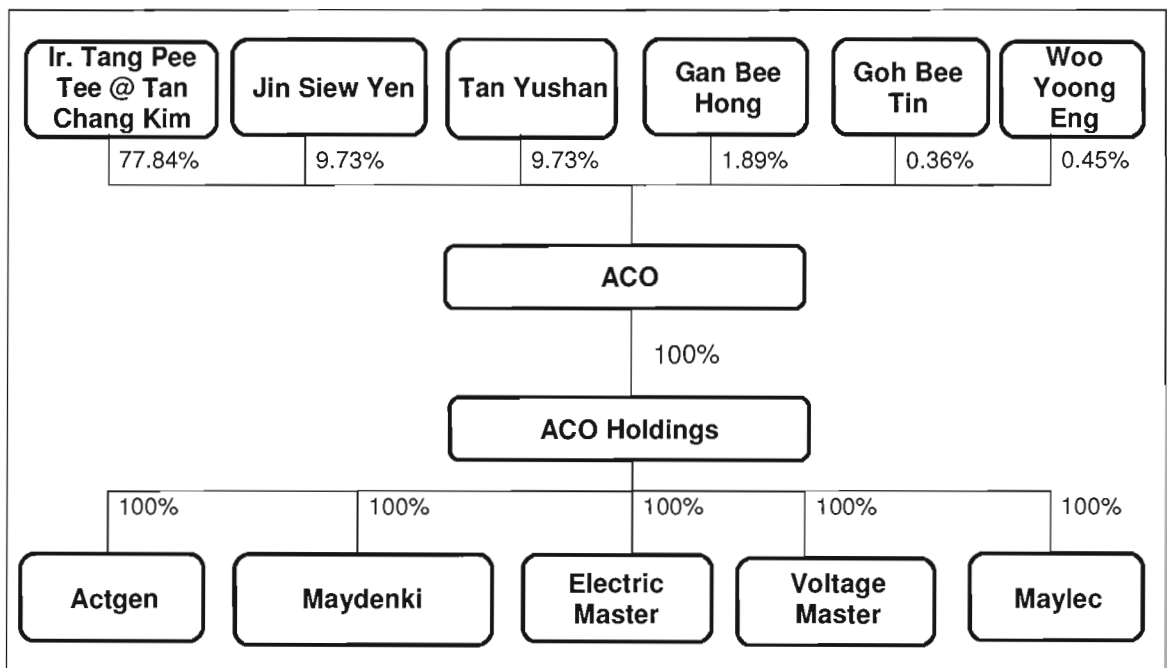
Before the Internal Reorganisation Exercise



Notes:-

- (1) The remaining 20.00% in Electric Master was held by Gan Bee Hong.
- (2) The remaining 7.50% in Voltage Master was held by Goh Bee Tin.
- (3) The remaining 10.00% in Maylec was held by Woo Yoong Eng.

After the Internal Reorganisation Exercise



4. PARTICULARS OF THE IPO (Cont'd)**(b) Public Issue**

The Public Issue of 58,000,000 new ACO Shares, representing approximately 19.33% of our enlarged issued share capital upon Listing, at the IPO Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated in the following manner:-

(i) Malaysian Public

15,000,000 new ACO Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors.

Any Issue Shares under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription by the following persons as follows:-

- (a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocation as described in Section 4.1.1(b)(ii) of this Prospectus;
- (b) Secondly, by our identified investors as described in Section 4.1.1(b)(iii) of this Prospectus; and
- (c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Directors, employees and persons who have contributed to the success of our Group

9,000,000 new ACO Shares, representing 3.00% of our enlarged issued share capital, will be made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group.

We will allocate the Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group in the following manner:-

Eligibility	No. of persons	Aggregate number of Issue Shares allocated
Directors of ACO ⁽¹⁾	4	1,000,000
Employees ⁽²⁾	159	5,400,000
Persons who have contributed to the success of our Group ⁽³⁾	14	2,600,000
Total	177	9,000,000

Notes:-

- (1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.

4. PARTICULARS OF THE IPO (Cont'd)

- (2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-
- (i) The employee must be a full time employee and on the payroll of our Group; and
 - (ii) The number of Issue Shares allocated to the eligible employees is based on their seniority, their length of service and their past performance/contribution as well as other factors deemed relevant by our Board.
- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business contacts, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

The number of Issue Shares to be allocated to our Directors is as follows:-

Name	Designation	Number of Issue Shares allocated
Chai Poh Choo	Executive Director	400,000
Yap Koon Roy	Independent Non-Executive Chairman	200,000
Dr. Teh Chee Ghee	Independent Non-Executive Director	200,000
Ir. Dr. Ng Kok Chiang	Independent Non-Executive Director	200,000
Total		1,000,000

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription by the following persons as follows (subject always to the availability of the Issue Shares):-

- (a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group;
- (b) Secondly, by the Malaysian Public and our identified investors as described in Sections 4.1.1(b)(i) and 4.1.1(b)(iii) of this Prospectus respectively; and
- (c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save as disclosed in this Section 4.3 of the Prospectus, to the extent known to our Company:-

- (a) there are no substantial shareholder(s), Directors, or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.00% of the IPO Shares.

4. PARTICULARS OF THE IPO (Cont'd)

(iii) Private placement to identified investors

4,000,000 new ACO Shares, representing approximately 1.33% of our enlarged issued share capital, will be made available by way of private placement to identified investors.

The Issue Shares reserved under the private placement to identified investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares have been/will be obtained from the respective identified investors.

(iv) Private placement to Bumiputera investors approved by the MITI

30,000,000 new ACO Shares, representing 10.00% of our enlarged issued share capital to be allocated by way of private placement to Bumiputera investors approved by the MITI.

Any new ACO Shares reserved under the private placement to the MITI approved Bumiputera investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares have been/will be obtained from the respective MITI approved Bumiputera investors.

In the event of under-subscription by the MITI approved Bumiputera investors and subject to a corresponding oversubscription by the Malaysian Public or oversubscription by identified investors, the remaining portion will be clawed-back and be placed to identified investors under Section 4.1.1(b)(iii) of this Prospectus (whom are institutional investors) and/or allocated first, to the Bumiputera public investors under Section 4.1.1(b)(i) of this Prospectus, and thereafter to the other public investors under Section 4.1.1(b)(i) of this Prospectus to increase the participation of retail investors.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants in view of broadening the shareholding base of our Company to meet the public spread requirements, and to establish a liquid and adequate market in the Shares. Applicants will be selected on a fair and equitable manner.

There is no over-allotment or "greenshoe" option that will result in an increase in the amount of Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

(c) Offer for Sale

25,000,000 Offer Shares, representing approximately 8.33% of the enlarged issued share capital, are offered by our Offerors to identified investors by way of private placement at the IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

4. PARTICULARS OF THE IPO (Cont'd)

The details of our Offerors and their relationship with our Group are as follows:-

Name	Address	Nature of relationship	<-----Before IPO / As at the LPD----->		<-----Offer for Sale----->		<-----After IPO and the Share Transfer to Kompas----->	
			<-----Direct-----> No. of Shares % ⁽¹⁾	<-----Indirect-----> No. of Shares % ⁽¹⁾	<-----Direct-----> No. of Shares % ⁽²⁾	<-----Indirect-----> No. of Shares % ⁽²⁾	<-----Direct-----> No. of Shares % ⁽²⁾	<-----Indirect-----> No. of Shares % ⁽²⁾
Ir. Tang Pee Tee @ Tan Chang Kim	B1-23-07 Molek Pine Tower 3 Jalan Molek 1/27 Taman Molek 81100 Johor Bahru, Johor	Promoter, substantial shareholder and Group Managing Director	188,375,200 77.84	47,094,800 ^a 19.46 ^a #	20,000,000 6.67	5,000,000 ^a 1.66 ^a	-	210,470,000 ^a 70.16 ^a
Jin Siew Yen	B1-23-07 Molek Pine Tower 3 Jalan Molek 1/27 Taman Molek 81100 Johor Bahru, Johor	Promoter	23,546,900 9.73	211,923,100 ^a 87.57 ^a #	2,500,000 0.83	22,500,000 ^a 7.50 ^a	-	210,470,000 ^a 70.16 ^a
Tan Yushan	B1-23-07 Molek Pine Tower 3 Jalan Molek 1/27 Taman Molek 81100 Johor Bahru, Johor	Promoter and Executive Director	23,546,900 9.73	211,923,100 ^a 87.57 ^a #	2,500,000 0.83	22,500,000 ^a 7.50 ^a	-	210,470,000 ^a 70.16 ^a

4. PARTICULARS OF THE IPO (Cont'd)

Notes:-

- (1) Based on our issued share capital of 242,000,000 Shares before the IPO.
- (2) Based on our enlarged issued share capital of 300,000,000 Shares after the IPO.
- @ Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.
- α Deemed interested by virtue of her spouse Ir. Tang Pee Tee @ Tan Chang Kim's and her son Tan Yushan's direct shareholdings in ACO.
- ∞ Deemed interested by virtue of his parents Ir. Tang Pee Tee @ Tan Chang Kim's and Jin Siew Yen's direct shareholdings in ACO.
- # Deemed interested in 1,000 Shares held by Kompas by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.
- ** Deemed interested by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.

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4. PARTICULARS OF THE IPO (Cont'd)**(d) Share Transfer to Kompas**

During the prescription period (one day after the launching date of the Prospectus up to a period of 30 days), our Offerors will transfer their remaining shareholdings in conjunction with the IPO amounting to 210,469,000 Shares to Kompas for a purchase consideration of RM58,931,320. Further details of the Share Transfer to Kompas are set out below:-

Offerors	No. of Shares held before Share Transfer to Kompas	No. of ACO Shares to be transferred to Kompas	No. of ACO Shares held after Share Transfer to Kompas	%
Ir. Tang Pee Tee @ Tan Chang Kim	168,375,200	168,375,200	-	-
Jin Siew Yen	21,046,900	21,046,900	-	-
Tan Yushan	21,046,900	21,046,900	-	-
Total	210,469,000	210,469,000	-	-

Kompas is an investment holding company held by Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan with equity interest of 80.00%, 10.00% and 10.00%, respectively.

Please refer to Section 5.1.2 of this Prospectus for further details on Kompas.

(e) Listing

The admission of ACO to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM52,540,850 comprising 300,000,000 Shares on the ACE Market have been approved by Bursa Securities.

	No. of Shares	Share capital (RM)
Issued share capital as at the date of this Prospectus	242,000,000	36,300,850
New Shares to be issued pursuant to the Public Issue	58,000,000	16,240,000
Enlarged issued share capital upon Listing	300,000,000	52,540,850
Offer for Sale*	25,000,000	7,000,000
IPO Price		0.28
- Pro forma consolidated NA per Share as at 30 November 2019 <i>(based on our enlarged issued share capital after the IPO and after deducting the estimated listing expenses of approximately RM3.30 million)</i>		RM 0.19
- Market capitalisation upon Listing <i>(based on the IPO Price and our enlarged issued share capital after the IPO)</i>		84,000,000

Note:-

- * Our Offer for Sale will not have any effect on our share capital.

4. PARTICULARS OF THE IPO (Cont'd)

The IPO Price is payable in full upon Application.

We only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and distributions that may be declared, subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and distributions that may be declared, subsequent to the date of transfer of our Offer Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the shareholders in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, or by a proxy, or by his/its representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. On a show of hands, each present shareholder (either in person, or by a proxy, or by his/its representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney) shall have one (1) vote. On a poll, each present shareholder (either in person, or by a proxy, or by his/its representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney) shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company.

4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the IPO Price, after taking into consideration the following factors:-

(i) Financial and operating history

Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 28 February 2019, we recorded a PAT of RM7.42 million representing a basic EPS of 3.06 sen (based on the existing issued share capital of 242,000,000 Shares) and 2.47 sen (based on the enlarged issued share capital of 300,000,000 Shares upon Listing) resulting in net PE Multiple of 9.15 times and 11.34 times respectively. This basis was adopted to determine the IPO Price after taking into consideration the completion of the Acquisitions of the Non-Controlling Interests.

For information, our Group recorded a PAT of RM6.04 million for the FPE 30 November 2019. Our detailed operating and financial history is outlined in Sections 6 and 11 of this Prospectus, respectively.

(ii) Business strategies and plans

The business strategies and plans of our Group are outlined in Section 6.10 of this Prospectus.

(iii) Competitive advantages and key strengths and industry overview

Our competitive advantages and key strengths and the industry overview are outlined in Sections 6.1.2 and 7 of this Prospectus, respectively.

4. PARTICULARS OF THE IPO (Cont'd)

(iv) Pro forma consolidated NA

The pro forma consolidated NA per Share as at 30 November 2019 of RM0.19 based on the enlarged issued share capital of 300,000,000 Shares in our Company upon Listing and after use of proceeds.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4.3 DILUTION

Dilution is the amount by which the IPO Price to be paid by applicants for our Issue/Offer Shares exceeds our NA per Share after IPO and is as follows:-

	RM
IPO Price	0.28
Pro forma consolidated NA per Share as at 30 November 2019 before Public Issue	0.17
Pro forma consolidated NA per Share as at 30 November 2019 after the Public Issue and use of proceeds	0.19
Increase in NA per Share attributable to existing shareholders	0.02
Dilution in NA per Share to new investors	0.09
Dilution in NA per Share as a percentage of the IPO Price	32.14%

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4. PARTICULARS OF THE IPO (Cont'd)

Save as disclosed below, there is no acquisition of any existing equity securities in our Company by our Promoters, substantial shareholders, Directors and/or key senior management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:-

Promoters, substantial shareholders, Directors and/or key senior management or persons connected with them	No. of Shares held before Listing^α	No. of Shares held from Listing[*]	Total consideration RM	Effective cash cost per share RM
Promoter and substantial shareholder				
Kompas	1,000	210,469,000 [#]	58,932,320	0.28
Jin Siew Yen [^]	21,046,900	-	3,157,035	0.15
Promoter, substantial shareholder and Director				
Ir. Tang Pee Tee @ Tan Chang Kim [^]	168,375,200	-	25,256,280	0.15
Tan Yushan [^]	21,046,900	-	3,157,035	0.15
Other Directors				
Chai Poh Choo	-	400,000	112,000	0.28
Yap Koon Roy	-	200,000	56,000	0.28
Dr. Teh Chee Ghee	-	200,000	56,000	0.28
Ir. Dr. Ng Kok Chiang	-	200,000	56,000	0.28
Key senior management				
Ooi Gin Hui	-	235,000	65,800	0.28
Chong Su Yee	-	200,000	56,000	0.28
Lim Lee Hua	-	200,000	56,000	0.28
Low Swee Ching	-	200,000	56,000	0.28
Foong Kah Hong	-	200,000	56,000	0.28
Person connected to Director				
Chiang Sing Kuan	-	100,000	28,000	0.28
Public Investors				
Public Issue	-	58,000,000 [@]	16,240,000	0.28
Offer for Sale	-	25,000,000	7,000,000	0.28

Notes:-

α After the Offer for Sale.

* Assuming that all Pink Form Allocations are fully subscribed.

[^] Deemed interested in 1,000 Shares by virtue of Section 8(4) of the Act held through Kompas' shareholdings.

After the Share Transfer to Kompas.

@ Prior to netting off the Pink Form Allocations.

4. PARTICULARS OF THE IPO (Cont'd)

4.4 USE OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue will amount to RM16,240,000 based on the IPO Price. We expect the proceeds to be used in the following manner:-

Purposes	RM	%	Estimated time frame for use (from the Listing date)
Setting up of new sales outlets and lighting concept store	4,200,000	25.86	Within 24 months
Setting up of new head office and distribution centre in Johor	2,500,000	15.39	Within 30 months
Purchasing of new trucks and upgrading of IT system	2,000,000	12.32	Within 12 months
Working capital	4,240,000	26.11	Within 12 months
Estimated listing expenses	3,300,000	20.32	Within 3 months
Total	16,240,000	100.00	

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest bearing short-term deposits or money market instruments with licensed financial institution.

(1) Setting up of new sales outlets and lighting concept store

We intend to allocate RM4.20 million, representing approximately 25.86% of the proceeds from our Public Issue, for the setting up of new sales outlets and lighting concept store in the manner as follows. We plan to use this sum within 24 months from the date of our Listing.

(a) New sales outlets

From the RM4.20 million (or 25.86%), we plan to use approximately RM3.00 million (or 18.47%) to establish three (3) additional sales outlets in Batu Pahat, Kluang and Mersing in Johor commencing progressively from 2020 to 2021.

We anticipate that the total costs required to set up each new sales outlet in Batu Pahat, Kluang and Mersing is approximately RM1.00 million, which will mainly cover the following:-

	Total estimated cost RM million
Renovation and interior fit-outs	0.40
Purchase and installation of:-	0.52
- Racking system	
- Security systems	
- Electrical and telecommunications wiring	
- Office furniture and equipment	
- IT related hardware	
Cable cutting machine	0.08
Total	1.00

Please see Section 6.10.1(i) of this Prospectus for further details of our business plans and strategies in relation to the setting up of new sales outlets.

4. PARTICULARS OF THE IPO (Cont'd)

(b) New lighting concept store in Kuala Lumpur

We also plan to set up an additional lighting concept store in Kuala Lumpur by 2022. The estimated size for this store will range approximately from 18,000 to 24,000 sq. ft. We intend to rent and set up a standalone premise for this purpose but as at the LPD, we have yet to identify a suitable premise.

We plan to use RM1.20 million (or 7.39%) from IPO proceeds to fund the cost of setting-up the Kuala Lumpur lighting concept store which will mainly cover the following within 24 months upon Listing:-

	Total estimated cost RM million
Renovation and interior fit-outs	0.50
Purchase and installation of:-	0.70
- Security systems	
- Electrical and telecommunications wiring	
- Office equipment	
- IT related hardware	
Total	1.20

Please see Section 6.10.1(ii) of this Prospectus for further details of our business plans and strategies in relation to the setting up of new lighting concept stores.

In the event the proceeds for setting up of the additional three (3) new sales outlets and one (1) lighting concept store above is lower than estimated, the excess will be reallocated for the setting up of our other additional sales outlets as set out in Section 6.10.1(i) of this Prospectus. Any excess cost required will be funded by internally generated funds and/or bank borrowings.

(2) Setting up of new head office and distribution centre in Johor

We plan to purchase a 2.29 acres industrial land together with a three (3)-storey corporate office and distribution centre in Taman Perindustrian Cemerlang, Ulu Tiram, Johor from the developer for a total price of RM17.96 million. Please refer to Section 6.10.1(iii) of this Prospectus for further information on this said new head office and distribution centre.

In view of the above, we plan to use RM2.50 million (or 15.39%) from our IPO proceeds to fund part of the additional mezzanine floor and related facilities for this said new head office and distribution centre.

4. PARTICULARS OF THE IPO (Cont'd)

The total estimated cost is approximately RM6.00 million which will mainly cover the following:-

	Total estimated cost RM million
Mezzanine floor (including foundation)	2.90
Interior fit-outs	0.40
Purchase and installation of:-	1.93
- Overhead crane and hoist	
- Racking system	
- Passenger lift	
- Security systems	
- Electrical and telecommunications wiring	
- Office furniture and equipment	
- IT related hardware	
Forklift	0.61
Cable cutting machines	0.16
Total	6.00

The remaining RM3.50 million and any costs in excess of the above estimate will be funded via bank borrowings and/or internally generated funds.

In the event if we are unable to proceed with the property acquisition identified above, we will look for other suitable locations in Johor and the proceeds earmarked above will be allocated for the same purpose.

(3) Purchasing of new trucks and upgrading of IT system

(a) Purchasing of new trucks

We plan to use approximately RM1.00 million (or 6.16%) from our IPO proceeds to purchase additional three (3) 16-tonne trucks with hoist to load and unload bulky items such as HDPE pipe conduits, armoured cables and lighting poles by the first half of 2020. We anticipate the estimated cost for each truck to be approximately RM0.38 million. Any excess cost required will be funded by internally generated funds and/or bank borrowings.

(b) Upgrading of IT System

We plan to upgrade our IT system by second quarter of 2020 as follows:-

(i) Upgrading ERP system

We plan to upgrade our ERP system to a new version which will provide us with added functionalities and features such as:-

- Ability to access our ERP system remotely through internet based website as well as through mobile devices. This will enable our sales personnel to access our inventory system to facilitate sales anywhere as long as there is access to internet; and
- Increase the number of users to our ERP system.

4. PARTICULARS OF THE IPO (Cont'd)

(ii) Upgrading online ordering system

As part of our future plans, we plan to upgrade *Accura*, one of our online ordering systems for selected cables and wires presently, to include other range of electrical products.

We plan to include electrical appliances and accessories such as lightings and fittings, fans, air-conditioners, water heaters, and switches and power outlets into *Accura's* system. This will allow our customers to view product specifications, stock availability and pricing for a wider range of electrical products and accessories. In line with our plans to launch additional lighting concept stores, this online ordering system would assist our customers to check on the availability and pricing of our products as well as place orders.

The cost of upgrading our IT system which covers software and related hardware is estimated at RM1.00 million (or 6.16%) of which we plan to use IPO proceeds within 12 months from our Listing to fund the entire cost of this plan. Any excess cost required will be funded by internally generated funds.

Please see Section 6.10.2 of this Prospectus for further details of this business plan and strategy.

(4) Working capital

We have set aside RM4.24 million (or 26.11%) of our IPO proceeds as working capital to finance our Group's future operations mainly in respect of expanding our new product range (to include other types of electrical products and accessories which are not carried by our Group currently) and purchase of inventories (electrical products and accessories carried by our Group currently) which is in tandem with the growth of our business. We expect to use this amount within 12 months from our Listing. Please see Section 6.10.3 of this Prospectus for further details of our plans to expand our range of electrical products and accessories.

(5) Estimated listing expenses

Our listing expenses are estimated to be RM3.30 million (or 20.32%) of our IPO proceeds, details which are as follows:-

Description	Total RM
Professional fees*	2,111,000
Fees to authorities	67,000
Estimated underwriting, placement and brokerage fees	507,000
Printing and advertisement	150,000
Contingencies^	465,000
Total	3,300,000

4. PARTICULARS OF THE IPO (Cont'd)

Notes:-

- * Includes advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and IMR.
- ^ Other incidental or related expenses in connection with the IPO, which includes translators, media related expenses, IPO event expenses, etc.

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes to finance our Group's future operations mainly in respect of expanding our new product range and purchase of inventories.

The Offerors shall bear all the expenses on a pro-rated basis including registration and transfer fees, placement fees and miscellaneous expenses relating to their respective portion of the Offer for Sale amounting to approximately RM0.18 million.

There is no minimum subscription to be raised from the IPO.

The financial impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 30 November 2019 is reflected in Section 11.9 of this Prospectus.

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4. PARTICULARS OF THE IPO (Cont'd)

4.5 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.5.1 Brokerage

We will bear the brokerage fees to be incurred on the issue of the 24,000,000 Issue Shares pursuant to the IPO under Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

4.5.2 Underwriting commission

AIBB, as our Sole Underwriter has agreed to underwrite 24,000,000 Issue Shares as set out in Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.25% of the total value of the Shares underwritten at the IPO Price.

4.5.3 Placement fee

AIBB, as our Placement Agent, has agreed to place out 34,000,000 Issue Shares and 25,000,000 Offer Shares available under the placement to identified investors as well as identified Bumiputera investors approved by the MITI as set out in Sections 4.1.1(b)(iii) and 4.1.1(b)(iv) of this Prospectus respectively, at the rate of up to 2.25% of the IPO Price for each Issue Share/Offer Share to be placed out by the Placement Agent.

The placement fees to be incurred on the sale of 25,000,000 Offer Shares will be fully borne by the Offerors.

4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We had on 3 February 2020 entered into the Underwriting Agreement with the Sole Underwriter, whereby the Sole Underwriter has agreed to underwrite 25,000,000 Issue Shares ("**Underwritten Shares**"), upon the terms and subject to the conditions as set out in the Underwriting Agreement.

A summary of the salient terms of the Underwriting Agreement are as follows:-

- 4.6.1 The obligations of the Sole Underwriter are conditional on, amongst others, the following:-
- (a) the approvals referred to in Section 2.1 of this Prospectus remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by the Company prior to Listing, have been complied by the Company;
 - (b) the receipt by the Sole Underwriter of all relevant documentation and placement monies in respect of the Offer for Sale;
 - (c) all other necessary approvals and consents required in relation to the IPO and the IPO Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (d) the issue of the IPO Shares having been approved by the shareholders of the Company in an extraordinary general meeting;

4. PARTICULARS OF THE IPO (Cont'd)

- (e) the issue and subscription of the IPO Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (f) the Prospectus having been lodged with the ROC and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;
 - (g) there having been, on or prior to the last date and time for the receipt of applications and payment for the Issue Shares in accordance with the Prospectus or such late date as the Company and the Sole Underwriter may mutually agree upon consultation with the SC ("**Closing Date**") or the extended closing date for the receipt of applications and payment for the Issue Shares pursuant to the Public Issue which will be notified in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia ("**Extended Closing Date**"), as the case may be, no material breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;
 - (h) there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which in the reasonable opinion of the Sole Underwriter, is or will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company contained in the Underwriting Agreement;
 - (i) the Sole Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board approving the Listing, the Prospectus and the Underwriting Agreement, the issue and offer of the IPO Shares and authorizing a person or persons to sign the Underwriting Agreement on behalf of the Company; and
 - (j) the Sole Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in the Underwriting Agreement.
- 4.6.2 The Sole Underwriter may terminate, cancel or withdraw its commitment before the Closing Date or the Extended Closing Date, if:-
- (a) the approval of Bursa Securities and other relevant authorities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter;
 - (b) there is any material breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company;
 - (c) there is a material failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;

4. PARTICULARS OF THE IPO (Cont'd)

- (d) there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO or Listing, or the distribution or sale of the IPO Shares;
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group;
- (f) the Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed by the Sole Underwriter;
- (g) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares;
- (h) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:-
 - (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to the close of the offering of the Public Issue,

lower than eighty-five per centum (85%) of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or
- (i) there shall have occurred, or happened any of the following circumstances:-
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole or the success of the IPO or Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

4. PARTICULARS OF THE IPO (Cont'd)

In the event that the Underwriting Agreement is terminated pursuant to Section 4.6.2 above, the Sole Underwriter and the Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither the Sole Underwriter nor the Company shall be under any obligation to enter into a fresh agreement;

4.6.3 Upon any such notice(s) being given pursuant to Section 4.6.2 above, the Sole Underwriter shall be released and discharged from their obligations under the Underwriting Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:-

- (a) the Company shall make payment of Underwriting Commission to the Sole Underwriter in accordance with the Underwriting Agreement;
- (b) the Company shall pay or reimburse to the Sole Underwriter the costs and expenses referred to in the Underwriting Agreement; and
- (c) each party shall return all other monies (in the case of the Sole Underwriter, after deducting the Underwriting Commission due and owing to the Sole Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and/or substantial shareholders' shareholdings

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after the IPO are as follows:-

	Place of incorporation/ Nationality	Before the IPO / As at the LPD			After the Public Issue		
		<-----Direct-----> No. of Shares	<-----Indirect-----> No. of Shares	<-----Indirect-----> % ⁽¹⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Promoters and substantial shareholders							
Kompas [^]	Malaysia	1,000 ⁺	-	*	1,000 ⁺	-	
Ir. Tang Pee Tee @ Tan Chang Kim	Malaysian	188,375,200	47,094,800 ^{@#}	19.46 ^{@#}	188,375,200	47,094,800 ^{@#}	15.70 ^{@#}
Jin Siew Yen	Malaysian	23,546,900	211,923,100 ^{a#}	87.57 ^{a#}	23,546,900	211,923,100 ^{a#}	70.64 ^{a#}
Tan Yushan	Malaysian	23,546,900	211,923,100 ^{o#}	87.57 ^{o#}	23,546,900	211,923,100 ^{o#}	70.64 ^{o#}

	Place of incorporation/ Nationality	After the Offer for Sale			After IPO and the Share Transfer to Kompas		
		<-----Direct-----> No. of Shares	<-----Indirect-----> No. of Shares	<-----Indirect-----> % ⁽²⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Promoters and substantial shareholders							
Kompas [^]	Malaysia	1,000 ⁺	-	*	210,470,000	-	70.16
Ir. Tang Pee Tee @ Tan Chang Kim	Malaysian	168,375,200	42,094,800 ^{@#}	14.04 ^{@#}	-	210,470,000 [~]	70.16 ^{**}
Jin Siew Yen	Malaysian	21,046,900	189,423,100 ^{c#}	63.14 ^{c#}	-	210,470,000 [~]	70.16 ^{**}
Tan Yushan	Malaysian	21,046,900	189,423,100 ^{o#}	63.14 ^{o#}	-	210,470,000 [~]	70.16 ^{**}

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:-

- (1) Based on our issued share capital of 242,000,000 Shares after the Internal Reorganisation Exercise, but before the IPO.
- (2) Based on our enlarged issued share capital of 300,000,000 Shares after the Public Issue, Offer for Sale and Share Transfer to Kompas pursuant to the IPO.
- @ Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.
- α Deemed interested by virtue of her spouse Ir. Tang Pee Tee @ Tan Chang Kim's and her son Tan Yushan's direct shareholdings in ACO.
- ∞ Deemed interested by virtue of his parents Ir. Tang Pee Tee @ Tan Chang Kim's and Jin Siew Yen's direct shareholdings in ACO.
- ^ Kompas is held by Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan with equity interest of 80.00%, 10.00% and 10.00%, respectively.
- # Deemed interested in 1,000 Shares held by Kompas by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.
- + Transferred by the subscriber shareholders of ACO, namely Ng Ching Huwai and Ong Soo Mei to Kompas by share transfer forms dated on 23 August 2019 which became effective on 19 September 2019 upon completion of stamping and registration of the transfer pursuant to the Act.
- * Negligible.
- ** Deemed interested by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.2 Profile of Promoters and/or substantial shareholders

Ir. Tang Pee Tee @ Tan Chang Kim

Promoter, Substantial shareholder and Group Managing Director

Ir. Tang Pee Tee @ Tan Chang Kim, Malaysian, aged 73, is our Group Managing Director. He was appointed to our Board on 5 August 2019. He graduated from the University of Malaya, Malaysia with a Bachelor of Electrical Engineering in 1972. He is a registered member of the Board of Engineers Malaysia as a Professional Engineer since 1974 and Professional Engineer with Practising Certificate (Electrical) since 2016.

He has extensive experience in electrical products industry with a career that started in 1972 as an Electrical Engineer with the Public Works Department in Johor and was promoted to Senior Electrical Engineer in 1974. In 1979, he left the Public Works Department and joined ITEC Electric (M) Sdn Bhd (“ITEC”) as a director, a company involved in the distribution of electrical products with one (1) sales outlet in Taman Sentosa in Johor Bahru. He became a shareholder of ITEC in July 1980. He resigned as a director of ITEC in May 2019 and disposed of his entire shareholdings of 61.75% in ITEC in June 2019.

Between 1990 and 1997, he established Maylec, Maydenki, Electric Master, Actgen, Voltage Master and ACO Holdings. As our Group Managing Director, he has been instrumental and played a key role in contributing to the growth and development of our Group. Since we started in 1990 with one (1) sales outlet in Johor, he has expanded the overall operations of our Group within Peninsular Malaysia with a presence in Johor, Selangor and Melaka through the opening of eight (8) sales outlets, one (1) lighting concept store and two (2) distribution centres. He is responsible for the overall strategic direction of our Group and development of our business strategy.

He also holds directorships in several private companies. Please see Section 5.2.4 of this Prospectus. He is the spouse of our Promoter and substantial shareholder, Jin Siew Yen and father of our Promoter, substantial shareholder and Executive Director, Tan Yushan.

Jin Siew Yen

Promoter and Substantial shareholder

Jin Siew Yen, Malaysian aged 74 is our Promoter.

In 1971, she completed her nursing training at the Stockport School of Nursing, England. In 1972, she was registered as a Registered Nurse by The Nursing Board Federation of Malaya. She also completed her training as a midwife in 1972 at the Stockport School of Midwifery, Stepping Hill Hospital, England. Upon her return to Malaysia, from 1973 to 1984 she worked at Hospital Sultanah Aminah, Johor as a Staff Nurse.

She is a director in each of our Group subsidiaries namely ACO Holdings, Actgen, Maydenki, Electric Master, Voltage Master and Maylec, but is not involved in the day-to-day operations of our Group.

She is the spouse of our Promoter, substantial shareholder and Group Managing Director, Ir. Tang Pee Tee @ Tan Chang Kim and mother of our Promoter, substantial shareholder and Executive Director, Tan Yushan.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Tan Yushan

Promoter, Substantial shareholder and Executive Director

Tan Yushan, Malaysian, aged 35, is our Executive Director of the Corporate & Group Operations. He was appointed to our Board on 5 August 2019. He graduated from The University of Western Australia with a Bachelor of Commerce in 2007. He has been admitted as a full member of Certified Practising Accountant (CPA) Australia since 2010 and was admitted as a Chartered Accountant of the Malaysian Institute of Accountants since 2012.

He began his career in 2007 with KPMG Malaysia as an Audit Associate. In 2010, he left KPMG Malaysia as an Audit Semi Senior and joined Actgen as Finance Manager where he was mainly responsible for finance related matters as well as budget planning and supporting the executive management team. He was also involved in assisting the management to review and assess potential business opportunities. In 2015, he was promoted as Chief Financial Officer of Actgen where he was responsible for overseeing finance and accounting functions. In 2019, he was redesignated as Marketing Manager of Actgen, and also concurrently appointed as Operations Director in Maydenki. He was also appointed as a director of ACO Holdings in 2016, a position he still holds to-date.

As our Executive Director, he is responsible for managing the overall day-to-day operations and business development of our Group, as well as implementation of our Group's business strategy. He is the son of our Promoter, substantial shareholder and Group Managing Director, Ir. Tang Pee Tee @ Tan Chang Kim and our Promoter and substantial shareholder, Jin Siew Yen.

Kompas

Promoter and substantial shareholder

Kompas was incorporated in Malaysia under the Companies Act 1965 on 28 January 1994 and deemed registered under the Act as a private limited liability company under the name of Kompas Electrical Distributor Sdn Bhd. On 14 May 2019, it changed its name to its present name, Kompas Realty Sdn Bhd.

As at the LPD, the issued share capital of Kompas is RM500,000 comprising 500,000 ordinary shares. The principal activity of Kompas is property investment and investment holding.

As at the LPD, the directors and shareholders and their respective shareholdings in Kompas are as follows:-

Directors and shareholders	Direct interest in Kompas	
	No. of shares	%
Ir. Tang Pee Tee @ Tan Chang Kim	400,000	80.00
Jin Siew Yen	50,000	10.00
Tan Yushan	50,000	10.00

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in our Promoters' and/or substantial shareholders' shareholdings

The changes in our Promoters' and/or substantial shareholders' shareholdings in our Company since incorporation to the LPD are as follows:-

	As at 11 June 2019 (Date of incorporation)			As at 29 July 2019			As at LPD		
	<---Direct-----> No. of Shares	% No. of Shares	<--Indirect--> No. of Shares	<-----Direct-----> No. of Shares	% No. of Shares	<--Indirect--> No. of Shares	<-----Direct-----> No. of Shares	% No. of Shares	<--Indirect--> No. of Shares
Substantial shareholders									
Ng Ching Huwai	1	50.00	-	500	50.00	-	-	-	-
Ong Soo Mei	1	50.00	-	500	50.00	-	-	-	-
Promoters and substantial shareholders									
Kompas [^]	-	-	-	-	-	-	1,000 ⁺	*	-
Ir. Tang Pee Tee @ Tan Chang Kim	-	-	-	-	-	-	188,375,200	77.84	47,094,800 ^{@#}
Jin Siew Yen	-	-	-	-	-	-	23,546,900	9.73	211,923,100 ^{a#}
Tan Yushan	-	-	-	-	-	-	23,546,900	9.73	211,923,100 ^{a#}

Notes:-

- [^] Kompas is held by Ir. Tang Pee Tee @ Tan Chang Kim, Jin Siew Yen and Tan Yushan with equity interest of 80.00%, 10.00% and 10.00%, respectively.
- [#] Deemed interested in 1,000 Shares held by Kompas by virtue of his/her shareholdings in Kompas pursuant to Section 8(4) of the Act.
- [@] Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.
- ^a Deemed interested by virtue of her spouse Ir. Tang Pee Tee @ Tan Chang Kim's and her son Tan Yushan's direct shareholdings in ACO.
- [∞] Deemed interested by virtue of his parents Ir. Tang Pee Tee @ Tan Chang Kim's and Jin Siew Yen's direct shareholdings in ACO.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

+ Transferred by the subscriber shareholders of ACO, namely Ng Ching Huwai and Ong Soo Mei to Kompas by share transfer forms dated on 23 August 2019 which became effective on 19 September 2019 upon completion of stamping and registration of the transfer pursuant to the Act.

* Negligible.

As at the LPD, our Promoters and/or substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between ACO and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of ACO.

5.1.4 Promoters and/or substantial shareholders' remuneration and benefits

Save for the dividends to be paid or proposed to be paid, if any, to our Promoters and/or substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and/or substantial shareholders for services rendered to our Group in all capacities for the FYE 29 February 2020 and FYE 28 February 2021 as set out in Section 5.4.1 of this Prospectus, there are no other amount or benefits that has been paid or intended to be paid to our Promoters and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.

5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.1 Directors

Our Board comprises the following members:-

Name	Age	Nationality	Date of appointment	Designation
Yap Koon Roy (M)	58	Malaysian	5 August 2019	Independent Non-Executive Chairman
Ir. Tang Pee Tee @ Tan Chang Kim (M)	73	Malaysian	5 August 2019	Group Managing Director
Tan Yushan (M)	35	Malaysian	5 August 2019	Non-Independent Executive Director
Chai Poh Choo (F)	48	Malaysian	5 August 2019	Non-Independent Executive Director
Dr. Teh Chee Ghee (M)	54	Malaysian	5 August 2019	Independent Non-Executive Director
Ir. Dr. Ng Kok Chiang (M)	39	Malaysian	5 August 2019	Independent Non-Executive Director

Notes:-

(M) Male.

(F) Female.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.2 Profile of Directors

The profiles of the Directors of our Group are as follows:-

Yap Koon Roy

Independent Non-Executive Chairman

Yap Koon Roy, Malaysian, aged 58, is our Independent Non-Executive Chairman. He was appointed to our Board on 5 August 2019.

He graduated with a Bachelor of Laws Honours from the University of Malaya, Malaysia in 1986 and was called to the Malaysian Bar in 1987. He also obtained an Associate Qualification in Islamic Finance from the Islamic Banking & Finance Institute of Malaysia in 2015.

His career started in 1987 when he joined the legal firm Messrs. Nordin & Phua. He was made partner of the firm in 1991. He then left the firm in 1997 to set up his own practice, Messrs. Yap Koon Roy & Associates in the same year. He has more than 31 years of experience in legal practice, mainly advising on commercial, estate, property and banking matters.

He has been appointed since 2009 as an Independent Non-Executive Director of Hock Heng Stone Industries Berhad, a company listed on the Main Market of Bursa Securities, a position he still holds to date. He had also served as an Independent Non-Executive Director of Perfect Food Industries Berhad (presently MK Land Holdings Berhad) from 1994 to 1999 and Golsta Synergy Berhad (presently known as HCK Capital Group Berhad) from 1999 to 2004. He also holds several directorships in private companies. Please refer to Section 5.2.4 of this Prospectus for further details.

Ir. Tang Pee Tee @ Tan Chang Kim

Group Managing Director

Please refer to Section 5.1.2 of this Prospectus for his profile.

Tan Yushan

Executive Director

Please refer to Section 5.1.2 of this Prospectus for his profile.

Chai Poh Choo

Executive Director

Chai Poh Choo, Malaysian, aged 48, is our Executive Director of the Industrial User Division. She was appointed to our Board on 5 August 2019.

She completed her secondary education in 1990 from the Nan Hwa High School in Ayer Tawar, Perak. She started her career as a Production Clerk in 1991 at Pacific Peninsula Textiles Sdn Bhd. She left in 1992 to join Bee Bee Garment Sdn Bhd as a Merchandiser. In 1993 she joined ITEC as a Sales Assistant. She was promoted to Sales Executive in 1996 and subsequently promoted to Senior Sales Executive in 1998. Her role then involved sales of electrical products and accessories. In 2000, she left ITEC to join Actgen and took up the position as Assistant Branch Manager before she was promoted to Branch Manager in 2002. She was then responsible for managing the operations of the sales outlet in Selangor. In 2010, she was promoted as General Manager of Actgen, a position she still holds to-date, and has since been responsible in overseeing the day-to-day business operations of the industrial user division of our Group. She has played a significant role in the growth of Actgen particularly in the setting up of our branch sales outlet in Semenyih, Selangor. She also continues to manage the operations and sales growth of Actgen. Her role and contribution is important to our business, particularly in the growth of our business in the Central region of Peninsular Malaysia and the expansion of our Group's product range.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**Dr. Teh Chee Ghee***Independent Non-Executive Director*

Dr. Teh Chee Ghee, Malaysian, aged 54, is our Independent Non-Executive Director. He was appointed to our Board on 5 August 2019.

He is currently a Senior Lecturer in Accounting and Finance in the School of Business, Monash University Malaysia. He holds a Doctor of Philosophy degree in Credit Management, obtained in 2010, a Master of Business Administration degree obtained in 2001, and a Bachelor of Accounting (Honours) degree obtained in 1990, all from University of Malaya. He is currently a Council Member of the Malaysian Institute of Certified Public Accountants ("**MICPA**") and a fellow member of the Association of Chartered Certified Accountants ("**ACCA**") since 1993 and the Chartered Tax Institute of Malaysia ("**CTIM**") since 1993 till current. He has also been a member of the Malaysian Institute of Accountants ("**MIA**") since 1993 till to-date.

He commenced his career in Arthur Andersen-HRM (Management Services) Sdn Bhd as an Associate Consultant from April 1990 to November 1990. He then served in the audit and business advisory division of Arthur Andersen & Co. from November 1990 to February 1994. He left Arthur Andersen & Co. to join CWS Hygiene Sdn Bhd ("**CWS**") as the Finance & Administration Manager in February 1994 and when the Zuellig Group acquired CWS in 1995, he was appointed the Regional Financial Controller of Gold Coin Feedmills (M) Sdn Bhd. After he left Gold Coin Feedmills Sdn Bhd in July 1996, he joined Engtex Sdn Bhd as the Group Financial Controller in August 1996, a position he held till 2003. He was appointed as Personal Assistant ("**PA**") to the Group Managing Director of Engtex Group Berhad ("**Engtex**") from January 2000 and Company Secretary of Engtex from September 2002, and he held both positions until May 2006. After leaving Engtex, Dr. Teh served TH Group Berhad from June 2006 to October 2010 as the PA to the Group Managing Director of TH Group Berhad. He was also the Acting Chief Operating Officer of Nilai Medical Centre (owned by Asiaprise Biotech Sdn Bhd, a wholly-owned subsidiary of TH Group Berhad) from February 2010 to October 2010. He left TH Group Berhad group of companies in October 2010 and took up the position of General Manager - Strategic Planning and Operations of TSH Resources Berhad, a position he held until October 2012.

Subsequently, he joined Monash University Malaysia in October 2012. He was also the Deputy Director of Research of the School of Business, Monash University Malaysia from January 2013 to January 2014, the Deputy Director of MBA Program from 2017 to 2018, and the Deputy Director - Development & External Engagement of the Entrepreneurship and Innovation Hub (eiHub) of the School of Business since 2018 till July 2019.

Dr Teh has been appointed as the Head of Research of the Socio-Economic Research Centre, operating under SERC Sdn Bhd, an independent think tank initiated by the Associated Chinese Chambers of Commerce and Industry of Malaysia ("**ACCCIM**") under a paid outside work retainer arrangement with Monash University Malaysia from January 2014 to February 2016.

He is currently the Chairman – Senior Independent Non-Executive Director of Engtex, a position he has held since August 2018. Prior to his appointment as the Chairman of Engtex, he had been an Independent Non-executive Director of Engtex since January 2009. He has also held directorships in various public listed companies such as being an Independent Non-executive Director of Fiamma Holdings Berhad from the year 2001 until 2018 and Cybertowers Berhad (now known as Parlo Berhad) from the year 2015 until 2018.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**Ir. Dr. Ng Kok Chiang***Independent Non-Executive Director*

Ir. Dr. Ng Kok Chiang, Malaysian, aged 39, is our Independent Non-Executive Director. He was appointed to our Board on 5 August 2019.

He graduated from The University of Western Australia, Australia with a Bachelor of Engineering (Electrical and Electronic Engineering) with first class honours in 2005 and Bachelor of Commerce in the same year majoring in Accounting, Finance (Investment), and Managerial Accounting. After his graduation, he pursued his Doctorate of Philosophy in Chemical Engineering (Research) and obtained the same from The University of Nottingham, United Kingdom in 2009.

He is a Professional Engineer with Practicing Certificate (Electrical) registered with the Board of Engineers Malaysia since 2011, a Corporate Member (Electrical) of The Institution of Engineers Malaysia since 2011. He is also a Chartered Engineer registered with the Engineering Council of United Kingdom since 2014, and a Chartered Engineer with The Institution of Engineering and Technology, United Kingdom since 2014. He has been a Professional Member of the Malaysia Green Building Confederation (now known as the Malaysia Green Building Council) since 2012, and since 2012 registered as a Green Building Index Facilitator with the Green Building Index Accreditation Panel of Malaysia.

From 2010 to 2011, he took up the role of Consulting Engineer in ZED-G&P Sdn Bhd, an engineering consultancy company involved in green technology and building consultancy. After leaving ZED-G&P Sdn Bhd in 2011, he joined MyBig Sdn Bhd, an engineering services company, as a Technical Consultant. In 2012, he was appointed as the Chief Technology Officer of MyBig Sdn Bhd, a position he still holds to-date, where he is responsible for the management of research projects, creation and protection of the company's intellectual properties, implementation of new innovations in the development of prototypes, and supervision of engineers and researchers under his care. He is also a director and shareholder of MyBig Sdn Bhd as at the LPD. In 2016, he was also appointed as director of Wee Engineers, an engineering consultancy firm (registered with the Board of Engineers Malaysia). In 2018, he was appointed a director of Wee Consulting Engineers Sdn Bhd, an engineering consultancy company, where he oversees and manages electrical engineering projects for new and existing housing and high-rise developments. He continues to hold both directorships in Wee Engineers and Wee Consulting Engineers Sdn Bhd till current.

He was the Chairman of the Consulting Engineers Special Interest Group in the Institution of Engineers, Malaysia from 2017 to 2018 and the Honorary Auditor of the Institution of Engineering and Technology United Kingdom from 2016 to 2018. He is also an Industrial Advisory Board Member of the Heriot Watt University, Malaysia Campus since 2017 till current, an Industrial Advisory Board Member of The University of Nottingham, Malaysia Campus since 2013 till current, and the Assistant Honorary Secretary of the Electrical and Electronics Association of Malaysia for the term of 2019 to 2021.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors as at the LPD and after the IPO are as follows:-

Directors	Nationality	As at the LPD			After the IPO ⁽³⁾		
		<-----Direct----->	% ⁽¹⁾	No. of Shares	<-----Direct----->	% ⁽²⁾	No. of Shares
Yap Koon Roy	Malaysian	-	-	-	200,000	0.07	-
Ir. Tang Pee Tee @ Tan Chang Kim	Malaysian	188,375,200	77.84	47,094,800 ^{@#}	-	-	210,470,000 [^]
Tan Yushan	Malaysian	23,546,900	9.73	211,923,100 ^{o#}	-	-	210,470,000 [^]
Chai Poh Choo	Malaysian	-	-	-	400,000	0.13	-
Dr. Teh Chee Ghee	Malaysian	-	-	-	200,000	0.07	-
Ir. Dr. Ng Kok Chiang	Malaysian	-	-	-	200,000	0.07	-

Notes:-

- (1) Based on our issued share capital of 242,000,000 Shares after the Internal Reorganisation Exercise, but before the IPO.
 - (2) Based on our enlarged issued share capital of 300,000,000 Shares after the Public Issue, Offer for Sale and Share Transfer to Kompas pursuant to the IPO.
 - (3) Assuming that all Pink Form Allocation is fully subscribed.
- @ Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.
- o Deemed interested by virtue of his parents Ir. Tang Pee Tee @ Tan Chang Kim's and Jin Siew Yen's direct shareholdings in ACO.
- # Deemed interested in 1,000 Shares held by Kompas by virtue of his direct shareholdings in Kompas pursuant to Section 8(4) of the Act.
- ^ Deemed interested by virtue of his direct shareholdings in Kompas pursuant to Section 8(4) of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.4 Principal business activities and directorships in other corporations for the past five (5) years

The principal business activities outside our Group performed by our Directors as at the LPD and the directorships of our Directors outside our Group at present and in the past five (5) years preceding the LPD are as follows:-

Director	Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Yap Koon Roy	Hock Heng Stone Industries Berhad [^]	Independent Non-Executive Director	21 October 2009	-	-	Investment holding of companies principally engaged in manufacturing, selling, distribution of dimension stones and related products and, property development
	Straits Delight Sdn Bhd	Director / Shareholder	10 March 2015	-	Direct: 49.00	Property investment
	Straits Heritage Palace Sdn Bhd	Director / Shareholder	31 December 2013	-	Direct: 12.50	Property investment
Ir. Tang Pee Tee @ Tan Chang Kim	ITEC	Director	1 September 1979	15 May 2019	-	Electrical suppliers and installation*
	ITEC Electric (KL) Sdn Bhd ("ITEC KL")	Director	6 August 1992	15 May 2019	-	Wholesaler of electrical goods**
	K.E. Electric Sdn Bhd.	Director	20 November 1993	19 January 2017	-	Sale and distribution of electrical, electronic and plastic instruments
	Kompas	Director / Shareholder	28 January 1994	-	Direct: 80.00 Indirect: 100.00@	Property investment and investment holding (shares)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Director	Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Chai Poh Choo	ITEC KL	Director	1 January 2003	15 May 2019	-	Wholesaler of electrical goods**
Dr. Teh Chee Ghee	Engtex Berhad [^] Group	Independent Non-Executive Director	20 January 2009	-	-	Investment holding of companies principally engaged in the wholesale and distribution of general hardware products and construction materials, manufacturing and sale of steel related products, property development and hospitality
	Fiamma Holdings Berhad [^]	Independent Non-Executive Director	4 July 2001	28 December 2018	-	Investment holding of companies principally engaged in the distribution and servicing of electrical home appliances, property development and property investment
	Parlo Berhad [#]	Independent Non-Executive Director	20 March 2015	30 May 2018	-	Investment holding of companies principally engaged in the travel management and services
	The Malaysian Institute of Certified Public Accountants ^o	Director / Council Member	13 June 2015	-	-	Advancement of the accountancy profession in Malaysia

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Director	Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Ir. Dr. Ng Kok Chiang	MyBIG Sdn Bhd	Director Shareholder	19 July 2012	-	Direct: 25.00	<ol style="list-style-type: none"> 1. Trade as engineering services; 2. Medical biotech; and 3. Automation engineering.
	Wee Engineer	Director	14 January 2016	-	-	Engineering consultancy firm (registered with the Board of Engineers Malaysia)
	Wee Consulting Engineers Sdn Bhd	Director	19 July 2018	-	-	<ol style="list-style-type: none"> 1. Engineering services; 2. Other architectural and engineering activities and related technical consultancy not expressly classified; and 3. Research and development on engineering and technology

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:-

[^] A company listed on the Main Market of Bursa Securities.

[#] A company listed on the ACE Market of Bursa Securities.

^α A company limited by guarantee incorporated under the then Companies Ordinance 1940 – 1946.

^{*} Ir. Tang Pee Tee @ Tan Chang Kim was a shareholder of ITEC from 15 July 1980 to 12 June 2019 and Jin Siew Yen was a shareholder of ITEC from 2 November 1993 to 12 June 2019. Ir. Tang Pee Tee @ Tan Chang Kim was a director of ITEC from 1 September 1979 to 15 May 2019 and Jin Siew Yen was a director of ITEC from 21 August 2003 to 15 May 2019. Ir. Tang Pee Tee @ Tan Chang Kim and Jin Siew Yen disposed of their entire equity interest in ITEC on 12 June 2019 to non-related parties.

^{**} Ir. Tang Pee Tee @ Tan Chang Kim was a shareholder of ITEC KL from 14 August 1992 to 12 June 2019. Chai Poh Choo was a shareholder of ITEC KL from 1 January 2003 to 12 June 2019. Ir. Tang Pee Tee @ Tan Chang Kim and Chai Poh Choo disposed of their entire equity interest in ITEC KL on 12 June 2019 to non-related parties.

[@] Deemed interested by virtue of his spouse Jin Siew Yen's and his son Tan Yushan's direct shareholdings in ACO.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.5 Involvement of our Executive Directors in other businesses or corporations

Save as disclosed in Section 5.2.4 of this Prospectus, our Executive Directors are not involved in other businesses or corporations. The involvements of our Executive Directors in other businesses or corporations are not expected to affect the operations of our Group as our Executive Directors are principally involved in the day-to-day operations of our Group.

In addition, the other businesses or corporations in which our Executive Directors are also the directors are investment holding companies. Hence, this would not affect their performance in our Group.

5.2.6 Key Senior Management

Our key senior management comprises the following:-

Name	Age	Nationality	Date of appointment to current position	Designation
Ooi Gin Hui (F)	40	Malaysian	1 November 2018	Chief Financial Officer
Chong Su Yee (F)	35	Malaysian	1 July 2019 ⁽¹⁾	Head of Human Resource
Lim Lee Hua (F)	55	Malaysian	1 April 2015 ⁽²⁾	Head of Procurement
Low Swee Ching (F)	50	Malaysian	1 January 2019 ⁽³⁾	Head of Operations
Foong Kah Hong (M)	40	Malaysian	1 November 2018 ⁽⁴⁾	Head of Business Development

Notes:-

(M) Male.

(F) Female.

(1) Chong Su Yee first joined our Group on 20 June 2011 as Account Executive of Actgen.

(2) Lim Lee Hua first joined our Group on 1 August 2001 as Purchasing Executive of Actgen.

(3) Low Swee Ching first joined our Group on 1 December 1999 as Sales Coordinator of Actgen.

(4) Foong Kah Hong first joined our Group on 1 January 2016 as Marketing Executive of Maidenki.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.7 Key senior managements' shareholdings

The details of our key senior management and their direct and indirect shareholdings in our Company as at the LPD and after the IPO are as follows:-

Key senior management	Designation	Nationality	Before the IPO / As at the LPD			After the IPO ⁽³⁾		
			No. of Shares	% ⁽¹⁾	Indirect	No. of Shares	% ⁽²⁾	Indirect
Ooi Gin Hui	Chief Financial Officer	Malaysian	-	-	-	235,000	0.08	-
Chong Su Yee	Head of Human Resource	Malaysian	-	-	-	200,000	0.07	-
Lim Lee Hua	Head of Procurement	Malaysian	-	-	-	200,000	0.07	-
Low Swee Ching	Head of Operations	Malaysian	-	-	-	200,000	0.07	-
Foong Kah Hong	Head of Business Development	Malaysian	-	-	-	200,000	0.07	-

Notes:-

- (1) Based on our issued share capital of 242,000,000 Shares after the Internal Reorganisation Exercise, but before the IPO.
- (2) Based on our enlarged issued share capital of 300,000,000 Shares after the Public Issue, Offer for Sale, and Share Transfer to Kompas pursuant to the IPO.
- (3) Assuming that all Pink Form Allocation is fully subscribed.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.8 Profile of key senior management

The profiles of the key senior management of our Group are as follows:-

Ooi Gin Hui

Chief Financial Officer

Ooi Gin Hui, Malaysian, aged 40, is our Chief Financial Officer. She is responsible for overseeing our Group's accounting and finance functions, including financial planning, management of financial risks, record-keeping, and financial reporting.

She obtained a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College, Malaysia in 2001, and a Bachelor of Commerce (Honours) in Accounting from University Tunku Abdul Rahman in 2006.

Her career started in 2006 when she joined Leslie Yap & Co, an audit firm as an Audit Trainee where she was involved in providing audit services. She left in June 2009 as an Audit Senior and joined GHL Systems Berhad ("GHL") (a company listed on the Main Market of Bursa Securities) in July 2009 as an Assistant Accountant where she was responsible for finance related functions. In 2010, she was promoted as Finance Manager where she was responsible for managing the GHL group finance and corporate affairs as well as supporting executive management team. She also assisted in maintaining and enhancing the GHL group's internal controls and procedures. Subsequently in 2012, she left GHL to join Tanco Holdings Berhad (a company listed on the Main Market of Bursa Securities) as Finance Manager and rose through the ranks to be appointed as Group Financial Controller in 2014 where she was responsible in managing the overall accounting and finance functions, financial planning, and corporate planning exercises. Subsequently, she left Tanco Holdings Berhad in September 2018 before joining our Group as Chief Financial Officer in November 2018.

Chong Su Yee

Head of Human Resource

Chong Su Yee, Malaysian, aged 35, is our Head of Human Resource. She is responsible for overseeing and managing the overall human resource and administration functions of our Group.

She obtained a Diploma in Accounting (LCCI) in 2005.

Her career started in 2006 when she joined Syarikat C.H. Kam, an audit firm as a Senior Audit/Tax Executive where she was involved in providing audit and tax computation services. She then left the company in 2011 and joined Actgen in the same year as an Account Executive. In 2014, she was redesignated and being tasked to join the Human Resource Department as a Senior Human Resource Executive where she assisted in implementation of human resource functions, documentation of records, implementing payroll systems, and recruitment planning. In 2016, she was promoted to Assistant Human Resource Manager and subsequently in 2019, she was promoted to Head of Human Resource of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Lim Lee Hua

Head of Procurement

Lim Lee Hua, Malaysian, aged 55, is our Head of Procurement. She is responsible for establishing, maintaining and negotiation with suppliers, item sourcing, bulk ordering and also provides procurement services to the Industrial User Division and Distribution Division of our Group.

After completing her secondary education in 1983, she started her career in 1984 as an Audit Clerk in Chan & Co. She left Chan & Co in 1987 to join Matsushita Electronic Components (S) Pte Ltd as a Production Clerk where she was responsible for administration tasks and support tasks for production lines of electronic components. In 1989, she left this position to join Capetronic (M) Corp Sdn Bhd as a Line Supervisor where she managed and supervised production lines.

In 1991, she joined ITEC as a Purchasing Coordinator and subsequently promoted to Purchasing Executive in 1995. She then left the company in 2001 to join Actgen in the same year as a Purchasing Executive. In 2007, she was promoted to Senior Purchasing Executive before she was promoted to Purchasing Manager in 2011. In 2015, she assumed her current role as Head of Procurement. She brings with her approximately 29 years of experience in purchase and procurement in the electrical industry.

Low Swee Ching

Head of Operations

Low Swee Ching, Malaysian, aged 50, is our Head of Operations.

She is responsible for overseeing the day-to-day operations of our Group's Distribution Division, the key functions of which include operating of our distributorship functions, servicing our Group's customers who are resellers, processing customers' orders and planning and monitoring sales growth.

She completed her secondary education in 1989 from Sekolah Menengah Jenis Kebangsaan Nan Hwa in Sitiawan, Perak.

Her career started in 1989 when she joined Teck Tung Furniture in Singapore as a General Clerk. In 1993 she joined Soon Aik Hardware (Pte) Ltd, a hardware trading company in Singapore as a Sales Coordinator. She then left the company in 1999 and joined Actgen in the same year as a Sales Coordinator. In 2004, she was promoted to the position of Sales Executive before she was promoted to Senior Sales Executive in 2007 and subsequently to Unit Manager in 2012 where she was then responsible for identifying potential customers, and sales growth opportunities, as well as managing business relationships with customers. In 2019, she assumed her current role as Head of Operations. To-date, she has built up 21 years of working experience in the electrical appliances industry with our Group.

Foong Kah Hong

Head of Business Development

Foong Kah Hong, Malaysian, aged 40, is our Head of Business Development. He leads the Industrial Products Division which is dedicated to providing sales, services and solutions for electrical distribution, protection and control devices range of products. He is responsible for securing new customers as well as maintaining good working relationship with key customers in respect of such product range.

He obtained his Diploma in Electronic Engineering from Minghsin Institution of Technology (now known as Minghsin University of Science and Technology), Taiwan in 2001.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

He started his career in January 2003 when he joined Epson Precision Johor Sdn Bhd, a manufacturer of electronic components, as an Electrical Technician where he was involved in maintenance and repair of factory machinery and equipment. He left in December 2003 and joined KVC Industrial Supplies Sdn Bhd in 2004 as a Product Technical Support where he was responsible for providing product and onsite technical support internally. Subsequently in 2007, he left KVC Industrial Supplies Sdn Bhd and joined Avemax International Sdn Bhd in August 2008, a supplier of industrial tools, components and materials, as a Project Manager where he was involved in information and communications technology testing as well as design and supply of jig and fixture for production of air circulation products. He left the company in December 2008. In 2009, he joined ABB Malaysia Sdn Bhd as a Sales Engineer where he was involved in sales development and planning. Subsequently he left ABB Malaysia Sdn Bhd in 2015 before joining our Group in 2016, as a Marketing Executive where he was responsible for conducting market research to address new opportunities for potential markets and customers. In November 2018 he assumed his current role as Head of Business Development.

5.2.9 Involvement of our key senior management in other businesses/corporations

None of our key senior management have any principal business activities outside our Group as at the LPD, nor do they have directorships outside our Group at present and in the past five (5) years preceding the LPD.

5.3 BOARD PRACTICES

5.3.1 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:-

Name	Designation	Date of expiration of the current term of office	No. of years in office
Yap Koon Roy	Independent Non-Executive Chairman	At our first AGM	Less than one (1) year
Ir. Tang Pee Tee @ Tan Chang Kim	Group Managing Director	At our first AGM	Less than one (1) year
Tan Yushan	Executive Director	At our first AGM	Less than one (1) year
Chai Poh Choo	Executive Director	At our first AGM	Less than one (1) year
Dr. Teh Chee Ghee	Independent Non-Executive Director	At our first AGM	Less than one (1) year
Ir. Dr. Ng Kok Chiang	Independent Non-Executive Director	At our first AGM	Less than one (1) year

In accordance with the Company's Constitution, all the Directors shall retire from office at the first AGM and 1/3 of our Board will retire by rotation at every AGM of our Company. Each Director shall retire at least once in every three (3) years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next AGM and shall then be eligible for re-election.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 22 August 2019 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:-

Name	Designation	Directorship
Dr. Teh Chee Ghee Yap Koon Roy Ir. Dr. Ng Kok Chiang	Chairman Member Member	Independent Non-Executive Director Independent Non-Executive Chairman Independent Non-Executive Director

The main functions of the Audit and Risk Management Committee include among others:-

- (a) to consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- (b) to review the annual performance assessment, including the suitability and independence of the external auditors in accordance with the external auditors policy;
- (c) to review with the external auditors before the audit commences, the nature and scope of the audit and their audit plan;
- (d) to review the assistance given by the Company to the internal and/or external auditors;
- (e) to review the quarterly and annual results of the Company and the Group, prior to the approval of the Board, focusing particularly on:-
 - any changes in accounting policies and practices;
 - significant and unusual events;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- (f) to review the external auditors' evaluation of the Group's system of internal controls;
- (g) to discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- (h) to review the external auditors' management letter and management's response;
- (i) to do the following in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of internal auditor; and
- take cognizance of the resignation of the internal auditor and to provide the resigning internal auditor an opportunity to submit his/her reason(s) for resigning;
- (j) to consider any related party transactions or conflict of interests that may arise within the Company or Group;
- (k) to consider the major finding of internal investigations and management's response;
- (l) to report promptly to Bursa Securities on matters reported by the Audit and Risk Management Committee to the Board, which have not been satisfactorily resolved resulting in a breach of the Listing Requirements;
- (m) to review and recommend risk management strategies, policies and risk tolerance levels for Board's approval;
- (n) to review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively; and
- (o) to review disclosures statements relating to management of sustainability, risk management and internal control in the annual report of the Company.

5.3.3 Remuneration Committee

Our Remuneration Committee was established on 22 August 2019 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Ir. Dr. Ng Kok Chiang	Chairman	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Chairman
Dr. Teh Chee Ghee	Member	Independent Non-Executive Director

The main functions of the Remuneration Committee include among others:-

- (a) to recommend to the Board regarding the remuneration packages of all Executive Directors in all forms inclusive of cash and non-cash benefits, options and privileges granted by the Company. The remuneration packages should be sufficient to attract and retain the Director needed to run the Company successfully;
- (b) to review and recommend on an annual basis, all benefits and entitlements of all Executive Directors;
- (c) to establish a formal and transparent procedure for developing policy on executive remuneration for fixing the remuneration packages of individual directors;
- (d) to oversee any major changes in employee remuneration and benefit structures throughout the Group; and
- (e) to review policies governing the remuneration and promotion of key senior management of the Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.4 Nomination Committee

Our Nomination Committee was established on 22 August 2019 and its members are appointed by our Board. Our Nomination Committee comprises the following members:-

Name	Designation	Directorship
Yap Koon Roy	Chairman	Independent Non-Executive Chairman
Dr. Teh Chee Ghee	Member	Independent Non-Executive Director
Ir. Dr. Ng Kok Chiang	Member	Independent Non-Executive Director

The main functions of the Nomination Committee include among others:-

- (a) to nominate and recommend to the Board, candidates to be appointed as Directors of the Company after considering the required mix, skills, knowledge, experience and other core competencies, expertise, professionalism and integrity which the Directors should bring to the Board;
- (b) to consider in making its recommendations, candidates for directorships proposed by the Group Managing Director and within the bounds of practicability, by the existing Directors, senior management staff, major shareholders, independent search firms and/or other independent sources;
- (c) to recommend to the Board, directors to fill the seats on Board committees;
- (d) to assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board;
- (e) to review the succession plans of the Board, the Audit and Risk Management Committee, Executive Directors and the senior management;
- (f) to assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director on an annual basis;
- (g) to recommend to the Board for the continuation or discontinuation in service of Directors as an Executive Directors or Non-Executive Directors;
- (h) to recommend Directors who are retiring by rotation to be put forward for re-election; and
- (i) to determine the independence of each Director annually and the independent director can bring independence and objective judgement to board deliberations.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.1 Directors' Remuneration and Benefits

The details of the remuneration and benefits paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 29 February 2020 and FYE 28 February 2021 are as follows:-

FYE 29 February 2020	Fees^	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors							
Ir. Tang Pee Tee @ Tan Chang Kim	-	260	160	-	19	17	456
Tan Yushan	-	224	120	37	41	-	422
Chai Poh Choo	-	100	6	19	10	3	138
Independent Directors							
Yap Koon Roy	32	-	-	-	-	-	32
Dr. Teh Chee Ghee	32	-	-	-	-	-	32
Ir. Dr. Ng Kok Chiang	21	-	-	-	-	-	21

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

FYE 28 February 2021 (Proposed)	Fees	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors							
Ir. Tang Pee Tee @ Tan Chang Kim	-	260	160 [#]	-	65	17	502
Tan Yushan	-	230	120 [#]	37	50	-	437
Chai Poh Choo	-	120	50 [#]	20	25	3	218
Independent Directors							
Yap Koon Roy	60	-	-	8	-	-	68
Dr. Teh Chee Ghee	60	-	-	8	-	-	68
Ir. Dr. Ng Kok Chiang	48	-	-	8	-	-	56

Note:-

[^] Based on their respective appointment dates as our Directors on 5 August 2019 up to 28 February 2020.

[#] The finalised bonus will be determined later based on the individual's performance as well as our Group's cash flows and business performance at the time of assessment.

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits of our Directors, must be considered and recommended by the Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees and/or benefits must be further approved by our shareholders at a general meeting.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4.2 Key senior management's remuneration and benefits

The aggregate remuneration and benefits paid and proposed to be paid to our key senior management for services rendered to our Group in all capacities for the FYE 29 February 2020 and FYE 28 February 2021 are as follows:-

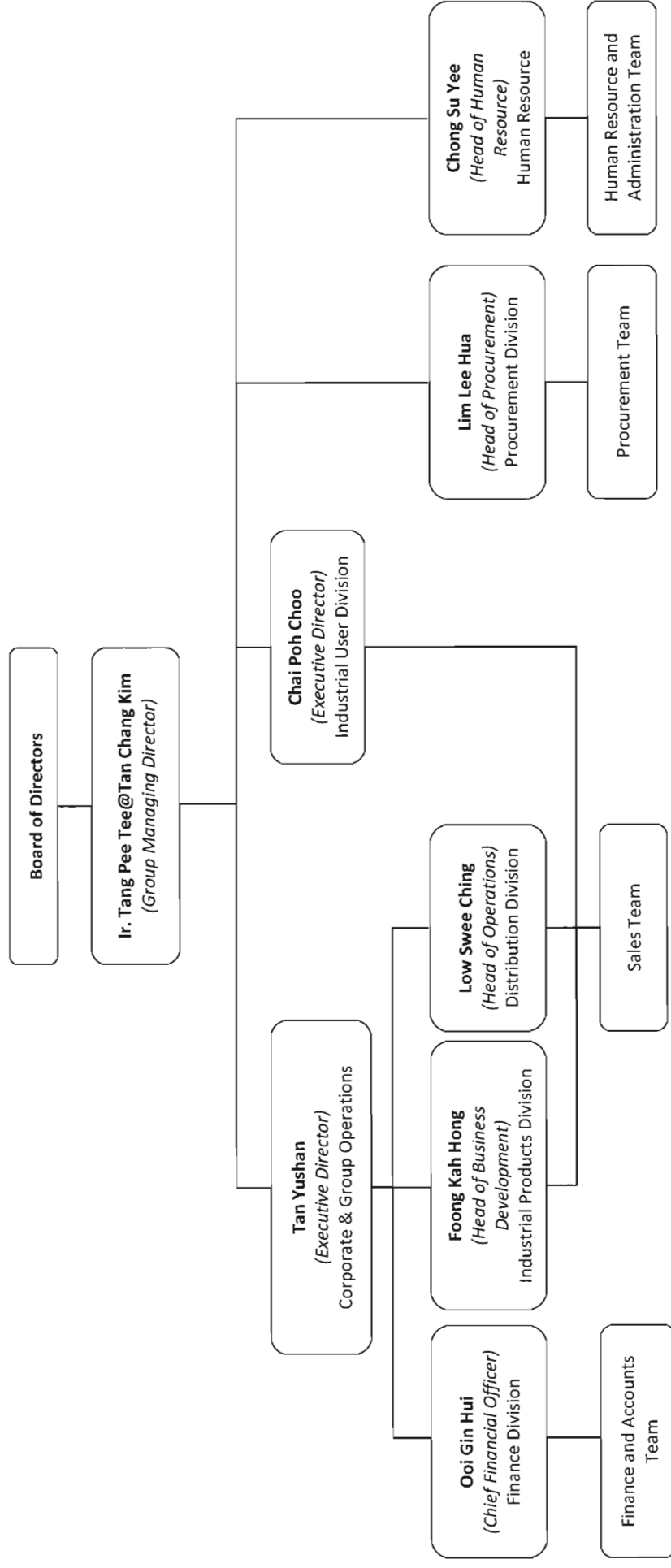
Key senior management	Remuneration band	
	FYE 29 February 2020 RM'000	Proposed for the FYE 28 February 2021 RM'000
Ooi Gin Hui	200 – 250	250 – 300
Chong Su Yee	100 – 150	150 – 200
Lim Lee Hua	100 – 150	150 – 200
Low Swee Ching	100 – 150	150 – 200
Foong Kah Hong	100 – 150	150 – 200

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.5 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:-



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or was involved in any of the following events, whether within or outside Malaysia:-

- (i) A petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he was a partner, or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceedings in the last 10 years;
- (iv) Any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) The subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market in the last 10 years;
- (vi) The subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) The subject of any current investigation or disciplinary proceeding, or has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) Any unsatisfied judgment against him.

5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Saved as disclosed below, there are no family relationships and associations among our Promoters, substantial shareholders, Directors and key senior management:-

- (i) Ir. Tang Pee Tee @ Tan Chang Kim, our Promoter, substantial shareholder and Group Managing Director, is the father of Tan Yushan and spouse of Jin Siew Yen;
- (ii) Jin Siew Yen, our Promoter and substantial shareholder, is the spouse of Ir. Tang Pee Tee @ Tan Chang Kim and mother of Tan Yushan; and
- (iii) Tan Yushan, our Promoter, substantial shareholder and Executive Director, is the son of Ir. Tang Pee Tee @ Tan Chang Kim and Jin Siew Yen.

5.8 SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or key senior management have any existing or proposed service agreement with our Group.

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR GROUP

6.1.1 Overview and History

ACO (201901020410 (1329739-A)) was incorporated in Malaysia under the Act on 11 June 2019 as a private limited company under the name of ACO Group Sdn Bhd. Our Company subsequently converted to a public limited company on 8 August 2019.

Our Company is an investment holding company. Through our subsidiaries, we are primarily involved in distribution of electrical products and accessories.

The table below sets out the key events in the history and development of our Group and business:-

Year	Key Events and Milestones
1991	<ul style="list-style-type: none"> Maydenki, incorporated in 1990, (formerly known as Citilec Sdn Bhd) commenced operations in 1991 as a distributor of electrical products and accessories in Taman Johor Jaya, Johor Bahru, Johor focusing on electrical distribution, protection and control devices.
1993	<ul style="list-style-type: none"> Maylec, incorporated in 1990, commenced operations in 1993 as a distributor of electrical products and accessories in Taman Johor Jaya, Johor Bahru, Johor mainly to serve the Public Works Department (“JKR”) related infrastructure projects. Maylec became inactive in 2002 and later resumed operations in 2010 in Taman Perindustrian Kempas Utama, Johor Bahru, Johor.
1995	<ul style="list-style-type: none"> Electric Master, incorporated in 1994, (formerly known as Bellink Trading Sdn Bhd), commenced operations in 1995 as a distributor of electrical products and accessories in Kuala Lumpur. Electric Master became inactive in 1999 and later resumed operations in 2006 in Taman Malim Jaya, Melaka before moving to Taman IKS Merdeka, Batu Berendam, Melaka.
1997	<ul style="list-style-type: none"> Maydenki secured distributorship for <i>Schneider Electric's</i> range of electrical distribution, protection and control devices. Incorporation and commencement of Voltage Master as a distributor of electrical products and accessories in Taman Sinn, Semabok, Melaka.
2000	Actgen, incorporated in 1996, commenced operations in 2000 as a distributor of electrical products and accessories in Cheras, Kuala Lumpur.
2002	<ul style="list-style-type: none"> Maydenki secured distributorship for <i>Omron's</i> range of electrical distribution, protection and control devices. Actgen relocated its operations from Cheras, Kuala Lumpur to Johor with a sales outlet in Taman Johor Jaya, Johor Bahru, Johor.
2004	<ul style="list-style-type: none"> Actgen secured distributorship for <i>KDK's</i> range of electrical appliances, namely fans.
2005	<ul style="list-style-type: none"> Actgen commenced distribution of cables and wires.
2008	<ul style="list-style-type: none"> Actgen secured distributorship for <i>Hager's</i> range of electrical distribution, protection and control devices, and electrical accessories namely switches and power outlets. Maydenki secured distributorship for <i>ABB's</i> range of electrical distribution, protection and control devices.
2009	<ul style="list-style-type: none"> Actgen established a distribution centre in Taman Perindustrian Sri Plentong, Masai, Johor and commenced distribution of electrical products and accessories to resellers including distributors and retailers.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key Events and Milestones
2010	<ul style="list-style-type: none"> Actgen secured distributorship for <i>Panasonic's</i> range of electrical appliances, namely fans and water heaters.
2011	<ul style="list-style-type: none"> Watt Energy, incorporated in 1997 (now known as ACO Holdings) commenced operations in 2011 initially as a distributor of electrical appliances and accessories, namely air-conditioners in Taman Johor Jaya, Johor Bahru, Johor.
2012	<ul style="list-style-type: none"> Actgen established a sales outlet in Jalan Sungai Abong, Muar, Johor.
2014	<ul style="list-style-type: none"> Actgen secured distributorship for <i>Maxguard's</i> range of electrical distribution, protection and control devices. Actgen launched its own brand of control and instrumentation, and communications cables under <i>Multi5</i> brand. Maydenki secured distributorship for <i>Yaskawa's</i> and <i>Siemen's</i> range of electrical distribution, protection and control devices. Maydenki launched its own brand of LV transformer for metering devices under <i>Sonico</i> brand (later rebranded to <i>Sonko</i>). We started providing cut-to-length cables and wires for selected types of power and communication cables. Additionally, we established an online ordering system namely <i>Accura</i> focusing on cables and wires to enable customers to check availability of cable length and pricing.
2015	<ul style="list-style-type: none"> Actgen launched its own brand of lightings and fittings under <i>Hikari</i> (later rebranded to <i>Afg</i>).
2016	<ul style="list-style-type: none"> Actgen secured distributorship for <i>Ledvance</i> range of electrical accessories, namely lightings and fittings, as well as <i>Schneider Electric</i> range of electrical wiring devices and final distribution products. Electrical wiring devices refers to switches and power outlets, while final distribution products refer to electrical distribution, protection and control devices, in the context of this Prospectus. Actgen established a sales outlet in Taman Industri Pandan Indah, Selangor.
2017	<ul style="list-style-type: none"> Reorganisation of Actgen, Maydenki, Maylec, Voltage Master and Electric Master where Watt Energy became the investment holding company before changing its name to ACO Holdings. Maydenki established an online ordering system namely <i>Maydenki-mart</i> focusing on electrical distribution, protection and control devices to enhance customer service and convenience. Actgen established a sales outlet (Semenyih Sentral) and distribution centre (Kawasan Perindustrian Lekas) in Semenyih, Selangor.
2019	<ul style="list-style-type: none"> Actgen opened its first lighting concept store in Eco Business Park 1, Johor Bahru, Johor. Incorporation of ACO, our investment holding company.

6. INFORMATION ON OUR GROUP (Cont'd)**Key Awards, Certifications and Recognitions**

Our key awards, achievements and recognitions from 2016 and up to the LPD are as follows:-

Year	Subsidiary	Key Awards and Recognition
2016	Maydenki	Exemplary Performance Award from ABB in recognition and appreciation of continuous partnership.
		25 th Year Anniversary Appreciation Award from Omron in recognition of our commitment and valuable contributions over the years.
		Sales Achievement Award from Omron in recognition of achieving distributor sales target for year 2015.
		Achievers Awards from Siemens.
	Actgen	Silver Achiever Award for Electrical Construction Material Partner from Panasonic for year 2016 to 2017.
2017	Actgen	Circle of Excellent Award from Hager.
	Maydenki	Sales Achievement Award from Omron in recognition of achieving distributor sales target for year 2016.
		Achiever Award from Siemens.
2018	Actgen	Platinum Club Award from KDK for achieving sales of RM7 million and above from April 2017 to March 2018.
		Top Growth Award from Ledvance.
	Maydenki	Distributor Excellence Achievement from ABB in recognition and appreciation of continuous partnership.
		Sales Achievement Award from Omron in recognition of achieving distributor sales target for year 2017.
2019	Actgen	Gold Achiever Award for Electrical Construction Material Partner from Panasonic for 2018 to 2019.
		Diamond Club Award from KDK for achieving sales of RM8 million and above from April 2018 to March 2019.
		Certificate of Gold from Ledvance in recognition of achieving sales target for year 2018 to 2019.
	Maydenki	Sales Achievement Award from Omron in recognition of achieving distributor sales target for year 2018.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.2 Our competitive advantages and key strengths

Our competitive advantages and key strengths will provide us with the platform to grow our business. These are as follows:

(a) We have an established track record of 29 years for our business

We have an established track record as a distributor of electrical products and accessories with a history that spans approximately 29 years since the commencement of our business with Maydenki in 1991. Throughout our 29 years of operations, we have established business relationships with our suppliers, some of whom we have authorised distributorships. This provides us with the platform to gain access to product training and seminars to increase our knowledge on their respective electrical products and accessories including product applications and installation techniques.

As a further testament of our track record and performance, we have obtained various awards and recognition from our suppliers including among others, "25th Year Anniversary Appreciation Award" from Omron Electronics Sdn Bhd in 2016 in recognition of our commitment and valuable contributions over the years, and "Distributor Excellence Achievement" from ABB Malaysia Sdn Bhd in 2018 in recognition and appreciation of continuous partnership.

In addition, our long number of years in business has helped us build our customer base comprising electrical contractors, factory and business owners, electrical product manufacturers and resellers. Our established track record provides us with the platform to compete effectively and grow our business.

(b) We carry a wide range of electrical products and accessories to meet the needs of our customers

We carry a wide range of electrical products and accessories across the different product categories including, among others, cables, wires and accessories; electrical distribution, protection and devices; and electrical appliances and accessories. We also provide our existing customers with a selection of brands to meet their diverse requirements as well as the basis to attract new customers. As at the LPD, we have 88 brands of electrical products and accessories whereby out of these 88 brands, our Group has consistently made at least one (1) sale transactions for 70 brands in each of the past three (3) financial years and financial period under review.

This convenience will enhance customer loyalty to generate recurrent sales from our existing customers. Our customer loyalty is substantiated by the fact that two (2) out of our top five (5) customers for FYE 28 February 2019 have been dealing with us for at least 10 years.

Please refer to Section 6.4.2 of this Prospectus for the range of electrical products and accessories of our Group.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) We are an authorised distributor for 10 brands of electrical products and accessories

We are an authorised distributor for 10 brands of electrical distribution, protection and control devices; electrical appliances and accessories; and lightings namely *Schneider Electric, KDK, Hager, Omron, ABB, Panasonic, Ledvance, Maxguard, Siemens and Yaskawa*. As an authorised distributor of the above brands of electrical products and accessories, our business benefits from their brand equity and customer loyalty to sustain and grow our business. For the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, revenue derived from these authorised distributorships alone accounted for 36.74%, 36.92%, 34.64% and 36.11% of our Group's total revenue respectively.

As an authorised distributor for these brands, we are able to gain access to product training and seminars for product applications and installation techniques, as well as technical assistance. In addition, we also enjoy incentives, rebates and payment discounts upon achieving certain key performance targets such as quantity purchased and repayment period.

(d) We have experienced Executive Directors and key senior management team

The experience of our Directors and key senior management personnel forms a key strength for our Group in terms of our market understanding and knowledge, as well as established customer and supplier relationships.

We have an experienced management team headed by our Group Managing Director, Ir. Tang Pee Tee @ Tan Chang Kim, a Professional Engineer in the Electrical Engineering field, who has at least 40 years of experience in the distribution of electrical products and accessories. He is supported by our Executive Directors, Tan Yushan and Chai Poh Choo. Tan Yushan has approximately 13 years of experience in finance and accounting including four (4) years of experience in managing the day-to-day business operations and implementation of strategies for our Group. Meanwhile, Chai Poh Choo has approximately 27 years of experience in distribution of electrical products and accessories, as well as managing day-to-day business operations at the sales outlets in our Group.

They are supported by our key senior management team which include:-

- Ooi Gin Hui, Chief Financial Officer, who brings with her approximately 14 years of experience in finance and accounting;
- Low Swee Ching, Head of Operations, who brings with her approximately 27 years of experience in the distribution of electrical products and accessories as well as managing day-to-day operations of the sales outlets;
- Lim Lee Hua, Head of Procurement, who brings with her approximately 29 years of experience in procurement as well as maintaining supplier relationships;
- Foong Kah Hong, Head of Business Development, who brings with him approximately 17 years of experience in dealing with electrical products, as well as 11 years of experience in sales and marketing of electrical products and accessories; and
- Chong Su Yee, Head of Human Resource, who brings with her approximately six (6) years of experience in managing human resource and administrative functions.

6. INFORMATION ON OUR GROUP (Cont'd)

Their technical knowledge and experience have been and will continue to be instrumental to the success, growth and development of our Group.

(e) We provide customer convenience and facilitate timely delivery

We provide customer convenience as well as facilitate timely delivery of goods to our customers. In turn, this would help create a loyal customer base to generate recurrent sales from existing customers. This is facilitated by the following:-

- We have two (2) distribution centres, eight (8) sales outlets and one (1) lighting concept store located in Johor, Melaka, and Selangor which provides convenience and access for customers with the option of collecting their goods. This also enables timely delivery of goods to our customers located within reasonable distance from these distribution centres and sales outlets;
- As at the LPD, we have a fleet of 17 trucks for delivery of goods to customers, of which 11 trucks are stationed in Johor, four (4) trucks are stationed in Melaka, and two (2) trucks are stationed in Selangor to enable timely delivery of goods to customers;
- We supplement our logistics services by using external logistics service provider for delivery of goods to customers located in the East coast and Northern regions of Peninsular Malaysia;
- We have two (2) online ordering systems, one (1) system operating under *Accura* for selected cables and wires while the other is under *Maydenki-mart* for our range of electrical distribution, protection and control devices. These systems enable our customers to place their orders online. The online ordering system allow customers to view the availability of products and pricing enabling them to make quick and informed decisions when placing an order.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.1.3 Share capital and changes in share capital

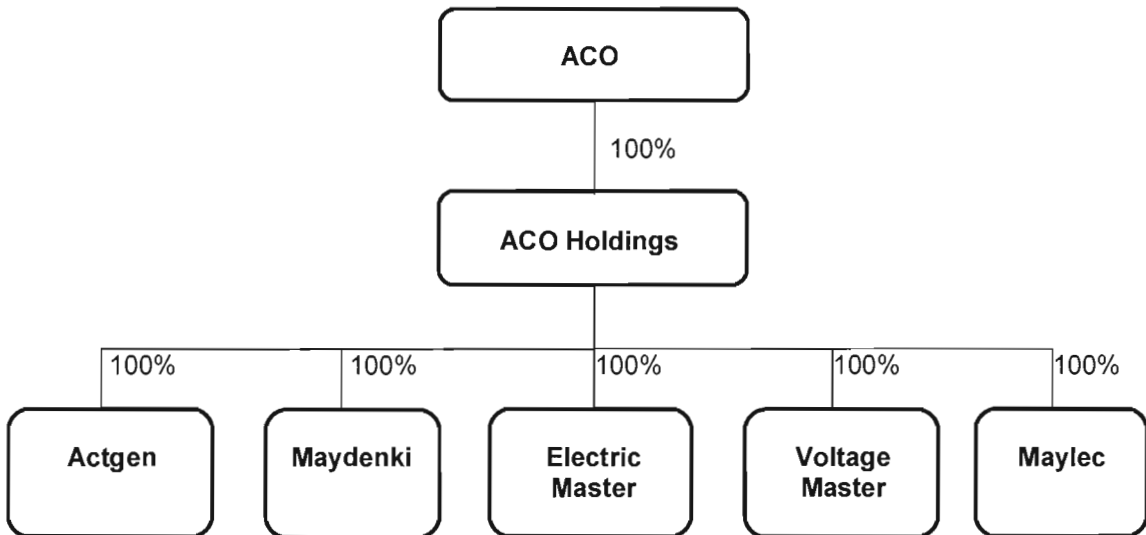
As at the LPD, our issued share capital is RM36,300,850 comprising 242,000,000 ordinary shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:-

Date of allotment	No. of Shares allotted	Consideration	Nature of transaction	Cumulative issued share capital (RM)
11 June 2019	2	Cash	Subscribers' shares	2
29 July 2019	998	Cash	Allotment of shares	1,000
22 January 2020	241,999,000	Otherwise than cash	Allotment of shares pursuant to the Internal Reorganisation Exercise	36,300,850

6.1.4 Subsidiaries

Our corporate Group structure is as follows:-



6. INFORMATION ON OUR GROUP (Cont'd)

Details of our subsidiaries are set out below:-

Subsidiaries	Date and place of incorporation	Principal place of business	Date of commencement of business	Issued share capital (RM)	Effective equity interest (%)	Principal activities
ACO Holdings 199701005489 (420985-P)	26 February 1997 / Malaysia	Malaysia	2011	2,500,000	100	Investment holding
Subsidiaries of ACO Holdings						
Actgen 199601002817 (375163-T)	24 January 1996 / Malaysia	Malaysia	2000	7,000,000	100	Distribution of electrical products and accessories ⁽¹⁾
Maydenki 199001017811 (209480-P)	13 December 1990 / Malaysia	Malaysia	1991	2,000,000	100	Distribution of electrical products and accessories ⁽²⁾
Electric Master 199401027481 (313163-H)	25 August 1994 / Malaysia	Malaysia	1995	800,000	100	Distribution of electrical products and accessories ⁽³⁾
Voltage Master 199701004820 (420316-K)	20 February 1997 / Malaysia	Malaysia	1997	200,000	100	Distribution of electrical products and accessories ⁽³⁾
Maylec 199001017166 (208835-T)	30 November 1990 / Malaysia	Malaysia	1993	555,500	100	Distribution of electrical products and accessories ⁽⁴⁾

Notes:-

- (1) Mainly focusing on the distribution of electrical appliances, and cables, wires and accessories with two (2) sales outlets in Johor, two (2) sales outlets in Selangor, one (1) distribution centre in Selangor, one (1) distribution centre in Johor, and one (1) lighting concept store in Johor.
- (2) Mainly focusing on the distribution of electrical distribution, protection and control devices with one (1) sales outlet in Johor.
- (3) Mainly focusing on the distribution of electrical appliances, and cables, wires and accessories with one (1) sales outlet in Melaka.
- (4) Mainly focusing on the distribution of electrical appliances, and cables, wires and accessories with one (1) sales outlet in Johor.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 INFORMATION ON OUR SUBSIDIARIES

6.2.1 ACO HOLDINGS

(a) Background, history and principal activities

ACO Holdings was incorporated on 26 February 1997 in Malaysia under the Companies Act 1965 as a private limited company under the name of Watt Energy Sdn Bhd and deemed registered under the Act. It subsequently changed its name to its present name on 22 June 2017.

ACO Holdings commenced operations in August 2011 as a distributor of electrical appliances and accessories. On 26 July 2019, ACO Holdings changed its business activity and is currently an investment holding company.

(b) Share capital

As at the LPD, the issued share capital of ACO Holdings is RM2,500,000 comprising 2,500,000 ordinary shares.

The changes in the issued share capital of ACO Holdings since its incorporation up to the LPD are as follows:-

Date of allotment	No. of ACO Holdings shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of shares
26 February 1997	2	Cash	2	2
1 February 2016	99,998	Otherwise than cash	100,000	100,000
28 February 2017	2,400,000	Otherwise than cash	2,500,000	2,500,000

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, ACO Holdings does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder

As at the LPD, ACO Holdings is a wholly-owned subsidiary of our Company.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the shareholders and their shareholdings in ACO for the past three (3) financial years up to the LPD are as follows:-

Name	As at 29 February 2016		As at 28 February 2017, 28 February 2018 and 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	80,000	80.0	2,000,000	80.0	-	-
Jin Siew Yen	10,000	10.0	250,000	10.0	-	-
Tan Yushan	10,000	10.0	250,000	10.0	-	-
ACO	-	-	-	-	2,500,000	100.0

(d) Subsidiary and associate company

As at the LPD, the direct subsidiaries of ACO Holdings are Actgen, Maydenki, Maylec, Voltage Master and Electric Master, details of which are set out in Section 6.2.2 of this Prospectus, respectively. As at the LPD, ACO Holdings does not have any associate or joint venture.

6.2.2 ACO HOLDINGS' SUBSIDIARIES**(i) ACTGEN****(a) Background, history and principal activities**

Actgen was incorporated on 24 January 1996 in Malaysia under the Companies Act 1965 as a private limited company and deemed registered under the Act.

Actgen commenced operations in March 2000. Actgen is currently involved in distribution of electrical products and accessories.

(b) Share capital

As at the LPD, the issued share capital of Actgen is RM7,000,000 comprising 2,000,000 ordinary shares. The share capital consists of RM2,000,000 from the issuance of ordinary shares and the remaining RM5,000,000 from the redemption of the Redeemable Non-Cumulative Preference Shares issued to ACO Holdings ("RPS") into the other capital account.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Actgen since its incorporation up to the LPD are as follows:-

Ordinary Shares				
Date of allotment	No. of Actgen shares allotted	Consideration	Cumulative issued share capital RM	No. of shares
24 January 1996	2	Cash	2	2
1 June 2001	99,998	Cash	100,000	100,000
3 April 2003	200,000	Otherwise than cash	300,000	300,000
2 September 2008	200,000	Cash	500,000	500,000
8 July 2014	1,500,000	Otherwise than cash	2,000,000	2,000,000
Total ordinary shares			2,000,000	2,000,000

RPS				
Date of allotment/ redemption	No. of RPS	Consideration	RM	No. of outstanding RPS
28 February 2017 (allotment)	2,500,000 (allotted)	Otherwise than cash	5,000,000 (consideration for RPS)	2,500,000
28 February 2019 (redemption)	1,500,000 (redeemed out of profits)	Not applicable	3,000,000 (redemption sum)	1,000,000
29 July 2019 (redemption)	1,000,000 (redeemed out of profits)	Not applicable	2,000,000 (redemption sum)	Nil

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Actgen does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Substantial shareholder

As at the LPD, Actgen is a wholly-owned subsidiary of ACO Holdings.

The changes in the shareholders and their shareholdings in Actgen for the past three (3) financial years up to the LPD are as follows:

Name	As at 29 February 2016		As at 28 February 2017 and 28 February 2018		As at 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	1,999,999	100.0	-	-	-	-	-	-
Jin Siew Yen	1	*	-	-	-	-	-	-
ACO Holdings	-	-	2,000,000 (ordinary shares)	100.0	2,000,000 (ordinary shares)	100.0	2,000,000 (ordinary shares)	100.0
			2,500,000 (RPS)	-	1,000,000 (RPS)	-	-	-

Note:-

* Negligible

(d) Subsidiary and associate company

As at the LPD, Actgen does not have any subsidiary, associate or joint venture.

(ii) MAYDENKI

(a) Background, history and principal activities

Maydenki was incorporated on 13 December 1990 in Malaysia under the Companies Act 1965 as a private limited company under the name of Citilec Sdn Bhd and deemed registered under the Act. It subsequently changed name to its present name on 3 June 1991.

Maydenki commenced operations in October 1991. Maydenki is currently involved in the distribution of electrical products and accessories.

(b) Share capital

As at the LPD, the issued share capital of Maydenki is RM2,000,000 comprising 2,000,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Maydenki since its incorporation up to the LPD are as follows:-

Date of allotment	No. of Maydenki shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of shares
13 December 1990	4	Cash	4	4
11 November 1998	50,000	Cash	50,004	50,004
11 July 2001	149,996	Cash	200,000	200,000
15 December 2003	50,000	Otherwise than cash	250,000	250,000
10 March 2016	250,000	Otherwise than cash	500,000	500,000
5 June 2017	500,000	Cash	1,000,000	1,000,000
4 July 2017	1,000,000	Otherwise than cash	2,000,000	2,000,000

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Maydenki does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder

As at the LPD, Maydenki is a wholly-owned subsidiary of ACO Holdings.

The changes in the shareholders and their shareholdings in Maydenki for the past three (3) financial years up to the LPD are as follows:-

Name	As at 29 February 2016		As at 28 February 2017		As at 28 February 2018		As at 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	175,000	70.0	-	-	350,000	17.5	-	-	-	-
Lim May Hoon	75,000	30.0	150,000	30.0	600,000	30.0	-	-	-	-
ACO Holdings	-	-	350,000	70.0	1,050,000	52.5	2,000,000	100.0	2,000,000	100.0

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Subsidiary and associate company

As at the LPD, Maydenki does not have any subsidiary, associate or joint venture.

(iii) ELECTRIC MASTER

(a) Background, history and principal activities

Electric Master was incorporated on 25 August 1994 in Malaysia under the Companies Act 1965 as a private limited company under the name of Bellink Trading Sdn Bhd and deemed registered under the Act. It subsequently changed name to its present name on 10 July 2006.

Electric Master commenced operations in August 1995. Electric Master is currently involved in the distribution of electrical products and accessories.

(b) Share capital

As at the LPD, the issued share capital of Electric Master is RM800,000 comprising 400,005 ordinary shares.

The changes in the issued share capital of Electric Master since its incorporation up to the LPD are as follows:-

Date of allotment	No. of Voltage Master shares allotted	Consideration	Cumulative issued share capital RM	No. of shares
25 August 1994	2	Cash	2	2
7 November 2014	8	Cash	10	10
21 June 2017	399,995	Otherwise than cash	800,000	400,005

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Electric Master does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder

Electric Master is a wholly-owned subsidiary of ACO Holdings.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the shareholders and their shareholdings in Electric Master for the past three (3) financial years up to the LPD are as follows:-

Name	As at 29 February 2016		As at 28 February 2017		As at 28 February 2018 and 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	6	60.0	-	-	-	-	-	-
Jin Siew Yen	2	20.0	-	-	-	-	-	-
Gan Bee Hong	2	20.0	2	20.0	80,001	20.0	-	-
ACO Holdings	-	-	8	80.0	320,004	80.0	400,005	100.0

(d) Subsidiary and associate company

As at the LPD, Electric Master does not have any subsidiary, associate or joint venture.

(iv) VOLTAGE MASTER

(a) Background, history and principal activities

Voltage Master was incorporated on 20 February 1997 in Malaysia under the Companies Act 1965 as a private limited company and deemed registered under the Act.

Voltage Master commenced operations in April 1997. Voltage Master is currently involved in the distribution of electrical products and accessories.

(b) Share capital

As at the LPD, the issued share capital of Voltage Master is RM200,000 comprising 200,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Voltage Master since its incorporation up to the LPD are as follows:-

Date of allotment	No. of Voltage Master shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of shares
20 February 1997	2	Cash	2	2
8 June 1999	3	Cash	5	5
20 November 2002	49,995	Otherwise than cash	50,000	50,000
29 August 2018	50,000	Otherwise than cash	100,000	100,000
11 December 2018	100,000	Cash	200,000	200,000

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Voltage Master does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder

Voltage Master is a wholly-owned subsidiary of ACO Holdings.

The changes in the shareholders and their shareholdings in Voltage Master for the past three (3) financial years up to the LPD are as follows:-

Name	As at 29 February 2016		As at 28 February 2017 and 28 February 2018		As at 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	35,000	70.0	-	-	-	-	-	-
Goh Bee Tin	15,000	30.0	15,000	30.0	15,000	7.5	-	-
ACO Holdings	-	-	35,000	70.0	185,000	92.5	200,000	100.0

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Subsidiary and associate company

As at the LPD, Voltage Master does not have any subsidiary, associate or joint venture.

(v) MAYLEC

(a) Background, history and principal activities

Maylec was incorporated on 30 November 1990 in Malaysia under the Companies Act 1965 as a private limited company and deemed registered under the Act.

Maylec commenced operations in August 1993. Maylec is currently involved in distribution of electrical products and accessories.

(b) Share capital

As at the LPD, the issued share capital of Maylec is RM555,500 comprising 555,500 ordinary shares.

The changes in the issued share capital of Maylec since its incorporation up to the LPD are as follows:-

Date of allotment	No. of Maylec shares allotted	Consideration	Cumulative issued share capital RM	No. of shares
30 November 1990	2	Cash	2	2
9 March 1996	49,998	Cash	50,000	50,000
6 January 2016	5,500	Otherwise than cash	55,500	55,500
1 March 2018	500,000	Cash	555,500	555,500

There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Maylec does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Substantial shareholder

Maylec is a wholly-owned subsidiary of ACO Holdings.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the shareholders and their shareholdings in Maylec for the past three (3) financial years up to the LPD are as follows:-

Name	As at 29 February 2016		As at 28 February 2017 and 28 February 2018		As at 28 February 2019		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Ir. Tang Pee Tee @ Tan Chang Kim	33,333	60.0	-	-	-	-	-	-
Jin Siew Yen	16,667	30.0	-	-	-	-	-	-
Woo Yoong Eng	5,500	10.0	5,500	10.0	55,500	10.0	-	-
ACO Holdings	-	-	50,000	90.0	500,000	90.0	555,500	100.0

(d) Subsidiary and associate company

As at the LPD, Maylec does not have any subsidiary, associate or joint venture.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES**

Our Group's material capital expenditure or investments for the FYE 28 February 2017 to FYE 28 February 2019, FPE 30 November 2019 and up to the LPD are as follows:-

	Transaction value				
	<-----FYE 28 February----->			FPE 30 November 2019 RM'000	1 December 2019 up to the LPD RM'000
	2017 RM'000	2018 RM'000	2019 RM'000		
Freehold lands	-	-	2,020	-	-
Leasehold lands	-	1,270	-	-	-
Freehold buildings	165	-	1,993	-	-
Leasehold buildings	-	2,200	-	-	-
Computers and software	39	451	112	71	2
Furniture and fittings	88	104	99	331	-
Motor vehicles	400	425	426	10	-
Office equipment	197	269	442	220	8
Renovation	310	584	2,090	692	122
ROU	-	-	-	1,572	-
Total	1,199	5,303	7,182	2,896	132

Our material capital expenditure during the FYE 28 February 2017 to FYE 28 February 2019, FPE 30 November 2019 and up to the LPD comprised capital expenditure on lands and buildings, computer and software, motor vehicles, office equipment, renovation and ROU.

During the FYE 28 February 2017, our Group's capital expenditure incurred for motor vehicles amounting to RM0.40 million was mainly due to purchase of two (2) trucks, one (1) forklift and one (1) car for our operational requirement. In addition, our Group's capital expenditure incurred for renovation amounting to RM0.31 million was mainly due to the renovation for one (1) of our sales outlets in Johor Bahru.

During the FYE 28 February 2018, our Group acquired leasehold lands and buildings in Melaka to be used as sales outlets amounting to RM3.47 million. In addition, our Group's capital expenditure incurred for computer and software amounting to RM0.45 million was mainly due to the purchase of two (2) new units of servers and one (1) backup server as part of our Group's internal system upgrade requirement. Our Group also purchased additional four (4) trucks for our operational requirement amounting to RM0.43 million. Our Group also incurred RM0.58 million for the renovation for one (1) of our sales outlets in Johor Bahru.

During the FYE 28 February 2019, our Group acquired two (2) pieces of freehold lands with buildings in Muar and Johor Bahru to be used as new sales outlets amounting to RM4.01 million. In addition, our Group purchased additional two (2) forklifts and one (1) motor vehicle for our operational requirement amounting to RM0.43 million. Our Group's capital expenditure incurred for office equipment amounting to RM0.44 million was mainly due to the installation of solar system for one (1) of our sales outlets in Johor Bahru. Our Group also incurred renovation cost amounting to RM2.09 million, mainly due to the renovation for our newly purchased sales outlets in Muar and Johor Bahru as well as replacement of new roofing for our distribution centre and investment property in Johor during the FYE 28 February 2019.

6. INFORMATION ON OUR GROUP (Cont'd)

During the FPE 30 November 2019, our Group recognised the ROU amounting to RM1.57 million which was attributed to the rental of properties as well as purchase of three (3) units of trucks and one (1) car for our operational requirement pursuant to MFRS16. In addition, our Group incurred RM0.69 million for the renovation for our lighting concept store and one (1) of our sales outlets in Johor Bahru. Our Group also purchased new furniture and fittings for our head office amounting to RM0.33 million. Our Group's capital expenditure incurred for office equipment amounting to RM0.22 million was mainly due to the installation of security systems and electrical and telecommunication wiring for our lighting concept store.

Our Group's material capital divestments for the FYE 28 February 2017 to FYE 28 February 2019, FPE 30 November 2019 and up to the LPD are as follows:-

	Cost value				
	<-----FYE 28 February----->			FPE 30 November 2019	1 December 2019 up to the LPD
	2017 RM'000	2018 RM'000	2019 RM'000	RM'000	RM'000
Investments					
Freehold lands	-	-	-	1,200	-
Freehold buildings	-	-	-	737	-
Total	-	-	-	1,937	-

Our Group had no material divestment for the FYE 28 February 2017 to FYE 28 February 2019.

During the FPE 30 November 2019 and up to the LPD, our Group's material capital divestment was due to the disposal of a sales outlet in Johor Bahru with a cost value amounting to RM1.94 million.

Save for the above and the proposed use of proceeds from our IPO for our expansion of operational facilities, we do not have any other capital expenditures and divestures that is currently in progress.

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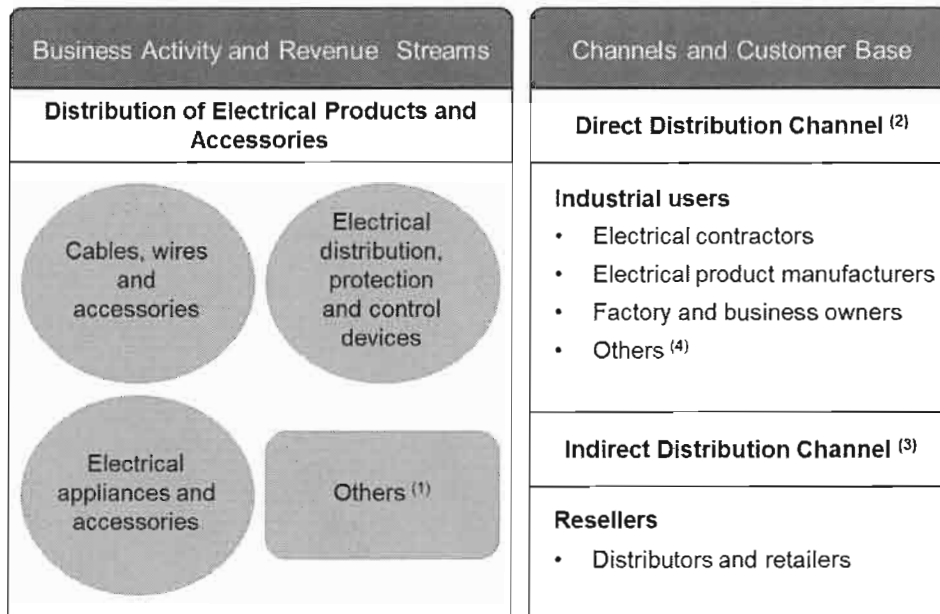
6. INFORMATION ON OUR GROUP (Cont'd)

6.4 BUSINESS OVERVIEW

6.4.1 Our Business Model

6.4.1.1 Overview

Our business model is depicted as follows:-



Notes:-

- (1) Others include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems.
- (2) Direct distribution channel involves selling our products directly to end-users which includes people who purchase our products to carry out their work; for use as input materials to manufacture other electrical products; and/or for their own use.
- (3) Indirect distribution channel involves selling our products to intermediaries who will resell our products to their respective customers.
- (4) Other industrial users include architects and interior designers, equipment and machinery repair and maintenance service providers, as well as walk-in customers.

6.4.1.2 Business Activities and Revenue Stream

We are a distributor of electrical products and accessories specialising in cables, wires and accessories; electrical distribution, protection and control devices; and electrical appliances and accessories. Our other products include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems.

6. INFORMATION ON OUR GROUP (Cont'd)

We serve the market in Peninsular Malaysia where our market reach extends from our base in the Southern region of Peninsular Malaysia, namely Johor and Melaka, to cover the Central region including Kuala Lumpur and Selangor. In this respect, we are supported by eight (8) sales outlets, of which four (4) are located in Johor, two (2) in Melaka and two (2) in Selangor. We also have two (2) distribution centres located in Johor and Selangor, as well as one (1) lighting concept store in Johor.

6.4.1.3 Distribution Channels and Customer Base

We mainly use direct distribution channels to sell our products to industrial users. Industrial users are commercial, institutional, government, professionals or other groups but not to the general public. Some of the industrial users that buy our products are electrical contractors, electrical product manufacturers, and factory and business owners.

We also use indirect distribution channel where we sell our products to resellers who are distributors and retailers. They in turn, would resell our products to their respective network of customers.

For FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, revenue from industrial users accounted for 73.17%, 66.83%, 71.11% and 74.46% of our Group's total revenue respectively. The remaining revenue were derived from resellers which accounted for 26.83%, 33.17%, 28.89% and 25.54% of our Group's total revenue for FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively.

Revenue Breakdown by Types of Customers

Revenue from	FYE 28 February 2017		FYE 28 February 2018		FYE 28 February 2019		FPE 30 November 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Industrial Users	83,785	73.17	83,002	66.83	95,559	71.11	77,501	74.46
Electrical contractors	54,183	47.32	54,530	43.91	63,447	47.21	48,056	46.17
Electrical product manufacturers	9,599	8.38	8,641	6.95	12,269	9.13	12,355	11.87
Factory and business owners	6,504	5.68	6,297	5.07	5,845	4.35	6,120	5.88
Others ⁽¹⁾	13,499	11.79	13,534	10.90	13,998	10.42	10,970	10.54
Resellers	30,724	26.83	41,191	33.17	38,814	28.89	26,583	25.54
TOTAL	114,509	100.00	124,193	100.00	134,373	100.00	104,084	100.00

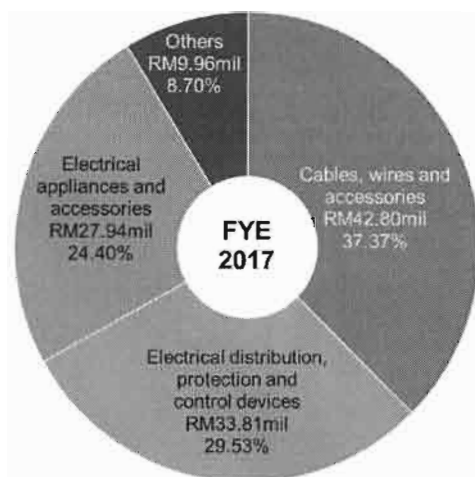
Note:-

- (1) Others include architects and interior designers, equipment and machinery repair and maintenance service providers, as well as walk-in customers.

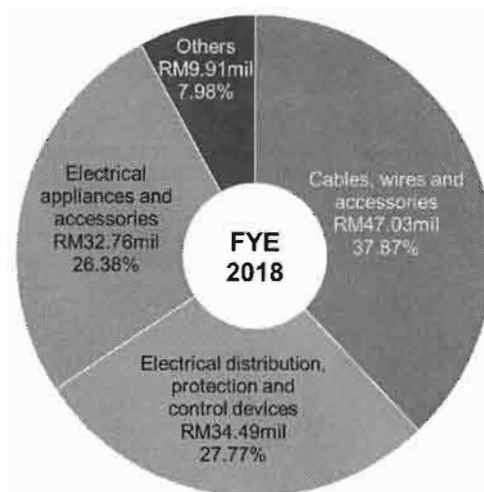
6. INFORMATION ON OUR GROUP (Cont'd)

6.4.1.4 Our Revenue Streams by Product Category

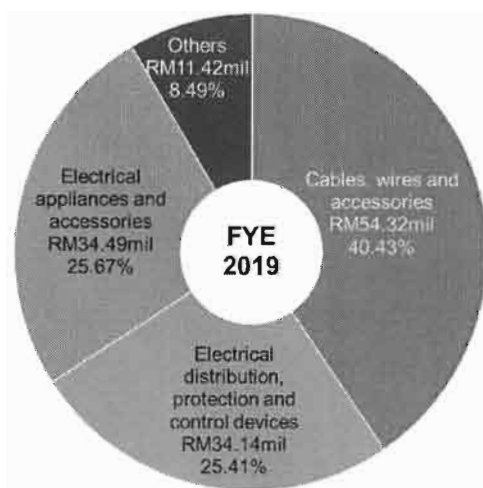
Our sales are mainly based on purchase orders. Our revenue streams for the past three (3) financial years and FPE 30 November 2019 segmented by product category are as follows:-



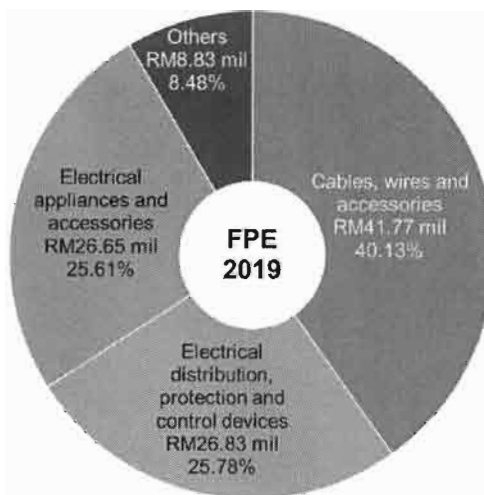
Total revenue = RM114.51 million



Total revenue = RM124.19 million



Total revenue = RM134.37 million



Total revenue = RM104.08 million

Note:-

“Others” include water plumbing materials, power tools and accessories, as well as CCTV and alarm systems. For the purposes of the above chart, “FPE 2019” refers to the 9-month financial period commencing 1 March 2019 to 30 November 2019.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.2 Overview of Products and Brands

We are a distributor of electrical products and accessories specialising in three (3) main product categories as follows:-

- (a) cables, wires and accessories including power and communications cables and wires used externally and internally within buildings, as well as power cables for connection to industrial plants, equipment and machineries;
- (b) electrical distribution, protection and control devices for the distribution of power, protection of property, machineries and lives, and control of electricity flow as well as monitoring and measurement devices; and
- (c) electrical appliances and accessories including lightings and fittings, air movement equipment such as fans and air-conditioners, water heaters, as well as switches and power outlets.

We also distribute other products such as water plumbing materials, power tools and accessories, as well as CCTV and alarm systems.

Our distribution of electrical products and accessories encompasses third party brands as well as our own brands. The following section covers the specific products under each category.

6.4.2.1 Cables, Wires and Accessories

For the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, cables, wires and accessories represented 37.37%, 37.87%, 40.43% and 40.13% of our Group's total revenue respectively. The types of cables, wires and accessories that we distribute can be broadly categorised into the following:-

- Cables and wires used for the following products:-
 - power (MV and LV);
 - communications; and
 - control and instrumentation.
- Cable and wire accessories include:-
 - cable management systems;
 - wiring connection and termination accessories;
 - overhead and underground cable and wiring accessories; and
 - earthing and lightning protection accessories.

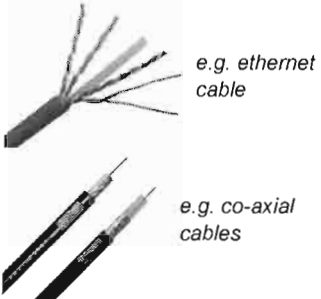

6. INFORMATION ON OUR GROUP (Cont'd)

(a) Cables and Wires

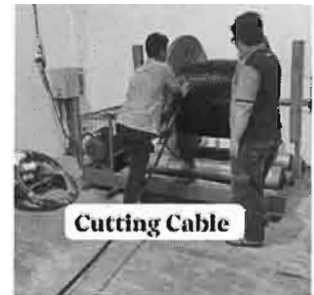
The following are the range of cables and wires that we distribute and their respective applications and specifications/types:-

Cables and wires	General Applications	Some of the specifications/types
<p>MV power cables and wires</p>  <p><i>e.g. Al/PVC non-armoured cable</i></p>  <p><i>e.g. Ariel bundled cables</i></p>	<ul style="list-style-type: none"> - Power distribution networks: to deliver power from the primary distribution substations to other secondary substations that serves industrial, commercial, institutional and residential areas. - Industrial applications: to link power distribution network directly to major power users (e.g. railway systems, airports, water and sewerage treatment plants, as well as manufacturing and processing plants) that require direct supply of MV power for its operations. 	<ul style="list-style-type: none"> - Medium Voltage rating of 3.6/6kV and 6.35/11kV; - Aluminium conductor; - XLPE insulation; - Single or multiple core (up to 3 cores); - Non-armoured and armoured.
<p>LV power cables and wires</p>  <p><i>e.g. Cu/PVC armoured cable</i></p>  <p><i>e.g. Fire-resistant cable</i></p>	<ul style="list-style-type: none"> - Secondary power distribution networks: installed from secondary distribution substations to run overhead or underground along and outside of light industrial, commercial and residential premises. - Connecting premises: to connect the secondary power distribution substations directly to individual premises. - Inside buildings: for cabling and wiring within buildings. 	<ul style="list-style-type: none"> - Low Voltage rating of 300/500V, 450/750V, 600/1000V; - Copper conductor; - PVC or XLPE insulation; - Single or multiple core (up to 48 cores); - Non-armoured and armoured; - Flexible, fire resistant, flame retardant options.
<p>Communications cables and wires</p>  <p><i>e.g. outdoor telephone cable</i></p>	<ul style="list-style-type: none"> - Telecommunication networks: includes trunk and wide area network linking networks over large distances as well as local area networks connecting devices such as computers, routers, printers, storage devices and hubs within a relatively small and contained area. 	<ul style="list-style-type: none"> - Indoor and outdoor telephone cables (single or multiple up to 200 pairs); - Ethernet cables; - Fibre optic cables; - Co-axial cables; - Alarm cables.

6. INFORMATION ON OUR GROUP (Cont'd)

Cables and wires	General Applications	Some of the specifications/types
 <p>e.g. ethernet cable</p> <p>e.g. co-axial cables</p>	<ul style="list-style-type: none"> - Others: including CCTV, security and alarm system and public address (PA) system. 	
<p>Control and instrumentation cables and wires</p> 	<ul style="list-style-type: none"> - Industrial and commercial automation systems: to connect equipment, devices and instruments such as switches, sensors, actuators, motor starters, programmable logic controllers, and distributed control systems within industrial plants and commercial buildings to facilitate automation. 	<ul style="list-style-type: none"> - Copper conductor; - PVC insulation; - Single or multiple core (up to 5 cores); - Non-armoured and armoured.

As a distributor of cables, we provide 'cut-to-length' service for some of the LV and MV power cables, and communications cable. This provides convenience to customers who are unable to fulfil the minimum order quantity from manufacturers or who requires cables on an urgent basis. In addition, many of our customers are contractors who work on a project basis and would frequently require odd lengths to complete each job. If they were to buy standard lengths directly from cable manufacturers, this would result in leftover cables and wires or wastage.



As at the LPD, our distribution centre in Kawasan Perindustrian Lekas, Semenyih as well as our sales outlets in Taman Perindustrian Kempas Utama, Johor Bahru, and Taman IKS Merdeka, Melaka are equipped with cable cutting machines for the 'cut-to-length' service.

Meanwhile, for the other types of cables and wires, we sell them in bundled packaging of fixed lengths ranging from 80 to 200 metres.




6. INFORMATION ON OUR GROUP (Cont'd)

Storage of our cables and wires




(b) Cable and wire accessories

We supply a variety of cable and wire accessories including the following:-

Cable and wire accessories	Description	Examples of Products
<p>Cable management systems</p>  <p><i>e.g. HDPE corrugated pipe (electrical conduit)</i></p>	<p>Accessories used to protect, conceal, secure, connect, support, insulate, fasten and organise cables and wires.</p>	<p>Electrical conduits; conduit fittings; trunking and ducting systems; channel support, tray and ladder systems; and cable ties or fastening system of metal, galvanised iron, plastic and composite materials.</p>
<p>Wiring connection and termination accessories</p>  <p><i>e.g. insulated male and female connector</i></p>	<p>Accessories used to connect the end of a cable or wire to a device such as equipment, panel or wall outlets.</p>	<p>Cable lug, cable link, non-insulated and insulated rings, insulated forks, insulated male and female connectors, PVC connector, terminal blocks, and cable joint kits.</p>
<p>Overhead and underground cable and wiring accessories</p>  <p><i>e.g. Dead-end clamp</i></p>	<p>Accessories used in the installation of overhead and underground electrical distribution lines.</p>	<p>Concrete marker, busbar support, pole clamp, line tape, suspension clamp, dead end clamp and accessories.</p>

6. INFORMATION ON OUR GROUP (Cont'd)

Cable and wire accessories	Description	Examples of Products
<p>Earthing and lightning protection accessories</p>  <p><i>e.g. Lightning arrester and preventor</i></p>	<p>Accessories used to protect properties, machineries and lives from lightning as well as electricity leakages caused by short circuits.</p>	<p>Copper and aluminium strips, copper rods and busbars, copper clamps, earthing accessories, earth chambers and lightning arrestors and preventors.</p>

6.4.2.2 Electrical Distribution, Protection and Control Devices

For the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, electrical distribution, protection and control devices represented 29.53%, 27.77%, 25.41% and 25.78% of our Group's total revenue respectively. Power distribution is the final stage in the delivery of electricity to premises. We offer a wide range of electrical products and accessories to distribute, control, regulate, protect and automate power distribution. These devices are used in industrial, commercial, institutional and residential premises as well as plant, machinery and equipment. As at the LPD, our range of electrical distribution, protection and control devices are mainly for LV power distribution system.






The types of electrical distribution, protection and control devices that we carry can be broadly categorised into the following:-

- Electrical circuit protection devices;
- Power control and distribution devices; and
- Other related accessories

(a) Electrical circuit protection devices

The function of electrical circuit protection devices is to prevent overcurrent in an electrical circuit, thus protecting premises from fire, as well as protecting people and animals from electrocution, and plant, equipment and machineries from damage. Overcurrent includes both short circuits and overloading. For industrial, commercial, institutional and residential applications, we distribute a range of electrical circuit protection devices such as circuit breakers, residual current devices, surge protection devices, protection relays, switch-disconnectors and fuse protection. These are as follows:-






6. INFORMATION ON OUR GROUP (Cont'd)

Electrical circuit protection devices	Description	Examples of Products
<p>Circuit breakers</p>  <p><i>e.g. Miniature circuit breaker</i></p>	<p>Automatically operated electrical switch that would shut itself off (trips) and stop the flow of electricity if it detects an overcurrent. It is designed to protect against the risk of equipment and property from damage and fire.</p>	<p>Air circuit breakers, miniature circuit breakers, moulded case circuit breakers, moulded case switches, and motor protection circuit breakers.</p>
<p>Residual-current devices</p>  <p><i>e.g. Residual-current circuit breaker</i></p>	<p>Sensitive safety devices that would stop the flow of electricity if it detects any faults in the earthing. It is designed to protect against the risks of electrocution if a person happens to touch a live wire.</p>	<p>Residual-current circuit breakers, residual-current circuit breakers with overload protection and earth leakage relays.</p>
<p>Motor protection relay</p>  <p><i>e.g. thermal overload relay</i></p>	<p>Device that protects motors in the event of overload or phase failure. It is designed to cut off power when excessive current flows through the motor circuit.</p>	<p>Thermal overload relay, temperature protection relay and electronic overload protection.</p>
<p>Surge protection devices</p>  <p><i>e.g. surge protection devices</i></p>	<p>Device designed to protect electrical equipment and devices from voltage spikes, such as lightning strikes.</p>	<p>Surge protection device for various application and functions including photovoltaic and solar, neutral protection and street lighting.</p>
<p>Switch-disconnectors</p>  <p><i>e.g. Modular switch-disconnectors</i></p>	<p>Devices used to ensure that a circuit is completely powered down in order for it to be serviced or maintained.</p>	<p>Modular switch-disconnectors, and emergency-stop switch disconnectors.</p>

(b) Power control and distribution devices

Power control and distribution devices form part of the power distribution system. Our range of control and distribution devices includes the following:-

6. INFORMATION ON OUR GROUP (Cont'd)

Control and distribution devices	Descriptions	Examples of Products
<p>Motor control devices</p>  <p><i>e.g. magnetic contactor</i></p>	<p>Devices used to control the amount of electricity that flows into a motor to protect them from overcurrent.</p>	<p>Motor soft starters, magnetic contactors, and variable speed drives.</p>
<p>Power factor control devices</p>  <p><i>e.g. power factor controller and LV capacitor bank</i></p>	<p>Devices used to decrease the total amount of electricity demand to offset an inductive load, thus optimising and improving the power factor.</p>	<p>LV capacitor bank, power factor controller, and capacitor bank switching contactors.</p>
<p>Industrial automation and control devices</p>  <p><i>e.g. logic controller</i></p>	<p>Devices that integrate hardware and software to monitor and control the operation of machinery and associated devices in industrial environments.</p>	<ul style="list-style-type: none"> - Programmable logic controllers; - Gateways and routers; - Industrial automation software including supervisory control and data acquisition software and historian software.
<p>Control components</p>  <p><i>e.g. timers and time switches</i></p>	<p>Devices designed to provide control and condition monitoring of all types of equipment, processes and machinery.</p>	<p>Control relays, control and signaling devices such as push-button switches and limit switches, temperature controllers, timers, and counters.</p>
<p>Metering devices</p>  <p><i>e.g. LV current transformers and digital meters</i></p>	<p>Devices designed to measure the amount of electric energy that is being consumed by individual machine or an entire building.</p>	<p>Digital multi-meters, current transformers and transducers.</p>

(c) Other related accessories

Other related accessories include enclosure system and accessories, as well as switchboard accessories. An electrical enclosure is a cabinet to mount switches, circuit breakers, knobs and displays. It is designed to keep the electrical devices clean, dry and protected while also making the components accessible.

Types of Enclosures



6. INFORMATION ON OUR GROUP (Cont'd)

6.4.2.3 Electrical Appliances and Accessories

For the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, electrical appliances and accessories represented 24.40%, 26.38%, 25.67% and 25.61% of our Group's total revenue respectively. The range of electrical appliances and accessories that we supply include the following:-

- Lightings and fittings;
- Air movement equipment and accessories;
- Water heaters; and
- Switches and power outlets.

(a) Lightings and fittings

Lightings:

By types	Fluorescent, incandescent, light-emitting diode (LED)
By brightness and colour	Warm white, cool white, super daylight, coloured (red, green, blue, etc.), and ultraviolet.

Some of our range of lightings



Light fittings:

General light fittings	Fluorescent fittings, prismatic and acrylic diffuser fitting, louvre fitting, flood light, high bay shade, street lantern fitting and arm, down light (vertical, horizontal and surface), recessed light, spot light track, emergency light, and emergency exit sign.
Decorative light fittings	Wall lights, picture lights, ceiling lights, pendant lights, chandeliers, table lamps, bedside table lamps, lamp shades, floor-standing lamps and lanterns.

Some of our range of general light fittings



6. INFORMATION ON OUR GROUP (Cont'd)

Some of our range of decorative light fittings



(b) Air Movement Equipment and Accessories

The range of air movement equipment and accessories that we carry are as follows:-

Air Movement Equipment	Examples of Products
Fans	Ceiling fans, wall fans, air ventilation fans, industrial wall fans, air curtains.
Blowers	Portable blowers, hand-operated blowers
Air-conditioners	Inverter and non-inverter; 1 to 5 horsepower.
Air-conditioner accessories	Copper tubing, pipe and accessories, insulation pipe, aircon refrigeration gas, refrigeration compressor oil, drainage pump, cleaning chemicals, thermostat, PVC pipe and pipe accessories, tube cutter and brackets.

(c) Water heaters

We distribute home instant water heaters with and without jet pumps.

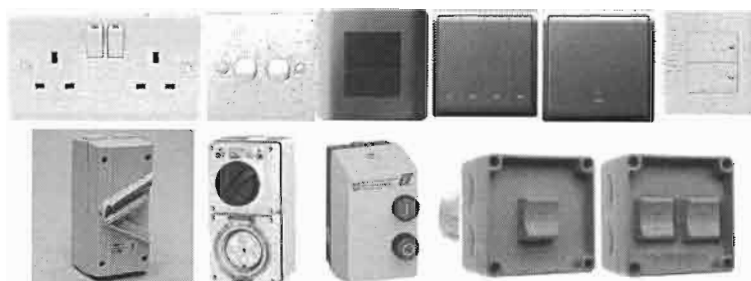
(d) Switches and Power Outlets

We carry a wide range of switches and power outlets for residential, commercial and industrial applications. This includes, among others:-

Switches and Power Outlets	Examples of Products
Domestic switches and power outlets	Flush switches, two-way switches, telephone socket outlets, data outlets, light dimmer switches, bell switches, co-axial socket outlet, metal clad switch, and its related accessories.
Industrial switches and power outlets	Weather proof isolators, weather proof switches, switch sockets and socket outlets, weather proof plug tops, sockets, connector sockets and plugs, industrial wall sockets, industrial connector sockets and industrial plugs.
Starters and fuses	Direct on line starters, plug top fuses, glass fuses, fuse carriers and bases.

6. INFORMATION ON OUR GROUP (Cont'd)

Some of our range of switches and power outlets



6.4.2.4 Third Party Brands

Our main business is in the distribution of third party brands of electrical products and accessories which contributed 96.78%, 96.69%, 95.44% and 93.61% of our Group's total revenue for FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively.

Out of all these third party brands, we are one of the authorised distributors (on a non-exclusive basis) of 10 brands of electrical distribution, protection and control devices, as well as electrical appliances and accessories such as switches, power outlets, lightings, fans and water heaters, where we have authorised distributorships with our principals. These brands include *Schneider Electric, KDK, Hager, Omron, ABB, Panasonic, Ledvance, Maxguard, Siemens* and *Yaskawa*. For FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, revenue derived from these authorised distributorships alone accounted for 36.74%, 36.92%, 34.64% and 36.11% of our Group's total revenue respectively. The remaining 60.04%, 59.77%, 60.80% and 57.50% of our Group's total revenue for the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively were derived from third party brands sourced from manufacturers or distributors.

As at the LPD, we distribute approximately 85 third party brands of electrical products and accessories as follows:-

Product Categories	Third Party Brands ⁽¹⁾
Cables, wires and accessories	
Cables and wires	<i>Central, DNF, Lapp, Master Tec, Mega, Multi Wire, Olympic, Sama, Southern, Tai Sin, Tonn, Universal Cable (UC), United MS (UMS), Utama</i>
Cables related accessories	<i>3M, Aurora, Barnier, CADDY, CP Lite, Cyber, FEEMA, FIGHTER, Globe, GP, HERO, Kawa, Koyor, KSS, Lan-Ric, MP, Nissen, PVC-Link, SAGA, SLS, Smart Tube, SUPER A, TC, Toyo, U-LI, Vinyl, WIRA, Wiralite, Wireman</i>
Electrical distribution, protection and control devices	
<i>ABB*, Fuji Electric, Hager*, Maxguard*, Omron*, Schneider Electric*, SIEMENS*, Yaskawa*</i>	
Electrical appliances and accessories	
Air movement equipment	<i>Casper, Daikin, KDK*, Khind, KoolMan, Midea, Mistral, Panasonic*</i>

6. INFORMATION ON OUR GROUP (Cont'd)

Product Categories	Third Party Brands ⁽¹⁾
Lightings and fittings	<i>BS Lite, Chiyoda, Econlite, FSL, GE, GL, GP, Khind, Ledvance*, Liko, Liyoda, Nikkon, NSC, Panasonic, Phillips, Phoenix, PNE, Rio, S/Saver, Sankyo, Schreder, YIVA, YLI, YME</i>
Switches and power outlets	<i>CEE, Crown, Hager*, Kawa, Legrand, MP, Schneider Electric*, Taian, UMS, Visiontech</i>

Notes:-

(1) Listed in alphabetical order within each product category

* We are one of the authorised distributors (on a non-exclusive basis) for these brands of electrical products and accessories.

6.4.2.5 Authorised Distributorship

For the FYE 28 February 2019, revenue derived from the authorised distributorships accounted for 34.64% of our Group's total revenue, which comprises *Schneider Electric* (14.76%), *KDK* (6.10%), *Hager* (2.56%), *Omron* (2.45%), *ABB* (2.40%), *Panasonic* (2.10%), *Ledvance* (1.43%), *Maxguard* (1.02%), *Siemens* (1.02%) and *Yaskawa* (0.80%). The following is a summary of our authorised distributorships with the respective principals:-

(a) Actgen

No	Principal	Product/Products Category Covered	Territory	Validity Period	Length of business relationship (years) [^]
(1)	Hager Engineering (M) Sdn Bhd	Electrical distribution, protection and control devices, and switches and power outlets.	Malaysia	1 January 2019 to 31 December 2019*	11
(2)	KDK Fans (M) Sdn Bhd	Fans	Southern Region of Peninsular Malaysia	1 April 2019 to 25 March 2020	15
(3)	Ledvance Sdn Bhd	Lightings and fittings	Malaysia	1 October 2018 to 30 September 2019*	3
(4)	Maxguard Switchgear Sdn Bhd	Electrical distribution, protection and control devices	Malaysia	1 January 2020 to 31 December 2020	5
(5)	Panasonic Malaysia Sdn Bhd	Fans and water heaters	Malaysia	1 April 2019 to 31 March 2020	9
(6)	Schneider Electric	Electrical distribution, protection and control devices, and switches and power outlets.	Malaysia	1 January 2020 to 31 December 2020	3

6. INFORMATION ON OUR GROUP (Cont'd)**(b) Maydenki**

No	Principal	Product/Products Category Covered	Territory	Validity Period	Length of business relationship (years)^
(1)	ABB Malaysia Sdn Bhd	Electrical distribution, protection and control devices	Malaysia	1 April 2019 to 31 March 2020	11
(2)	Omron Electronic Sdn Bhd	Electrical distribution, protection and control devices	Southern Region of Peninsular Malaysia	30 March 2019 to 31 March 2020	17
(3)	Schneider Electric	Electrical distribution, protection and control devices, and switches and power outlets.	Malaysia	1 January 2020 to 31 December 2020	22
(4)	Siemens Malaysia Sdn Bhd	Electrical distribution, protection and control devices	Southern Region of Peninsular Malaysia	1 October 2018 to 30 September 2020	5
(5)	Yaskawa Malaysia Sdn Bhd	Electrical distribution, protection and control devices	Malaysia	1 March 2019 to 28 February 2020	5

Notes:-

^ Length of business relationship is determined as at FPE 30 November 2019.

* We are in the midst of formalising the renewal of our authorised distributorships with these brand principals. As at the LPD, we continue to act as authorised distributors for these respective brands on the same prevailing terms pending formalisation of the respective renewals.

6.4.2.6 Own Brands

We also distribute our own brands of electrical products and accessories. For FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, revenue from our own brands accounted for 3.22%, 3.31%, 4.56% and 6.39% of our Group's total revenue respectively.

Details of our own brands of products are as follows:-

Product Categories	Product Type	Brands
Cables and wires	Control and instrumentation, and communications cables and wires	<i>Multi5</i>
Electrical distribution, protection and control devices	LV transformers for metering devices	<i>Sonko</i>
Lightings and fittings	LED tubes, downlights and floodlights ⁽¹⁾	<i>Afg</i>

6. INFORMATION ON OUR GROUP (Cont'd)

Note:-

- (1) Our *Afg* brand of LED tubes and downlights have received the relevant approvals and certification from the Energy Commission of Malaysia and SIRIM. Meanwhile, our *Afg* brand of floodlights, our *Multi5* brand of control and instrumentation, and communication cables and wires, as well as our *Sonko* brand of LV transformers for metering devices are not listed under the regulated electrical equipment list by the Energy Commission of Malaysia, and therefore do not need certifications.

These products are sourced from local contract manufacturers and/or suppliers based on our specifications.

6.4.3 Our Operational and Logistic Facilities

As a distributor of electrical products and accessories, our operations are supported by:-

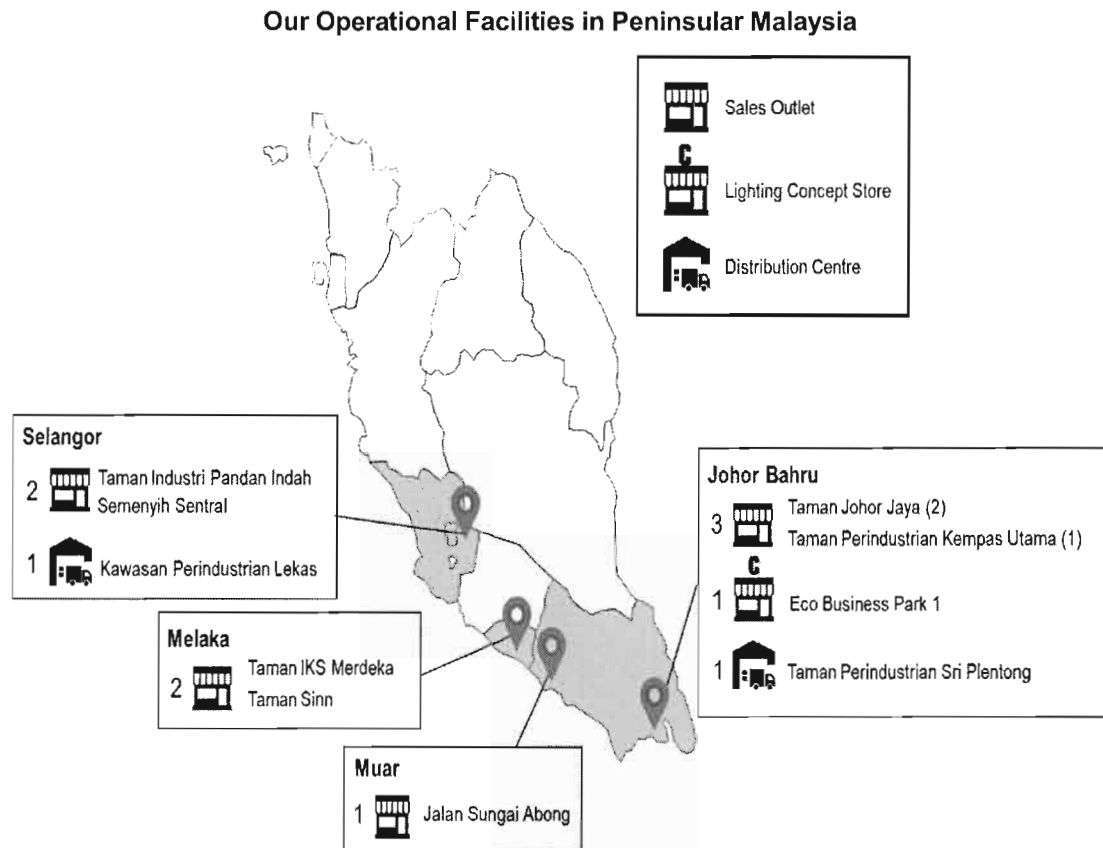
- Eight (8) sales outlets located in the following states:-

States	No.	Address	Type of properties
Johor	(1)	No. 10, Jalan Susur, Off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Owned
		No. 7 (Ground Floor) & No.8 (Ground Floor and 1 st Floor), Jalan Susur, Off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Rented
		No. 9 (Ground Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Rented
	(2)	No. 50, Jalan Seroja 45, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Owned
	(3)	No. 108, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Owned
		No. 110, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Owned
	(4)	No. 10, Jalan Kempas Utama 3/5, Taman Perindustrian Kempas Utama, 81200 Johor Bahru, Johor Darul Takzim	Owned
Melaka	(5)	No. 1, Jalan IKS M4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka	Owned
		No. 3, Jalan IKS M4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka	Owned
	(6)	MT 255 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Rented
		MT 259 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Rented
		MT 260 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Rented
Selangor	(7)	No. 96, Jalan 4, Taman Industri Pandan Indah, Pandan Indah, 68000, Ampang, Selangor Darul Ehsan	Rented
	(8)	No. 3-G (Ground Floor), Jalan Semenyih Sentral 2, Semenyih Sentral, 43500 Semenyih, Selangor Darul Ehsan	Rented

6. INFORMATION ON OUR GROUP (Cont'd)

- One (1) lighting concept store in Johor.
- Two (2) distribution centres located in Johor and Selangor.

The following diagram depicts our operational facilities in Peninsular Malaysia:-



Our distribution centre in Johor Bahru provides support to our four (4) sales outlets in Johor. Meanwhile, our distribution centre in Semenyih provides support to our sales outlets in Selangor and Melaka. These distribution centres store goods especially bulky items such as cables and wires, air conditioners, fans, HDPE corrugated pipes and pipes for communications cables, to support our sales outlets.

As at the LPD, we have a fleet of 17 trucks to provide delivery services to our customers. Out of these 17 trucks, 11 serve our customers in Johor, four (4) serve our customers in Melaka, and two (2) serve our customers in Central region. We also use third party transportation services to deliver to other areas that we do not cover. This is to complement our internal logistic services.

6.4.4 Principal Market

Malaysia is our principal market which accounted for 100% of our Group's total revenue for the past three (3) financial years under review. During the FPE 30 November 2019, the Malaysia market accounted for approximately 98% of our Group's total revenue and Singapore market accounted for approximately 2% of our Group's total revenue.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.5 Sales and Marketing, and Distribution Channels

6.4.5.1 Sales and Marketing Strategies

Our marketing strategies are focused on meeting the requirements of customers who are mainly industrial users as well as resellers. As a distributor of electrical products and accessories, it is our vision to be a preferred centre for purchases of cables, wires and accessories; electrical distribution, protection and control devices; and electrical appliances and accessories.

As our market coverage is dependent on the number and locations of our sales outlets, part of our marketing strategy is to utilise our network of resellers to widen our geographic reach. Our network of resellers includes distributors and retailers, where some of them cover geographical areas where we do not have any sales outlets.

Our sales and market activities are supported by our sales network in the Southern and Central regions of Peninsular Malaysia comprising eight (8) sales outlets, two (2) distribution centres and one (1) lighting concept store. As at the LPD, we have 65 personnel focusing on sales and marketing activities. Our sales and marketing personnel are mainly involved in business development, establishing product presence in the market including replenishment of stocks, and implementation of promotion programmes.

In addition, we undertake joint-marketing activities with our principals to introduce new products and technologies to our customers, as well as undertake occasional sales promotions. Some of the joint-marketing activities that we participated in the past three (3) financial years and up to the LPD include the following:-

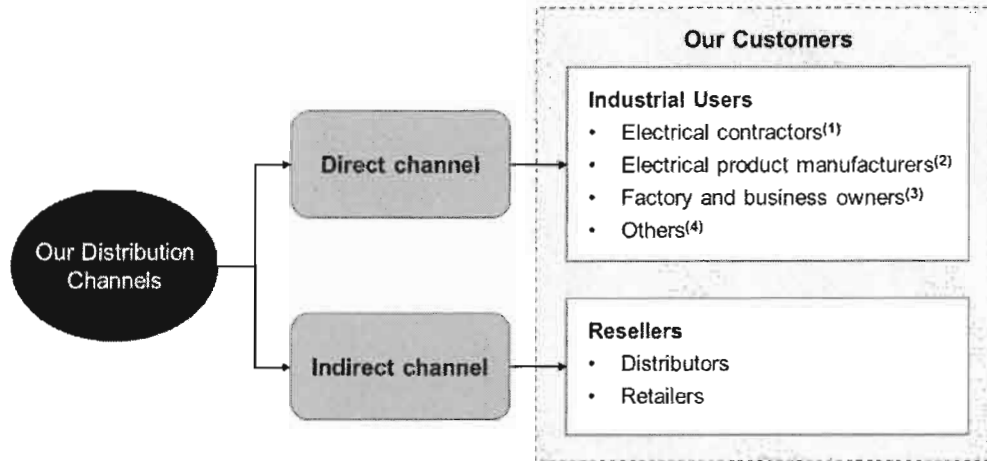
- *Life is On in Maydenki Night 2017*, an event which Maydenki and Schneider Electric jointly organise to introduce and educate Maydenki's customers about some of Schneider Electric's new products.
- *Actgen-Panasonic Fair 2018*, an event which Actgen and Panasonic jointly organise a promotional fair at Actgen's sales outlet in Taman Johor Jaya, Johor Bahru.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.4.5.2 Distribution Channel

We adopt both direct and indirect distribution channel strategies to reach our customers. Our distribution channel strategy is depicted in the diagram below:-



Notes:-

- (1) Involved in installation and repair works covering utilities, infrastructures, buildings, plants, equipment and machineries, as well as communications related works.
- (2) Including lightings, switchboard and switchgear manufacturers.
- (3) Purchases electrical products and accessories for their own maintenance, repair and expansion of plant facilities and premises.
- (4) Including architects and interior designers, equipment and machinery repair and maintenance service providers, as well as walk-in customers.

For the past three (3) financial years and financial period under review, our Group's revenue contribution by direct and indirect distribution channels are set out as follows:-

Revenue Breakdown by Direct and Indirect Distribution Channels

Revenue from	FYE 28 February 2017		FYE 28 February 2018		FYE 28 February 2019		FPE 30 November 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct Distribution Channel	83,785	73.17	83,002	66.83	95,559	71.11	77,501	74.46
Indirect Distribution Channel	30,724	26.83	41,191	33.17	38,814	28.89	26,583	25.54
TOTAL	114,509	100.00	124,193	100.00	134,373	100.00	104,084	100.00

6. INFORMATION ON OUR GROUP (Cont'd)

We adopt direct distribution channel where we sell our products to customers who are industrial users of the electrical products and accessories. This direct distribution channel is essential to help us to understand and meet the requirements and needs of our direct customers whom are industrial users. We serve various types of industrial users including electrical contractors, electrical product manufacturers, factory and business owners and others such as architects and interior designers, service provider of equipment and machinery repair and maintenance.

Furthermore, we also sell our products through indirect distribution channel namely resellers who are distributors and retailers. They resell the products to their customer base. The use of indirect distribution channel enables us to increase the sales of our products without the need for significant investments in sales outlets and logistics.

6.4.6 Production Output, Capacity and Utilisation

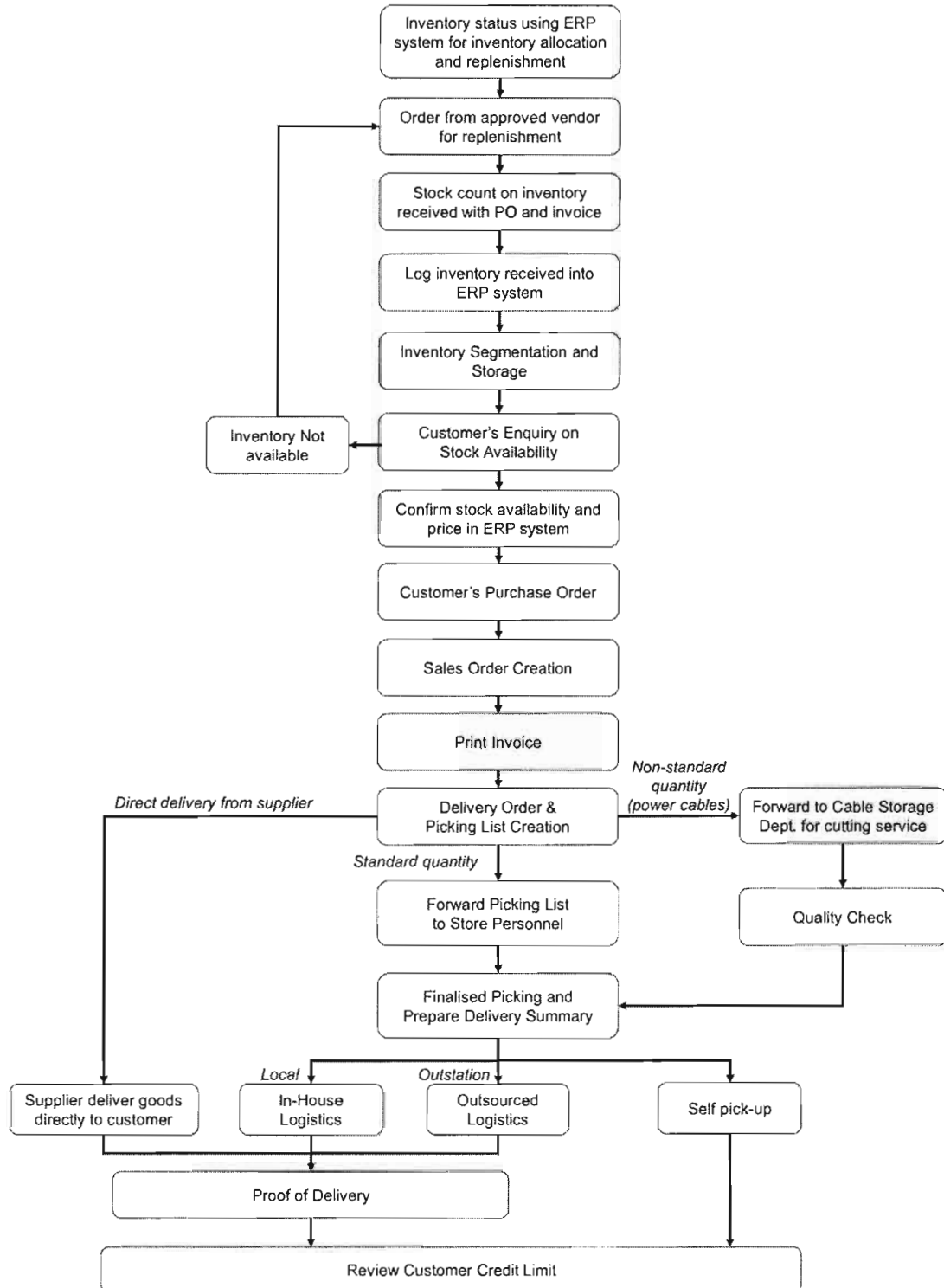
Our main business activity is in the distribution of electrical products and accessories. Therefore, production output, capacity and utilisation are not applicable to us.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.4.7 Our Business and Operational Processes

The following diagram depicts our operational processes for the supply of electrical products and accessories:-



6. INFORMATION ON OUR GROUP (Cont'd)

Our business and operational process begins by checking the status of our inventory using our ERP system for inventory allocation and replenishment. Inventories that require replenishment would then be ordered from our approved vendors. Once inventories are received, a stock count of the incoming inventories are conducted to ensure the quantity received is equivalent to the amount in the purchase order raised as well as invoice issued by supplier. The inventories received are then entered into our ERP system. This will allow us to keep track of inventory levels. The inventories are then segmented by its categories before they are stored in our sales outlets or distribution centres.

In terms of sales transaction, our customers would enquire on the availability of stock by contacting our sales department or walk-in customers would approach our sales outlet. For items that are not available, our procurement team would engage with our list of approved vendors for the requested item. In addition, customers are also able to use our two (2) online ordering systems to place order for selected cables and wires, and electrical distribution, protection and control devices respectively.

Upon confirmation of the availability of the stock and prices, we would request for the customer to issue a purchase order. We would then create the sales order at our end and send them to the sales outlet manager for approval. The respective sales personnel will then print out the sales invoices from our ERP system, which records outgoing inventory.

The next process involves the creation of an itemised list of electrical products and accessories in accordance to the invoice. For standard quantities, the picking list is forwarded to the respective sales outlet personnel. Products ordered by our customers are then picked out according to the itemised list either at our distribution centres or sales outlet. Meanwhile, for non-standard quantity items such as power and communications cables, the list is then forwarded to the cable storage department for the 'cut-to-length' service. These cables are then inspected to determine the processed length. As at the LPD, our distribution centre in Kawasan Perindustrian Lekas, Semenyih, as well as our sales outlets in Taman Perindustrian Kempas Utama, Johor Bahru and Taman IKS Merdeka, Melaka are equipped with cable cutting machines for the 'cut-to-length' service.

Selected items go through a final quantity check before a delivery summary order is generated from our ERP system for the outgoing goods. For local delivery, we would use our in-house fleet of 17 trucks to deliver the goods to our customers. In some cases, our customers may choose to pick up the goods themselves. Meanwhile, for outstation delivery outside of Johor Bahru, Muar, Melaka, Kuala Lumpur and Selangor, we would appoint a third-party logistics service provider to undertake the delivery of the products to the customer. Additionally, in some cases, we are able to arrange for our suppliers to deliver the goods to our customer's nominated sites, thus reducing the lead time of delivery to customers.

Upon delivery of the goods, the customer is required to sign and stamp the invoice as proof of delivery. The signed invoices are then returned to us for documentation and record-keeping purposes. As part of our internal control procedures, the respective accounts managers are tasked to manage the collections from our customers upon the due date. In addition, they are also tasked to perform reviews on our customers credit limit and terms twice a year.

6. INFORMATION ON OUR GROUP (Cont'd)**6.4.8 Key types, sources and availability of supplies**

The following are the major types of materials that we purchased for our business operations for FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019:-

Purchases of Materials for FYE 28 February 2017 to FYE 28 February 2019 and FPE 30 November 2019

	FYE 28 February 2017		FYE 28 February 2018		FYE 28 February 2019		FPE 30 November 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cables, wires and accessories	38,941	37.42	41,997	38.34	49,197	41.79	37,552	41.94
Electrical distribution, protection and control devices	30,857	29.65	30,762	28.08	30,067	25.54	20,402	22.79
Electrical appliances and accessories	25,333	24.34	28,266	25.81	29,152	24.77	24,190	27.02
Others ⁽¹⁾	8,940	8.59	8,510	7.77	9,297	7.90	7,394	8.25
TOTAL	104,071	100.00	109,535	100.00	117,713	100.00	89,538	100.00

Note:-

- (1) Includes water plumbing materials, power tools and accessories, as well as CCTV and alarm systems.

As a distributor of electrical products and accessories, our purchases include electrical products and accessories.

Cables, wires and accessories amounted to the majority of our Group's total purchases which accounted for 37.42%, 38.34%, 41.79% and 41.94% of our Group's total purchases for FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively. Of these, all our purchases of cables, wires and accessories are from local suppliers including manufacturers or other distributors in Malaysia. Some of the products supplied by distributors include imported products.

Electrical distribution, protection and control devices contributed 29.65%, 28.08%, 25.54% and 22.79% of our Group's total purchases for the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively. Of these, approximately 94.38%, 97.48%, 98.35% and 100.00% of our purchases of electrical distribution, protection and control devices in FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively were sourced from local manufacturers or their respective distributors in Malaysia. The remaining 5.62%, 2.52%, 1.65% and none of our purchases of electrical distribution, protection and control devices for FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, respectively were imported from foreign countries such as Singapore.

6. INFORMATION ON OUR GROUP (Cont'd)

Purchases of electrical appliances and accessories amounted to 24.34%, 25.81%, 24.77% and 27.02% of our Group's total purchases for the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019 respectively. Of these purchases, all of our purchases of electrical appliances and accessories were sourced from local manufacturers or distributors in Malaysia. Some of the products supplied by distributors include imported products.

As at the LPD, our Group has not encountered any interruptions in supply of materials for our business operations. As our business is in the distribution of electrical products and accessories, the volatility in the prices of raw materials is not relevant to our business operations.

6.4.9 Quality Assurance**(a) Third Party Brands**

As a distributor of electrical products and accessories, we adopt the following quality assurance approaches:-

- Visual inspection of products received from suppliers to ensure that the products are not damaged; and
- Visual inspection of selected items before delivery to our customers.

(b) Own Brands

We contract manufacture or source our own brands of electrical products and accessories namely cables and wires, LV transformers for metering devices, and lightings and fittings from local contract manufacturers and/or suppliers.

Part of our in-house procedures to qualify manufacturers as well as to maintain the quality of our own brands of electrical products, we undertake the following:-

- We conduct site visits to the respective manufacturer's production facilities before engaging them as our contract manufacturer;
- We require that they obtain recognised and industry quality certifications including among others, SIRIM and/or Certificate of Approval for relevant products listed by the Energy Commission of Malaysia;
- We obtain samples to assess the quality of finished products before the manufacturers undertake mass production; and
- Will conduct annual visits to the production plant to check on product quality or discuss on product improvements.

As a brand owner, we provide product warranty ranging between one (1) and two (2) years for any product defects or claims relating to our own brands of products. We have back to back arrangements with our contract manufacturers.

6.4.10 Research and Development

As the nature of our business involves the distribution of electrical products and accessories where we source from external manufacturers, suppliers and distributors, we do not undertake any research and development activities.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.11 Major approvals, licences and permits obtained

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:-

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(1)	Actgen Address of licensed premises: No. 3-G (Ground Floor), Jalan Semenyih Sentral 2, Semenyih Sentral, 43500 Semenyih, Selangor Darul Ehsan	Business Licence Account No.: L-49005	Kajang Municipal Council	July 2019 / July 2020	This licence consists of the following: (a) Advertisement licence (1 unit); (b) Licence to wholesale and store electrical products (Electrical products storage); (c) Electrical shop licence; (d) Licence to sell and provide services (Office); and (e) Sticker.	Nil	Not applicable
(2)	Actgen Address of licensed premises: No. 1, Jalan 2, Kawasan Perindustrian Lekas 18, 43500 Semenyih, Selangor Darul Ehsan	Business Licence Account No.: LBUS-06200	Kajang Municipal Council	June 2019 / June 2020	This licence consists of the following: (a) Advertisement licence (1 unit); (b) Electrical products storage licence up to 500 square metres (Electronic, electrical and mechanical products); (c) Office licence up to 500 square metres (Electronic, electrical and mechanical products); and (d) Sticker.	Nil	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(3)	Actgen Address of licensed premises: No. 96, Jalan 4, Taman Industri Pandan Indah, Pandan Indah, 68000, Ampang, Selangor Darul Ehsan	Business Licence Licence No.: L0064422-6	Ampang Jaya Municipal Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to sell electrical products; (b) Advertisement licence; (c) Storage licence; (d) Office licence; and (e) Sticker.	Nil	Not applicable
(4)	Actgen Address of licensed premises: No. 10 (Ground Floor, 1 st Floor, and 2 nd Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Business Premise Licence Account No.: LMPM0002718	Muar Municipal Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence for wholesale, supply and distribution of electrical products (Ground Floor); (b) Licence for wholesale, supply and distribution of electrical products (1 st Floor); and (c) Licence for wholesale, supply and distribution of electrical products (2 nd Floor).	Nil	Not applicable
(5)	Actgen Address of licensed premises: No. 7 (Ground Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Business Premise Licence Account No.: L06704	Muar Municipal Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to sell electrical products; and (b) Advertisement licence (1 unit).	Nil	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(6)	Actgen Address of licensed premises: No. 8 (Ground Floor and 1 st Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Business Premise Licence Account No.: L06707	Muar Municipal Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence for wholesale, supply and distribution of electrical products; and (b) Advertisement licence (1 unit);	Nil	Not applicable
(7)	Actgen Address of licensed premises: No. 9 (Ground Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Business Premise Licence Account No.: L07349	Muar Municipal Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to sell electrical products; and (b) Advertisement licence (1 unit).	Nil	Not applicable
(8)	Actgen Address of licensed premises: No. 12, Jalan Sri Plentong 10, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2018L107377	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Storage licence; (b) Office licence; and (c) Advertisement licence (2 units).	Nil	Not applicable
(9)	Actgen Address of licensed premises: No. 50, Jalan Seroja 45, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2019L102536	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to supply electrical products; and (b) Advertisement licence (1 unit).	Nil	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(10)	Actgen Address of licensed premises: No. 2, Jalan Ekoperniagaan 2/5, Taman Ekoperniagaan, 81100 Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2019LI04075	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Decorative lights centre licence; and (b) Advertisement licence (1 unit).	Nil	Not applicable
(11)	Maydenki Address of licensed premises: No. 108 & 110, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2017LI04318	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence for wholesale of electronic and electrical products; and (b) Advertisement licence (1 unit).	Nil	Not applicable
(12)	Maydenki Address of licensed premises: No. 108 & 110, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2019LI06181	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Warehouse / storage licence; and (b) Advertisement licence (1 unit).	Nil	Not applicable
(13)	Electric Master Address of licensed premises: No. 1 and 3, Jalan IKS Merdeka 4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka Tengah, Melaka	Business Licence Account No.: L 001 MT L10477	Hang Tuah Jaya Municipal Council	28 November 2019 / 29 October 2020	This licence consists of the following: (a) Office licence (Electrical goods); and (b) Sticker.	Nil	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(14)	Electric Master Address of licensed premises: No. 1 and 3, Jalan IKS M4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka	Business Licence Account No.: L 001 MT L07466	Hang Tuah Jaya Municipal Council	30 October 2019 / 29 October 2020	This licence consists of the following: (a) Licence to sell electrical products; and (b) Advertisement licence (4 units).	Nil	Not applicable
(15)	Voltage Master Address of licensed premises: MT255 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Business Licence Account No.: 4093849220198	Melaka Historic City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to supply electrical products; and (b) Sticker.	Nil	Not applicable
(16)	Voltage Master Address of licensed premises: MT259 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Business Licence Account No.: 409038073772003	Melaka Historic City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to sell electronic and electrical products; and (b) Sticker.	Nil	Not applicable
(17)	Voltage Master Address of licensed premises: MT260 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Business Licence Account No.: 409067131042018	Melaka Historic City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Licence to sell electrical products; (b) Advertisement licence (1 unit); and (c) Sticker.	Nil	Not applicable



6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company / Licensed Premises	Nature of Licence / Approval	Issuer / Authority	Effective Date / Date of Expiry	Licence Content	Major Conditions	Status of Compliance
(18)	Maylec Address of licensed premises: No. 10, Jalan Kempas Utama 3/5, Taman Kempas Utama, 81200 Johor Bahru, Johor Darul Takzim	Business and Advertisement Licence Account No.: L2018L106885	Johor Bahru City Council	1 January 2020 / 31 December 2020	This licence consists of the following: (a) Storage licence; (b) Office licence; and (c) Advertisement licence (1 unit).	Nil	Not applicable


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6. INFORMATION ON OUR GROUP (Cont'd)


6.4.12 Intellectual property rights, patents, trademarks and registrations

No.	Company	Trademark	Class	Application number/ Trademark number	Application date	Approving authority	Status/ Registration validity
(1)	Actgen		Class 9: Flashing lights [luminous signals] / blinkers [signalling lights], lighting ballasts, light-emitting electronic pointers light dimmers [regulators], electric / light regulators [dimmers]; cell switches [electricity] / reducers [electricity]; power plug; electrical socket; alarm bells; neon signs; electric; electric plug and cables, chargers for electric batteries; batteries, electric, solar panels for the production of electricity; thermostats; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity.	TM2019000017	7 January 2019	Intellectual Property Corporation of Malaysia ("MyIPO")	Registered / 7 January 2019 to 7 January 2029
(2)	Actgen		Class 11: Apparatus for lighting, apparatus for water filtering, automatic installations for making coffee, chilled purified water dispensers, cookers, electric cooking apparatus and installations, coolers for furnaces, diffusers being parts of lighting apparatus, electric ceiling fans, electric fans for personal use, electric cooking utensils, electric kettles, extractor hoods for kitchens, filters for water purifiers, fluorescent lights, hair dryers, heating apparatus, hot plates, lamps, conditioner, fluorescent lights.	TM2019000587	7 January 2019	MyIPO	Registered / 7 January 2019 to 7 January 2029

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trademark	Class	Application number/ Trademark number	Application date	Approving authority	Status/ Registration validity
(3)	Actgen	MULTI5	Class 9: Video CD player, stereo amplifier, radio cassette player, mini compo, cameras, digital cameras, television apparatus, television, television receivers, radio cassette recorder, camcorder, plasma display, antenna, materials for electricity mains [wires, cables], coaxial cables, cables, electrical sockets, plugs, sockets and other contacts [electrical connections not for aircond and ventilation goods].	TM2019015191	25 April 2019	MyIPO	Pending registration
(4)	Actgen	MULTI5	Class 11: Fluorescent lights, light fittings; instruments for lighting; lamps; electric lamps, electric fans for personal use, lamp reflectors, lamp shades, lanterns for lighting, electric light bulbs, light diffusers; parts and fittings thereof.	TM2019015193	25 April 2019	MyIPO	Pending registration
(5)	Maydenki		Class 11: Fluorescent lights, light fittings; instruments for lighting; lamps; electric lamps, electric fans for personal use, lamp reflectors, lamp shades, lanterns for lighting, electric light bulbs, light diffusers; parts and fittings thereof not for car and not for air conditioner and not for air ventilation product related.	TM2019015194	25 April 2019	MyIPO	Pending registration

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trademark	Class	Application number/ Trademark number	Application date	Approving authority	Status/ Registration validity
(6)	Maydenki		Class 9: Video CD player, stereo amplifier, radio cassette player, mini compo, cameras, digital cameras, television apparatus, television, television receivers, radio cassette recorder, camcorder, plasma display, antenna, materials for electricity mains [wires, cables], coaxial cables, cables, electrical sockets, plugs, sockets and other contacts [electrical connections not for aircond and ventilation goods].	TM2019015195	25 April 2019	MyIPO	Pending registration

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6. INFORMATION ON OUR GROUP (Cont'd)

6.4.13 Material Dependency on Commercial Contracts / Agreements / Intellectual Property Rights / Licences or Permits / Business Processes

Save for the trademarks in Section 6.4.12, and major licences in Section 6.4.11 of this Prospectus and the agreements below, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits, and business processes as at the LPD:-

- (i) A non-exclusive distribution agreement dated 1 January 2019 and extension letter dated 1 January 2020 between Schneider Electric as principal and Actgen as distributor whereby Schneider Electric grants Actgen the right to, among others, market and distribute certain "Schneider" brand products with a focus on switches and power outlets in Malaysia ("**Actgen-SE Distribution Agreement**"). The Actgen-SE Distribution Agreement validity period was for an initial period of one (1) year and further extended for another year from 1 January 2020. The Actgen-SE Distribution Agreement is subject to yearly renewal upon Schneider Electric having been satisfied with the performance of Actgen. The salient terms of the Actgen-SE Distributorship Agreement are as follows:-
 - (a) the agreement is effective for two (2) years from 1 January 2019 to 31 December 2020;
 - (b) either party may terminate the Actgen-SE Distribution Agreement if the other party is in breach of this Agreement and fails to remedy such breach within 30 days of notice; or the other party seeks relief under, or is involuntarily made subject to, any bankruptcy or insolvency law; or the other party commits a dishonest or fraudulent act;
 - (c) upon termination of the Actgen-SE Distribution Agreement, among others:-
 - (aa) Actgen may fulfil any orders for products that it has, prior to the date of termination, become legally obliged to fulfil. To the extent that such orders cannot be fulfilled from stocks held by Actgen, Schneider Electric shall supply Actgen with the stocks necessary for such orders;
 - (bb) all unsold stocks of the products held by Actgen shall remain its responsibility but may be sold by it to customers within Malaysia during a period of 6 months from the date of such termination; provided however, that Schneider Electric may at its option, repurchase such stocks at the same price and terms paid for them by Actgen or at their current value on the books of Actgen, whichever is less;
 - (cc) except as may be necessary to dispose of unsold stock or to fulfil outstanding orders, Actgen shall cease to represent to the trade that it is the distributor of the products and shall cease to promote, market or advertise the products or use any of Schneider Electric's intellectual property; and
 - (dd) Actgen shall give no claim against Schneider Electric for compensation for loss of distribution rights, loss of goodwill, loss of profits or any other similar loss;
 - (d) Schneider Electric's liability under the Actgen-SE Distribution Agreement for any direct damage arising out of or in any way related to this Actgen-SE Distribution Agreement or order (whether arising under tort, negligence, contract, warranty, strict liability or any other cause or combination of causes) shall in no event exceed the order amount giving rise to liability; and
 - (e) the Actgen-SE Distribution Agreement is governed by the laws of Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) A non-exclusive distribution agreement dated 1 January 2019 and extension letter dated 1 January 2020 between Schneider Electric as principal and Maydenki as distributor whereby Schneider Electric grants Maydenki the right to, among others, market and distribute certain "Schneider" brand products with a focus on electrical distribution, protection and control devices in Malaysia ("**Maydenki-SE Distribution Agreement**"). The Maydenki-SE Distribution Agreement validity period was for an initial period of one (1) year and further extended for another year from 1 January 2020. The Maydenki-SE Distribution Agreement is subject to yearly renewal upon Schneider Electric having been satisfied with the performance of Maydenki. The salient terms of the Maydenki-SE Distributorship Agreement are as follows:-
- (a) the agreement is effective for two (2) years from 1 January 2019 to 31 December 2020;
 - (b) either party may terminate the Maydenki-SE Distribution Agreement if the other party is in breach of this Agreement and fails to remedy such breach within 30 days of notice; or the other party seeks relief under, or is involuntarily made subject to, any bankruptcy or insolvency law; or the other party commits a dishonest or fraudulent act.
 - (c) upon termination of the Maydenki-SE Distribution Agreement, among others:-
 - (aa) Maydenki may fulfil any orders for products that it has, prior to the date of termination, become legally obliged to fulfil. To the extent that such orders cannot be fulfilled from stocks held by Maydenki, Schneider Electric shall supply Maydenki with the stocks necessary for such orders;
 - (bb) all unsold stocks of the products held by Maydenki shall remain its responsibility but may be sold by it to customers within Malaysia during a period of 6 months from the date of such termination; provided however, that Schneider Electric may at its option, repurchase such stocks at the same price and terms paid for them by Maydenki or at their current value on the books of Maydenki, whichever is less;
 - (cc) except as may be necessary to dispose of unsold stock or to fulfil outstanding orders, Maydenki shall cease to represent to the trade that it is the distributor of the products and shall cease to promote, market or advertise the products or use any of Schneider Electric's intellectual property; and
 - (dd) Maydenki shall have no claim against Schneider Electric for compensation for loss of distribution rights, loss of goodwill, loss of profits or any other similar loss;
 - (d) Schneider Electric's liability under the Maydenki-SE Distribution Agreement for any direct damage arising out of or in any way related to this Maydenki-SE Distribution Agreement or order (whether arising under tort, negligence, contract, warranty, strict liability or any other cause or combination of causes) shall in no event exceed the order amount giving rise to liability; and
 - (e) the Maydenki-SE Distribution Agreement is governed by the laws of Malaysia.

6.4.14 Interruptions to business and operations

Our Group has not experienced any interruption in business which had a significant effect on operations during the 12-month period prior to the date of this Prospectus.

6.4.15 Seasonality

We do not experience any material seasonality or cyclicity in our business as the demand for our products and services are neither subject to seasonal fluctuations nor cyclical variations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5 PROPERTIES, PLANT AND EQUIPMENT

6.5.1 Properties owned

A summary of the material land and buildings owned by our Group for our operations as at the LPD is as follows:-

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(1)	Actgen	H.S. (M) 9001, PT 35164, Sungai Purun, Mukim Semenyih, Daerah Hulu Langat, Negeri Selangor, bearing postal address of No. 1, Jalan 2, Kawasan Perindustrian Lekas 18, 43500 Semenyih, Selangor Darul Ehsan	Description: One and a half (1½) storey semi-detached factory Existing use: Distribution centre	Industrial / Freehold	Charged to Hong Leong Islamic Bank Berhad	26 April 2016	22 March 2013	Land area: 996.39 Built-up area: 492.75	3,576
(2)	Actgen	GM 10124, Lot 12636 Muar, Mukim Bandar, Daerah Muar, Negeri Johor, bearing postal address of No. 10, Jalan Susur, Off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Description: Three storey office Existing use: Sales outlet	Building / Freehold	Restrictions: (a) This land shall not be sold or transferred in any way to a non-Malaysian or foreign entity without the consent of the state authority (b) In the event of a change of ownership of this land to a Bumiputera or Bumiputera entity this land shall not subsequently be sold, leased or transferred in any way to a non-Bumiputera or non-Bumiputera entity without the consent of the state authority	9 July 2018	24 January 2002	Land area: 145 Built-up area: 429.21	916

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(3)	Actgen	GRN 250553, Lot 182788, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 12, Jalan Sri Plentong 10, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	Description: One and a half (1½) storey semi-detached factory Existing use: Distribution centre	Industrial / Freehold	Encumbrance: (a) Charged to HSBC Amanah Malaysia Berhad (b) Charged to HSBC Bank Malaysia Berhad Restriction: This land shall not be transferred in any way unless the earthworks for the medium industry factory has commenced in accordance with the plan approved by the relevant local authority	28 April 2009	11 May 2009	Land Area: 1,589 Built-up area: 992.76	2,054
(4)	Actgen	GRN 242081, Lot 51223, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 50, Jalan Seroja 45, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: Single storey terrace workshop ⁽¹⁾ Existing use: Sales outlet	Industrial / Freehold	Encumbrance: Charged to HSBC Bank Malaysia Berhad Restriction: In the event of a change of ownership of this land to a Bumiputera, this land shall not subsequently be sold, leased or transferred in any way to a non- Bumiputera without the consent of the state authority	12 May 2016	4 October 1992	Land Area: 463 Built-up area: 547.76	1,376

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(5)	Actgen	GRN 36093, Lot 13320, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 62, Jalan Pendekar 18, Taman Ungku Tun Aminah, 81300 Skudai, Johor Darul Takzim	Description: Three storey shop office Existing use: Rental property	Building / Freehold	Encumbrance: Charged to Public Bank Berhad Encumbrance: Charged to Public Bank Berhad	9 March 2015	18 January 2016	Land Area: 143 Built-up area: 429.02	1,800
(6)	Actgen	GRN 250551, Lot 182787, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 14, Jalan Sri Plentong 10, Taman Perindustrian Sri Plentong, 81750, Masai, Johor Bahru, Johor Darul Takzim	Description: One and a half (1½) storey semi-detached factory ⁽²⁾ Existing use: Rental property	Industrial / Freehold	Restriction: This land shall not be transferred in any way unless the earthworks for the medium industry factory has commenced in accordance with the plan approved by the relevant local authority / Encumbrance: Charged to Public Bank Berhad	28 April 2009	11 May 2009	Land Area: 1,589 Built-up area: 990.91	2,800
(7)	Actgen	GRN 242093, Lot 51283, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 24, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: One (1) storey terrace workshop with mezzanine floor Existing use: Rental property	Building / Freehold	Nil / Encumbrance: Charged to Public Bank Berhad	3 June 2003	4 October 1992	Land Area: 451 Built-up area: 569.50	1,700

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(8)	Maydenki	GRN 436667, Lot 51241, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 108, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: One and a half (1½) storey terrace factory ⁽³⁾ Existing use: Sales outlet	Building / Freehold	Restriction: In the event of a change of ownership of this land to a Bumiputera, this land shall not subsequently be sold, leased or transferred in any way to a non- Bumiputera without the consent of the state authority / Encumbrances: (a) Charged to Alliance Bank Malaysia Berhad (b) Charged to Alliance Islamic Bank Berhad	18 April 2016	4 October 1992 29 December 2015 ⁽³⁾	Land Area: 372 Built-up area: 548.13	1,148
(9)	Maydenki	GRN 243035, Lot 51240, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 110, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: One and a half (1½) storey terrace factory ⁽⁴⁾ Existing use: Sales outlet	Building / Freehold	Restriction: In the event of a change of ownership of this land to a Bumiputera, this land shall not subsequently be sold, leased or transferred in any way to a non- Bumiputera without the consent of the state authority. / Encumbrances: (a) Charged to Alliance Bank Malaysia Berhad (b) Charged to Alliance Islamic Bank Berhad	18 April 2016	4 October 1992 29 December 2015 ⁽⁴⁾	Land Area: 372 Built-up area: 408.77	1,162

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(10)	Maylec	GRN 456393, Lot 143286, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, bearing postal address of No. 10, Jalan Kempas Utama 3/5, Taman Perindustrian Kempas Utama, 81200 Johor Bahru, Johor Darul Takzim	Description: Corner one and a half (1½) storey semi-detached factory ^(s) Existing use: Sales outlet	Industrial / Freehold	Encumbrance: Charged to HSBC Amanah Malaysia Berhad	11 April 2018	25 October 2011	Land Area: 1,772 Built-up area: 1,059.93	3,006
(11)	Electric Master	PN 48301, Lot 16700, Mukim Batu Berendam, Daerah Melaka Tengah, Negeri Melaka, bearing postal address of No. 1, Jalan IKS M4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka	Description: Corner one and a half (1½) storey semi-detached factory Existing use: Sales outlet	Industrial / 99 years lease expiring on 12 July 2106	Restriction: This land shall not be transferred or leased without the consent of the state authority. This restriction in interest shall not be applicable for the first transfer or lease of this land / Encumbrances: (a) Private caveat registered by Hong Leong Islamic Bank Berhad (b) Charged to Hong Leong Islamic Bank Berhad	4 October 2017	4 July 2007	Land Area: 937 Built-up area: 981.83	1,676

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered/ Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition	Date of issuance of CF or CCC	Land/ Gross built- up area (sq. m.)	Net book value as at 30 November 2019 RM'000
(12)	Electric Master	PN 48303, Lot 16701, Mukim Batu Berendam, Daerah Melaka Tengah, Negeri Melaka, bearing postal address of No. 3, Jalan IKS M4, Taman IKS Merdeka, Batu Berendam, 75350 Melaka	Description: Intermediate one and a half (1½) storey semi-detached factory Existing use: Sales outlet	Industrial / 99 years lease expiring on 12 July 2106	Restriction: This land shall not be transferred or leased without the consent of the state authority. This restriction in interest shall not be applicable for the first transfer or lease of this land / Encumbrances: (a) Private caveat registered by Hong Leong Islamic Bank Berhad (b) Charged to Hong Leong Islamic Bank Berhad	4 October 2017	4 July 2007	Land Area: 876 Built-up area: 981.83	1,573

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:-

- (1) The front terrace area of this property was covered with an awning which was approved by the Johor Bahru City Council on 15 May 2019 in which the approval was subsequently renewed on 7 January 2020.
- (2) Actgen has rented out this property to Tsujimoto (Malaysia) Corporation Sdn Bhd.
- (3) This property was renovated to: (i) erect a mezzanine floor; and (ii) grant access to adjoining unit (No. 110, Jalan Seroja 39, Taman Johor Jaya, 81100, Johor Bahru, Johor) ("Renovation") of which the plans pertaining to the Renovation were accordingly endorsed by the Fire and Rescue Department of Malaysia (Johor Bahru) and approved by the Johor Bahru Tengah Municipal Council on 14 December 2014 and 15 October 2015, respectively. The certificate of completion and compliance in respect of the Renovation was issued by the professional engineer on 29 December 2015.
- (4) This property was renovated to: (i) erect a mezzanine floor; and (ii) grant access to adjoining unit (No. 108, Jalan Seroja 39, Taman Johor Jaya, 81100, Johor Bahru, Johor) ("Renovation") of which the plans pertaining to the Renovation were accordingly endorsed by the Fire and Rescue Department of Malaysia (Johor Bahru) and approved by the Johor Bahru Tengah Municipal Council on 14 December 2014 and 15 October 2015, respectively. The certificate of completion and compliance in respect of the Renovation was issued by the professional engineer on 29 December 2015.
- (5) The terrace area of this property was covered with an awning which was approved by the Johor Bahru City Council on 8 August 2018. The certificate of completion and compliance in respect of the awning was issued by the professional architect on 30 October 2019.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.2 Properties rented

A summary of the material land and buildings rented by our Group for our operations as at the LPD is as follows:-

No.	Landlord	Tenant	Property address	Description and Existing use	Land/ Gross built-up area (sq. ft.)	Tenure	Rental per annum RM'000
(1)	Chong Lian Kang	Acigen	No. 1A, Jalan Seroja 49, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: Two (2) storey shop lot (Rented premise: First floor) Existing use: Office	2,260	1 year 1 March 2019 to 29 February 2020	9
(2)	Chong Lian Kang	Acigen	No. 1, Jalan Seroja 49, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Description: Two (2) storey shop lot (Rented premise: Ground floor) Existing use: Office	2,260	2 years 1 September 2019 to 30 August 2021	24
(3)	Soh Tian Yew	Acigen	No. 7 (Ground Floor) & No.8 (Ground Floor and 1 st Floor), Jalan Susur, Off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Description: Three (3) storey shop lot (Rented premise: Ground floor of No. 7, Ground floor and First floor of No. 8) Existing use: Sales outlet	4,620	3 years 1 December 2017 to 30 November 2020	56.4
(4)	Assovest Bhd Sdn	Acigen	No. 96, Jalan 4, Taman Industri Pandan Indah, Pandan Indah, 68000, Ampang, Selangor Darul Ehsan	Description: One and a half (1½) storey factory lot Existing use: Sales outlet	2,002	2 years 1 May 2019 to 30 April 2021	48

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Landlord	Tenant	Property address	Description and Existing use	Land/ Gross built-up area (sq. ft.)	Tenure	Rental per annum RM'000
(5)	Yap Thiam Fatt	Actgen	No. 3-G (Ground Floor), Jalan Semenyih Sentral 2, Semenyih Sentral, 43500 Semenyih, Selangor Darul Ehsan	Description: Two (2) storey shop lot (Rented premise: Ground floor) Existing use: Sales outlet	1,500	2 years 1 May 2019 to 30 April 2021	21.6
(6)	Ng Chong Nam and King Kick	Actgen	No. 9 (Ground Floor), Jalan Susur, off Jalan Sungai Abong, 84000 Muar, Johor Darul Takzim	Description: Three (3) storey shop lot (Rented premise: Ground floor) Existing use: Sales outlet	1,561	3 years 1 May 2019 to 30 April 2022	26.4
(7)	Tavillion Sdn Bhd	Actgen	No. 2, Jalan Ekoperniagaan 2/5, Taman Ekoperniagaan, 81100 Johor Bahru, Johor Darul Takzim	Description: Two (2) storey cluster factory Existing use: Lighting concept store	14,819	2 years 31 May 2019 to 30 May 2021	96
(8)	Tan Hye @ Tan Chuan Li	Voltage Master	MT 260 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Description: Four (4) storey shop lot (Rented premise: Ground floor) Existing use: Sales outlet	3,622	3 years 1 May 2019 to 30 April 2022	42
(9)	Goh Chee Hoe	Voltage Master	MT 255 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Description: Four (4) storey shop lot (Rented premise: Ground floor) Existing use: Sales outlet	1,680	2 years 1 May 2019 to 30 April 2021	24

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Landlord	Tenant	Property address	Description and Existing use	Land/ Gross built-up area (sq. ft.)	Tenure	Rental per annum RM'000
(10)	Freesia Assets Sdn Bhd	Voltage Master	MT 259 (Ground Floor), Taman Sinn, Semabok, 75050 Melaka	Description: Four (4) storey shop lot (Rented premise: Ground floor) Existing use: Sales outlet	1,680	3 years 1 June 2019 to 31 May 2022	33.6

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.3 Regulatory requirements and environmental issue**

As at the LPD, there is no breach of any property or land use conditions and/or non-compliance with any regulatory requirement, land rules, building regulations, and there are no environmental issues which may materially affect our Group's operation and usage of properties owned and rented by our Group as set out in Sections 6.5.1 and 6.5.2 of this Prospectus.

6.6 EMPLOYEES

All of the employees in our Group are based in Malaysia. As at the LPD, the number of employees in our Group is as follows:-

Department	Number of Employees as at 28 February 2019	Number of Employees as at the LPD
Management and Professionals	18	19
Sales and Marketing	55	65
Technical Personnel	4	3
Clerical and Administrative	30	32
Warehousing ⁽¹⁾	51	52
Total	158	171

Note:-

(1) Comprising of general workers.

As at the LPD, our Group has no foreign nor contractual employee(s).

None of our employees are member of any union nor have there been any major industrial disputes in the past.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR CUSTOMERS

Our top five (5) major customers for each of the FYE 28 February 2017 to FYE 28 February 2019 and FPE 30 November 2019 are as follows:-

FYE 28 February 2017

Major customers	Main type of products delivered	RM'000	% of total Group revenue	Length of business relationship (years)^
Keyy Electrical Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as lightings, fans, switches and power outlets	3,849	3.36	1
Motobina Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as lightings, switches and power outlets	2,741	2.39	1
Binson Electric Trading & Service	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	2,291	2.00	3
White Horse Ceramic Industries Sdn Bhd	Electrical distribution, protection and control devices	1,859	1.62	8
Chi-Tak Electrical (J.B.) Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	1,825	1.60	11
	Sub-Total	12,565	10.97	
	Total Group's Revenue for FYE 28 February 2017	114,509		

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 28 February 2018

Major customers	Main type of products delivered	RM'000	% of total Group revenue	Length of business relationship (years)^
Focus Electrical Malaysia Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	9,067	7.30	2
Keyy Electrical Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, lightings, switches and power outlets.	2,472	1.99	2
Binson Electric Trading & Service	Cables, wires and accessories; electrical appliances and accessories, such as fans, switches and power outlets	2,443	1.97	4
Muarrite Industries Sdn Bhd	Lightings and fittings	2,424	1.95	1
Chi-Tak Electrical (J.B.) Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories, such as fans, switches and power outlets	1,507	1.21	12
Sub-Total		17,913	14.42	
Total Group's Revenue for FYE 28 February 2018		124,193		

FYE 28 February 2019

Major customers	Main type of products delivered	RM'000	% of total Group revenue	Length of business relationship (years)^
Focus Electrical Malaysia Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	5,306	3.95	3
Keyy Electrical Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, lightings, switches and power outlets	4,870	3.62	3
Low Elite Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	4,581	3.41	18
Binson Electric Trading & Service	Cables, wires and accessories; electrical appliances and accessories, such as fans, switches and power outlets	2,418	1.80	5
Chi-Tak Electrical (J.B.) Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories, such as fans, switches and power outlets	2,142	1.59	13
Sub-Total		19,317	14.37	
Total Group's Revenue for FYE 28 February 2019		134,373		

6. INFORMATION ON OUR GROUP (Cont'd)

FPE 30 November 2019

Major customers	Main type of products delivered	RM'000	% of total Group revenue	Length of business relationship (years)^
Focus Electrical Malaysia Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	4,171	4.01	3
Keyy Electrical Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, lightings, switches and power outlets	3,477	3.34	3
Cahaya Engineering Works	Electrical distribution, protection and control devices	2,805	2.69	9
MCH M&E Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	1,514	1.45	*
Chi-Tak Electrical (J.B.) Sdn Bhd	Cables, wires and accessories; electrical appliances and accessories such as fans, switches and power outlets	1,412	1.36	13
	Sub-Total	13,379	12.85	
	Total Group's Revenue for FPE 30 November 2019	104,084		

Note:-

^ Length of business relationship is determined as at the respective FYE/FPE.

* Length of business relationship is less than 1 year as at the FPE 30 November 2019.

We are not dependent on any individual customer as no one single customer contributed more than 8% to our total Group revenue for each of the past three (3) financial years and financial period under review.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders have any interest, direct or indirect, in any of our major customers.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8 MAJOR SUPPLIERS

Our top five (5) major suppliers for each of the FYE 28 February 2017 to FYE 28 February 2019 and FPE 30 November 2019 are as follows:-

FYE 28 February 2017

Major suppliers	Type of products provided	RM'000	% of total Group purchases	Length of business relationship (years)^
Schneider Electric	Electrical distribution, protection and control devices; electrical accessories such as switches and power outlets	15,568	14.96	20
KDK Fans (M) Sdn Bhd	Electrical appliances namely fans	7,404	7.11	13
Mega Kabel Sdn Bhd	Cables and wires	5,499	5.28	12
Tonn Cable Sdn Bhd	Cables and wires	3,959	3.81	11
ABB Malaysia Sdn Bhd	Electrical distribution, protection and control devices	2,881	2.77	9
	Sub-Total	35,311	33.93	
	Total Group's Purchases for FYE 28 February 2017	104,071		

FYE 28 February 2018

Major suppliers	Type of products provided	RM'000	% of total Group purchases	Length of business relationship (years)^
Schneider Electric	Electrical distribution, and protection and control devices; electrical accessories such as switches and power outlets	16,789	15.32	21
Focus Electrical Malaysia Sdn Bhd	Cables and wires; electrical appliances such as lightings and fittings, and fans	7,850	7.17	2
KDK Fans (M) Sdn Bhd	Electrical appliances, namely fans	6,515	5.95	14
Mega Kabel Sdn Bhd	Cables and wires	4,955	4.52	13
Tonn Cable Sdn Bhd	Cables and wires	3,491	3.19	12
	Sub-Total	39,600	36.15	
	Total Group's Purchases for FYE 28 February 2018	109,535		

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 28 February 2019

Major suppliers	Type of products provided	RM'000	% of total Group purchases	Length of business relationship (years)^
Schneider Electric	Electrical distribution, and protection and control devices; electrical accessories such as switches and power outlets	17,362	14.75	22
KDK Fans (M) Sdn Bhd	Electrical appliances, namely fans	7,117	6.05	15
Tonn Cable Sdn Bhd	Cables and wires	4,440	3.77	13
Mega Kabel Sdn Bhd	Cables and wires	4,386	3.72	14
Tai Sin Electric Cables (M) Sdn Bhd	Cables and wires	4,107	3.49	14
	Sub-Total	37,412	31.78	
	Total Group's Purchases for FYE 28 February 2019	117,713		

FPE 30 November 2019

Major suppliers	Type of products provided	RM'000	% of total Group purchases	Length of business relationship (years)^
Schneider Electric	Electrical distribution, and protection and control devices; electrical accessories such as switches and power outlets	13,286	14.84	22
KDK Fans (M) Sdn Bhd	Electrical appliances, namely fans	5,314	5.94	15
Tonn Cable Sdn Bhd	Cables and wires	4,265	4.76	13
ABB Malaysia Sdn Bhd	Electrical distribution, protection and control devices	3,942	4.40	11
Mega Kabel Sdn Bhd	Cables and wires	3,120	3.48	14
	Sub-Total	29,927	33.42	
	Total Group's Purchases for FPE 30 November 2019	89,538		

Note:-

^ Length of business relationship is determined as at the respective FYE/FPE.

6. INFORMATION ON OUR GROUP (Cont'd)

Schneider Electric represents more than 10% of our Group's total purchases for the FYE 28 February 2017, FYE 28 February 2018 and FYE 28 February 2019 and FPE 30 November 2019. As an authorised distributor, we are reliant on Schneider Electric for the direct supply of certain electrical products and accessories to us under the Actgen-SE Distribution Agreement and Maydenki-SE Distribution Agreement as set out in Section 6.4.13 of this Prospectus. We have been working closely with Schneider Electric since 1997, this indicates a stable and long-term business relationship with this supplier. For the past three (3) financial years and financial period under review, we have not experienced any difficulty in obtaining supplies of such electrical products and accessories from Schneider Electric.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders have any interest, direct or indirect, in any of our major suppliers.

6.9 EXCHANGE CONTROL

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividend payments. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

We do not have any foreign subsidiaries presently. As such, as at the LPD, there are no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and remittance of profit by or to our Group.

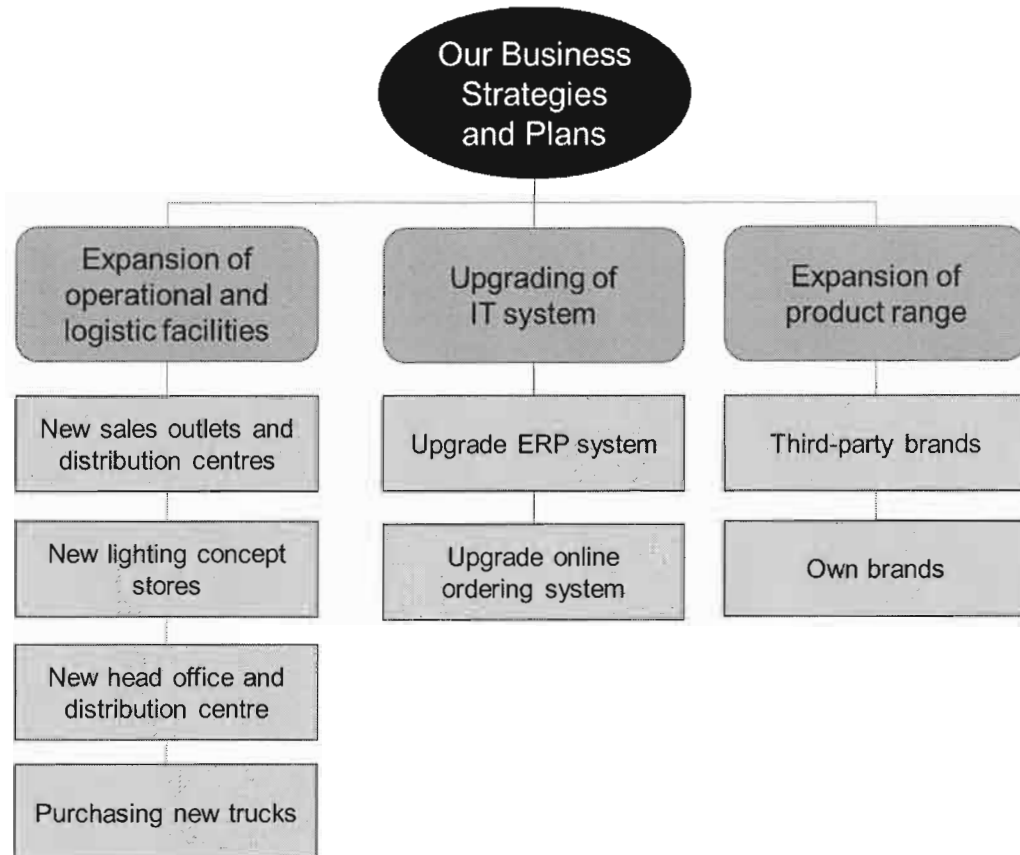
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6. INFORMATION ON OUR GROUP (Cont'd)

6.10 OUR BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue to strengthen our core competency in the distribution of electrical products and accessories by expanding our business in the following areas:

Our Business Strategies and Plans



6.10.1 Expansion of Operational and Logistic Facilities

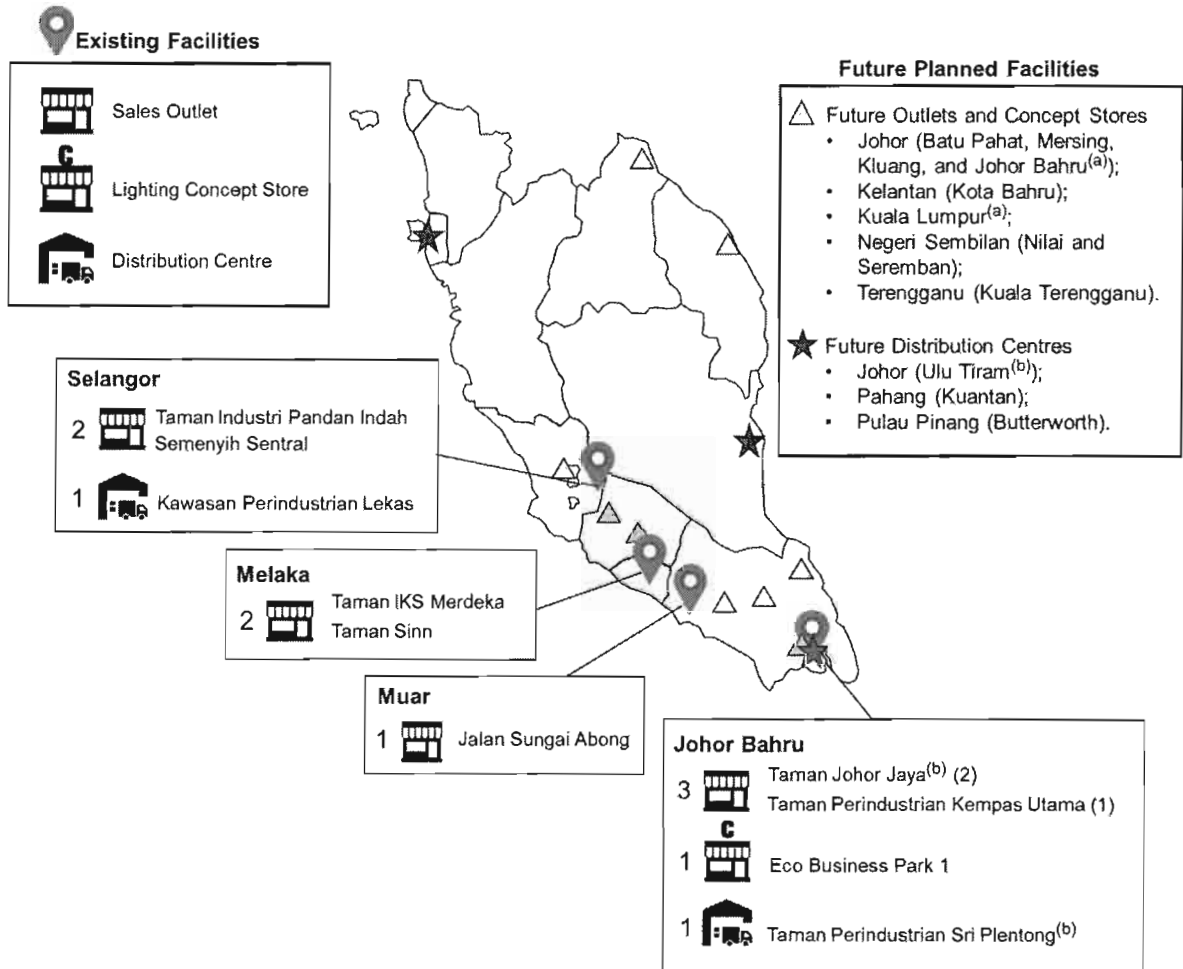
Part of our business strategy and future plans as a distributor of electrical products and accessories is to expand on the coverage of the market in Malaysia. This is in view of providing customer convenience to expand our customer base. As at the LPD, we are supported by eight (8) sales outlets, two (2) distribution centres as well as one (1) lighting concept store in Malaysia.

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6. INFORMATION ON OUR GROUP (Cont'd)

The following diagram summarises our existing and future planned facilities in Peninsular Malaysia:

Our Existing and Future Planned Facilities in Peninsular Malaysia



Notes:-

- (a) Refers to future planned lighting concept stores;
- (b) Refers to new head office and distribution centre where upon completion, we intend to relocate our existing distribution centre in Taman Perindustrian Sri Plentong, as well as our existing head office in Taman Johor Jaya to this said new facility.

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6. INFORMATION ON OUR GROUP (Cont'd)**(i) Setting Up of New Sales Outlets and Distribution Centres**

Our business strategy is to increase our coverage and presence in other towns within Johor as well as in other states in Peninsular Malaysia. This includes Negeri Sembilan, Kelantan, Terengganu, Pahang and Pulau Pinang. In view of this, we plan to rent premises and set up an additional seven (7) sales outlets and two (2) distribution centres in Peninsular Malaysia commencing progressively from 2020 up to 2022. This is as set out in the following table:-

Location	Type of Operational Facility	Number of Operational Facilities		
		2020	2021	2022
Johor - Batu Pahat - Kluang - Mersing	Sales outlets	1 ⁽¹⁾ 1 ⁽²⁾	1	
Negeri Sembilan - Nilai - Seremban	Sales outlets		1 1	
Kelantan - Kota Bahru	Sales outlet			1
Terengganu - Kuala Terengganu	Sales outlet			1
Pahang - Kuantan	Distribution centre			1
Pulau Pinang - Butterworth	Distribution centre			1
TOTAL		2	3	4

Notes:-

- (1) By second quarter of 2020; and
(2) By fourth quarter of 2020.

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6. INFORMATION ON OUR GROUP (Cont'd)

The total estimated cost of setting-up seven (7) sales outlets and two (2) distribution centres would be approximately RM12.00 million as follows:-

	Estimated Cost	Internally Generated Funds and/or Bank Borrowings	Use of IPO Proceeds
	RM million	RM million	RM million
New Sales Outlets	7.00	4.00	3.00
• <i>Johor</i>	3.00	-	3.00
• <i>Negeri Sembilan</i>	2.00	2.00	-
• <i>Kelantan</i>	1.00	1.00	-
• <i>Terengganu</i>	1.00	1.00	-
New Distribution Centres	5.00	5.00	-
• <i>Pahang</i>	2.50	2.50	-
• <i>Pulau Pinang</i>	2.50	2.50	-
Total	12.00	9.00	3.00

We will be using RM3.00 million from IPO proceeds to fund the cost of setting up three (3) sales outlets in Johor while the remaining RM9.00 million will be funded from internally generated funds and/or bank borrowings. Please refer to Section 4.4(1)(a) of this Prospectus for further details in relation to the use of IPO proceeds.

New Sales Outlets

We intend to set up three (3) additional sales outlets in Batu Pahat, Kluang and Mersing in Johor commencing progressively from 2020 to 2021. We also plan to set up four (4) other sales outlets in Nilai and Seremban in Negeri Sembilan, Kota Bahru in Kelantan, as well as Kuala Terengganu in Terengganu commencing progressively from 2021 to 2022.

The total estimated cost of setting up the seven (7) new sales outlets would be approximately RM7.00 million, which will mainly cover renovation and interior fit-outs, racking system and office furniture, purchase and installation of security system including CCTV and alarm system, electrical and telecommunications wiring, office equipment, IT related hardware as well as cable cutting machines.

New Distribution Centres

We are currently serving customers located in the East coast region and Northern region of Peninsular Malaysia through our distribution centres in Johor and Selangor. To serve our customers better, we intend to establish new distribution centres in Kuantan, Pahang as well as Butterworth, Pulau Pinang, both of which are intended to be operational by 2022. The Kuantan distribution centre will support our future sales outlets in Kelantan and Terengganu, as well as serve our existing and new customers in Pahang. Meanwhile, the Butterworth distribution centre will serve our existing and new customers in the Northern region.

The total estimated cost of setting up the two (2) new distribution centres would be approximately RM5.00 million, which will mainly cover renovation and interior fit-outs, racking system and office furniture, purchase and installation of security system including CCTV and alarm system, electrical and telecommunications wiring, office equipment, IT related hardware, as well as cable cutting machines.

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) Setting Up of New Lighting Concept Stores

In July 2019, we commenced the operation of our first lighting concept store in Eco Business Park 1, Johor Bahru, Johor. This is part of our strategy to tap into opportunities in the building and construction industry including renovation and interior fit-outs segment of the market.

This concept store is designed to display and promote a range of electrical appliances and accessories including third party and own brands, which mainly cover decorative light fixtures, lighting controls, switches and fans. The main target market for the concept store are interior designers, architects, builders as well as home and business owners.

Our Existing Lighting Concept Store in Johor



We plan to rent premises and set-up two (2) new lighting concept stores, including another one (1) lighting concept store in Johor Bahru by second quarter of 2020, and also one (1) lighting store in Kuala Lumpur by 2022.

The total estimated cost of setting up these two (2) new lighting concept stores would be approximately RM2.40 million which will mainly cover renovation and interior fit-outs, purchase and installation of security system including CCTV and alarm system, electrical and telecommunications wiring, office equipment as well as IT related hardware.

We will be using RM1.20 million from IPO proceeds to fund the cost of setting-up the Kuala Lumpur lighting concept store. Meanwhile, the remaining RM1.20 million cost for the Johor Bahru lighting concept store will be sourced from internally generated funds and/or bank borrowings. Please refer to Section 4.4(1)(b) of this Prospectus on further details of the use of IPO proceeds.

(iii) Setting Up of New Head Office and Distribution Centre in Johor

To cater to our expansion in business operations, we plan to set up a new head office with a distribution centre in Johor. Upon completion, we intend to relocate our existing distribution operations in Taman Perindustrian Sri Plentong, as well as our existing head office in Taman Johor Jaya to this said new facility.

In this respect, our new distribution centre will support our existing four (4) sales outlets in Johor, as well as the three (3) additional sales outlets that we plan to set up in Batu Pahat, Kluang and Mersing progressively from 2020 to 2021. In addition, this new facility will also serve as a main distribution hub for our current and future distribution centres in Selangor, Pahang and Penang.

6. INFORMATION ON OUR GROUP (Cont'd)

The new facility will also serve as our Group's corporate head office to house our administrative employees in one (1) main location to increase operational efficiency as well as to accommodate more employees as part of the expansion of our business. It will also provide our employees with a conducive work environment to enhance productivity and performance. Furthermore, with a corporate head office, we are able to enhance the visibility of our brand and elevate our corporate image and brand consciousness amongst our customers, suppliers, employees and other stakeholders.

Land and Building

In this respect, we plan to purchase a 2.29 acres industrial land together with a three (3)-storey corporate office and distribution centre in Taman Perindustrian Cemerlang, Ulu Tiram, Johor from the developer for a total price of RM17.96 million. The purchase of land and building with a total amount of RM17.96 million would be funded via bank borrowings and/or internally generated funds. As at the LPD, we are currently arranging for financing from a financial institution to fund the purchase cost of this said land and building.

As at the LPD, the developer has submitted the necessary building plan to the local authorities for the proposed building, and we have yet to finalise the formal sale and purchase agreement ("SPA"). We are expecting to sign the SPA by the first quarter of 2020. In the event that the purchase of the above said land and building does not materialise due to non-fulfilment of the terms of the SPA or we are unable to proceed with the property acquisition identified above, we will look for other suitable locations in Johor. The physical construction of the building including renovation and interior fit-outs would be expected to be completed within 18 months from the execution of SPA. In this respect, we expect to move into our new head office and distribution centre by 2022.

Artist impression of our new head office and distribution centre in Taman Perindustrian Cemerlang, Ulu Tiram, Johor



Note: The final design of the building may be subject to changes.

Additional Mezzanine Floor and Related Facilities

Within this new building, we also plan to add-on a mezzanine floor and related facilities for this said new head office and distribution centre. The total estimated cost is approximately RM6.00 million which will mainly cover mezzanine floor (including foundation), interior fit-outs, purchase and installation of overhead crane, hoist, racking system, passenger lift, security systems including CCTV and alarm system, electrical and telecommunications wiring, office furniture and equipment as well as IT related hardware. In addition, we will purchase new machinery and equipment, namely three (3) units of forklifts and two (2) units of cable cutting machines.

6. INFORMATION ON OUR GROUP (Cont'd)

We plan to utilise RM2.50 million from IPO proceeds while the remaining RM3.50 million will be funded via bank borrowings and/or internally generated funds. Please refer to Section 4.4(2) of this Prospectus for further details of the use of IPO proceeds.

(iv) Purchase of new trucks

In line with our expansion of operational facilities, we also plan to expand our in-house logistics facilities with the purchase of new trucks. We plan to purchase an additional three (3) 16-tonne trucks with hoist by the first half of 2020. These trucks will be used to facilitate loading and unloading of bulky items such as HDPE corrugated pipes, armoured cables and lighting poles.

The total cost of purchasing these trucks would be RM1.00 million of which we plan to use IPO proceeds to fund the entire cost of this plan.

6.10.2 Upgrading of IT System

We plan to upgrade our IT system by second quarter of 2020 as follows:-

(a) Upgrading ERP system

We plan to upgrade our existing ERP system to a new version which will provide us with added functionalities and features such as:-

- Ability to access our ERP system remotely through internet based website as well as through mobile devices. This will enable our sales personnel to access our inventory system to facilitate sales anywhere so long as there is access to the internet; and
- Increase the number of users to our ERP system.

(b) Upgrading online ordering system

As at the LPD, we have two (2) online ordering systems namely *Accura* for selected cables and wires, and *Maydenki-mart* for selected electrical distribution, protection and control devices. As part of our future plans, we plan to upgrade *Accura* to include other range of electrical products.

We plan to include electrical appliances and accessories such as lightings and fittings, fans, air-conditioners, water heaters, and switches and power outlets into *Accura*'s system. This will allow our customers to view product specifications, stock availability and pricing for a wider range of electrical products and accessories. In line with the launch of our lighting concept stores, this online ordering system would assist our customers to check on the availability and pricing of our products as well as place orders.

The cost of upgrading our IT system which covers software and related hardware is estimated at RM1.00 million of which we plan to use IPO proceeds to fund the entire cost of this plan.

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6. INFORMATION ON OUR GROUP (Cont'd)

The following table summarises the total estimated cost for our business strategies and plans that will be funded via IPO proceeds, internally generated funds and/or bank borrowings:-

Business Strategies and Plans	Estimated Costs (RM Million)	Internally Generated Funds and/or Bank Borrowings (RM Million)	Use of IPO Proceeds (RM Million)
Expansion of Operational and Logistic Facilities			
Setting up of new sales outlets and distribution centres	12.00	9.00*	3.00
Setting up of new lighting concept stores	2.40	1.20	1.20
Setting up of new head office and distribution centre	23.96	21.46	2.50
- Land and building	17.96	17.96^	-
- Add-on mezzanine floor and related facilities	6.00	3.50	2.50
Purchasing of new trucks	1.00	-	1.00
Upgrading of IT systems			
Upgrade of ERP and online ordering system	1.00	-	1.00
Total Estimated Costs	40.36	31.66	8.70

Notes:-

* The costs of setting up four (4) other sales outlets in Nilai and Seremban in Negeri Sembilan, Kota Bahru in Kelantan, as well as Kuala Terengganu, Terengganu that will commence progressively from 2021 to 2022.

^ As at the LPD, we are currently arranging for financing from a financial institution to fund the purchase cost of this said land and building.

6.10.3 Expansion of Product Range

As a distributor of electrical products and accessories, we will continue to expand our range of products to include other types of electrical products and accessories to provide customer convenience. In this respect, we plan to widen our existing range of electrical products and accessories to include the following:-

(a) Third party brands

We plan to source the following types of cables and wires, and electrical distribution, protection and control devices from our existing principals and/or suppliers. The types of products are as follows:-

Product Categories	Type of Products
Cables, wires and accessories	<ul style="list-style-type: none"> MV power cables (up to 33kV); LV aluminium power cables; and Multicore fire rated power cables and accessories.
Electrical distribution, protection and control devices	MV range of electrical distribution, protection and control devices including switchgear and transformers.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, the majority of the electrical distribution, protection and control devices that we carry are used for LV power distribution system. Through our existing principals, we have the opportunity to tap onto their MV range of electrical distribution, protection and control devices.

We will gradually expand the range of third-party brands of the above electrical products and accessories by the first half of 2020, of which we will use internally generated funds to fund the cost of this plan.

(b) Own brands

Part of our business strategy is to develop and increase the brand equity of *Multi5* and *Afg* to address the needs of our customers who are seeking alternative brands in the market. For the FYE 28 February 2017, FYE 28 February 2018, FYE 28 February 2019 and FPE 30 November 2019, revenue from our own brands collectively accounted for 3.22%, 3.31%, 4.56% and 6.39% of our Group's total revenue respectively.

As for our own brand of electrical products, we plan to expand on the following range of lightings and fittings as well as cables and wires:-

Brand	Product Categories	Types of products	Timing of Introduction
<i>Multi5</i>	Cables and wires	<ul style="list-style-type: none"> LV power cables and wires, including XLPE / PVC insulated and sheathing Ethernet cables 	By first half of 2020
		<ul style="list-style-type: none"> LV armoured power cables and wires Communication cables ⁽¹⁾ 	By first half of 2021
<i>Afg</i>	Lightings and fittings	<ul style="list-style-type: none"> LED panel light LED bulb retrofit 	By first half of 2020
		<ul style="list-style-type: none"> High bay Street lighting 	By first half of 2021

Note:-

- (1) Our existing range of communication cables are only up to two (2) pairs and we plan to expand up to 100 pairs.

We intend to engage contract manufacturers to produce the above electrical products and accessories under our specifications and brands. We expect to introduce the above range of our own brands of lightings and fittings as well as cables and wires between the first half of 2020 and first half of 2021, of which we will use internally generated funds to fund the cost of this plan.

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