

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SOUTHERN CABLE GROUP BERHAD (“SOUTHERN CABLE” OR THE “COMPANY”) DATED 29 SEPTEMBER 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 who is in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from the Company, MIDF Amanah Investment Bank Berhad (“MIDF Investment”) or Malaysian Issuing House 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 IPO Shares are subject to Malaysian law. Bursa Securities, MIDF Investment, the Promoters and Southern Cable named in the Electronic Prospectus take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the IPO Shares 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 IPO Shares, 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 **29 September 2020** and will close at **5.00 p.m.** on **6 October 2020**. In the event there is any change to the timetable, Southern Cable will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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 Shares 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.



SOUTHERN CABLE



SOUTHERNCABLE.COM.MY

PROSPECTUS



SOUTHERN CABLE GROUP BERHAD

(Registration No. 201901011439 (1320767-M))



SOUTHERN CABLE

SOUTHERN CABLE GROUP BERHAD

(Registration No. 201901011439 (1320767-M))
(Incorporated in Malaysia under the Companies Act 2016)

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

(I) PUBLIC ISSUE OF 209,348,000 NEW ORDINARY SHARES ("ISSUE SHARES") IN THE FOLLOWING MANNER:-

- 40,000,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 22,000,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
- 67,348,000 ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 80,000,000 ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY,

AND

(II) OFFER FOR SALE OF 20,000,000 EXISTING ORDINARY SHARES ("OFFER SHARES") BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.34 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Placement Agent



MIDF Amanah Investment Bank Berhad

(Registration No. 197501002077 (23878-X))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 222.

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

THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, 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.

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

This Prospectus is dated 29 September 2020

PROSPECTUS

RESPONSIBILITY STATEMENTS

The Directors, Promoters and Offeror (as defined herein) 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 this Prospectus false or misleading.

MIDF Amanah Investment Bank Berhad ("**MIDF Investment**"), 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 our Shares being offered. Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, corporation or its shares.

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

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 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 this 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 Capital Markets and Services Act 2007, is responsible.

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 our 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 our IPO in Malaysia under the laws of Malaysia. Our Shares are issued and offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offeror, 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, Offeror, 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 adviser as to whether your application for our 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 our 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 our IPO would be in compliance with the terms of our 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 our 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 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 herein) 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 the Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House, a printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the printed copy of this Prospectus for any reason whatsoever, the contents of the printed copy of this Prospectus, which is identical to this 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 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 are not responsible for the quality of products or services in the Third Party Internet Sites, particularly 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 done at your own discretion and risk. We 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 the 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 the 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 the Electronic Prospectus, the accuracy and reliability of the 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 the 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 tentative dates:-

Event(s)	Tentative Date(s)
Opening of the application period for the IPO	29 September 2020
Closing of the application period for the IPO	6 October 2020
Balloting of the Applications	8 October 2020
Allotment of Issue Shares/Transfer of the Offer Shares to successful applicants	15 October 2020
Listing on the ACE Market	16 October 2020

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

PRESENTATION OF INFORMATION

All references to “Southern Cable” or “our Company” in this Prospectus are to Southern Cable Group Berhad, while references to “Southern Cable Group” or “our Group” are to our Company and our Subsidiaries (as defined herein). 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 two (2) decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. Any reference to dates and times in this Prospectus are references to dates and times in Malaysia.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange in this Prospectus shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendment or re-enactment to statutes, rules, regulations, enactments, or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or are exposed to. 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 report on Industry Overview prepared by Vital Factor (as defined in this Prospectus), an independent business and market research company. We have appointed Vital Factor to provide an Industry Overview. In compiling their data for the Industry Overview, Vital Factor had relied on its research methodology, industry sources, sources from government bodies, published materials and their own private databases.

FORWARD-LOOKING STATEMENTS

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, prospects, 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”, “intend”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our 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. As such, we cannot assure you that the forward-looking statements in this Prospectus will be realised.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 5.5.13 – Interruptions to Business and Operations, Section 8 – Risk Factors and Section 11.2 – Management’s Discussion and Analysis of Financial Conditions and Results of Operations, of this Prospectus.

These forward-looking statements are based on information available to us as at the date 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 provisions of Section 238(1) of the Capital Markets and Services Act 2007 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:-

ACE Market	: ACE Market of Bursa Securities
Acquisitions	: Acquisition of Southern, Acquisition of Nextol and Acquisition of Daya, collectively
Acquisition of Daya	: Acquisition by our Company of the entire issued share capital of Daya of RM700,000 comprising 700,000 ordinary shares of Daya for a total purchase consideration of RM1,824,000 which was entirely satisfied by the issuance of 3,648,000 new Shares at an issue price of RM0.50 per Share. The Acquisition of Daya was completed on 26 December 2019
Acquisition of Kota Damansara Warehouse	: Acquisition by Southern of Kota Damansara Warehouse from Herbal Revival Sdn Bhd (Registration No. 198701000341 (159007-X)) for a purchase consideration of RM6.500 million satisfied by cash. The Acquisition of Kota Damansara Warehouse was completed on 5 March 2019
Acquisition of Nextol	: Acquisition by our Company of the entire issued share capital of Nextol of RM100,000 comprising 100,000 ordinary shares of Nextol for a total purchase consideration of RM3,432,000 which was entirely satisfied by the issuance of 6,864,000 new Shares at an issue price of RM0.50 per Share. The Acquisition of Nextol was completed on 26 December 2019
Acquisition of Southern	: Acquisition by our Company of the entire issued share capital of Southern of RM26,100,000 comprising 26,100,000 ordinary shares of Southern for a total purchase consideration of RM142,406,998 which was entirely satisfied by the issuance of 284,813,996 new Shares at an issue price of RM0.50 per Share. The Acquisition of Southern was completed on 26 December 2019
Act	: Companies Act 2016
ADA	: Authorised Depository Agent
Application(s)	: The application(s) for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form(s)	: The printed application form(s) for the application of the Issue Shares
ATM	: Automated Teller Machine
Board	: Board of Directors of our Company
Bomba	: Fire and Rescue Department, Malaysia
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	: Compound annual growth rate
CDS	: Central Depository System

DEFINITIONS (CONT'D)

CDS Account(s)	:	Account(s) 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
CF/CCC	:	Certificate of fitness for occupation or certificate of completion and compliance or its equivalent issued by the local authorities or principal submitting person (whichever is applicable)
CIDB	:	Construction Industry Development Board of Malaysia
CMCO	:	Conditional MCO issued under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
COVID-19	:	Coronavirus disease
Daya	:	Daya Forwarding Sdn Bhd (Registration No. 199501034602 (363804-M))
Daya Factory	:	A portion of a single storey industrial factory known as "Block C" bearing the postal address Lots 210 and 211, Kawasan Perindustrian Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used for manufacturing of wooden cable drums up to 29 February 2020
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
DOSH	:	Department of Occupational Safety and Health
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 Application	Share :	An application for the Issue Shares through Participating Financial Institutions' ATM
EPS	:	Earnings per Share
ERP	:	Enterprise Resource Planning
Executive Director	:	A natural person who holds a directorship in an executive capacity in any company within our Group and is on the payroll of that company
FPE(s)	:	Financial period(s) ended
FYE(s)	:	Financial year(s) ended/ending
Government	:	Government of Malaysia
GP	:	Gross profit
Industry Overview	:	Vital Factor's Industry Overview titled "Independent Industry Assessment of Manufacture of Cables and Wires in Malaysia" and included in Section 7 of this Prospectus

DEFINITIONS (CONT'D)

Internet Participating Financial Institution(s)	:	Participating financial institution(s) 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(s)
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
IPO Price	:	RM0.34 for each IPO Share
IPO Share(s)	:	The Issue Shares and Offer Shares, collectively
ISO	:	International Organisation for Standardisation
Issue Share(s)	:	The new Shares which are to be issued pursuant to the Public Issue
Issuing House or MIH	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
JB Warehouse	:	A one and a half (1½) storey semi-detached industrial factory and office bearing the postal address PTD 12913, 46 Jalan Alam Jaya 1, Taman Perindustrian Alam Jaya, 81500 Pekan Nanas, Johor Darul Takzim, used as an office and warehouse
Kota Damansara Warehouse	:	A one and a half (1½) storey semi-detached industrial building bearing the postal address No. 12A-G, Pusat Teknologi Sunsuria, Jalan Teknologi, Taman Sains Selangor, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, intended to be used as a sales office and warehouse
Listing	:	The admission to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM218,841,320 comprising 800,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	Comprising our Acquisitions, Share Split, Public Issue, Offer for Sale and Listing, collectively
Lot 28	:	All that parcel of vacant land bearing the postal address No. 28, Kawasan Perindustrian Kuala Ketil, Tawar, 09300 Kuala Ketil, Kedah Darul Aman, intended to be used for future manufacturing activities
Lot 29	:	All that parcel of vacant land bearing the postal address No. 29, Kawasan Perindustrian Kuala Ketil, Tawar, 09300 Kuala Ketil, Kedah Darul Aman, intended to be used for future manufacturing activities
Lot 34	:	A factory comprising a single storey and a three (3) storey production area bearing the postal address Lot 34, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used for manufacturing of aluminium rod and power cables
Lots 35 and 42	:	A single storey detached factory and a double storey office bearing the postal address Lots 35 and 42, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used for manufacturing of power cables and control and instrumentation cables

DEFINITIONS (CONT'D)

Lots 36 and 41	:	A single storey detached factory bearing the postal address Lots 36 and 41, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used for storage of raw materials and finished goods, routine test and factory acceptance test of the cables
Lot 38	:	All that parcel of vacant land bearing the postal address Lot 38, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, intended to be used for future manufacturing activities
Lot 39	:	A single storey detached factory bearing the postal address Lot 39, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, intended to be used for future manufacturing activities
Lots 43 and 44	:	A single storey detached factory and a double storey office bearing the postal address Lots 43 and 44, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used as head office and manufacturing of power cables and copper rod
Lot 90	:	A one and a half (1½) storey semi-detached factory bearing the postal address Lot 90, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used as hostel for foreign workers
Lot 91	:	A one and a half (1½) storey semi-detached factory bearing the postal address Lot 91, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil, 09300 Kuala Ketil, Kedah Darul Aman, used as hostel for foreign workers
LPD	:	1 September 2020, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Malaysian citizens and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities
MCO	:	Movement control order issued under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
MIDF Investment or Principal Adviser, Sponsor, Underwriter and Placement Agent	:	MIDF Amanah Investment Bank Berhad (Registration No. 197501002077 (23878-X))
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of International Trade and Industry of Malaysia
mm	:	Millimetre
mm²	:	Square millimetre
N/A	:	Not applicable or not available
NA	:	Net assets
Nextol	:	Nextol Polymer Sdn Bhd (Registration No. 200601013462 (733213-P))

DEFINITIONS (CONT'D)

Nextol Factory 4846	:	A single storey detached factory and office bearing the postal address PT 4846, Kawasan Perusahaan Cendana, 08000 Sungai Petani, Kedah Darul Aman, used as an office and factory to manufacture plastic compounds
Offer for Sale	:	Offer for sale by Sino, being the Offeror of 20,000,000 Offer Shares at the IPO Price by way of private placement to selected investors
Offer Share(s)	:	The existing Shares to be offered for sale by the Offeror pursuant to the Offer for Sale
Offeror	:	Sino
Official List	:	Official list of Bursa Securities
Participating Institution(s)	Financial :	Participating financial institution(s) for the Electronic Share Application, as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
PETRONAS	:	Petroleum Nasional Berhad
PIC	:	Pengerang Integrated Complex
Pink Form Allocation	:	The allocation of 22,000,000 Issue Shares to our eligible Directors, employees and persons who have contributed to our success pursuant to the Public Issue
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
Promoter(s)	:	Sino, Tung Eng Hai, Wong Meng Kee, Ooi Gaik Bee, Tung Cheng Im and Tung Siew Luan, collectively
Prospectus	:	This Prospectus dated 29 September 2020 in relation to our IPO
PT 4845	:	All that parcel of vacant land bearing the postal address PT 4845, Mukim Sungai Pasir/Pinang Tunggal, 08600 Tikam Batu, Kedah Darul Aman, intended to be used for future manufacturing activities
Public Issue	:	Public issue of 209,348,000 new Shares at the IPO Price comprising:- <ul style="list-style-type: none"> (a) 40,000,000 new Shares made available for application by the Malaysian Public; (b) 22,000,000 new Shares made available for application by our eligible Directors, employees and persons who have contributed to our success; (c) 67,348,000 new Shares made available by way of private placement to selected investors; and (d) 80,000,000 new Shares made available by way of private placement to identified Bumiputera investors approved by the MITI

DEFINITIONS (CONT'D)

QSHE	:	Quality, Safety and Health and Environment
R&D	:	Research and development
RAPID	:	Refinery and Petrochemical Integrated Development
RM and sen	:	Ringgit Malaysia and sen, respectively
RMCO	:	Recovery MCO issued under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
Rules	:	Rules of Bursa Depository
Sales Office	:	An office unit on the second floor of a seven (7) storey shop office bearing the postal address C-2-03, Encorp Strand Garden, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, used as sales office
SC	:	Securities Commission Malaysia
SC ECU	:	Equity Compliance Unit of the SC
Semangat	:	Semangat Handal Sdn Bhd (Registration No. 199601036132 (408485-X))
SESB	:	Sabah Electricity Sdn Bhd (Registration No. 199801006745 (462872-W))
Share Split	:	Subdivision of every one (1) Southern Cable Share held after the Acquisitions into two (2) Shares before the IPO
SICDA	:	Securities Industry (Central Depositories) Act 1991
Sino	:	Sino Shield Sdn Bhd (Registration No. 199601019235 (391587-T))
SIRIM	:	SIRIM QAS International Sdn Bhd
SOP	:	Standard operating procedures
Southern	:	Southern Cable Sdn Bhd (Registration No. 199301013800 (268538-U))
Southern Cable Company	or	Southern Cable Group Berhad (Registration No. 201901011439 (1320767-M))
Southern Cable Group	or	Our Company and our Subsidiaries, collectively
Southern Factory	:	Lot 34, Lots 35 and 42, Lots 36 and 41, Lots 43 and 44, collectively
Southern Cable Share(s) or Share(s)	:	Ordinary share(s) in our Company
sq. m	:	Square metres
sq. ft.	:	Square feet
Sterling Internal Control Consultants	or	Independent Control Sterling Business Alignment Consulting Sdn Bhd (Registration No. 200401015607 (654110-P)), an Independent Internal Control Consultants company, which was appointed to assess and review the state of internal controls, risk management and corporate governance of the Group

DEFINITIONS (CONT'D)

- Subsidiary(ies)** : Subsidiaries of our Company as defined under Section 4 of the Act which include Southern, Nextol and Daya
- TMB** : Telekom Malaysia Berhad (Registration No. 198401016183 (128740-P))
- TNB** : Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))
- Underwriting Agreement** : The underwriting agreement dated 6 March 2020 and the supplemental underwriting agreement dated 24 August 2020 entered into between our Company and MIDF Investment
- Vital Factor or Independent Business and Market Research Consultants** : Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), an Independent Business and Market Research company
- Wood-Based Licence** : A licence to site, erect, establish, operate or maintain a wood-based industry pursuant to Section 3(1) of the Wood-Based Industries Enactment 1986 for the State of Kedah Darul Aman

GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

ABC	:	Aerial bundle cable
Aluminium alloy	:	A combination of aluminium with one or more other metal elements including among others, magnesium, silicon and irons
Aluminium rods	:	In the context of this Prospectus, it refers to a long and circular shaped aluminium rod with a diameter size of up to 9.5mm used as input materials for the manufacture of cables and wires
Armouring	:	A protective layer made of materials such as aluminium wire and galvanised steel wire to provide protection for the cables
Bedding	:	A protective layer between the insulation and armouring which is mainly made of PVC materials
Cable drum	:	A packaging material to coil cables and wires for storage and delivery purposes
Cables and wires	:	In the context of this Prospectus, it refers to electrical and electronic cables and wire primarily used for the transmission of power or signals. It excludes mechanical cables and wires. Any references to cables in this Prospectus are used interchangeably with cables and wires
CCTV	:	Close circuit television
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)
Conductor	:	In the context of this Prospectus, it refers to the medium used for the transmission of electricity, data or signals
Continuous casting	:	A process of forming molten metals into a continuous length of similar cross section
Control instrumentation and 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
Copper strips	:	A long, tape-shaped metal made of copper
Earthing	:	A process of channelling excess or unwanted electricity safely to the ground to avoid fire or electrocution
Electric furnace	:	A heating chamber using electricity as the heat source to melt metals
EPCC	:	Engineering, procurement, construction and commissioning
Extrusion	:	A process to reshape a material into a long and straight shape with a fixed cross-sectional profile
Fire resistant cables	:	Refers to cables designed to withstand extreme heat and fire conditions
Flame retardant cables	:	Refers to cables designed to restrict the spread of fire

GLOSSARY OF TECHNICAL TERMS (CONT'D)

Gas-fired furnace	:	A heating chamber using gas as the heat source to melt metals
HDPE	:	High density polyethylene
High voltage cables or HV	:	Cables with rated voltage of 50kV and above
IEC	:	International Electrotechnical Commission
Insulation	:	A protective layer to prevent people or any other things to come into contact with the conductor, as well as leakage of electricity or signals
kV	:	Kilovolt
Low voltage cables or LV	:	Cables with rated voltage of less than 1kV
LSZH	:	Low smoke zero halogen
MDPE	:	Medium density polyethylene
Medium voltage cables or MV	:	Cables with rated voltage from 1kV up to 49kV
Mica tape	:	In the context of this Prospectus, it refers to the fire protection barrier used in our fire resistant and flame retardant cables
MRT	:	Mass rapid transit
PE	:	Polyethylene
PO	:	Polyolefin
Power	:	In the context of this Prospectus, it refers to electricity. Any references to power or electricity are used interchangeably in this Prospectus
Power networks	distribution :	Power distribution network including distribution substation, primary and secondary distribution networks <ul style="list-style-type: none"> - A primary distribution substation receives power from a transmission network, and the power is then step down to a required primary distribution voltage to distribute the electric power to residential, commercial and industrial districts - Primary distribution network may also serve large power users such as plants and factories - Secondary distribution network takes power from primary distribution network and steps the power down to supply power to residential, commercial and industrial end-users
PP	:	Polypropylene
PVC	:	Polyvinyl chloride
Rectifiers	:	A device that convert alternating current to direct current
SCADA	:	Supervisory control and data acquisition
Sheath	:	Refers to the outermost protection layer of cables and wires, also known as jacket
Shield or screen	:	A protective layer to avoid external interference to cables and wires carrying signals, or to minimise electromagnetic waves emanating from the conductors of power cables and wires to the external environment

GLOSSARY OF TECHNICAL TERMS (CONT'D)

- Telephone cables and wires** : Used for interconnecting communications equipment and devices, and low signalling appliances
- Ultra violet resistant cables** : Refers to cables designed to withstand the degradation caused by exposure to ultraviolet light
- XLPE** : Cross-linked polyethylene
- XLPO** : Cross-linked polyolefin

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APPROVALS AND CONDITIONS**(A) Bursa Securities**

Bursa Securities had, via its letter dated 14 October 2019, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM218,841,320, comprising 400,000,000 Shares on the ACE Market ("**Listing Approval**"). The Listing Approval from Bursa Securities is subject to the following conditions:-

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the Promoter to Bursa Depository:- (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares	Complied.
2.	Approvals from other relevant authorities have been obtained for implementation of the Listing	Complied.
3.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements	To be complied.
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 Southern Cable on the first day of listing	To be complied.
5.	Any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to listing of the Company	Complied.
6.	In relation to the public offering to be undertaken by Southern Cable, to announce at least two (2) Market Days prior to the Listing date, the result of the offering including the following:- (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche in the format prescribed; and (iv) Disclosure of placees who become substantial shareholders of Southern Cable arising from the public offering, if any	To be complied.
7.	Southern Cable/MIDF Investment to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Southern Cable to the Official List of the ACE Market	To be complied.

On 23 March 2020, Bursa Securities had granted us an extension of time up to 31 July 2020 to complete our Listing.

APPROVALS AND CONDITIONS (CONT'D)

On 22 April 2020, Bursa Securities had approved our variation of Listing Scheme as follows:-

- (i) Public Issue of 209,348,000 new Shares to be allotted in the following manner:-
 - (a) 40,000,000 new Shares made available for application by the Malaysian public;
 - (b) 22,000,000 new Shares made available to the eligible directors, employees and person who have contributed to the success of Southern Cable and its subsidiaries;
 - (c) 67,348,000 new Shares made available by way of private placement to selected investors; and
 - (d) 80,000,000 new Shares made available by way of private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry;
- (ii) Offer for sale of 20,000,000 existing Shares to selected investors by way of private placement; and
- (iii) Listing and quotation of the entire enlarged issued share capital of Southern Cable comprising 800,000,000 Shares on the ACE Market of Bursa Securities.

Bursa Securities had, on 7 August 2020, further granted us a second extension of time up to 31 December 2020 to complete our Listing. There were no changes made to the conditions imposed by Bursa Securities in the abovementioned letter.

(B) 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, via its letter dated 25 October 2019, approved the resultant equity structure of our Company pursuant to our Listing ("**Equity Structure**") under the equity requirement for public listed companies. Further to the approval, the SC had, on 22 June 2020, approved our application on variation of Equity Structure due to the Share Split, subject to the following condition:-

No.	Details of condition imposed	Status of compliance
1.	<p>Southern Cable to allocate Shares equivalent to at least 12.5% of its enlarged share capital at the point of Listing to Bumiputera investors. This includes the Shares offered under the balloted public offer portion, of which at least 50% are to be offered to Bumiputera investors.</p> <p>In the event that the MITI is unable to allocate the shares to Bumiputera investors, the unsubscribed shares shall be offered to Bumiputera public investors via balloting.</p>	To be complied.

APPROVALS AND CONDITIONS (CONT'D)

The effect of our Listing on our equity structure is as follows:-

Category of shareholders	As at 29 May 2019		←-----After the Listing-----→			
	No. of Shares	%	As approved by the SC via its letter dated 25 October 2019		As approved by the SC via its letter dated 22 June 2020	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Bumiputera						
- Individual	-	-	50,000,000 ⁽¹⁾	12.50	100,000,000 ⁽²⁾	12.50
- Body corporate	-	-	128,014,200	32.00	256,028,400	32.00
Total Bumiputera	-	-	178,014,200	44.50	356,028,400	44.50
Non-Bumiputera	4	100.00	221,985,800	55.50	443,971,600	55.50
Malaysians	4	100.00	400,000,000	100.00	800,000,000	100.00
Foreigners	-	-	-	-	-	-
Total	4	100.00	400,000,000	100.00	800,000,000	100.00

Notes:-

- (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	10,000,000
Private placement to identified Bumiputera investors approved by the MITI	40,000,000
Total	50,000,000

- (2) 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	20,000,000
Private placement to identified Bumiputera investors approved by the MITI	80,000,000
Total	100,000,000

(C) MITI

The MITI had, via its letters dated 24 December 2019 and 11 June 2020, taken note of and has no objection to our Listing on the ACE Market.

MORATORIUM ON SALE OF SHARES

In compliance with Rule 3.19 of 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 Official List ("**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 total number of issued ordinary shares remain under moratorium for a further 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 (1/3) per annum (on a straight line basis) of our Shares held under moratorium.

Upon Listing, the Promoters will hold in aggregate approximately 38.32% of the enlarged issued share capital which is less than the minimum 45.00% required for the Second 6-Month Moratorium.

In view of the above, Semangat, our substantial shareholder, has voluntarily provided its undertaking not to sell, transfer or assign its entire shareholdings in Southern Cable of 32.00% for the First 6-Month Moratorium. Upon the expiry of the First 6-Month Moratorium, Semangat has also undertaken to ensure that at least 53,451,584 Southern Cable Shares, which represents 6.68% of the enlarged issued share capital of Southern Cable, remain under moratorium for the Second 6-Month Moratorium. Thereafter, Semangat has further undertaken that they will only thereafter sell, transfer or assign any of the moratorium shares up to a maximum of one third (1/3) per annum (on a straight line basis) of our Shares held under moratorium.

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

	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	% of enlarged issued share capital ⁽¹⁾	No. of Shares	% of enlarged issued share capital ⁽¹⁾
Promoters and Substantial Shareholders				
Sino	285,524,412	35.69	285,524,412	35.69
Wong Meng Kee	1,459,204	0.18	1,459,204	0.18
Tung Cheng Im	6,864,000	0.86	6,864,000	0.86
Tung Siew Luan	12,700,800	1.59	12,700,800	1.59
Substantial Shareholder				
Semangat	256,028,400	32.00	53,451,584	6.68
Total	562,576,816	70.32	360,000,000	45.00

Note:-

- (1) Based on our enlarged issued share capital of 800,000,000 Shares after our IPO.

MORATORIUM ON SALE OF SHARES (CONT'D)

Our Promoters and our substantial shareholder, namely Semangat, have each furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their respective shareholdings in our Company during the moratorium period.

In addition, the shareholders of Sino, namely Tung Eng Hai, Wong Meng Kee and Ooi Gaik Bee, and the shareholders of Semangat, namely Fawiza Binti Faiz and Redzuan Bin Husain, have furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their shareholdings in Sino and Semangat respectively, during the moratorium period.

The moratorium, which is fully acknowledged by our Promoters and substantial shareholders, is specifically endorsed on our share certificates representing their shareholdings which are 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.

1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/Directorship	Address	Nationality/Gender
Rizvi Bin Abdul Halim <i>(Independent Non-Executive Chairman)</i>	2, Jalan Cecawi 6/31B Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian/ Male
Tung Eng Hai <i>(Managing Director)</i>	No. 15, Persiaran BLM 5 Bandar Laguna Merbok 08000 Sungai Petani Kedah Darul Aman	Malaysian/ Male
Wong Meng Kee <i>(Executive Director)</i>	No. 86, Jalan Besi 11600 George Town Pulau Pinang	Malaysian/ Male
Wong Kar Wai <i>(Non-Independent Non-Executive Director)</i>	18, Solok Batu Uban 4 11700 Gelugor Pulau Pinang	Malaysian/ Male
Daphne Choy Gaik Choo <i>(Independent Non-Executive Director)</i>	No. 26-2-2, Sri Emas Codrington Avenue 10350 George Town Pulau Pinang	Malaysian/ Female
Eugene Lee Cheng Hoe <i>(Independent Non-Executive Director)</i>	28, Jalan BU 6/9 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian/ Male

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Eugene Lee Cheng Hoe	Chairman	Independent Non-Executive Director
Daphne Choy Gaik Choo	Member	Independent Non-Executive Director
Rizvi Bin Abdul Halim	Member	Independent Non-Executive Chairman
Wong Kar Wai	Member	Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Daphne Choy Gaik Choo	Chairman	Independent Non-Executive Director
Eugene Lee Cheng Hoe	Member	Independent Non-Executive Director
Rizvi Bin Abdul Halim	Member	Independent Non-Executive Chairman

1. CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARY** : Tea Sor Hua (MACS 01324)
(Companies Commission of Malaysia Practising Certificate No. 201908001272)
No. 77C, Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7725 1777
Professional : Certified Company Secretary,
Qualification : Member of Malaysian Association of Company Secretaries
(Membership No. MACS 01324)
- REGISTERED OFFICE** : Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7725 1777
- HEAD OFFICE** : Lot 42, Jalan Merbau Pulas
Kawasan Perusahaan Kuala Ketil
09300 Kuala Ketil
Kedah Darul Aman
Tel No. : (04) 416 1600
Website : www.southerncable.com.my
Email : sc@southerncable.com.my
- EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS** : Baker Tilly Monteiro Heng PLT 201906000600 (LLP0019411-LCA) & AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No. : (03) 2297 1000
Partner-in-charge : Dato' Lock Peng Kuan
Professional : Chartered Accountant,
Qualification : Malaysian Institute of Accountants ("MIA")
(MIA Membership No.: 17668)
- SOLICITORS FOR OUR IPO** : Azman Davidson & Co
Advocates & Solicitors
Suite 13.03, 13th Floor
Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur
Tel No. : (03) 2164 0200

1. CORPORATE DIRECTORY (CONT'D)

- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : Vital Factor Consulting Sdn Bhd
(Registration No. 199301012059 (266797-T))
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7931 3188
Person-in-charge : Wong Wai Ling
(Bachelor of Arts from Monash University, Australia, Graduate Diploma in Management Studies from the University of Melbourne, Australia)
- INDEPENDENT INTERNAL CONTROL CONSULTANTS** : Sterling Business Alignment Consulting Sdn Bhd
(Registration No. 200401015607 (654110-P))
Unit 216, Level 2, Lobby 3
Block A, Damansara Intan,
No.1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7662 8010
- PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT** : MIDF Amanah Investment Bank Berhad
(Registration No. 197501002077 (23878-X))
Level 21, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Tel No. : (03) 2173 8888
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7890 4700
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (03) 7890 4700
- LISTING SOUGHT** : ACE Market

2. 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.

2.1 PRINCIPAL DETAILS OF THE IPO

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of the IPO Shares shall be in the following manner:-

	No. of Shares	RM
Share Capital		
Issued share capital as at the date of this Prospectus	590,652,000	147,663,000
New Shares to be issued pursuant to the Public Issue		
(i) Malaysian Public via balloting	40,000,000	13,600,000
- Bumiputera investors		
- Other Malaysian Public		
(ii) Our eligible Directors, employees and persons who have contributed to our success	22,000,000	7,480,000
(iii) Selected investors via private placement		
- Bumiputera investors	80,000,000	27,200,000
- Other investors	67,348,000	22,898,320
Enlarged issued share capital upon Listing	800,000,000	218,841,320
Offer for Sale	20,000,000	6,800,000
IPO Price (RM)		0.34
		RM
- Pro forma consolidated NA per Share (based on the enlarged issued share capital after the IPO and after deducting the estimated listing expenses of approximately RM4.500 million)		0.32
- Market capitalisation upon Listing (based on the IPO Price and enlarged issued share capital after the IPO)		272,000,000

Sino and Semangat have provided their undertakings not to sell, transfer or assign their entire shareholdings in Southern Cable. Please refer to "Moratorium on Sale of Shares" Section on page number xxiii and xxiv of this Prospectus for further details. Save for the moratorium on the sale of the existing Shares imposed on our Promoters and substantial shareholders, there is no other moratorium imposed on our IPO Shares.

Further information on our IPO is disclosed under Section 3.1 of this Prospectus.

2.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia on 4 April 2019 under the Act as a private limited company under the name of Southern Cable Group Sdn Bhd. On 27 May 2019, we were converted to a public limited company and assumed our present name.

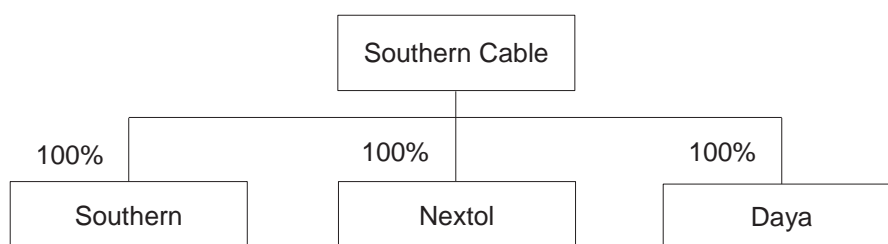
2. PROSPECTUS SUMMARY (CONT'D)

We are principally a manufacturer of cables and wires that are used for power distribution, communications as well as control and instrumentation applications. This business activity accounted for 96.47%, 95.46%, 90.10%, 89.65% and 88.91% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively.

We also derive revenue from related products and services which accounted for the remaining 3.53%, 4.54%, 9.90%, 10.35% and 11.09% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively. These include mainly sales of aluminium rods, plastic compounds and wooden cable drums; trading of cables and wires, and copper strips; and supply and installation of rectifiers.

Our key supporting activities for our cable and wire manufacturing operations include furnace and casting operations. We have two (2) electric furnaces and one (1) gas-fired furnace that melt copper and aluminium, respectively before casting them into rods to be used as core materials and transmitting medium for our cables and wires. Other supporting activities include the manufacture of plastic compounds that are used as insulation and protective layer materials for our cables and wires. We were also previously involved in the manufacturing of wooden cable drums used for the packaging, storage and delivery of our cables and wires. We currently source the wooden cable drums from external parties for our cable and wire manufacturing operations.

The present corporate structure of our Group is set out below:-



We are an investment holding company, while the principal activities of our Subsidiaries are set out below:-

Subsidiary	Principal activities
Southern	Manufacture of cables and wires, and related products and services ⁽¹⁾
Nextol	Manufacture of plastic compounds
Daya	Manufacture and trading of wooden cable drums ⁽²⁾

Notes:-

- (1) Related products and services mainly include manufacture of aluminium rods; trading of cables and wires, and copper strips; and supply and installation of rectifiers.
- (2) Daya was previously involved in the provision of transportation services before it ceased this business activity in June 2017. It was also previously involved in the manufacturing of wooden cable drums used for the packaging, storage and delivery of our cables and wires up to 29 February 2020, when we decided to relocate Daya Factory. We have temporarily ceased all the manufacturing activities of wooden cable drums since 29 February 2020. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

Our principal market is Malaysia, which contributed 98.49%, 92.77%, 98.40%, 98.06% and 87.91% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively.

Further details of our history and business overview are set out in Section 5 of this Prospectus.

2. PROSPECTUS SUMMARY (CONT'D)

2.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

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

(i) We have an established track record as a manufacturer of cables and wires

We have accumulated a track record of 27 years of experience in the manufacture of cables and wires. As at the LPD, we are a registered supplier of cables and wires with TNB, SESB, TMB and PETRONAS. We are also registered with CIDB under category G7 since 2016. Our major customers have been dealing with us for a minimum of eight (8) years up to a maximum of 18 years for FPE 30 June 2020 save for two (2) new customers that started purchasing power cables and wires from us in FYE 31 December 2019.

(ii) We have various certifications for our products

All our power cables and wires including low and medium voltage cables and wires are SIRIM certified and these are manufactured to either Malaysian Standards (MS), International Electrotechnical Commission (IEC) standards or British Standards. In addition, our PVC insulated power cables and wires are approved by Energy Commission of Malaysia while our fire resistant cables are approved by Bomba and comply with either IEC standards or British Standards. In addition, our control cables and wires are SIRIM certified. We have also obtained certificate of product acceptance from TNB for cables and wires indicating that our products meet their technical specifications and requirements.

(iii) We manufacture a range of cables and wires to meet customer requirements

For power distribution and transmission applications, we manufacture a range of low to medium voltage cables, typically between 300V and 33kV as well as high voltage power cables up to 132kV. Within communications cables and wires, we manufacture telephone cables, coaxial cables and alarm cables. We manufacture a range of control and instrumentation cables and wires that are used in manufacturing and processing industries including power generation, oil and gas, petrochemical and chemical plants, as well as oil and gas platforms and marine vessels.

We manufacture both copper and aluminium based cables and wires with various types of insulation materials ranging from PVC, XLPE, PE and XLPO. We also manufacture cables and wires with fire resistant, flame retardant, ultra violet resistant, anti-termite and anti-rodent properties.

(iv) We have key supporting activities for our manufacturing of cables and wires

Our principal business activity of manufacturing cables and wires are supported by key activities which are furnace and continuous casting and plastic compounding manufacturing. With our supporting operations, we are able to control the quality of key input materials, timely availability of these materials and reduce some dependency on external parties for key input materials for our manufacturing of cables and wires.

(v) We have experienced Managing Director, Executive Director and key senior management team

Our Managing Director, Tung Eng Hai has approximately 41 years of experience in the cable and wire industry. He is supported by our Executive Director, Wong Meng Kee who has approximately 33 years of experience in the business management, and is responsible for the overall business management and day-to-day operations of our Group. Our key senior management has approximately 21 years of experience in their respective fields.

Further details of our competitive advantages and key strengths are set out in Section 5.1.2 of this Prospectus.

2. PROSPECTUS SUMMARY (CONT'D)

2.4 BUSINESS STRATEGIES

Our Group's business strategies are summarised as below:-

2.4.1 Expansion of Production Facilities

2.4.1.1 Our Cable and Wire Production Facilities

Our business strategies are focused on our core competencies and this includes the expansion of our cable and wire production facilities including:-

(i) Construction of New Factories

Part of our future plans is to construct new factories cater for continuing business expansion for our cable and wire manufacturing operations. In this respect, we intend to construct a new factory in Lot 38 and Lot 29 respectively.

(a) New Factory in Lot 38

The new production facility in Lot 38 will provide an additional built-up area of approximately 32,000 sq. ft. to house new machinery and equipment. This will provide us with an additional planned annual production capacity of approximately 5,000 km for our cables and wires. This factory will focus on a new product range, including power and control cables and wires for automotive and elevator applications.

(b) New Factory in Lot 29

The new production facility in Lot 29 will provide an additional built-up area of approximately 32,000 sq. ft., which will provide us with an additional planned annual production capacity of approximately 1,350 km for low voltage power cables and wires.

We intend to relocate some of our existing machinery and equipment from our Southern Factory to this new production facility.

(ii) Purchase and Upgrade of Machinery and Equipment for Our Cable and Wire Manufacturing Operations

As part of our expansion plans, we intend to purchase the new machinery and equipment for Southern Factory, Lot 39 and a new factory at Lot 38 between 2021 and 2022.

(iii) Purchase and Installation of ERP Information Technology System

Part of our future plans includes investing in a new ERP information technology system to replace the existing system. The migration to a new ERP information technology system will streamline and integrate various production, inventory, financial and administration functions and processes into one complete system. This is aimed at increasing timely flow of data and information among different departments and business units to facilitate decision making and reporting.

2.4.1.2 Plastic Compounding Production Facilities

(i) Construction of New Factory for Our Plastic Compounding Operations

Part of our future plans is to expand our plastic compounding factory in PT 4845 to support the expansion of our cable and wire manufacturing operations. In this respect, we intend to construct a new factory next to Nextol Factory 4846.

2. PROSPECTUS SUMMARY (CONT'D)

The new factory PT 4845 will provide us with an additional built-up area of approximately 32,000 sq. ft. to house new machinery and equipment with a planned annual capacity of 4,200 tonnes. This new factory will mainly be focusing on our new range of plastic compounds including PO, PE and XLPE compounds.

(ii) Purchase and Upgrade of Machinery and Equipment for Nextol

As part of our expansion plans, we intend to purchase the new machinery and equipment for our existing and new factories.

2.4.2 Expansion in Product Range

2.4.2.1 New Range of Cables and Wires

Part of our future plans includes an expansion of our range of cables and wires to cater to the requirements of our existing customers as well as potential customers in the market and their respective sectors.

2.4.2.2 New Range of Plastic Compounds

We utilise mainly PVC, PE, HDPE, MDPE, XLPE and XLPO for insulation, bedding and sheathing in our cables and wires. We have our own PVC compounding facilities which are carried out by our subsidiary, Nextol. With the exception of PVC compounds, we source other plastic compounds including PE, HDPE, MDPE, XLPE and XLPO from external parties.

Part of our future plans is to manufacture new range of plastic compounds for our cable and wire manufacturing operations.

Further details of our business strategies are set out in Section 5.8 of this Prospectus.

2.5 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 affect our future financial performance.

The following are the key risks affecting our business, financial performance and position that we are currently facing or that may develop in the future:-

(i) Fluctuations in the prices of copper and aluminium may affect our profitability if we are unable to pass through the costs increment to the customers

Our main raw materials consist of copper cathodes, aluminium ingots, copper and aluminium rods, and copper wires used to make conductors for our cables and wires. As copper and aluminium are globally traded commodity metals, we are subject to global price fluctuations and the risk of any unfavourable price changes will directly affect our margins and profitability if we are unable to pass through the costs increment to the customers.

(ii) Our margins and profitability may be affected by claims arising from liquidated ascertained damages

We have contracts with certain customers where we have to deliver our products to the customers in accordance with the product specification and agreed delivery timelines stipulated in the contracts. In this respect, we are subject to the risk of claims and/or penalties pertaining to liquidated damages. We have made provisions for liquidated ascertained damages for FYE 31 December 2016 to 2018. These amounted to RM0.241 million and RM12.527 million for FYE 31 December 2016 and 2017 respectively, and a net reversal of RM1.096 million for FYE 31 December 2018. For FYE 31 December 2019, FPE 30 June 2020 and up to the LPD, there were no claims made by our customers arising from liquidated ascertained damages.

2. PROSPECTUS SUMMARY (CONT'D)**(iii) We may suffer losses due to adverse foreign exchange fluctuations**

Our business is exposed to the risk of foreign exchange fluctuations where 54.87%, 48.44%, 45.55%, 40.47% and 39.84% of our purchases of raw materials for the FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively were denominated in USD. Any adverse changes in the exchange rate between RM and USD would have a negative impact on our financial performance including profitability and margins.

(iv) Our business was and may continue to be affected by the outbreak of COVID-19 pandemic or any contagious or virulent diseases

The spread or outbreak of COVID-19 pandemic or any contagious or virulent diseases may potentially affect our manufacturing operations. If any of our employees are infected with COVID-19 or any contagious or virulent diseases, we may be required to temporarily shut down our manufacturing operations for a period of time as advised by the Ministry of Health, Malaysia to contain the spread of the disease. In the event any of our employees are infected, all our employees would have to undergo COVID-19 swab test. As at the LPD, none of our employees are infected with COVID-19.

Furthermore, any MCO imposed by the Government including targeted enhanced MCO in a location resulting from a resurgence or a general containment measure has and may potentially interrupt and/or suspend our business operations. In the event of any outbreak of COVID-19 infections among our employees or any prolonged outbreak of diseases and/or MCO conditions, our manufacturing operations and our business and financial performance would be adversely affected.

Notwithstanding the above, there can be no assurance that the outbreak of COVID-19 pandemic in Malaysia can be effectively controlled, or that there would not be another resurgence of COVID-19 pandemic or other virulent diseases in the future. These adverse events, if materialise and persist for a substantial period of time, will significantly and adversely affect our business operations and financial performance.

(v) We are dependent on the supply of electricity and gas for our furnaces and any prolonged disruptions in the supply of electricity or gas would affect our production schedules and profitability

We have two (2) electric furnaces dedicated to the production of copper rods and one (1) gas-fired furnace for the production of aluminium rods. On 31 October 2018, we entered into a Gas Supply Agreement with Gas Malaysia Berhad to supply and deliver an agreed daily quantity of gas for our business operations which is valid until 31 December 2022. This would provide regular supply of gas for one of our furnaces. Any disruption in the supply of electricity or gas would affect our production schedules and financial performance including profitability and margins.

(vi) We are dependent on the demand and performance of our main user-industries including power distribution and telecommunications sectors and any reduction in demand from these industry sectors will adversely affect our financial performance

Any changes in the power sector including government policies, regulations as well as government spending on electricity coverage will directly impact on the demand for power cables and wires. We are highly dependent on the demand and performance of user on power cables and wires. One (1) of our top five (5) major customers, namely TNB has contributed RM93.875 million or 19.95%, RM56.109 million or 9.42%, RM103.159 million or 15.10%, RM113.731 million or 17.32% and RM30.028 million or 12.46% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively.

2. PROSPECTUS SUMMARY (CONT'D)

Within the telecommunications sector, copper-based communications cables and wires are slowly being replaced by fibre optic cables due to its higher capacity and faster transmission rate. We are dependent on the demand from user for communications cables and wires. One (1) of our top five (5) major customers, namely TMB, contributed RM50.351 million or 10.70%, RM50.671 million or 8.51% and RM84.724 million or 12.40% of our total revenue in FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018. The revenue from TMB was lower in FYE 31 December 2019 amounting to RM25.004 million or 3.81% of our total revenue. In FPE 30 June 2020, TMB contributed RM10.357 million or 4.30% of our total revenue.

(vii) Any delays, cancellations or reductions in contract value of our secured orders, and/or our inability to secure new contracts or purchase orders which are commercially favourable would adversely affect our financial performance

As at the LPD, we have subsisting contracts with some of our top five (5) customers for cables and wires. Any delays or cancellation or reduction in the contract value of our orders secured or failure by the customer to raise any purchase orders, would also affect our future financial performance, cash flow position and profitability.

(viii) We may not be able to effectively execute some of our business strategies and plans

Our business strategies are focused on leveraging from our key strengths and capitalising on our core business in manufacturing cables and wires. This includes the expansion of our production facilities driven by our strategy to expand our range of cables and wires, and our new range of plastic compounds.

The future growth of our business is dependent on our ability to implement and carry out our business strategies and plans in a timely manner. Any failure in executing our business strategy effectively may lead to adverse effects on our future business and expected financial performance.

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

2.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

Our Directors and key senior management are as follows:-

Name	Designation
DIRECTORS	
Rizvi Bin Abdul Halim	Independent Non-Executive Chairman
Tung Eng Hai	Managing Director
Wong Meng Kee	Executive Director
Wong Kar Wai	Non-Independent Non-Executive Director
Daphne Choy Gaik Choo	Independent Non-Executive Director
Eugene Lee Cheng Hoe	Independent Non-Executive Director
KEY SENIOR MANAGEMENT	
Ooi In Keong	Group General Manager
Song Swee Kim	Group Financial Controller
Zen Azhar Bin Shuib	Plant Operations General Manager

Further details on our Directors and key senior management are disclosed in Section 4 of this Prospectus.

2. PROSPECTUS SUMMARY (CONT'D)

2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

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

Nationality/ Country of Incorporation	Before the IPO / As at the LPD		After the IPO	
	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽¹⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Promoters and substantial shareholders				
Sino				
Tung Eng Hai	305,524,412	51.73	285,524,412	35.69
Wong Meng Kee	-	-	-	285,524,412 ⁽³⁾
Ooi Gaik Bee	1,459,204	0.25	1,459,204	0.18
	-	-	-	292,388,412 ⁽⁴⁾
	-	-	-	285,524,412 ⁽³⁾
				35.69
Promoters				
Tung Cheng Im	6,864,000	1.16	6,864,000	0.86
Tung Siew Luan	12,700,800	2.15	12,700,800	1.59
				-
				35.87
Substantial shareholders				
Semangat	256,028,400	43.35	256,028,400	32.00
Fawiza Binti Faiz	-	-	-	256,028,400 ⁽⁶⁾
				32.00

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Deemed interested by virtue of his/her shareholdings in Sino pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act and his spouse's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
- (5) Deemed interested by virtue of her spouse's direct and indirect shareholdings in the Company.
- (6) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

Further details on our Promoters and substantial shareholders are disclosed in Section 4 of this Prospectus.

2. PROSPECTUS SUMMARY (CONT'D)

2.8 USE OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue amounting to RM71,178,320 are intended to be used in the following manner:-

Details of utilisation	RM	Gross proceeds %	Estimated timeframe for utilisation upon Listing
Capital expenditure and expansion			Within 36 months
- Purchase and upgrade of machinery and equipment	18,500,000	25.99	
- Construction of new factories	7,500,000	10.54	
- Purchase and installation of ERP information technology system	4,000,000	5.62	
	30,000,000	42.15	
Repayment of bank borrowings	9,188,000	12.91	Within 6 months
Working capital	27,490,320	38.62	Within 6 months
Estimated listing expenses	4,500,000	6.32	Within 3 months
Total	71,178,320	100.00	

There is no minimum subscription in terms of the proceeds to be raised from the IPO by our Company.

Further details on the use of proceeds are set out in Section 3.5 of this Prospectus.

The Offer for Sale will raise gross proceeds of RM6,800,000. All the proceeds from the Offer for Sale will be credited to the Offeror and we will not receive any part of the proceeds. The Offeror shall bear all the expenses including registration and transfer fees, placement fees and miscellaneous expenses relating to the Offer for Sale amounting to approximately RM250,000.

The pro forma impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 30 June 2020 is reflected in Section 11.3 of this Prospectus.

2.9 FINANCIAL HIGHLIGHTS

The key financial highlights of our historical audited combined statements of profit or loss and other comprehensive income for the FYE 31 December 2016 to 2019 and FPE 30 June 2020:-

	<-----Audited----->				Unaudited	Audited
	<-----FYE 31 December----->				<-----FPE 30 June----->	
	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2019 RM'000	2020 RM'000
Revenue	470,656	595,694	683,199	656,687	331,842	241,086
Cost of sales	429,083	543,128	617,971	589,465	294,759	217,115
GP	41,573	52,566	65,228	67,222	37,083	23,971
PBT	20,186	25,052	33,132	39,324	23,648	13,438
PAT	14,154	18,185	26,233	28,549	17,289	9,146
GP margin ⁽¹⁾ (%)	8.83	8.82	9.55	10.24	11.17	9.94
PBT margin ⁽²⁾ (%)	4.29	4.21	4.85	5.99	7.13	5.57
PAT margin ⁽³⁾ (%)	3.01	3.05	3.84	4.35	5.21	3.79

2. PROSPECTUS SUMMARY (CONT'D)

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.

2.10 DIVIDEND POLICY

It is the intention of our Board's policy to recommend and distribute minimum dividends of 15.00% of our annual audited PAT attributable to the shareholders of our Company. Any dividends declared will be subject to confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Further details on our dividend policy are disclosed in Section 11.5 of this Prospectus.

2.11 OUTBREAK OF COVID-19 PANDEMIC

During the MCO, our business operations had been temporarily suspended for 11 days from 18 March 2020 to 28 March 2020. We were unable to deliver our products to our customers for 14 days from 18 March 2020 to 31 March 2020 and the estimated value of our products that we were unable to deliver during this period was RM23.219 million. The incoming orders via purchase orders had reduced substantially during the MCO save for orders from our customers who were operating in the essential services sector. Our revenue from the sales of cables and wires declined by 95.84% from RM37.096 million in March 2020 to RM1.543 million in April 2020. Southern resumed partial operations from 29 March 2020 onwards for a period of 31 days before resuming full operations from 29 April 2020 onwards. We continued to receive orders from customers and were able to deliver our products to customers during the CMCO period. As a result of the restrictions imposed by the Government during the MCO, our Group's monthly production output of cables and wires has been affected. Our utilisation rate for the manufacture of power cables and wires was 48% in FPE 30 June 2020 as compared to 88% in FYE 31 December 2019. As a result of the above business interruptions during the MCO between March and April 2020, our financial performance was affected due to delays and/or reduction in our billings. Nevertheless, our monthly product output improved in May 2020 and June 2020. Our Group resumed full operations from 29 April 2020 onwards while continuing to adhere to SOP enforced by the authorities.

In addition, our trade receivables turnover period increased from 93 days for FYE 31 December 2019 to 122 days for the FPE 30 June 2020. This was mainly due to slow payments from customers impacted by the COVID-19 pandemic. We purchased main raw materials during the first quarter of 2020 prior to the MCO. This was planned to meet the initial production schedules. The lower production activities during COVID-19 pandemic and MCO conditions resulted in a lower usage of raw materials. As such, there is no material adverse impact on our supply as we still have sufficient level of raw materials when we resumed our manufacturing operations. Our trade payable turnover days which increased from 10 days for the FYE 31 December 2019 to 20 days for the FPE 30 June 2020, which is still within the credit period given by our suppliers. As at the LPD, we have not received any cancellations of orders from our customers. Furthermore, we continued to incur cash outflow from fixed operating expenses such as labour cost, factory overheads, and other administration expenses during the MCO amounting to RM2.497 million in April 2020. As at the LPD, none of our employees are infected with COVID-19. As a result of the implementation of an administrative enhanced MCO in Kota Setar District, Kedah from 11 September 2020 to 25 September 2020, one (1) of our employees, who is a process engineer, was unable to come to work in view that his residence is in this district. There is no material adverse impact on our business operations as there are three (3) other process engineers to carry out the roles in supporting the manufacturing processes. Please refer to Sections 5.5.13 and 11.2 of this Prospectus for further details on interruptions to our business and operations due to COVID-19 pandemic and the management discussion and analysis of our financial conditions and results of operations.

3. PARTICULARS OF THE IPO

3.1 DETAILS OF THE IPO

3.1.1 Listing Scheme

(i) Acquisitions

(a) Acquisition of Southern

Our Company had entered into a conditional share sale agreement dated 23 May 2019, which was conditional upon, among others, an approval from Bursa Securities for the Listing, to acquire the entire issued share capital of Southern of RM26,100,000 comprising 26,100,000 ordinary shares from the vendors of Southern for a purchase consideration of RM142,406,998. The said purchase consideration was entirely satisfied by the issuance of 284,813,996 new Shares at an issue price of RM0.50 per Share.

The abovementioned 284,813,996 new Shares were issued to the vendors as follows:-

Vendors	No. of ordinary shares in Southern acquired	Equity interest held in Southern (%)	Purchase Consideration (RM)	No. of Shares issued
Sino	13,998,938	53.64	76,381,102	152,762,204
Semangat	11,731,062	44.94	64,007,100	128,014,200
Tan Chin Keat	250,000	0.96	1,364,052	2,728,104
Yiam Chorng Yin	60,000	0.23	327,372	654,744
Chong Heang Sue	60,000	0.23	327,372	654,744
Total	26,100,000	100.00	142,406,998	284,813,996

The purchase consideration of RM142,406,998 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Southern as at 31 December 2018 of RM142,406,648. The Acquisition of Southern was completed on 26 December 2019 and Southern became a wholly-owned subsidiary of our Company.

Upon completion of the Acquisition of Southern, the issued share capital of our Company increased to RM142,407,000 comprising 284,814,000 Shares.

Sino and Semangat have provided their undertakings not to sell, transfer or assign their entire shareholdings in Southern Cable. Please refer to "Moratorium on Sale of Shares" Section on page number xxiii and xxiv of this Prospectus for further details.

3. PARTICULARS OF THE IPO (CONT'D)**(b) Acquisition of Nextol**

Our Company had entered into a conditional share sale agreement dated 23 May 2019, which was conditional upon, among others, an approval from Bursa Securities for the Listing, to acquire the entire issued share capital of Nextol of RM100,000 comprising 100,000 ordinary shares from the vendors of Nextol for a purchase consideration of RM3,432,000. The said purchase consideration was entirely satisfied by the issuance of 6,864,000 new Shares at an issue price of RM0.50 per Share.

The abovementioned 6,864,000 new Shares were issued to the vendors as follows:-

Vendors	No. of ordinary shares in Nextol acquired	Equity interest held in Nextol (%)	Purchase Consideration (RM)	No. of Shares issued
Tung Siew Luan	50,000	50.00	1,716,000	3,432,000
Tung Cheng Im	50,000	50.00	1,716,000	3,432,000
Total	100,000	100.00	3,432,000	6,864,000

The purchase consideration of RM3,432,000 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Nextol as at 31 December 2018 of RM3,431,246. The Acquisition of Nextol was completed on 26 December 2019 and Nextol became a wholly-owned subsidiary of our Company.

Upon completion of the Acquisition of Nextol, the issued share capital of our Company increased to RM145,839,000 comprising 291,678,000 Shares.

(c) Acquisition of Daya

Our Company had entered into a conditional share sale agreement dated 23 May 2019, which was conditional upon, among others, an approval from Bursa Securities for the Listing, to acquire the entire issued share capital of Daya of RM700,000 comprising 700,000 ordinary shares from the vendors of Daya for a purchase consideration of RM1,824,000. The said purchase consideration was entirely satisfied by the issuance of 3,648,000 new Shares at an issue price of RM0.50 per Share.

3. PARTICULARS OF THE IPO (CONT'D)

The abovementioned 3,648,000 new Shares were issued to the vendors as follows:-

Vendors	No. of ordinary shares in Daya acquired	Equity interest held in Daya (%)	Purchase Consideration (RM)	No. of Shares issued
Tung Siew Luan	560,000	80.00	1,459,200	2,918,400
Wong Meng Kee	140,000	20.00	364,800	729,600
Total	700,000	100.00	1,824,000	3,648,000

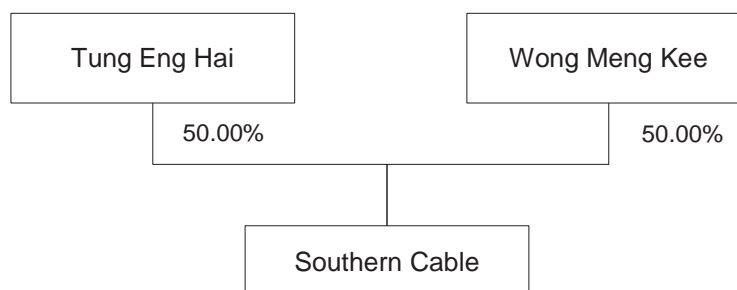
The purchase consideration of RM1,824,000 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Daya as at 31 December 2018 of RM1,823,764. The Acquisition of Daya was completed on 26 December 2019 and Daya became a wholly-owned subsidiary of our Company.

Upon completion of the Acquisition of Daya, the issued share capital of our Company increased to RM147,663,000 comprising 295,326,000 Shares.

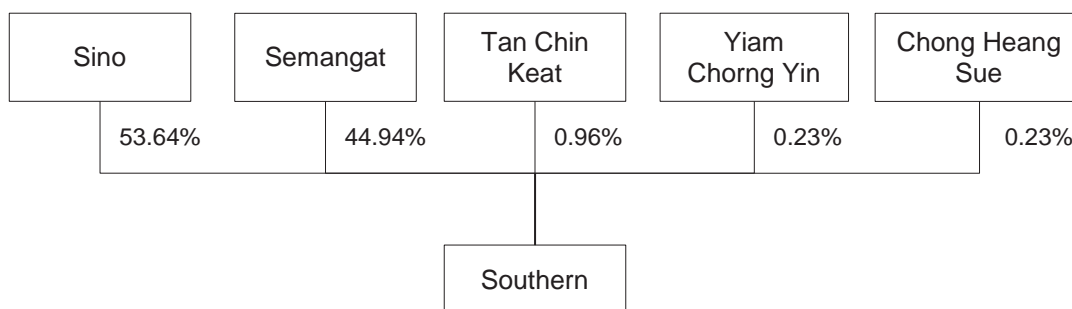
Our Group structure before and after the Acquisitions are illustrated below:-

Before the Acquisitions

Southern Cable

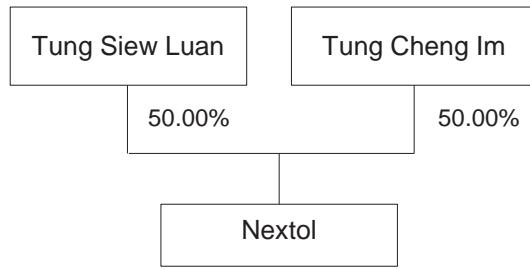


Southern

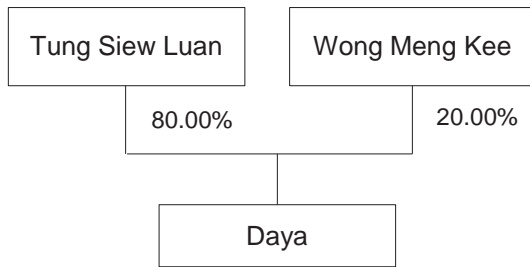


3. PARTICULARS OF THE IPO (CONT'D)

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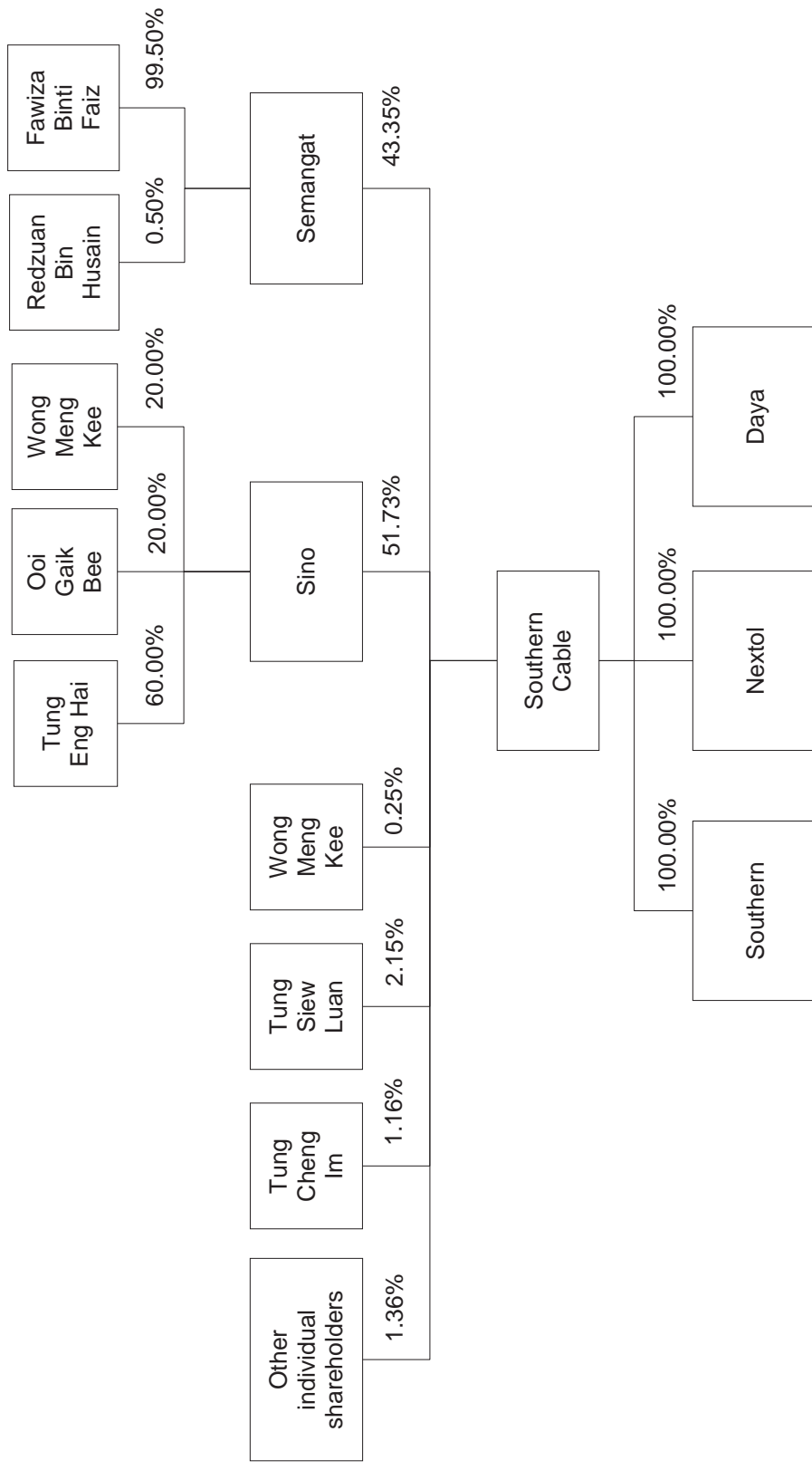


Daya



3. PARTICULARS OF THE IPO (CONT'D)

After the Acquisitions



3. PARTICULARS OF THE IPO (CONT'D)**(ii) Share Split**

Our Company had, on 26 June 2020, undertaken a subdivision of every one (1) existing Share held after the Acquisitions into two (2) Shares.

Upon completion of the Share Split, the resultant issued share capital of the Company is RM147,663,000 comprising 590,652,000 Shares.

(iii) Public Issue

Our Public Issue of 209,348,000 Issue Shares representing approximately 26.17% of our enlarged issued share capital, at the IPO Price will be made available for application in the following manner, subject to the terms and conditions of this Prospectus:-

(a) Malaysian Public

40,000,000 Issue Shares representing approximately 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% is to be set aside strictly for Bumiputera investors.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applications 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. Applications will be selected in a manner to be determined by our Board.

(b) Eligible Directors, employees and persons who have contributed to our success

22,000,000 Issue Shares representing approximately 2.75% of our enlarged issued share capital will be made available for application by our eligible Directors, employees and persons who have contributed to our success.

The Issue Shares to be allocated to our eligible Directors and our employees who have contributed to our success are set out below:-

	Number of persons	Number of Issue Shares allocated
(i) Eligible Directors ⁽¹⁾	4	1,600,000
(ii) Eligible employees ⁽²⁾	366	17,220,000
(iii) Persons who have contributed to our success ⁽³⁾	16	3,180,000
Total	386	22,000,000

Notes:-

(1) The criteria for allocation to our eligible Directors are based on their respective roles and responsibilities as a Director in our Group.

(2) The criteria of allocation to our eligible employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-

(i) The eligible employee must be a full-time confirmed employee and on the payroll of our Group; and

3. PARTICULARS OF THE IPO (CONT'D)

- (ii) The number of Issue Shares allocated to the eligible employees is based on their seniority, designation, length of service, past performance and respective contributions made to our Group as well as other factors deemed relevant to our Board.

The number of Issue Shares allocated under this category is inclusive of the allocation to our key senior management.

- (3) The criteria for allocation to the persons who have contributed to our success are based on, inter alia, their contribution to our Group and as approved by our Board. The persons who have contributed to our success include our customers and suppliers.

The details of the Issue Shares to be allocated to our eligible Directors are set out below:-

Name	Designation	Number of Issue Shares allocated
Rizvi Bin Abdul Halim	Independent Non-Executive Chairman	400,000
Wong Kar Wai	Non-Independent Non-Executive Director	400,000
Daphne Choy Gaik Choo	Independent Non-Executive Director	400,000
Eugene Lee Cheng Hoe	Independent Non-Executive Director	400,000
Total		1,600,000

The details of the Issue Shares to be allocated to our key senior management are set out below:-

Name	Designation	Number of Issue Shares allocated
Ooi In Keong	Group General Manager	800,000
Song Swee Kim	Group Financial Controller	800,000
Zen Azhar Bin Shuib	Plant Operations General Manager	600,000
Total		2,200,000

(c) Private placement to selected investors

67,348,000 Issue Shares, representing approximately 8.42% of our enlarged issued share capital, will be made available by way of placement to selected investors.

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

80,000,000 Issue Shares, representing approximately 10.00% of our enlarged issued share capital, will be made available by way of placement to identified Bumiputera investors approved by the MITI.

3. PARTICULARS OF THE IPO (CONT'D)

(iv) Offer for Sale

The Offer for Sale of 20,000,000 Offer Shares, representing 2.50% of our enlarged issued share capital, at the IPO Price, is payable in full on application upon such terms and conditions as set out in this Prospectus, and will be offered by our Offeror by way of placement to selected investors.

The breakdown of the Offer Shares offered by the Offeror and their relationship with our Company for the past four (4) years are as follows:-

Shareholder	Nature of relationship	Registered Address	As at the LPD		Offer for Sale		After the IPO	
			No. of Shares	% ⁽¹⁾	No. of Offer Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Sino ⁽³⁾	Promoter and substantial shareholder	No. 8, First Floor Jalan Pahlawan Taman Lagenda Indah 08000 Sungai Petani Kedah Darul Aman	305,524,412	51.73	20,000,000	3.39	285,524,412	35.69

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Sino is held by Tung Eng Hai, Wong Meng Kee and Ooi Gaik Bee with equity interest of 60.00%, 20.00% and 20.00% respectively.

3. PARTICULARS OF THE IPO (CONT'D)

3.1.2 Underwriting Arrangement

All the 40,000,000 Issue Shares made available for application by the Malaysian Public as set out in Section 3.1.1(iii)(a) of this Prospectus have been fully underwritten.

The Issue Shares of 22,000,000 reserved for application by our eligible Directors, employees and persons who have contributed to our success as set out in Section 3.1.1(iii)(b) of this Prospectus have been underwritten.

The 167,348,000 IPO Shares to be allocated by way of private placement to selected investors and identified Bumiputera investors approved by the MITI as set out in Sections 3.1.1(iii)(c), 3.1.1(iii)(d) and 3.1.1(iv) of this Prospectus are not underwritten. Irrevocable undertakings have been or will be obtained from these selected investors to take up the aforementioned IPO Shares made available for application under the private placement. Please refer to Section 3.1.3 of this Prospectus for further details on the clawback and reallocation of the Issue Shares.

3.1.3 Clawback and Reallocation of Issue Shares

(a) Malaysian Public

If any Issue Shares allocated to the Malaysian Public under Section 3.1.1(iii)(a) of this Prospectus are undersubscribed, the balance portion will be allocated in the following order:-

- (i) Firstly, to our eligible Directors, employees or persons who have contributed to our success as described in Section 3.1.1(iii)(b) of this Prospectus;
- (ii) Secondly, any remaining portion will be made available for application by way of private placement to selected investors under Section 3.1.1(iii)(c) of this Prospectus; and
- (iii) Finally, any remaining Issue Shares thereafter will be subscribed by the Sole Underwriter, subject to the terms and conditions of the Underwriting Agreement.

(b) Eligible Directors, employees and persons who have contributed to our success

If any Issue Shares allocated to our eligible Directors, employees or persons who have contributed to our success under Section 3.1.1(iii)(b) of this Prospectus are not fully subscribed, the balance will be allocated in the following order:-

- (i) Firstly, to our Group's other eligible Directors, employees or persons who have contributed to our success;
- (ii) Secondly, any remaining portion will be allocated to the Malaysian Public under Section 3.1.1(iii)(a) of this Prospectus;
- (iii) Thirdly, any remaining portion will be made available for application by way of private placement to selected investors under Section 3.1.1(iii)(c) of this Prospectus; and
- (iv) Finally, any remaining Issue Shares thereafter will be subscribed by the Sole Underwriter, subject to the terms and conditions of the Underwriting Agreement.

3. PARTICULARS OF THE IPO (CONT'D)

(c) Private placement to selected investors

The 67,348,000 Issue Shares and 20,000,000 Offer Shares made available for private placement to selected investors are not underwritten as our Placement Agent has received irrevocable undertakings from these selected investors to take up the aforementioned IPO Shares made available for application under the private placement.

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

In the event that any of 80,000,000 Issue Shares made available for private placement to Bumiputera investors approved by the MITI are not fully subscribed, the remaining portion will be clawed-back and be re-allocated to the selected institutional investors via private placement. Subsequently, any of the Issue Shares that are not taken up shall be made available for Application by the Bumiputera public as part of the balloting process, if there is an over-subscription by the Bumiputera public. Any further Issue Shares which are not taken up by the Bumiputera public will be made available for Application by the Malaysian Public, if there is an over-subscription by the Malaysian Public, to increase the participation of retail investors under Section 3.1.1(iii)(a) of this Prospectus and/or placed out to selected investors under Section 3.1.1(iii)(c) of this Prospectus if there is an over-subscription by these selected investors.

3.1.4 Price Stabilisation Mechanism

We will not be employing any price stabilisation (which is in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008) for our IPO.

3.1.5 Minimum Level of Subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of Shares required to be held by public shareholders for our Company to comply with public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

Pursuant to the Listing Requirements of Bursa Securities, at least 25.00% of our enlarged issued share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our admission to the Official List. Prior to our admission to the Official List, we will ensure that the public shareholding spread requirement is met through a combination of the balloting process and the private placement exercise to ensure that a minimum number of 200 public shareholders holding not less than 100 Shares is in place and at least 25.00% of our enlarged issued share capital are held by public shareholders.

In the event there is an under-subscription of IPO Shares to be placed out, such under-subscription will be adjusted to the size of the Offer for Sale. For avoidance of doubt, the Public Issue will take priority over the Offer for Sale in the event of an under-subscription of IPO Shares.

3. PARTICULARS OF THE IPO (CONT'D)**3.2 SHARE CAPITAL AND RIGHTS ATTACHING TO THE IPO SHARES**

	No. of Shares	RM
Share Capital		
Issued share capital as at the date of this Prospectus	590,652,000	147,663,000
New Shares to be issued pursuant to the Public Issue		
(i) Malaysian Public via balloting	40,000,000	13,600,000
- Bumiputera investors		
- Other Malaysian Public		
(ii) Our eligible Directors, employees and persons who have contributed to our success	22,000,000	7,480,000
(iii) Selected investors via private placement		
- Bumiputera investors	80,000,000	27,200,000
- Other investors	67,348,000	22,898,320
Enlarged issued share capital upon Listing	800,000,000	218,841,320
Offer for Sale	20,000,000	6,800,000
IPO Price (RM)		0.34
		RM
- Pro forma consolidated NA per Share (based on the enlarged issued share capital after the IPO and after deducting the estimated listing expenses of approximately RM4.500 million)		0.32
- Market capitalisation upon Listing (based on the IPO Price and enlarged issued share capital after the IPO)		272,000,000

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. The 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, the entitlement date of which is subsequent to the allotment date of our Issue Shares.

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the date of transfer of the 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. In relation to any surplus in the event of our liquidation, such surplus to be distributed amongst the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

3. PARTICULARS OF THE IPO (CONT'D)

Each shareholder who is entitled to vote, may vote in person or by proxy or by attorney or by duly authorised representative and on a show of hands, every person who is a shareholder, or proxy, or attorney, or representative of a shareholder shall have one (1) vote, and on a poll, every shareholder present in person, or by proxy, or by attorney, or by representative shall have one (1) vote for each Share held.

3.3 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and MIDF Investment, 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

We have been actively involved in the cable and wire industry since the commencement of our operations in the manufacturing of cables and wires. Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 31 December 2019, we recorded a PAT of RM28.549 million representing a basic EPS of 4.83 sen (based on the existing issued share capital of 590,652,000 Shares) and 3.57 sen (based on the enlarged issued share capital of 800,000,000 Shares upon Listing) resulting in net PE Multiple of 7.04 times and 9.52 times respectively.

For information, our Group recorded a PAT of RM9.146 million for the FPE 30 June 2020. Our detailed operating and financial history is outlined in Sections 5 and 11 of this Prospectus respectively.

(ii) Business strategies

The business strategies of our Group are outlined in Section 5.8 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 5.1.2 and 7 of this Prospectus respectively.

(iv) Pro forma consolidated NA

The pro forma consolidated NA per Share of RM0.32 based on the pro forma consolidated NA as at 30 June 2020 of RM253.737 million (upon Listing and after use of proceeds) and the enlarged issued share capital of 800,000,000 Shares in our Company.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to 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.

3. PARTICULARS OF THE IPO (CONT'D)

3.4 DILUTION

Our pro forma consolidated NA per Share as at 30 June 2020 before adjusting for the net proceeds from the Public Issue and based on the issued share capital prior to our Listing of 590,652,000 Shares is approximately RM0.31.

Pursuant to the Public Issue in respect of 209,348,000 Issue Shares at the IPO Price, our pro forma consolidated NA per Share after adjusting for the net proceeds from the Public Issue (after use of proceeds) and based on the enlarged issued share capital upon listing of 800,000,000 Shares, would be RM0.32. This represents an increase in NA per Share of RM0.01 to our existing shareholders and a dilution in NA per Share of RM0.02 to our new investors. The following table illustrates such dilution on a per Share basis:-

	RM
IPO Price	0.34
Pro forma consolidated NA per Share as at 30 June 2020 after the Acquisitions and Share Split (before Public Issue)	0.31
Pro forma consolidated NA per Share after the Public Issue (after use of proceeds)	0.32
Increase in NA per Share attributable to existing shareholders	0.01
Dilution in NA per Share to new investors	0.02
Dilution in NA per Share as a percentage of the IPO Price	5.88%

Save as disclosed below, there is no substantial disparity between the IPO Price and effective cash cost to our substantial shareholders, Directors or key senior management, or persons connected with them of any of our shares acquired by them or any transactions entered into by them which grants them the right to acquire any of our Shares from the date of our incorporation to the date of this Prospectus.

	No. of Shares acquired before IPO ⁽¹⁾	No. of Shares from IPO	Total consideration RM	Effective cash cost per Share RM
Promoters, substantial shareholders and Directors				
Tung Eng Hai	-	-	-	-
Wong Meng Kee	1,459,204	-	364,801 ⁽⁵⁾	0.25
Promoters and substantial shareholders				
Sino ⁽²⁾⁽³⁾	305,524,412	-	76,381,103 ⁽⁴⁾	0.25
Ooi Gaik Bee	-	-	-	-
Promoters				
Tung Cheng Im	6,864,000	-	1,716,000 ⁽⁶⁾	0.25
Tung Siew Luan	12,700,800	-	3,175,200 ⁽⁵⁾⁽⁶⁾	0.25

3. PARTICULARS OF THE IPO (CONT'D)

	No. of Shares acquired before IPO ⁽¹⁾	No. of Shares from IPO	Total consideration RM	Effective cash cost per Share RM
Substantial shareholders				
Semangat ⁽⁷⁾	256,028,400	-	64,007,100	0.25
Fawiza Binti Faiz	-	-	-	-
Public Investors				
Public Issue	-	209,348,000 ⁽⁸⁾	71,178,320	0.34
Offer for Sale	-	20,000,000	6,800,000	0.34

Notes:-

- (1) Including Shares issued pursuant to the Acquisitions and Share Split.
- (2) Includes two (2) Shares that were transferred from Tung Eng Hai, the subscriber.
- (3) Tung Eng Hai, Wong Meng Kee and Ooi Gaik Bee are deemed interested in Southern Cable by virtue of his/her direct shareholdings in Sino pursuant to Section 8(4) of the Act.
- (4) Based on the purchase consideration for the Acquisition of Southern.
- (5) Based on the purchase consideration for the Acquisition of Daya.
- (6) Based on the purchase consideration for the Acquisition of Nextol.
- (7) Fawiza Binti Faiz is deemed interested in Southern Cable by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.
- (8) Prior to netting off the Pink Form Allocation.

3. PARTICULARS OF THE IPO (CONT'D)**3.5 USE OF PROCEEDS FROM THE IPO**

Based on the IPO Price, the gross proceeds of RM71,178,320 will be raised from our Public Issue. The gross proceeds are intended to be used in the following manner:-

Details of utilisation	RM	Gross proceeds %	Estimated timeframe for utilisation upon Listing
Capital expenditure and expansion			Within 36 months
- Purchase and upgrade of machinery and equipment	18,500,000	25.99	
- Construction of factories	7,500,000	10.54	
- Purchase and installation of ERP information technology system	4,000,000	5.62	
	30,000,000	42.15	
Repayment of bank borrowings	9,188,000	12.91	Within 6 months
Working capital	27,490,320	38.62	Within 6 months
Estimated listing expenses	4,500,000	6.32	Within 3 months
Total	71,178,320	100.00	

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

Further information on the use of proceeds from the IPO is as follows:-

(1) Capital Expenditure and Expansion

The use of our gross proceeds for capital expenditure and expansion purposes is to enable our Group to facilitate the expected growth of our business operations in Malaysia. We will also be in a better position to secure more orders from customers.

With our planned expansion of production facilities for our cable and wire manufacturing operations, including purchase and upgrade of machinery and equipment, and construction of new factories, we expect to increase our annual production capacity of cables and wires by approximately 29% to 40,130 km by first half of 2022 compared to our existing annual production capacity of 31,080 km in 2019.

(a) Purchase and upgrade of machinery and equipment

We have earmarked RM18,500,000 of our gross proceeds from the Public Issue for the purchase of 38 machinery and equipment. The details of the machinery and equipment as well as breakdown of the estimated costs for each of the machinery and equipment are as follows:-

3. PARTICULARS OF THE IPO (CONT'D)

New machinery and equipment	Description	Line/Unit	Estimated Cost RM
Cable and wire operations			
<i>For existing Southern Factory and newly completed Lot 39</i>			13,800,000
Extrusion lines	For insulation and sheathing	5 lines	6,500,000
Automated control system and related equipment	For the upgrade and automation of the existing extrusion machines	11 units	2,450,000
Drawing machine	For the drawing of copper rods into wires	1 unit	2,000,000
Continuous casting line	For the casting of copper rods	1 line	790,000
X-ray measuring system	For dimensional measuring such as thickness and diameter of the cable	1 unit	690,000
Cabling machine	For the bunching of insulated cores	2 units	1,370,000
<i>For Southern's new factory Lot 38</i>			3,000,000
Cabling machine	For the bunching of insulated cores	1 unit	1,500,000
Extrusion line	For insulation and sheathing	1 unit	1,000,000
Testing equipment	For quality testing purposes	3 units	500,000
Plastic compounding operations			
<i>For existing Nextol Factory 4846</i>			200,000
Automated control system	For the upgrade and automation of the existing compounding line	6 units	200,000
<i>For Nextol's new factory PT 4845</i>			1,500,000
Extrusion compounding line	For extrusion of new range of plastic compound	2 units	1,200,000
Testing equipment	For quality testing purposes	4 units	300,000
Total		38	18,500,000

3. PARTICULARS OF THE IPO (CONT'D)

We intend to utilise RM18,500,000 for the purpose of business expansion and enhancement of our existing and new operating facilities.

The purchase and upgrade of machinery and equipment is to cater for our following business and product expansion:-

- Cable and wire manufacturing operations: As part of our strategy to expand our production facilities to cater for existing and new range of cables and wires including high voltage power cables, thermal resistant aluminium conductor cables and industrial cables as well as power and control cables and wires for automotive and elevator applications.
- Plastic compounds manufacturing operations: As part of our strategy to purchase the new machinery and equipment to cater for the new range of plastic compounds including PO, PE and XLPE compounds, as well as upgrading our existing production facilities to automate certain processes for our plastic compound manufacturing operations.

Please refer to Section 5.8.3 of this Prospectus for further details on new range of cables and wires as well as plastic compounds.

The actual cost of the machinery can only be determined at a later stage, i.e. upon confirmation of order, due to the fluctuation in foreign currency exchange, as all the machinery and equipment we intended to purchase are imported directly from foreign countries. In the event that the actual cost for the purchase of machinery is higher than budgeted, the deficit will be funded out of the portion allocated for working capital and vice versa.

(b) Construction of Factories

We have allocated RM7,500,000 for the construction of new factories to facilitate the expansion of our business and manufacturing activities. The breakdown for the construction of factories:-

Details	Notes	RM
Cable and wire manufacturing operations		
Construction of factory in Lot 38	(i)	2,500,000
Construction of factory in Lot 29	(ii)	2,500,000
Plastic compounding operations		
Construction of factory in PT 4845	(iii)	2,500,000
Total		7,500,000

The total cost of construction of the above new factories in Lot 38, Lot 29 and PT 4845 is estimated to be RM7.500 million and this will be fully funded by the gross proceeds from our Public Issue.

3. PARTICULARS OF THE IPO (CONT'D)

(i) Factory in Lot 38

We intend to use RM2,500,000 of our gross proceeds from the Public Issue to construct a new factory in Lot 38 to manufacture the new types of cables as disclosed in Section 5.8.3 of this Prospectus. Currently, Lot 38 is a vacant land located next to our existing Southern Factory and adjacent to Lot 39.

We intend to build a single storey building that will have a total built-up area of approximately 32,000 sq. ft., which will comprise, amongst others, the following:-

- (aa) single storey production floor complete with the necessary production facilities for manufacturing of automotive and power cables and wires; and
- (bb) production office.

The commencement of the construction of this new factory is expected to take place latest by first half of 2021. The construction of the new factory is expected to be completed by second half of 2021 and we plan to commence production by first half of 2022.

As set out in Section 3.5(1)(a) of this Prospectus, we will utilise RM3.000 million of our gross proceeds from the Public Issue to purchase new machinery and equipment for Lot 38. Upon commencement of business operations in Lot 38, our capacity for the manufacture of power cables and wires is expected to increase by approximately 5,000 km for our cables and wires.

(ii) Factory in Lot 29

We intend to use RM2,500,000 of our gross proceeds from the Public Issue to construct a new factory in Lot 29 to provide us with an additional planned annual production capacity of approximately 1,350 km for low voltage power cables and wires. We also intend to relocate some of our existing machinery and equipment from our existing production facilities in Southern Factory to this new production facility. Currently, Lot 29 is a vacant land located in close proximity to our Southern Factory as illustrated under Section 5.8.2.1(i) of this Prospectus.

We intend to build a single storey building that will have a total built-up area of approximately 32,000 sq. ft., which will comprise, amongst others, the following:-

- (aa) single storey production floor complete with the necessary production facilities for manufacturing of low voltage power cables and wires; and
- (bb) production office.

The commencement of the construction of this new factory is expected to take place by first half of 2021. The construction of the new factory is expected to be completed by second half of 2021 and we plan to commence production by first half of 2022.

3. PARTICULARS OF THE IPO (CONT'D)

(iii) Factory in PT 4845

We intend to use RM2,500,000 of our gross proceeds from the Public Issue to expand our plastic compounding factory on PT 4845 to support expansion of our cable and wire manufacturing business.

We utilise mainly PVC, PE, HDPE, MDPE, XLPE and XLPO for insulation, bedding and sheathing in our cables and wires. Currently, we have our own PVC compounding facilities which are carried out by our subsidiary, Nextol. With the exception of PVC compounds, we source other plastic compounds including PE, HDPE, MDPE, XLPE and XLPO from external parties. By manufacturing these new range of plastic compounds, we will have control over the cost of input materials.

In this respect, we intend to construct a new factory adjacent to Nextol Factory 4846, which is located in Sungai Petani, Kedah Darul Aman. The new production facility is mainly to cater for our new range of plastic compounds including PO, PE and XLPE compounds as disclosed in Section 5.8.3.2 of this Prospectus.

We intend to build a single storey building with a total built-up area of approximately 32,000 sq. ft., which will comprise a production facility for manufacturing of plastic compounds.

The commencement of the construction of this new factory is expected to take place by first half of 2021. The construction of the new factory is expected to be completed by second half of 2021 and we plan to commence production by first half of 2022.

As set out in Section 3.5(1)(a) of this Prospectus, we will utilise RM1.500 million of our gross proceeds from the Public Issue to purchase new machinery and equipment for PT 4845. Upon commencement of business operations in PT 4845, we expect to have a planned annual capacity of 4,200 tonnes.

Please refer to Sections 5.8.2.1(i) and 5.8.2.2(i) of this Prospectus for further details on the construction of new factories.

(c) Purchase and installation of ERP information technology system

We intend to use RM4,000,000 to implement a new ERP information technology system to replace the existing system.

The migration to a new ERP information technology system will streamline and integrate various production, inventory, financial and administration functions and processes into one complete system. This is aimed at increasing timely flow of data and information among different departments and business units to facilitate decision making and reporting.

We expect to purchase and commence installation of the new ERP information technology system by year 2022.

Please refer to Section 5.8.2.1(iii) of this Prospectus for further details on the purchase and installation of ERP information technology system.

3. PARTICULARS OF THE IPO (CONT'D)**(2) Repayment of Bank Borrowings**

We intend to use RM9,188,000 of our gross proceeds from the Public Issue to repay the total outstanding balance of certain bank borrowings of our Group.

The details are as set out in the table below:-

Bank/Type of Banking Facility	Purpose	Interest rate	Maturity date	Principal amount	Balance as at the LPD	Amount to be repaid from gross proceeds
Public Berhad/Term Loan	Bank Purchase of JB Warehouse	Base Lending Rate - 2.20%	January 2028	2,400,000	2,021,000	1,993,000
Public Bank Berhad/Term Loan	Islamic Purchase of Kota Damansara Warehouse	Base Lending Rate - 2.20%	June 2029	5,200,000	5,162,000	5,100,000
Hong Leong Bank Berhad/Hire Purchase	Bank Purchase of machinery and equipment	3%	December 2023	2,954,000	2,265,000	2,095,000
Total						9,188,000

The repayment of the abovementioned bank borrowings are expected to have a positive financial impact on our Group with interest savings of approximately RM1,334,000 based on existing prevailing interest rate ranging from 3.00% to 3.52%.

If the actual proceeds for repayment of bank borrowings are lower than estimated, the excess will be used for working capital purposes.

3. PARTICULARS OF THE IPO (CONT'D)**(3) Working Capital**

Our Group's working capital requirement will increase in tandem with the growth of our business.

For the FYE 31 December 2016 to 2019, our Group has registered significant revenue growth at a CAGR of 11.74% from RM470.656 million in the FYE 31 December 2016 to RM656.687 million in the FYE 31 December 2019. Our continued momentum for the growth of our Group, until 2020, is also partly driven by our order book as at the LPD of RM405.429 million. For the FYE 31 December 2016 to 2019 and FPE 30 June 2020, our cost of sales of copper and aluminium based materials accounted for 63.58%, 64.92%, 71.29%, 74.95% and 77.31% of our total cost of sales respectively.

In line with our Group's expected expansion and business growth, our Group expects to utilise more raw materials and supplies for our manufacturing activities which mainly includes copper and aluminium materials. In respect of the above, we intend to allocate approximately RM27,490,320, representing approximately 38.62% of the proceeds from our Public Issue to meet our Group's working capital requirements for the purchase of raw materials.

(4) Estimated listing expenses

Our listing expenses are estimated to be RM4,500,000, details of which are as follows:-

Description	Total RM
Professional fees ⁽¹⁾	2,400,000
Estimated underwriting, placement and brokerage fees	1,800,000
Printing and advertising	150,000
Fees to authorities	100,000
Contingencies ⁽²⁾	50,000
Total	4,500,000

Notes:-

- (1) Include fees for, among others, the Principal Adviser, Reporting Accountants, Solicitors, Independent Business and Market Research Consultants and other professional advisers.
- (2) 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 utilised for working capital purposes.

The Offer for Sale will raise gross proceeds of RM6,800,000. All the proceeds from the Offer for Sale will be credited to the Offeror and we will not receive any part of the proceeds. The Offeror shall bear all the expenses including registration and transfer fees, placement fees and miscellaneous expenses amounting to approximately RM250,000.

The financial impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 30 June 2020 is reflected in Section 11.3 of this Prospectus.

3. PARTICULARS OF THE IPO (CONT'D)

3.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

3.6.1 Brokerage fee

We will bear the brokerage fees to be incurred on the issue of the 62,000,000 Issue Shares pursuant to the IPO under Sections 3.1.1(iii)(a) and 3.1.1(iii)(b) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of MIDF Investment, 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.

3.6.2 Underwriting commission

MIDF Investment, as our Sole Underwriter has agreed to underwrite 62,000,000 Issue Shares as set out in Sections 3.1.1(iii)(a) and 3.1.1(iii)(b) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.50% of the total value of the Shares underwritten at the IPO Price.

3.6.3 Placement fee

MIDF Investment, as our Placement Agent, has agreed to place the 147,348,000 Issue Shares and 20,000,000 Offer Shares available under the placement to selected investors as well as identified Bumiputera investors approved by the MITI set out in Sections 3.1.1(iii)(c), 3.1.1(iii)(d) and 3.1.1(iv) of this Prospectus respectively, at the rate of 2.50% of the IPO Price for each Issue Share placed out by the Placement Agent.

3.7 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Our Company had on 6 March 2020, entered into an underwriting agreement with the Sole Underwriter, whereby the Sole Underwriter agreed to underwrite the underwritten shares upon the terms and subject to the conditions therein contained. Subsequently, on 24 August 2020, our Company had entered into a supplemental underwriting agreement to amend several terms and conditions of the abovementioned underwriting agreement to give effect to the Share Split and to amend the definitions of the underwritten shares to 40,000,000 Issue Shares, which will be made available for application by the Malaysian Public and 22,000,000 Issue Shares which will be made available for application by our eligible Directors, employees and persons who have contributed to our success ("**Underwritten Shares**").

The salient terms of the underwriting agreement read together with the supplemental underwriting agreement, among others, which may allow the Sole Underwriter to withdraw from its obligations are as follows:-

(1) Conditions

The obligations of the Sole Underwriter under the Underwriting Agreement are conditional on certain conditions being satisfied or fulfilled.

(2) Termination

(a) Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to our Company given at any time before the last day and time for the acceptance of and payment for the Application ("**Closing Date**"), terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:-

3. PARTICULARS OF THE IPO (CONT'D)

- (i) there is any breach by our Company of any of the representations, warranties or undertakings contained in Clause 4 of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated within the notice after notice of such breach has been given to our Company or by the Closing Date, whichever is earlier; or
- (ii) there is withholding of information which is required to be disclosed to the Sole Underwriter pursuant to the Underwriting Agreement which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect, and if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach has been given to our Company; or
- (iii) there shall have occurred, happened or come into effect any of the following circumstances:-
 - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or the occurrence of any combination of any of the foregoing which in the opinion of the Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the IPO Shares. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**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) on or prior to the Closing Date,

lower than 85% of the level of Index at the last close of normal trading on the relevant exchange 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, it shall be deemed a material adverse change in the stock market condition;
 - (bb) any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which in the opinion of the Sole Underwriter would have or is likely to have a Material Adverse Effect or would prohibit or impede the obligations of the Sole Underwriter;
 - (cc) any event or series of events beyond the reasonable control of the Sole Underwriter, including without limitation any of the following:-
 - (i) acts of God;
 - (ii) national disorder or a declaration of a state of national emergency;
 - (iii) armed conflict or serious threat of the same;

3. PARTICULARS OF THE IPO (CONT'D)

- (iv) hostilities, embargo, detention, revolution, riot;
 - (v) any unavailability of transportation or severe economic dislocation;
 - (vi) earthquake, outbreak of war, outbreak of disease, acts of terrorism;
 - (vii) outbreak of COVID-19 and other medical epidemic or pandemic,
- which in the opinion of the Sole Underwriter would have or is likely to have a Material Adverse Effect;
- (dd) trading of all securities on Bursa Securities has been suspended or other form of general restriction in trading in securities is imposed for three (3) consecutive Market Days or more;
 - (ee) there shall have occurred or happened any material and adverse change to the business or financial condition, prospects, results of operations, properties or assets of our Company or our Group;
 - (ff) any commencement of legal proceedings or action against any member of our Group or any of our directors, which in the opinion of the Sole Underwriter would have or is likely to have a Material Adverse Effect; or
 - (gg) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Sole Underwriter; or
- (iv) there is failure on the part of our Company to perform any of its obligations under the Underwriting Agreement;
 - (v) the Listing does not take place within five (5) months from the date of the supplemental underwriting agreement or such other extended date as may be agreed in writing by the Sole Underwriter and our Company;
 - (vi) the Closing Date is more than five (5) calendar months from the date of the supplemental underwriting agreement or any later date as our Company and the Sole Underwriter may mutually agree upon, the Underwriting Agreement will automatically lapse without the requirement for any notice in writing to be given to such effect and the Sole Underwriter will be released and discharged from its obligations;
 - (vii) if the SC or any other relevant authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Sole Underwriter (after consultation with our Company), impracticable to market the Public Issue or to enforce contracts to allot and transfer the Issue Shares;
 - (viii) any material statement contained in the Prospectus and the Application Form has become or been discovered to be untrue, inaccurate or misleading in any respect;
 - (ix) the placement arrangement shall have been terminated or rescinded in accordance with its terms; or

3. PARTICULARS OF THE IPO (CONT'D)

- (x) any other event which in the opinion of the Sole Underwriter will have or is likely to have a Material Adverse Effect.
- (b) In the event of a force majeure pursuant to Clause 3.7(2)(a)(iii) above, the Sole Underwriter may, subject to prior consultation with our Company, at any time prior to or on the Closing Date:-
 - (i) terminate the Underwriting Agreement by giving notice to our Company in the manner as set out in Clause 13 of the Underwriting Agreement; or
 - (ii) agree for the Closing Date to be extended, at the request of our Company, to such date as the Sole Underwriter may determine after consultation with our Company.
- (c) The agreement by the Sole Underwriter to our Company's request for extension under Clause 3.7(2)(b)(ii) shall not preclude the Sole Underwriter from giving a further extension pursuant to Clause 3.7(2)(b)(ii) or giving of a notice to terminate pursuant to Clause 3.7(2)(b)(i).
- (d) Upon such notice(s) being given under this Clause 3.7(2), the Sole Underwriter shall be released and discharged of its obligations under the Underwriting Agreement without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain:-
 - (i) liable to pay the underwriting commission in accordance with Clause 7 of the Underwriting Agreement;
 - (ii) liable to pay or reimburse the cost and expenses referred to in Clause 12 of the Underwriting Agreement (including those incurred in the event the Closing Date is extended); and
 - (iii) liable in respect of its obligations and liabilities under Clause 4 of the Underwriting Agreement (Representations, Warranties and Undertakings) and for antecedent breaches by our Company under the Underwriting Agreement.
- (e) The relevant payments above shall be made within seven (7) Market Days from the date of notice of termination.

For the purpose of this Section, a "**Material Adverse Effect**" means any change, effect, event or occurrence that, individually or in the aggregate, and whether or not arising in the ordinary course of business which materially and adversely affects or would reasonably be expected to have a material adverse effect on:-

- (a) the condition (financial or otherwise), business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company and our Group, whether individually or taken as a whole, and whether or not arising in the ordinary course of business;
- (b) the ability of our Company to perform in any respect of its or their obligations under or with respect to, or to consummate the transactions contemplated under the Prospectus or the Underwriting Agreement;
- (c) the ability of our Group to conduct its businesses; or
- (d) the IPO.

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

4.1 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

4.1.1 Promoters' and substantial shareholders' shareholdings

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

Nationality/ Country of Incorporation	Before the IPO/As at the LPD		After the IPO	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
	%(1)	%(1)	%(2)	%(2)
Promoters and substantial shareholders				
Sino	305,524,412	51.73	285,524,412	35.69
Tung Eng Hai	-	-	-	285,524,412 ⁽³⁾
Wong Meng Kee	1,459,204	0.25	1,459,204	0.18
Ooi Gaik Bee	-	-	-	285,524,412 ⁽³⁾
Promoters				
Tung Cheng Im	6,864,000	1.16	6,864,000	0.86
Tung Siew Luan	12,700,800	2.15	12,700,800	1.59
Substantial shareholders				
Semangat	256,028,400	43.35	256,028,400	32.00
Fawza Binti Faiz	-	-	-	256,028,400 ⁽⁶⁾

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Deemed interested by virtue of his/her shareholdings in Sino pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act and his spouse's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
- (5) Deemed interested by virtue of her spouse's direct and indirect shareholdings in the Company.
- (6) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

As disclosed in the table above, Tung Eng Hai, Wong Meng Kee and Ooi Gaik Bee (all are our Promoters and substantial shareholders) through their shareholdings in Sino, exercise control over our Company, and Fawiza Binti Faiz (our substantial shareholder) through her shareholdings in Semangat exercise control over our Company. Save as disclosed above, our Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises control over our Company.

As at the LPD, our substantial shareholders and/or Promoters have the same voting rights with each other. After the IPO, our Promoters and substantial shareholders will have the same voting rights with other shareholders of our Group. There is no arrangement between our Company and our shareholders with any third parties, the operation of which may result in the change and control of our Company.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.1.2 Profile of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:-

(i) **Sino**
Promoter and substantial shareholder

Sino was incorporated in Malaysia on 24 June 1996 under the Companies Act 1965 as a private company limited by shares and is deemed registered under the Act.

As at the LPD, the issued share capital of Sino is RM10,000 comprising 10,000 ordinary shares. The principal activity of Sino is investment holding in shares.

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

Shareholders	<-----Direct interest in Sino----->	
	No. of shares	%
Tung Eng Hai	6,000	60.00
Wong Meng Kee	2,000	20.00
Ooi Gaik Bee	2,000	20.00

The directors of Sino are Tung Eng Hai, Wong Meng Kee and Fawiza Binti Faiz.

As at the LPD, Sino does not have any subsidiary or associated company.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(ii) **Tung Eng Hai**
Promoter, substantial shareholder and Managing Director

Tung Eng Hai, a Malaysian, aged 61, is our Managing Director. He was appointed to our Board on 4 April 2019. He is responsible for overseeing the strategic business planning, development and operations of our Group, which includes setting our Group's direction, formulating corporate development plan and driving our business growth. In addition, he is also involved in overseeing the daily on-site operations and operational related matters.

He completed the Senior Three Electronics Course in Han Chiang High School, Pulau Pinang in 1978.

He began his career with Leader Cable Industry Sdn Bhd (now known as Leader Cable Industry Berhad) ("**Leader Cable**") in October 1978 as a Production Planning Clerk cum Personnel Clerk where he was responsible for coordinating, planning and scheduling the production workflow in the cable manufacturing plant. Subsequently, he was promoted to Deputy Factory Manager in January 1989 where he was primarily responsible for the overall production operations of the company.

Subsequently in July 1991, he was transferred to Universal Cable (M) Berhad as Deputy General Manager where he was responsible for managing the overall operations of the cable and wire manufacturing plants.

In August 1994, he was transferred to Leader Universal Holdings Berhad ("**Leader Universal**") as a Product Development and Planning Director where he was primarily responsible for the setting up of new factories and development of new product range.

In June 2001, he was transferred back to Leader Cable as a Senior Director where he was involved in the overall strategy and corporate direction of the company as well as overseeing the overall operational activities of the company until June 2002. He subsequently took a career break from July 2002 to September 2003.

In October 2003, he joined our Group as a General Manager to assist his sibling and brother-in-law where he assumed the overall responsibility of the technical and plant operations management. He subsequently took over the business from his sibling, when his sibling resigned from Southern and disposed of entire shareholdings in 2004 to seek other career opportunities abroad. In September 2010, he assumed the role of Technical Advisor where he was primarily responsible for providing technical advisory as well as managing the overall operational activities of our Group.

In October 2016, he assumed his current position as our Managing Director. He is responsible for the overall performance of our Group. He brings with him approximately 41 years of working experience in the cable and wire industry.

His interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Wong Meng Kee

Promoter, substantial shareholder and Executive Director

Wong Meng Kee, a Malaysian, aged 60, is our Executive Director. He was appointed to our Board on 4 April 2019. He is responsible for the overall business management and administration of our Group. He is also a director of Daya since April 1996. He is responsible for overseeing the overall operations of Nextol and Daya.

He graduated with a Secondary School Honour Graduation Diploma from St. Columba College, Canada in 1981 and a Diploma in Business Administration (Hons) from The Toronto School of Business, Canada in 1986.

He began his career in 1987 in a sole proprietary outfit, namely Wong Hong Fong, his family business which was involved in the trading of hardware such as aluminium milling hardware and round bar where he was responsible to oversee the operation of the business.

He was appointed as a director of Southern in August 2001. During the same year, he also joined Daya Tembaga Sdn Bhd in October 2001 as an Operation Manager, a company involved in trading, recycling and reclaimed metals where he was responsible for overseeing the overall operational activities of the company. Subsequently, he was appointed as a director of Daya Tembaga Sdn Bhd in January 2002. As a director of Daya Tembaga Sdn Bhd, he was in charge of the overall business of the company including strategic formulating, operational decisions making and ensuring that the company meets its business targets. He resigned as a director of Daya Tembaga Sdn Bhd in March 2003.

As a director of Southern, he was responsible to oversee the business operations of Southern. He assumed his current position as Executive Director of our Company in April 2019.

He brings with him approximately 33 years of working experience in business management.

His interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iv) Ooi Gaik Bee
Promoter and substantial shareholder

Ooi Gaik Bee, a Malaysian, aged 57. Her shareholding in Southern Cable is as a result of the Acquisition of Southern and she is a Promoter of Southern Cable by virtue of her being a person connected to Tung Eng Hai.

She began her career with Leader Cable as an Officer in the Quality Control Department after completing her Sijil Pelajaran Malaysia examination in 1980. During her 5-year tenure with Leader Cable, she was responsible for overseeing the quality control of the products of the company until she left in 1985.

In July 2010, she joined Southern where she headed the sales and marketing operations in Klang Valley until December 2018.

(v) Tung Cheng Im
Promoter and Costing Manager

Tung Cheng Im, a Malaysian, aged 56. Her shareholding in Southern Cable is as a result of the Acquisition of Nextol and she is a Promoter of Southern Cable by virtue of her being a person connected to Wong Meng Kee and Tung Eng Hai. She is also a director of Nextol since May 2006.

She completed the Senior Middle Three Science Course in Han Chiang High School, Pulau Pinang in 1981.

She began her career with Leader Metal Enterprise Sdn Bhd, a wholly owned subsidiary of Leader Universal, in June 1983 in the costing division of the company. Subsequently, she was promoted to Costing Officer in January 1990. Her main responsibilities were to process, maintain and analyse the data used for costing determinations for the purchasing department.

In January 1992, she was transferred to Leader Universal as a Marketing Executive where she was primarily responsible in the tender process including preparation of the tender documents. She was further promoted to Assistant Manager in January 1997 in which she assumed additional responsibility of overseeing the costing and marketing for tender. She was solely responsible on costing related matters after her promotion to Costing Manager in January 1999. In December 2002, she left the company to join Southern as a Senior Commercial Executive in January 2003 where she was involved in the sales administration and costing. In January 2010, she was promoted to Costing cum Export Sales Manager where she was responsible to secure orders outside Malaysia. She assumed her current position in Southern as a Costing Manager since January 2015 where she is primarily responsible to oversee the budget and ensure cost-effective operations for a project. She brings with her approximately 37 years of working experience predominantly costing related matters in the cable and wire industry.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(vi) **Tung Siew Luan**
Promoter

Tung Siew Luan, a Malaysian, aged 59. Her shareholding in Southern Cable is as a result of the Acquisition of Nextol and Acquisition of Daya, and she is a Promoter of Southern Cable by virtue of her being a person connected to Tung Eng Hai and Tung Cheng Im. She is also a director of Nextol and Daya since May 2006 and May 2011 respectively.

She began her career with Leader Cable as a General Clerk in the Production Department after attending up to Form 3 in Sekolah Menengah Kebangsaan Haji Zainul Abidin, Pulau Pinang in 1976. During her 5-year tenure with Leader Cable, she performed general office clerical work which included customer service until 1981.

(vii) **Semangat**
Substantial shareholder

Semangat was incorporated in Malaysia on 1 November 1996 under the Companies Act 1965 as a private company limited by shares and is deemed registered under the Act.

As at the LPD, the issued share capital of Semangat is RM10,000 comprising 10,000 ordinary shares. The principal activity of Semangat is investment holding in shares.

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

Shareholders	<-----Direct interest in Semangat----->	
	No. of shares	%
Fawiza Binti Faiz	9,950	99.50
Redzuan Bin Husain	50	0.50

The directors of Semangat are Redzuan Bin Husain and Fawiza Binti Faiz.

As at the LPD, Semangat does not have any subsidiary or associated company.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(viii) Fawiza Binti Faiz
Substantial shareholder and Business Development Advisor

Fawiza Binti Faiz, a Malaysian, aged 50. Her shareholding in Southern Cable is as a result of the Acquisition of Southern and she is a substantial shareholder of Southern Cable by virtue of her shareholding in Semangat.

She graduated with a Degree of Bachelor of Accountancy with Honours from University Utara Malaysia in 1996.

She began her career in Montere Golf & Country Club as an Accounts Assistant in 1999 where she was primarily responsible for the preparation of the company's financial documents such as financial statements and accounting records. She left Montere Golf & Country Club in 2001 and joined Asian Composites Manufacturing Sdn Bhd as an Accounts Executive in May 2002. She was mainly responsible for the preparation of the financial statements. She left Asian Composites Manufacturing Sdn Bhd in May 2007.

In May 2015, she was appointed as a director of Southern. She further assumed her current position as a Business Development Advisor since November 2019 where she is responsible for business development. She is also a director of Sino and Semangat since June 2015.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

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

Save as disclosed below, there are no other changes in the shareholdings of our Promoters and substantial shareholders in our Company since incorporation to the LPD:-

	As at 4 April 2019 (date of incorporation)		Before the IPO/As at the LPD		After the IPO	
	<-----Direct-----> No. of Shares	<-----Indirect-----> % No. of Shares	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽¹⁾ No. of Shares	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾ No. of Shares
Promoters and substantial shareholders						
Sino	-	-	305,524,412	51.73	285,524,412	35.69
Tung Eng Hai	2	50	-	-	-	35.69
Wong Meng Kee	2	50	1,459,204	0.25	1,459,204	0.18
Ooi Gaik Bee	-	-	-	-	-	35.69
Promoters						
Tung Cheng Im	-	-	6,864,000	1.16	6,864,000	0.86
Tung Siew Luan	-	-	12,700,800	2.15	12,700,800	1.59
Substantial shareholders						
Semangat	-	-	256,028,400	43.35	256,028,400	32.00
Fawiza Binti Faiz	-	-	-	-	-	32.00
			256,028,400 ⁽⁶⁾	43.35	256,028,400 ⁽⁶⁾	32.00

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Deemed interested by virtue of his/her shareholdings in Sino pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act and his spouse's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
- (5) Deemed interested by virtue of her spouse's direct and indirect shareholdings in the Company.
- (6) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.1.4 Promoters and/or substantial shareholders' remuneration and benefits

Save for the issuance of Shares by our Company as consideration pursuant to the Acquisitions as disclosed in Section 3.1.1(i) of this Prospectus, the aggregate remuneration and benefits paid to our Promoters and/or substantial shareholders for services rendered to our Group in all capacities for the FYE 31 December 2018 and FYE 31 December 2019 as set out below, remuneration received by our Directors in the course of their employment as disclosed in Section 4.2.6 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:-

Promoters and/or substantial shareholders	Remuneration Band	
	FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000
Ooi Gaik Bee	800 – 850 ⁽¹⁾	-
Tung Cheng Im	100 – 150 ⁽²⁾	150 – 200 ⁽²⁾
Tung Siew Luan	0 – 50 ⁽³⁾	0 – 50 ⁽³⁾
Fawiza Binti Faiz	0 – 50 ⁽⁴⁾	50 – 100 ⁽⁴⁾

Notes:-

- (1) Remuneration was paid to her (which includes salary, bonuses and benefits-in-kind) for her role where she headed the sales and marketing operations in Klang Valley.
- (2) Remuneration was paid to her (which includes salary, bonuses and benefits-in-kind) for her role as Costing Manager in Southern.
- (3) Remuneration was paid to her (which includes salary, bonuses and benefits-in-kind) for her role as a director of Daya.
- (4) Remuneration was paid to her (which includes salary, bonuses and benefits-in-kind) for her role as a director and Business Development Advisor of Southern.

4.2 DIRECTORS

4.2.1 Our Board comprises the following members:-

Name	Age	Gender	Nationality	Date of Appointment	Designation
Rizvi Bin Abdul Halim	51	Male	Malaysian	28 May 2019	Independent Non-Executive Chairman
Tung Eng Hai	61	Male	Malaysian	4 April 2019	Managing Director
Wong Meng Kee	60	Male	Malaysian	4 April 2019	Executive Director
Wong Kar Wai	55	Male	Malaysian	28 May 2019	Non-Independent Non-Executive Director
Daphne Choy Gaik Choo	56	Female	Malaysian	28 May 2019	Independent Non-Executive Director
Eugene Lee Cheng Hoe	51	Male	Malaysian	28 May 2019	Independent Non-Executive Director

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.2.2 Profiles

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

(i) **Rizvi Bin Abdul Halim**
Independent Non-Executive Chairman

Rizvi Bin Abdul Halim, a Malaysian, aged 51, is our Independent Non-Executive Chairman. He was appointed to our Board on 28 May 2019 and is a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee. He brings with him over 24 years of experience in corporate finance, corporate banking, capital market and syndication and capital market regulations.

He obtained his Diploma in Hotel and Catering Management from Institut Teknologi MARA ("**MARA**") in 1990. During his time in MARA, he underwent the Reserve Officer Training Unit (ROTU) programme where he was commissioned as a second lieutenant army officer. In 1992, he graduated from Indiana State University, United States of America with a Degree of Bachelor of Science. In 1995, he also obtained his Master of Business Administration from Ohio University, United States of America.

He began his career in Bank Bumiputra Malaysia Berhad (now part of CIMB Bank Berhad) as an Account Manager in the Corporate Banking Department from January 1995 to December 1996. He was primarily responsible for corporate banking functions which involve marketing, credit evaluation, financial analysis, credit review, loan documentation and syndication.

From January 1997 to March 2000, he joined Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) as an Assistant Manager in the Capital Markets and Syndications Department. He was primarily responsible for marketing or promoting loan products and services, financial advisory, structuring and initiating loan proposals including syndications and private debt securities, preparing credit reports, loan documentation and loan disbursements.

Subsequently in April 2000, he joined the SC as a Senior Executive in the Equities-Corporate Finance Department. He was primarily responsible for assessment and evaluation of corporate proposals, reviewing and registration of prospectuses and monitoring of compliance with the securities laws, regulations and guidelines relating to issues, offers and listing of securities. He left the SC as a Senior Manager in March 2012 to set up Cascade Crest Sdn Bhd.

He has been a shareholder and director of Cascade Crest Sdn Bhd since April 2012. He is primarily responsible for project initiation and management functions of the company.

In October 2014, he was appointed as an Independent Non-Executive Director of Ni Hsin Resources Berhad, a company listed on the Main Market of Bursa Securities. He was subsequently re-designated as an Independent Non-Executive Chairman on 1 March 2017. On 22 November 2017, he was further re-designated as an Executive Director, a position he holds to date. His responsibility as an Executive Director includes exploring new business opportunities.

His interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (ii) **Tung Eng Hai**
Promoter, substantial shareholder and Managing Director

Please refer to Section 4.1.2 of this Prospectus for his profile.

- (iii) **Wong Meng Kee**
Promoter, substantial shareholder and Executive Director

Please refer to Section 4.1.2 of this Prospectus for his profile.

- (iv) **Wong Kar Wai**
Non-Independent Non-Executive Director

Wong Kar Wai, aged 55, is our Non-Independent Non-Executive Director. He was appointed to our Board on 28 May 2019 and is a member of the Audit and Risk Management Committee. He has approximately 6 years of experience in the banking industry and approximately 19 years of experience in the insurance industry.

He qualified as a management accountant with The Chartered Institute of Management Accountants, United Kingdom in 1994. He is also a qualified Chartered Financial Consultant (Malaysia) admitted by The Malaysian Insurance Institute and The American College since 2003. A year later, he was certified as a Registered Financial Planner by the Malaysian Financial Planning Council. He is also a certified Estate Planning Practitioner by Rockwills Corporation Sdn Bhd and Estate Planning Practitioners Limited (Singapore), in collaboration with The Society of Wills Writers & Estate Planning Practitioners (United Kingdom).

He started his career with Ban Hin Lee Bank Berhad (now part of CIMB Bank Berhad) in January 1985 as a Trade Finance Clerk. From 1986 to 1990, he was involved in internal audit.

In January 1991, he joined Leader Cable as a Finance Officer. He was then promoted a year later in January 1992 as the Group Finance Manager of Leader Universal, the holding company of Leader Cable where he was responsible for overseeing the treasury management of the company. In February 2001, he left Leader Universal.

He joined Hong Leong Assurance Berhad (“HLA”) in April 2001 as a life insurance agent and later in March 2006, he became the general insurance agent. Subsequently in April 2009, he became a general insurance agent for Overseas Assurance Corporation (Malaysia) Berhad (now known as Great Eastern General Insurance (Malaysia) Berhad). He is also a Member of Million Dollar Round Table (MDRT) since 1999, a trade association set up to help insurance brokers and financial advisors to establish best business practices and develop ethical and effective ways to increase client interest in financial products, specifically risk based products.

His interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(v) Daphne Choy Gaik Choo
Independent Non-Executive Director

Daphne Choy Gaik Choo, a Malaysian, aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 28 May 2019. She is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. She has approximately 27 years of experience in the legal profession.

She obtained her Bachelor of Arts degree in 1990 and Bachelor of Laws degree in 1992 from the University of New South Wales, Australia. She was admitted to the High Court of Malaya as an Advocate and Solicitor in 1993. She is a panel mediator of the Malaysian Mediation Centre, a member of The Chartered Institute of Arbitrators and a panel Adjudicator of the Asian International Arbitration Centre since 2007, 2008 and 2014 respectively.

She began her legal career in 1993 as an associate in the litigation department of Messrs. Shearn Delamore & Co. where her main area of practice was civil litigation. She was a Senior Associate where she left the firm to set up her own practice, Choy & Associates in 1997. Her main area of practice is still civil litigation.

Her interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

(vi) Eugene Lee Cheng Hoe
Independent Non-Executive Director

Eugene Lee Cheng Hoe, a Malaysian, aged 51, is our Independent Non-Executive Director. He was appointed to our Board on 28 May 2019 and is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He has over 26 years of corporate advisory experience, particularly in corporate strategy and planning and investment banking.

He obtained his Bachelor of Economics (majoring in Accounting) from Macquarie University, Sydney, Australia in 1992. He became a member of the Malaysian Institute of Accountants and a Certified Practising Accountant with CPA Australia since 1996. He is also a Registered Financial Planner under the Malaysian Financial Planning Council since 2014.

He began his career in March 1992 with Coopers & Lybrand (now known as PricewaterhouseCoopers) as a Tax Assistant and his last position before he left in February 1995 as an Audit Semi Senior.

He joined Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) as an Executive in the Corporate Finance Division from February 1995 to 2004. During his tenure in Arab-Malaysian Merchant Bank Berhad, he was involved in various corporate finance advisory exercises such as initial public offerings, reverse take-overs, mergers and acquisitions, corporate and debt restructuring and asset and company valuations.

In September 2004, he joined the Corporate Planning and Development Department in MISC Berhad as a Senior Manager and was thereafter promoted to General Manager in September 2006 before he left the company in June 2008. From July 2008 to March 2009, he was involved in strategy and corporate advisory services under Atreus Consulting, a sole proprietorship.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

From April 2009 to February 2010, he assumed the role of Head, Financial Advisory, Strategic Advisory of Maybank Investment Bank Berhad ("**MIBB**") and Director/Executive Vice President of BinaFikir Sdn Bhd, a subsidiary of MIBB. During his tenure in MIBB and/or BinaFikir Sdn Bhd, he was involved in corporate and debt restructuring and strategy advisory services. From March 2010 to October 2010, he assumed the role of Senior Manager, Corporate Affairs in HL Management Co Sdn Bhd, where he was responsible for formulating mergers and acquisitions and corporate restructuring strategies.

He is currently a Director of Atreus Consulting Sdn Bhd, a private limited company, where he is involved in strategy and corporate advisory services. He is also an Independent Non-Executive Director of Fiamma Holdings Berhad, a company listed on the Main Market of Bursa Securities since December 2018.

His interests in other corporations are as set out in Section 4.2.4 of this Prospectus.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.2.3 Directors' shareholdings

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

Directors	Nationality	Before the IPO/As at the LPD		After the IPO ⁽³⁾	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Rizvi Bin Abdul Halim	Malaysian	-	-	400,000	-
Tung Eng Hai	Malaysian	-	305,524,412 ⁽⁴⁾	-	285,524,412 ⁽⁴⁾
Wong Meng Kee	Malaysian	1,459,204	312,388,412 ⁽⁵⁾	1,459,204	292,388,412 ⁽⁵⁾
Wong Kar Wai	Malaysian	-	-	400,000	-
Daphne Choy Gaik Choo	Malaysian	-	-	400,000	-
Eugene Lee Cheng Hoe	Malaysian	-	-	400,000	-

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Assuming our Directors fully subscribed for their respective allocation under the Pink Form Allocation.
- (4) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act and his spouse's direct shareholdings in the Company pursuant to Section 221(9) of the Act.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

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

Save as disclosed below, none of our Directors have any principal business activities and directorship in any other corporations for the past five (5) years preceding the LPD:-

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities
Rizvi Bin Abdul Halim	Ni Hsin Resources Berhad	Director	10 October 2014	-	-	Investment holding in shares ⁽¹⁾
	Widuri Capital Advisors Sdn Bhd	Director	14 July 2017	3 August 2018	-	Financial consultancy services, management consultancy services and investment advisory services
	PDZ Holdings Bhd	Director	8 March 2017	30 June 2017	-	Investment holding in shares ⁽²⁾
	Leowin Capital Sdn Bhd	Director	17 June 2016	9 January 2018	-	Management consultant
	SMTTrack Berhad	Director	5 May 2015	31 December 2015	-	Provision of RFID solutions for various applications
	Widad Group Berhad	Director	21 June 2013	4 September 2018	-	Investment holding in shares ⁽³⁾
	Cascade Crest Sdn Bhd	Director and shareholder	9 August 2012	-	Direct: 45.00 Indirect: -	General contractor and engineering

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities
Tung Eng Hai	Sino	Director and shareholder	15 January 2018	-	Direct: 60.00 Indirect: 20.00	Investment holding in shares
	DrMos HealthCare Sdn Bhd	Director and shareholder	29 July 2019	-	Direct: 50.00 Indirect: -	Dealing in all kinds of agrochemical products, health and air cleaning products.
Wong Meng Kee	Hirogold Sdn Bhd	Director and shareholder	7 December 1995	-	Direct: 99.99 Indirect: -	Striking-off in process
	Sino	Director and shareholder	14 April 1999	-	Direct: 20.00 Indirect: -	Investment holding in shares
Wong Kar Wai	May Partners & Consultancy Sdn Bhd	Director and shareholder	4 October 2001	-	Direct: 11.00 Indirect: -	Insurance agent and providing financial planning services
	May Partners Leadership Sdn Bhd	Director and shareholder	26 January 2007	-	Direct: 25.00 Indirect: -	Struck off
	Karwai Risks Consultancy Sdn Bhd	Director and shareholder	30 April 2010	-	Direct: 50.00 Indirect: -	Provision of financial services in life and general insurance
	Setia Wangsa Synergy Sdn Bhd	Director and shareholder	21 July 2006	-	Direct: 10.00 Indirect: -	Investment holding in property

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Interest (%)	Principal Activities
Wong Kar Wai (Cont'd)	Wong Kar Wai Risk Management Enterprise MPI Ikhlas Jaya	Sole proprietorship Partner	-	-	Direct: 100.00 Indirect: - -	Provisions of insurance services in life and general insurance and risks planning Insurance agency
Daphne Choy Gaik Choo	Choy & Associates Mews Cafe Sdn Bhd George Town Heritage Hotels Sdn Bhd Muntri Mews Sdn Bhd Seven Terraces Sdn Bhd Titanium Hibiscus Sdn Bhd Jawi Peranakan Mansion Sdn Bhd	Partner Director and shareholder Director and shareholder Director and shareholder Director and shareholder Director and shareholder Director and shareholder	- 28 December 2018 30 July 2015 26 January 2010 4 December 2009 3 June 2015 10 July 2014	- - - - - -	- Direct: 50.00 Indirect: - Direct: 50.00 Indirect: - Direct: 50.00 Indirect: - Direct: 52.00 Indirect: - Direct: 30.00 Indirect: - Direct: 50.00 Indirect: -	Provision of legal services Management and operation of restaurant Hotel management services Hotel operation services Business of hotel and restaurant Management and operation of restaurant Hotel operation services

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities
Daphne Gaiik Choo (Cont'd)	Semangat Kini Sdn Bhd	Director and shareholder	17 March 2016	-	Direct: 50.00 Indirect: -	To carry on the business of hotel
Eugene Lee Cheng Hoe	Agensi Pekerjaan Talentexec Sdn Bhd	Director and shareholder	9 June 2011	-	Direct: 50.00 Indirect: -	Carrying on business of private employment agency
	Atreus Consulting Sdn Bhd	Director and shareholder	8 December 2010	-	Direct: 50.00 Indirect: -	Management and financial consulting services
	FlexBen Solutions PLT	Partner and shareholder	-	-	Direct: 50.00 Indirect: -	Information technology services
	Fiamma Holdings Berhad	Director and shareholder	28 December 2018	-	Direct: -* Indirect: -	Investment holding in shares ⁽⁴⁾
	KJRM Trading Sdn Bhd (formerly known as Nexus Wind Tech Sdn Bhd)	Shareholder	-	-	Direct: 2.00 ⁽⁵⁾ Indirect: -	Manufacture of domestic appliances
	Nur Q Solutions Sdn Bhd	Director	17 January 2017	-	-	Providing and process outsourcing in healthcare administration and managements to individuals and corporate organisations
	TEX Management Sdn Bhd	Director and shareholder	19 March 2015	-	Direct: 50.00 Indirect: -	To carry on business of outsourcing and supplying human resource

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Directors	Company	Position Held	Date Appointed as Director	Date Resigned as Director	Direct and Indirect Equity Interest (%)	Principal Activities
Eugene Cheng (Cont'd)	Valor Consulting	Sole proprietorship	-	-	Direct: 100.00 Indirect: -	Providing insurance services
	Valor Management Sdn Bhd	Director	5 November 2014	-	-	Insurance business
	Widad Group Berhad	Director	4 March 2013	28 October 2015	-	Investment holding in shares ⁽³⁾
	Workplace Wellness PLT	Partner and shareholder	-	-	Direct: 50.00 Indirect: -	Conducting wellness and health programmes
	TJ Digital PLT	Partner ⁽⁶⁾	-	-	-	Computer programming activities (Dormant since incorporation)

Notes:-

- * Negligible
- (1) Being an investment holding company, Ni Hsin Resources Berhad, through its subsidiaries is mainly involved in the manufacturing of premium stainless steel products.
- (2) Being an investment holding company, PDZ Holdings Bhd, through its subsidiaries is also involved as a shipping agent and provisions of management and related services.
- (3) Being an investment holding company, Widad Group Berhad, through its subsidiaries is involved in construction activities and integrated facilities management services.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (4) Being an investment holding company, Fiamma Holdings Berhad, through its subsidiaries is involved in trading and services, property development and investment holding and property investment.
- (5) Ceased to be a shareholder on 20 November 2019.
- (6) Resigned as a partner on 1 March 2020.

4.2.5 Involvement of our Executive Directors in other businesses/corporations

Save as disclosed in Section 4.2.4 of this Prospectus, our Executive Directors are not involved in other businesses/corporations. The involvements of our Executive Directors in other businesses/corporations are not expected to affect the operations of our Group as they are principally involved in the day-to-day operations of our Group. Their involvements only extent to attend meetings and discharging their responsibility as directors of those companies, their involvement in the companies do not affect their contributions to our Group or adversely impact their ability to act as our Executive Directors.

The other businesses or corporations in which our Executive Directors are also the directors are either investment holding in shares or dormant. Hence, this would not be expected to affect their performance in our Group.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.2.6 Directors' remuneration and material benefits-in-kind

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 31 December 2019 and FYE 31 December 2020 are as follows:-

FYE 31 December 2019	Director fees RM'000	Basic salary RM'000	Bonus RM'000	Allowances RM'000	Employees Provident Fund and Social Security Organisation RM'000	Benefits-in- kind RM'000	Total RM'000
Non-Executive Directors							
Rizvi Bin Abdul Halim	21	-	-	1	-	-	22
Wong Kar Wai	21	-	-	1	-	-	22
Daphne Choy Gaik Choo	21	-	-	1	-	-	22
Eugene Lee Cheng Hoe	21	-	-	1	-	-	22
Executive Directors							
Tung Eng Hai	-	1,123	600	42	218	7	1,990
Wong Meng Kee	-	271	115	24	47	7	464

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Proposed for FYE 31 December 2020	Director fees RM'000	Basic salary RM'000	Bonus RM'000	Allowances RM'000	Employees Provident Fund and Social Security Organisation RM'000	Benefits-in- kind RM'000	Total RM'000
Non-Executive Directors							
Rizvi Bin Abdul Halim	40	-	-	2	-	-	42
Wong Kar Wai	40	-	-	2	-	-	42
Daphne Choy Gaik Choo	40	-	-	2	-	-	42
Eugene Lee Cheng Hoe	40	-	-	2	-	-	42
Executive Directors							
Tung Eng Hai	-	1,260	105	42	169	7	1,583
Wong Meng Kee	-	311	26	24	41	7	409

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 Nomination and 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.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.3 BOARD PRACTICES

4.3.1 Directorship

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 appointment	Date of expiration of the current term in office	No. of year(s) in office
Rizvi Bin Abdul Halim	Independent Non-Executive Chairman	28 May 2019	At the 3 rd AGM to be held in the year 2022	More than one (1) year
Tung Eng Hai	Managing Director	4 April 2019	At the 2 nd AGM to be held in the year 2021	More than one (1) year
Wong Meng Kee	Executive Director	4 April 2019	At the 2 nd AGM to be held in the year 2021	More than one (1) year
Wong Kar Wai	Non-Independent Non-Executive Director	28 May 2019	At the 3 rd AGM to be held in the year 2022	More than one (1) year
Daphne Choy Gaik Choo	Independent Non-Executive Director	28 May 2019	At the 4 th AGM to be held in the year 2023	More than one (1) year
Eugene Lee Cheng Hoe	Independent Non-Executive Director	28 May 2019	At the 4 th AGM to be held in the year 2023	More than one (1) year

Pursuant to our Constitution, all the Directors shall retire from office at the first annual general meeting and an election of Directors shall take place each year at the annual general meeting in every subsequent year where at least one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) with minimum of one (1), shall retire by rotation from office and be eligible for re-election. Accordingly, all our Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

The Directors to retire in each year shall be those who have been longest in office since their last election or appointment but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have power at any time and from time to time, to appoint, subject to recommendation by the Nomination and Remuneration Committee and the approval by the Board, any person to be a Director, either to fill a casual vacancy or as an additional Director to the existing Board. Any Director so appointed shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

4.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 28 May 2019 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:-

Name	Designation	Directorship
Eugene Lee Cheng Hoe	Chairman	Independent Non-Executive Director
Daphne Choy Gaik Choo	Member	Independent Non-Executive Director
Rizvi Bin Abdul Halim	Member	Independent Non-Executive Chairman
Wong Kar Wai	Member	Non-Independent Non-Executive Director

The main functions of the Audit and Risk Management Committee include inter-alia, the review of audit plans and audit reports with our external auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope, functions, competency and resources of the internal audit function of which the internal auditors should report directly to the Audit and Risk Management Committee, review of the quarterly and yearly financial statements, appointment and re-appointment of the external auditors and review of related party transactions, oversee and recommend the risk management policies and procedure of our Group, implement and maintain a sound risk management framework, set reporting guidelines for management to report to committee and review of the risk profile of our Group and measures taken to mitigate business risk.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.3.3 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 28 May 2019 and its members are appointed by our Board. Our Nomination and Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Daphne Choy Gaik Choo	Chairman	Independent Non-Executive Director
Eugene Lee Cheng Hoe	Member	Independent Non-Executive Director
Rizvi Bin Abdul Halim	Member	Independent Non-Executive Chairman

The main functions of the Nomination and Remuneration Committee include inter-alia, the review of all nominations for the appointment or re-appointment of members of our Board and to determine the selection criteria thereof, review of the structure, size and composition of our Board, and to ensure that all our Directors undergo appropriate introduction and training programmes as well as the recommendation to our Board regarding the remuneration packages of the Executive Directors, assisting our Board in assessing the responsibility and commitment undertaken by our Board members and assisting our Board in ensuring the remuneration of the Executive Directors are reflective of the responsibility and commitment of the Directors concerned.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.4 KEY SENIOR MANAGEMENT

4.4.1 Key senior management's shareholdings

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

Key management	senior	Designation	Nationality	Before the IPO/As at the LPD		After the IPO ⁽³⁾	
				<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽¹⁾	<-----Direct-----> No. of Shares	<-----Indirect-----> % ⁽²⁾
Ooi In Keong	Group Manager	General	Malaysian	-	-	800,000	0.10
Song Swee Kim	Group Contoller	Financial	Malaysian	-	-	800,000	0.10
Zen Azhar Shuib	Bin Plant General Manager	Operations	Malaysian	-	-	600,000	0.08

Notes:-

- (1) Based on our issued share capital of 590,652,000 Shares after the Acquisitions and Share Split but before the IPO.
- (2) Based on our enlarged issued share capital of 800,000,000 Shares after the IPO.
- (3) Assuming our key senior management fully subscribed for their respective allocations under the Pink Form Allocation.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.4.2 Profiles

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

(i) **Ooi In Keong**
Group General Manager

Ooi In Keong, a Malaysian, aged 48, is our Group General Manager. He is responsible for overseeing the overall operations of our Group.

He graduated with a Bachelor of Science in Electrical Engineering from St. Cloud State University, Minnesota, United States in 1998.

He began his career in May 1999 in Leader Universal, an investment holding company in manufacturing and sale of telecommunication and power cables, as an Engineer (Plant Operation – Project) in the Project Department. During his short stint, he assisted in implementing overseas projects relating to the manufacturing of wire and cable.

In November 1999, he was transferred to Leader Cable, a wholly owned subsidiary of Leader Universal in which he was responsible for development and improvement of the overall production processes of power cables and telecommunication cables. In 2001, he was assigned to handle the operation for insulation and twinning process of telephone cables. In January 2003, he was promoted to Senior Engineer where he assumed the same roles and responsibilities.

He left Leader Cable in May 2005 to join our Group as a Senior Production Engineer and was responsible to oversee the production plant of telephone cable. He was promoted to Production Manager in February 2009 and assumed additional responsibilities including overseeing the production of other products manufactured by the company such as low voltage and medium voltage cables. He was promoted to Senior Manager – Plant Operations in September 2010 in charge on overall plant production of the company. He was further promoted to Plant Operation General Manager in June 2015 where he was responsible for the overall plant operations of the Group including service and maintenance of the plant machineries, stores operation and production planning. He was also involved in our safety and health management.

In July 2017, he was promoted to Chief Operating Officer. He was subsequently re-designated to his present position as Group General Manager in April 2019 and brings with him approximately 21 years of experience in the cable and wire industry.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(ii) Song Swee Kim
Group Financial Controller

Song Swee Kim, a Malaysian, aged 54, is our Group Financial Controller. She is responsible for overseeing the overall group accounting, finance and taxation functions of our Group.

She graduated with a Bachelor of Accounting from University of Malaya in 1991. She is a member of the Malaysian Institute of Accountants since March 2007.

Her career started in May 1991 as an Audit Assistant in Lim, Tay & Company where she was responsible for general audit works. She left Lim, Tay & Company in May 1992 to join Pharmmalaysia Berhad in July 1992, a pharmaceutical manufacturer company. Her last position in the company was as an Assistant Manager where she was attached to the accounts department and was responsible for accounting and taxation matters. Her roles and responsibilities include preparation of full sets of accounts, liaising with the tax agent on taxation matters as well as liaising with the bankers on treasury matters. She left Pharmmalaysia Berhad in October 1995.

In early 1996, she joined Seputih Asas Sdn Bhd, a trading company for hygiene products as an Accounts Manager where she was managing and overseeing the daily operations of the accounting department as well as monitoring, analysing and producing the monthly financial reports. After her departure from Seputih Asas Sdn Bhd, she joined Euromodal Industries Sdn Bhd in October 1997, a subcontractor company for sub-assembly of electronic products as an Accounts Manager and was responsible for preparation of the company's financial statements and overseeing the accounting matters. She left the company in April 1998 and took two (2) years career break.

In September 2000, she joined Advanced Sound Products Sdn Bhd (formerly known as Philips Sound Systems (M) Sdn Bhd), a company involved in manufacturing of electronic audio and video equipment as an Accounts Section Head and was responsible for the overall daily operations of the accounting department such as monthly closing of accounts, budgeting and handling of taxation matters. She was promoted to Assistant Manager of the Finance Department in July 2004 where she assumed additional responsibilities such as preparing and reviewing monthly cash flow statement, preparing group consolidation accounts and overseeing the treasury functions. She left Advanced Sound Products Sdn Bhd in January 2009.

She joined Southern in January 2009 as an Accountant where she was involved in the day-to-day accounting and taxation matters. She was subsequently promoted as the Finance Manager in January 2010 where she assumed additional responsibilities in financial operations as well as treasury functions. She was later promoted to the position of Senior Finance Manager in January 2012. She is responsible for overseeing the overall accounting, finance and taxation functions of Southern. She assumed her current position as Group Financial Controller of our Group since April 2019. She brings with her approximately 27 years of experience in accounting and finance related functions.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) **Zen Azhar Bin Shuib**
Plant Operations General Manager

Zen Azhar Bin Shuib, a Malaysian, aged 52, is our Plant Operations General Manager. He is responsible for the design and development of new cables to meet the requirements of the British Standards, and International Electrical Committee Standards as well as to comply with the standards set by accreditation bodies such as SIRIM, TUV and Central Power Research Institute (CPRI) applicable to the Group's customers.

He graduated with a Degree of Associate of General Studies from Indiana University, United States in 1989 and a Bachelor of Science in Mechanical Engineering from Norwich University, United States in 1992.

He began his career in August 1992 as a Quality Assurance Engineer in Fujikura Federal Cables Sdn Bhd where he was primarily in charge of quality assurance and quality control. During his 15 years tenure, he was involved in setting up the quality management system for ISO9000, conducting studies, review and analysis on the instrument cables for high frequency applications, monitoring and ensuring quality system within the group. He subsequently took a career break from October 2007 to January 2008.

In February 2008, he joined as an Area Project Engineer in Ranhill Bersekutu Sdn Bhd in Jeddah, Saudi Arabia, where he was primarily responsible to carry out the mechanical, electrical and plumbing procurement for the development of a university in Jeddah. In 2009, he was tasked to handle the engineering procurement, construction and commissioning of a mixed development project for residential and commercial neighbourhoods in Thuwal, north of Jeddah. Upon completion of the project, he left the company in September 2009 and returned to Malaysia to join Southern as a Business Development Manager in October 2009.

As a Business Development Manager, he assumed the overall responsibility for product development and ensures that the cable manufactured by our Group meet the customers' requirements and is in accordance with the quality management system certification scheme. In September 2010, he was promoted to Senior Manager – Technical and Quality Assurance where he assumed additional responsibility in quality control of the products manufactured by the Group.

He was further promoted to Commercial and Technical General Manager in June 2015. He assumed his current position as Plant Operations General Manager of our Group since April 2019. He brings with him approximately 28 years of experience in the cable and wires industry.

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

None of our other key senior management personnel have any principal business activities and directorship in any other corporations for the past five (5) years preceding the LPD.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.4.4 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 31 December 2019 and 2020 are as follows:-

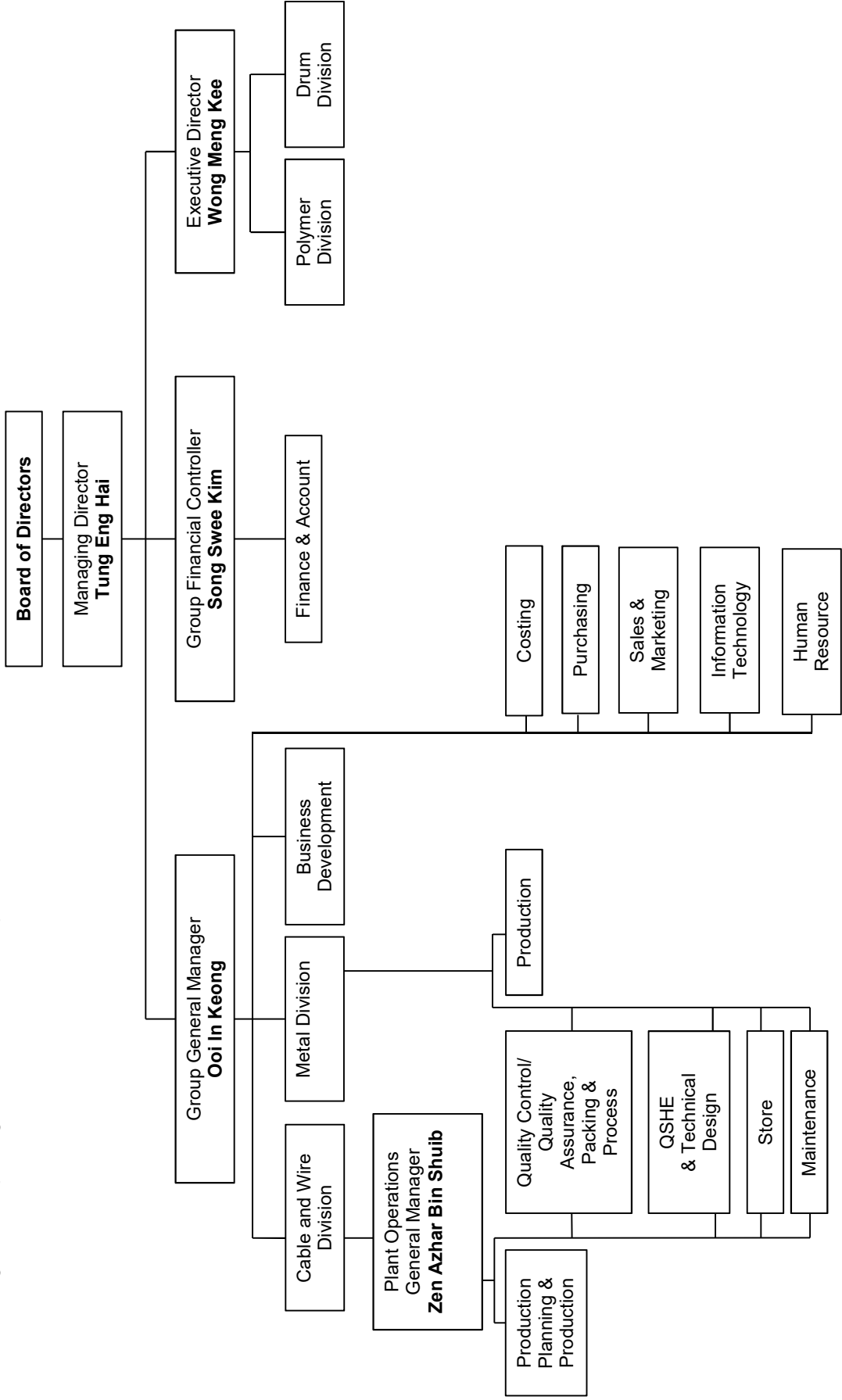
Key Senior Management	Remuneration Band	
	FYE 31 December 2019 RM'000	Proposed for FYE 31 December 2020 RM'000
Ooi In Keong	450 – 500	350 – 400
Song Swee Kim	350 – 400	300 – 350
Zen Azhar Bin Shuib	300 – 350	250 – 300

The above remuneration comprises salaries, bonuses, fees and allowances.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.4.5 Management Reporting Structure

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



4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.5 DECLARATIONS FROM OUR 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 laws 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 proceeding 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.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there is no other family relationship and/or association between our Promoters, substantial shareholders, Directors and key senior management as at the LPD:-

Name	Position/Capacity	Relationship/Association
Tung Eng Hai	Promoter, substantial shareholder ⁽¹⁾ and Managing Director of Southern Cable	<ul style="list-style-type: none"> Spouse of Ooi Gaik Bee Brother of Tung Cheng Im and Tung Siew Luan Brother-in-law of Wong Meng Kee
Wong Meng Kee	Promoter, substantial shareholder ⁽²⁾ and Executive Director of Southern Cable	<ul style="list-style-type: none"> Spouse of Tung Cheng Im Brother-in-law of Tung Eng Hai and Tung Siew Luan
Ooi Gaik Bee	Promoter and substantial shareholder ⁽¹⁾ of Southern Cable	<ul style="list-style-type: none"> Spouse of Tung Eng Hai Sister-in-law of Tung Cheng Im and Tung Siew Luan Aunt of Fawiza Binti Faiz
Tung Cheng Im	Promoter of Southern Cable and Costing Manager of Southern	<ul style="list-style-type: none"> Spouse of Wong Meng Kee Sister of Tung Eng Hai and Tung Siew Luan Sister-in-law of Ooi Gaik Bee
Tung Siew Luan	Promoter of Southern Cable	<ul style="list-style-type: none"> Sister of Tung Eng Hai and Tung Cheng Im Sister-in-law of Ooi Gaik Bee and Wong Meng Kee
Fawiza Binti Faiz	Substantial shareholder ⁽³⁾ of Southern Cable and Business Development Advisor of Southern	<ul style="list-style-type: none"> Niece of Ooi Gaik Bee

Notes:-

- (1) Deemed interested by virtue of his/her shareholdings in Sino pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of his shareholdings in Sino pursuant to Section 8(4) of the Act and his spouse's direct shareholdings in the Company pursuant to Section 221(9) of the Act.
- (3) Deemed interested by virtue of her shareholdings in Semangat pursuant to Section 8(4) of the Act.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.7 SERVICE CONTRACTS

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

4.8 MANAGEMENT SUCCESSION PLAN

Our Board believes that the success of our Group depends on the abilities to retain our key senior management personnel as well as attract and retain skilled personnel. We have implemented a management succession plan, where we have put in place a process to groom new management staff to gradually assume the responsibilities of senior management. Our Group's strategy for management continuity is driven by our top management who is responsible for identifying key competencies and requirements of candidates. If the need arises, we will recruit qualified personnel with knowledge and expertise of our business to enhance our operations.

Our Group's management succession plan consist of, among others, the following:-

- (i) Recruitment and selection;
- (ii) Competitive remuneration and employee benefits;
- (iii) Structured career planning and development; and
- (iv) Continuous training and education.

Additionally, our key senior management team comprising of Ooi In Keong, Song Swee Kim and Zen Azhar Bin Shuib, has clearly defined leadership roles and responsibilities within operations, finance and accounts of our Group respectively. Our key senior management team has been set up to provide structured and resilient support to our Managing Director and Executive Director to facilitate the growth of our Group.

As part of our management succession plan, we have put in place a process to groom new management staff to gradually assume the responsibilities of key senior management. Our Group's strategy for management continuity is driven by our top management who is responsible for identifying key competencies and recruitment of candidates with knowledge and expertise of our business to enhance operations.

4. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

4.9 MANAGEMENT AND EMPLOYEES

The breakdown of full time employees based on department and main place of operations in our Group as at 31 December 2019 and as at the LPD is as follows:-

Department	Total Number of Employees	
	As at 31 December 2019	As at the LPD
Directors ⁽¹⁾	6	6
Quality Control/Quality Assurance/Packing and Process	67	72
Sales and Marketing/Business Development	37	37
Finance and Accounts	8	9
Information Technology	3	3
Costing	3	3
Human Resources and Administration	11	14
Production Planning & Production	441	417
Maintenance	25	24
Purchasing	7	7
Store	23	29
Quality, Safety and Health and Environment; and Technical Design	10	8
Total	641	629

Note:-

(1) Includes four (4) Directors of our subsidiaries.

During the FYE 31 December 2019, we have an average of five (5) contractual/temporary employees. As at the LPD, we have an average of 6 contractual/temporary employees.

As at 31 December 2019, we have 255 foreign employees, 71 from Myanmar and 184 from Nepal. As at the LPD, we have 232 foreign employees, 70 from Myanmar and 162 from Nepal. All the foreign employees hold valid employment pass for a period of one (1) year.

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

5. INFORMATION ON OUR GROUP

5.1 INFORMATION ON OUR GROUP

5.1.1 Our Group's Overview and History

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

Year	Key Events and Milestones
1993	<ul style="list-style-type: none"> Incorporation of Southern by Lim Ah Tin and Lim Boon Soo. Both of them are the relatives of our Promoter, substantial shareholder and Managing Director, Tung Eng Hai. Southern commenced operations in the same year in 1993 as a manufacturer of cables and wires in Kulai, Johor Darul Takzim.
1995	<ul style="list-style-type: none"> Daya was incorporated and commenced operations in the same year as a provider of transportation services.
1996	<ul style="list-style-type: none"> Southern shifted its manufacturing operations from Johor Darul Takzim to its current manufacturing plant at Lot 42 and continued to manufacture power cables and wires.
1999	<ul style="list-style-type: none"> We expanded our product range to include the manufacture of armoured power cables and wires, reinforced with steel or aluminium wire used for underground applications. Our armoured power cables and wires are rated up to 1kV which are mainly low voltage cables and wires used to deliver electricity from secondary distribution substations directly to the residential, commercial and industrial premises. We also started manufacturing control cables and wires. We obtained our first product certification licence from SIRIM for our power cables and wires.
2001	<ul style="list-style-type: none"> We expanded our product range to include the manufacture of low voltage aluminium based power cables and wires. Our Promoter, substantial shareholder and Executive Director, Wong Meng Kee was appointed as a director of Southern to assist in overseeing the business operations of Southern.
2002	<ul style="list-style-type: none"> We secured our first contract amounting to RM3.729 million from a local telecommunications company, TMB, to manufacture and supply communications cables and wires based on their specifications.
2003	<ul style="list-style-type: none"> Our Promoter, substantial shareholder and Managing Director, Tung Eng Hai joined Southern as a General Manager where he assumed the overall responsibility of the technical and plant operations management. Sino and Semangat emerged as the controlling shareholder of Southern holding 45.50% and 33.27% equity interest, respectively in March 2003.
2006	<ul style="list-style-type: none"> Nextol was incorporated in 2006 and commenced business operations as a manufacturer of PVC compounds, which is used as insulation, bedding and sheathing materials for cables and wires.

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Key Events and Milestones
2007	<ul style="list-style-type: none"> We set-up our aluminium rod production line comprising furnace and continuous casting facilities. Aluminium ingots are used as input material for the manufacture of aluminium rods. These rods are subsequently drawn into wires to form core conductors for our cables and wires. Our aluminium rod production line had a capacity of 18,000 tonnes per year. We expanded our manufacturing capabilities and started manufacturing low voltage power cables and wires with larger nominal cross-sectional area up to 630mm², as compared to 25mm² in 1993 when we started our cable and wire manufacturing business.
2009	<ul style="list-style-type: none"> We set-up our first production line to manufacture copper rods, comprising electric furnace and continuous casting facilities. Copper rod is a key input material used in our cable and wire manufacturing operations. This line had a capacity of 6,000 tonnes of copper rods per year. We also started to extrude copper strips using our copper rods but ceased this business activity in 2017 and the metal extrusion machine was disposed in the same year. Copper strips are mainly used for earthing purposes to channel excess or unwanted electricity safely to the ground.
2010	<ul style="list-style-type: none"> We started manufacturing medium voltage power cables and wires with a rated voltage up to 33kV. These medium voltage power cables and wires are made of copper or aluminium core conductors, with maximum nominal cross-sectional areas up to 630mm². Our medium voltage power cables and wires are mainly used to deliver electricity from the primary distribution substations to secondary distribution substations that serve defined commercial, residential or industrial areas. Our Promoter and substantial shareholder, Ooi Gaik Bee joined Southern where she headed the sales and marketing operations in Klang Valley.
2011	<ul style="list-style-type: none"> Southern is a PETRONAS licenced and registered company that allows us to participate as a supplier of cables and wires in the oil and gas industry. Our PETRONAS licences and registration includes power, communications, control and instrumentation cables and wires. This registration has been renewed and is valid until 5 January 2022.
2012	<ul style="list-style-type: none"> We also started to manufacture cables and wires with fire resistant properties for our power cables and wires. Through Daya, we started manufacturing wooden cable drums. These cable drums are mainly used as packing material to coil our cables and wires.
2014	<ul style="list-style-type: none"> We started supplying our cables and wires to various railway related contractors for the MRT Sungai Buloh-Kajang (MRT1) project in Selangor Darul Ehsan. We set-up our second copper rod production line, comprising electric furnace and continuous casting facilities. Similarly, this production line has a capacity of 6,000 tonnes per year.
2015	<ul style="list-style-type: none"> We became an approved vendor of TNB to supply high voltage power cables with rated voltage up to 132kV.

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Key Events and Milestones
2016-2017	<ul style="list-style-type: none"> Between 2016 and 2017, we secured several contracts with a combined contract value of RM181.653 million from various contractors. This was for the supply of cables and wires including power, communications, and control and instrumentation cables and wires for the PIC project including RAPID in Pengerang, Johor Darul Takzim. In 2017, we secured our first contract from a local telecommunications company, TMB, for the supply and installation of rectifier systems. A rectifier is a device that converts alternating current to direct current. We are responsible for the supply of rectifier, installing cables and wires, and installing the system on site. This contract is valid until December 2019.
2019	<ul style="list-style-type: none"> We commenced a small production run for the manufacture of high voltage power cables used for power transmission in June 2019. In September 2019, we secured our first contract for the supply of high voltage power cables with a rated voltage of 132kV from TNB. This contract is valid until March 2020. As at the LPD, this contract is still on-going and the duration of this contract has been extended to April 2021. We entered into conditional share sale agreement dated 23 May 2019 with Sino, Semangat, Tan Chin Keat, Yiam Chornng Yin and Chong Heang Sue for the Acquisition of Southern. We entered into conditional share sale agreement dated 23 May 2019 with Tung Siew Luan and Tung Cheng Im for the Acquisition of Nextol. We entered into conditional share sale agreement dated 23 May 2019 with Tung Siew Luan and Wong Meng Kee for the Acquisition of Daya.

5.1.2 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:-

(i) We have an established track record as a manufacturer of cables and wires

Since commencement of our operations in 1993, we have accumulated a track record of 27 years of experience in the manufacture of cables and wires. Our track record will give some assurance of our reliability and ability to meet customers' needs.

As at the LPD, we are a registered supplier of cables and wires with TNB, SESB, TMB and PETRONAS. Being registered as a supplier to some of Malaysia's major utility and oil and gas companies reinforces our product track record of meeting customers' quality expectations. We are also registered with CIDB under category G7 since 2016, which allows us to bid for projects of any amount.

Over the years, we have established a loyal customer base. This is supported by the fact that our major customers have been dealing with us for a minimum of eight (8) years up to a maximum of 18 years for FPE 30 June 2020 save for two (2) new customers that started purchasing power cables and wires from us in FYE 31 December 2019. These loyal customers include utility operators and reseller.

Our established track record as a manufacturer of cables and wires will provide us with a platform to secure new customers and grow our business.

5. INFORMATION ON OUR GROUP (CONT'D)

(ii) We have various certifications for our products

We have obtained certifications for product compliance to local and international standards for our cables and wires. All our power cables and wires including low and medium voltage cables and wires are SIRIM certified and these are manufactured to either Malaysian Standards (MS), IEC standards or British Standards. In addition, our PVC insulated power cables and wires are approved by Energy Commission of Malaysia while our fire resistant cables are approved by Bomba and comply with either IEC standards or British Standards. In addition, our control cables and wires are SIRIM certified.

For further details on our certifications, please refer to Section 5.5.6.4 of this Prospectus.

We place emphasis on product quality and Southern is an ISO 9001:2015 accredited company. In addition, we have also obtained certificate of product acceptance from TNB for cables and wires indicating that our products meet their technical specifications and requirements.

Our product certifications are demonstrations of the quality of our products that meets the requirements and safety standards for cables and wires in Malaysia. It also provides our customers with the assurance that our products comply with specific regulations relating to cables and wires.

(iii) We manufacture a range of cables and wires to meet customer requirements

We have a range of cables and wires to meet customers' requirements and specifications. Our cables and wires are used for power distribution and transmission, communications, as well as control and instrumentation applications. For power distribution and transmission applications, we manufacture a range of low to medium voltage cables, typically between 300V and 33kV, as well as high voltage power cables up to 132kV. Within communications cables and wires, we manufacture telephone cables, coaxial cables and alarm cables.

We manufacture a range of control and instrumentation cables and wires that are used in manufacturing and processing industries including power generation, oil and gas, petrochemical and chemical plants, as well as oil and gas platforms and marine vessels.

We manufacture both copper and aluminium based cables and wires with various types of insulation materials ranging from PVC, XLPE, PE and XLPO depending on customer requirements and environmental conditions. We also manufacture cables and wires with fire resistant, flame retardant, ultra violet resistant, anti-termite and anti-rodent properties.

Our range of products will enable us to meet the needs of our existing as well as potential customers to sustain and grow our business. In addition, we are able to cross sell various products to our existing customer base to increase our revenue per customer.

5. INFORMATION ON OUR GROUP (CONT'D)

(iv) We have key supporting activities for our manufacturing of cables and wires

Our principal business activity of manufacturing cables and wires are supported by the following key activities:

- **Furnace and continuous casting:** We are equipped with two (2) electric furnaces and one (1) gas-fired furnace for melting copper and aluminium, respectively before casting and rolling them continuously into rods. These rods are input materials used as core conductors in our cables and wires.
- **Plastic compounding:** We manufacture plastic compounds which are extruded to form the insulation, bedding and sheathing layers for our cables and wires.
- **Wooden cable drums manufacturing:** We were involved in the manufacturing of our own wooden cable drums for the FYE 31 December 2016 up to 29 February 2020, when we decided to relocate Daya Factory. These wooden cable drums are used to coil our cables and wires for storage and delivery to customers. We currently source the wooden cable drums from external parties for our cable and wire manufacturing operations. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

With our supporting operations, we are able to control the quality of key input materials, especially copper and aluminium rods, and plastic compounds. We are also able to control the timely availability of these materials to minimise interruptions to our manufacturing process. This also reduces some dependency on external parties for key input materials for our manufacturing of cables and wires.

(v) We have experienced Managing Director, Executive Director and key senior management team

We have an experienced management team headed by our Managing Director, Tung Eng Hai, who has approximately 41 years of experience in the cable and wire industry. He is supported by our Executive Director, Wong Meng Kee who has approximately 33 years of experience in the business management, and is responsible for the overall business management and day-to-day operations of our Group.

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

- Ooi In Keong, Group General Manager who brings with him approximately 21 years of experience in the cable and wire industry;
- Song Swee Kim, Group Financial Controller who brings with her approximately 27 years of experience in accounting and finance related functions; and
- Zen Azhar Bin Shuib, Plant Operations General Manager who has approximately 28 years of experience in the cable and wire industry.

Please refer to Sections 4.1.2 and 4.4.2 of this Prospectus for further details on profiles of our Managing Director, Executive Director and key senior management.

We believe our experienced Managing Director, Executive Director and key senior management team will help to sustain our business and provide the platform for future business growth.

5. INFORMATION ON OUR GROUP (CONT'D)

5.1.3 Share capital and changes in share capital

As at the LPD, our present issued share capital is RM147,663,000 comprising 590,652,000 Shares.

Details of the changes in our issued share capital since incorporation are as follows:-

Date of Allotment	No. of Shares allotted	Consideration	Nature of Transaction	Cumulative Issued Share Capital (RM)
4 April 2019	4	Cash	Subscriber's share	2
26 December 2019	295,325,996	Otherwise than cash for the Acquisitions	Acquisitions	147,663,000
26 June 2020	295,326,000*	N/A	Subdivision of shares	147,663,000

Note:-

* Number of subdivided shares.

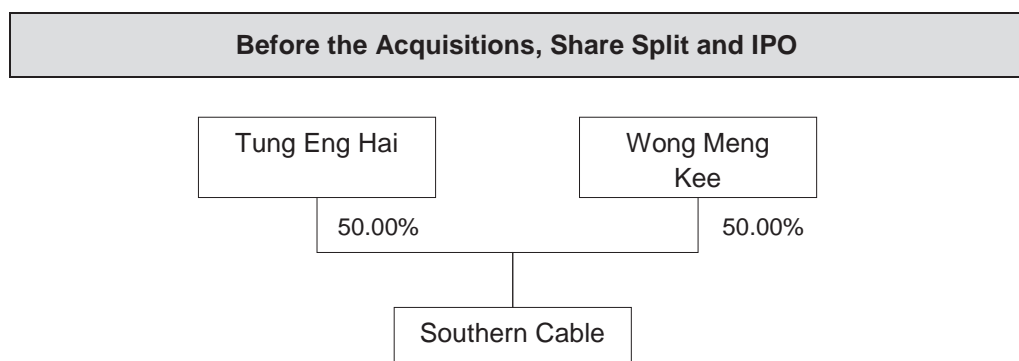
There were no discounts, special terms or installment payment terms given in consideration of the above allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM218,841,320 comprising 800,000,000 Shares.

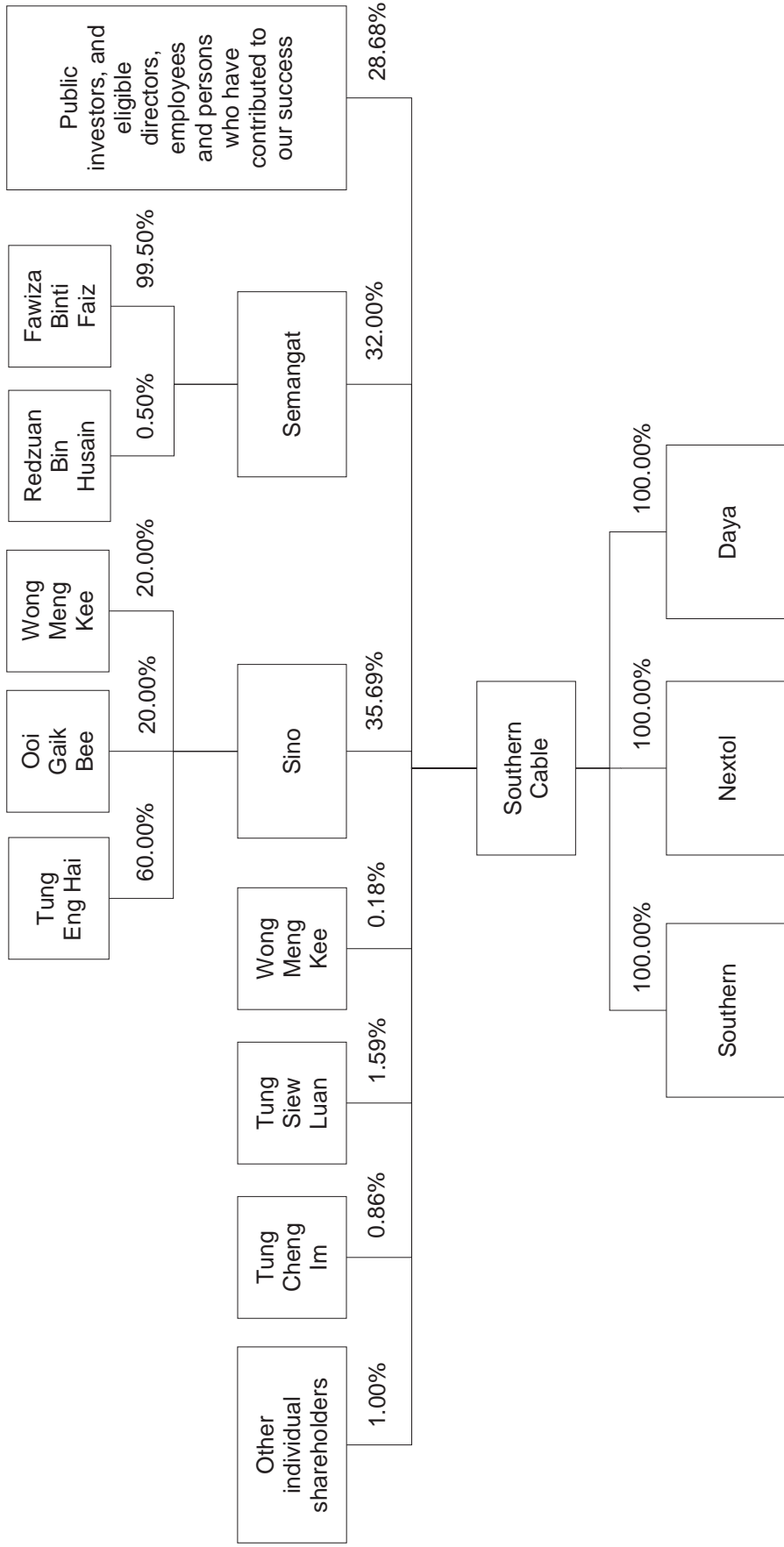
5.1.4 Subsidiary

Our Group structure before and after the Acquisitions, Share Split and IPO is illustrated below:-



5. INFORMATION ON OUR GROUP (CONT'D)

After the Acquisitions, Share Split and IPO



5. INFORMATION ON OUR GROUP (CONT'D)

Details of our subsidiaries are set out below:-

Subsidiary	Date and Place of Incorporation	Principal Place of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
Southern	30 June 1993/ Malaysia	Malaysia	26,100,000	100	Manufacture of cables and wires, and related products and services ⁽¹⁾
Nextol	10 May 2006/ Malaysia	Malaysia	100,000	100	Manufacture of plastic compounds
Daya	17 October 1995/ Malaysia	Malaysia	700,000	100	Manufacture and trading of wooden cable drums ⁽²⁾

Notes:-

- (1) Related products and services mainly include manufacture of aluminium rods; trading of cables and wires, and copper strips; and supply and installation of rectifiers.
- (2) Daya was previously involved in the provision of transportation services before it ceased this business activity in June 2017. It was also previously involved in the manufacturing of wooden cable drums used for the packaging, storage and delivery of our cables and wires up to 29 February 2020, when the Company decided to relocate its factory. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

Further details on our subsidiaries are set out in Section 5.2 of this Prospectus. As at the LPD, we do not have any associate company.

5. INFORMATION ON OUR GROUP (CONT'D)

5.2 INFORMATION ON OUR SUBSIDIARIES

5.2.1 Southern

(i) Background, history and principal activities

Southern was incorporated in Malaysia on 30 June 1993 under the Companies Act 1965 as a private company limited by shares and is deemed registered under the Act.

Southern commenced its business operations in 1993 in Johor Darul Takzim before relocating to its present principal place of business in Kedah Darul Aman in 1996.

It is principally involved in the business of manufacturing of cables and wires, and related products and services. The related products and services mainly include manufacture of aluminium rods; trading of cables and wires, and copper strips, and supply and installation of rectifiers.

Southern was incorporated by Lim Ah Tin and Lim Boon Soo. Both of them are the relatives of our Managing Director, Tung Eng Hai. Throughout the years, there were several changes of shareholders in Southern and they were mainly either previous employees of Southern and/or relatives of our Executive Directors.

In 1998, Tung Weng Hooi, the sibling of our Managing Director, Tung Eng Hai, became a shareholder and subsequently, as a director of Southern in 1999.

Our Executive Director, Wong Meng Kee, was appointed as a director of Southern in August 2001 to assist in overseeing the business operations of Southern. In March 2003, Sino and Semangat emerged as the controlling shareholders of Southern holding 45.50% and 33.27% equity interest, respectively. Thereafter, our Managing Director, Tung Eng Hai, joined Southern in October 2003 as a General Manager to assist his sibling and brother-in-law in providing the technical and plant operational support in Southern. Tung Weng Hooi subsequently resigned from Southern and disposed of his entire shareholdings in 2004 to seek other career opportunities in overseas.

5. INFORMATION ON OUR GROUP (CONT'D)**(ii) Share capital**

As at the LPD, the issued share capital of Southern is RM26,100,000 comprising 26,100,000 shares.

Details of the changes in the issued share capital of Southern since incorporation are as follows:-

Date of Allotment	No. of Shares allotted	Consideration	Nature of Transaction	Cumulative Issued Share Capital (RM)
30 June 1993	2	Cash of RM2	Incorporation	2
8 September 1994	2,498,998	Cash of RM2,498,998	Allotment of Shares	2,499,000
12 January 1997	2,501,000	Cash of RM2,501,000	Allotment of Shares	5,000,000
30 March 2003	5,000,000	Cash of RM5,000,000	Allotment of Shares	10,000,000
5 May 2003	500,000	Cash of RM500,000	Allotment of Shares	10,500,000
1 October 2004	500,000	Cash of RM500,000	Allotment of Shares	11,000,000
24 December 2008	6,344,000	Cash of RM6,344,000	Allotment of Shares	17,344,000
31 December 2008	8,756,000	Cash of RM8,756,000	Allotment of Shares	26,100,000

There were no discounts, special terms or installment payment terms given in consideration of the above allotment.

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

(iii) Substantial shareholder

As at the LPD, Southern is our wholly-owned subsidiary.

(iv) Subsidiary and associate

As at the LPD, Southern does not have any subsidiary or associate company.

5. INFORMATION ON OUR GROUP (CONT'D)

5.2.2 Nextol

(i) Background, history and principal activities

Nextol was incorporated in Malaysia on 10 May 2006 under the Companies Act 1965 as a private company limited by shares and is deemed registered under the Act.

Nextol commenced its business operations in 2006 and its principal place of business is in Kedah Darul Aman.

It is principally involved in the manufacturing of plastic compounds.

(ii) Share capital

As at the LPD, the issued share capital of Nextol is RM100,000 comprising 100,000 shares.

Details of the changes in the issued share capital of Nextol since incorporation are as follows:-

Date of Allotment	No. of Shares allotted	Consideration	Nature of Transaction	Cumulative Issued Share Capital (RM)
10 May 2006	2	Cash of RM2	Incorporation	2
31 March 2009	99,998	Cash of RM99,998	Allotment of Shares	100,000

There were no discounts, special terms or installment payment terms given in consideration of the above allotment.

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

(iii) Substantial shareholder

As at the LPD, Nextol is our wholly-owned subsidiary.

(iv) Subsidiary and associate

As at the LPD, Nextol does not have any subsidiary or associate company.

5. INFORMATION ON OUR GROUP (CONT'D)**5.2.3 Daya****(i) Background, history and principal activities**

Daya was incorporated in Malaysia on 17 October 1995 under the Companies Act 1965 as a private company limited by shares and is deemed registered under the Act.

Daya commenced its business operations in 1995 in the provision of transportation services and its principal place of business is in Kedah Darul Aman. It ceased its transportation services in June 2017.

It is currently principally involved in the manufacture and trading of wooden cable drums. As at the LPD, Daya has temporarily ceased all the manufacturing activities of wooden cable drums, when the Company decided to relocate its factory. On 3 August 2020, Daya has received an approval for the Wood-Based Licence for the manufacturing of wooden cable drums and is following up with the Jabatan Perhutanan Negeri Kedah on the issuance of the Wood-Based Licence. Upon receipt of the Wood-Based Licence, Daya will proceed to submit an application to apply for the business licence for Lot 41. Daya intends to commence manufacturing activities on Lot 41 by first quarter of 2021. Please refer to Section 6.1.2 of this Prospectus for further information relating to relocation of Daya Factory.

(ii) Share capital

As at the LPD, the issued share capital of Daya is RM700,000 comprising 700,000 shares.

Details of the changes in the issued share capital of Daya since incorporation are as follows:-

Date of Allotment	No. of Shares allotted	Consideration	Nature of Transaction	Cumulative Issued Share Capital (RM)
17 October 1995	2	Cash of RM2	Incorporation	2
12 December 1995	699,998	Cash of RM419,998 and otherwise in cash of RM280,000	Allotment of Shares	700,000

There were no discounts, special terms or installment payment terms given in consideration of the above allotment.

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

(iii) Substantial shareholder

As at the LPD, Daya is our wholly-owned subsidiary.

(iv) Subsidiary and associate

As at the LPD, Daya does not have any subsidiary or associate company.

5. INFORMATION ON OUR GROUP (CONT'D)

5.3 LOCATION OF OPERATIONS

As at the LPD, our Group operates from the following premises in Kedah Darul Aman and Selangor Darul Ehsan:-

Company	Main Functions	Location of Facilities (Address)
Southern	Head office, manufacturing ⁽¹⁾ and warehouse	Lots 34, 35, 36, 39 ⁽²⁾ , 41, 42, 43 and 44, Jalan Merbau Pulas, Kawasan Perusahaan Kuala Ketil 09300 Kuala Ketil, Kedah Darul Aman
	Sales office	Unit C-2-03, Encorp Strand Garden, No. 12, Jalan PJU 5/1, Kota Damansara 47810 Petaling Jaya, Selangor Darul Ehsan
	Office and warehouse	PTD 12913, 46, Jalan Alam Jaya 1, Taman Perindustrian Alam Jaya, 81500 Pekan Nanas, Johor Darul Takzim
Nextol	Office and manufacturing ⁽³⁾	PT4846, Kawasan Perusahaan Cendana, 08000 Sungai Petani, Kedah Darul Aman

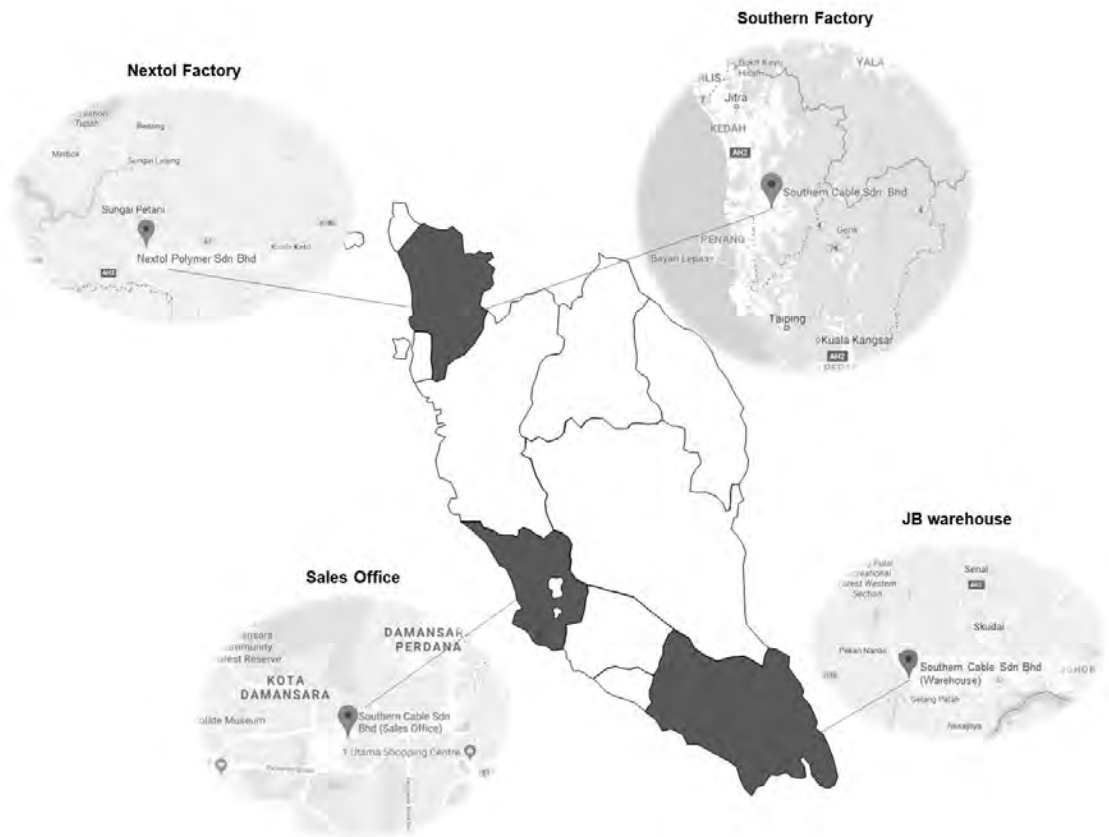
Notes:-

- (1) Include furnaces and continuous casting, as well as cable and wire production facilities.
- (2) As at the LPD, the construction of Lot 39 has been completed and Southern has obtained CCC for Lot 39. Southern has obtained an approval from MIDA on 25 June 2020 for manufacturing licence and submitted the relevant supporting documents requested by MIDA. As at the LPD, we are following up with MIDA on the issuance of the manufacturing licence. Southern will only commence manufacturing activities upon obtaining the manufacturing licence.
- (3) Plastic compound production facility.

Please refer to Section 6.1 of this Prospectus for further information of our Group's material lands and buildings.

5. INFORMATION ON OUR GROUP (CONT'D)

The locations of our operations in diagrammatical depiction are as follows:-



5. INFORMATION ON OUR GROUP (CONT'D)**5.4 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES****(a) Capital Expenditure**

Our capital expenditure for the FYE 31 December 2016 to 2019, FPE 30 June 2020 and as at the LPD are as follows:-

	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FPE 2020 RM'000	As at the LPD RM'000
Capital work-in-progress ⁽¹⁾	11	-	3,283	-	-	-
Land and buildings	162	-	2,368	51	-	-
Machinery, equipment and tools	5,030	2,907	1,639	1,248	480	185
Right-of-use asset	-	-	-	17,624	739	-
- Land and buildings	-	-	-	11,445	178	-
- Machinery, equipment and tools	-	-	-	5,619	-	-
- Others ⁽²⁾	-	-	-	560	561	-
Others ⁽³⁾	1,804	1,353	1,261	815	192	-
Total	7,007	4,260	8,551	19,738	1,411	185

Notes:-

- (1) Includes payments of new machinery and equipment mainly drawing and stranding machines for Lot 39 in FYE 31 December 2018.
- (2) Includes motor vehicles and rental of workers' accommodation for FYE 31 December 2019 and FPE 30 June 2020.
- (3) Others include motor vehicles, furniture, fittings, office equipment, electrical installation, renovations and fire protection systems.

Our material capital expenditure during the FYE 31 December 2016 to 2019, FPE 30 June 2020 and up to the LPD mainly comprise of capital work-in-progress; land and buildings; and machinery, equipment and tools. Our material capital expenditure was primarily funded via a combination of bank borrowings and internal generated funds.

For FYE 31 December 2016, our capital expenditure of RM7.007 million was mainly for the following:-

- RM5.030 million, mainly for the purchase and installation of various types of machines for our cable and wire manufacturing operations comprising one (1) unit of lay-up machine, one (1) unit of extrusion machine, one (1) unit of wrapping machine, one (1) unit of stranding machine and one (1) unit of twisting machine; and
- Others mainly include RM1.309 million for the purchase of nine (9) forklifts, RM0.199 million for furniture, fittings and office equipment, as well as RM0.183 million of fire protection system.

5. INFORMATION ON OUR GROUP (CONT'D)

For FYE 31 December 2017, our capital expenditure of RM4.260 million was mainly for the following:-

- RM2.907 million, mainly for the purchase and installation of machinery and equipment for our cable and wire manufacturing operations, including one (1) unit of armouring machine, one (1) unit of pay-off machine and one (1) unit of take-up machine; and
- Others include RM1.116 million for the purchase of three (3) passenger cars and two (2) forklifts, RM0.180 million for furniture, fittings and office equipment, RM0.035 million for fire protection system, as well as RM0.022 million of electrical installation and renovation works.

For FYE 31 December 2018, our capital expenditure of RM8.551 million was mainly for the following:-

- RM3.283 million of capital work-in-progress mainly for the purchase of new machinery and equipment including one (1) unit of drawing machine and two (2) units of stranding machine for our new factory at Lot 39;
- RM2.233 million for the purchase of JB Warehouse;
- RM1.639 million for the purchase of machinery, equipment and tools for our cable and wire manufacturing operations including one (1) unit of length marking machine, one unit of coiling machine, one (1) unit of drawing machine and one (1) unit of compressor; and
- Others mainly include RM0.874 million for the purchase of two (2) forklifts and three (3) passenger cars as well as RM0.343 million of furniture, fittings, and office equipment.

For FYE 31 December 2019, our capital expenditure of RM19.738 million was mainly for the following:-

- RM17.624 million for the purchase of right-of-use assets comprising:-
 - RM11.445 million for land and buildings which includes the Kota Damansara Warehouse, Lot 28, Lot 29 and the construction of new factory at Lot 39;
 - RM5.619 million for machinery and equipment for our cable and wire manufacturing operations including mainly two (2) units of stranding machines, two (2) units of extrusion machines, one (1) unit of armouring machine and two (2) units of twisting machines for Southern Factory and new factory at Lot 39; and
 - RM0.560 million for three (3) passenger cars and rental of workers' accommodation;
- RM1.248 million mainly for the upgrade of aluminium rods production facilities including the gas piped-in system and related equipment as well as the purchase of testing equipment; and
- Others mainly include RM0.551 million for furniture, fittings and office equipment and RM0.206 million for the fire protection system.

5. INFORMATION ON OUR GROUP (CONT'D)

For FPE 30 June 2020, our capital expenditure of RM1.411 million was mainly for the following:-

- RM0.739 million for the purchase of right-of-use assets comprising mainly two (2) passenger cars;
- RM0.480 million mainly for the installation of machinery and equipment for our cables and wires manufacturing operations; and
- Others mainly include furniture, fittings and office equipment as well as fire protection system.

From July 2020 up to the LPD, our capital expenditure of RM0.185 million was mainly for the purchase of testing equipment.

(b) Capital Divestitures

Our capital divestitures for the FYE 31 December 2016 to 2019, FPE 30 June 2020 and as at the LPD are as follows:-

	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FPE 2020 RM'000	As at the LPD RM'000
Machinery, equipment and tools	-	2,096	339	9	-	-
Motor vehicles	20	353	-	141	-	35
Others ⁽¹⁾	5	6	8	43	2	-
Total	25	2,455	347	193	2	35

Note:-

(1) Others refer to disposal of furniture, fittings and office equipment.

For FYE 31 December 2016, our capital divestiture of RM0.025 million was mainly from the disposal of a forklift.

For FYE 31 December 2017, our capital divestitures of RM2.455 million, which consisted of RM2.096 million from the disposal of an extrusion machine. This machine was previously used for the manufacture of copper strips.

For FYE 31 December 2018, our capital divestitures of RM0.347 million were mainly from the disposal of two (2) units of stranding machines.

For FYE 31 December 2019, our capital divestitures of RM0.193 million were mainly from the disposal of a passenger car.

For FPE 30 June 2020, we have no material capital divestitures.

For July 2020 up to the LPD, our capital divestitures of RM0.035 million was from the disposal of a lorry.

Save as disclosed above, our Group had no material divestment for the FYE 31 December 2016 to 2019, FPE 30 June 2020 and up to the LPD.

As at the LPD, save for the above and the use of proceeds from our IPO for capital expenditure and expansion as disclosed in Section 3.5 of this Prospectus, we do not have any other material capital expenditures and divestitures in progress currently.

5. INFORMATION ON OUR GROUP (CONT'D)

(c) Material plans to construct, expand or improve property, plant and equipment

Save for the proposed use of proceeds from our IPO for our proposed capital expenditure amounting to RM30.000 million details as set out in Section 3.5 of this Prospectus, our Group has not paid for any capital expenditure and do not have any other immediate plans to construct, expand and improve our property, plant and equipment as at the LPD.

Please refer to Section 5.8 of this Prospectus on our Group's business strategies for further details.

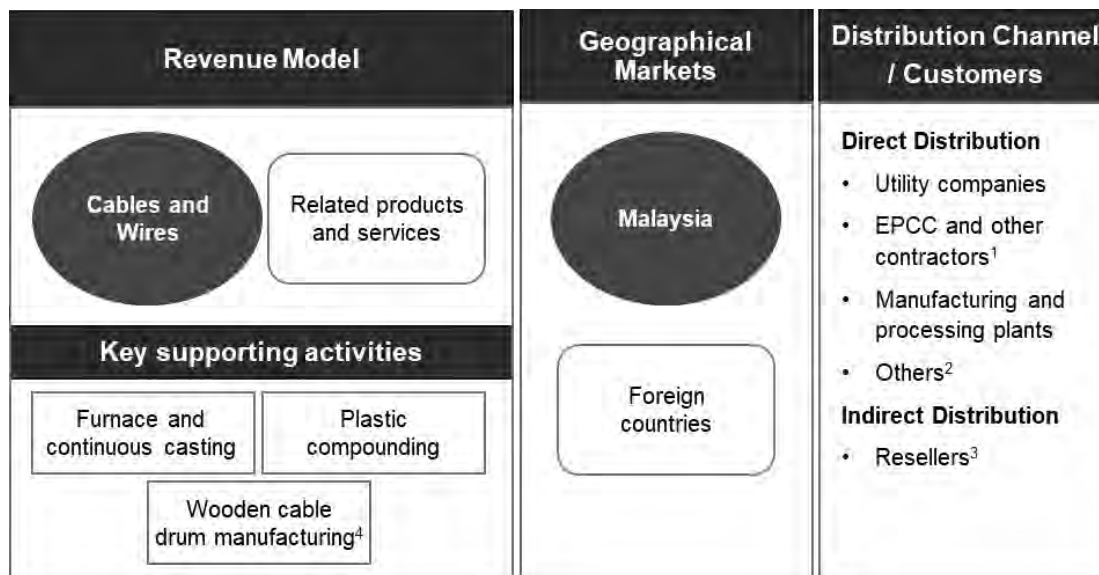
5. INFORMATION ON OUR GROUP (CONT'D)

5.5 BUSINESS OVERVIEW

5.5.1 Our Business Model

5.5.1.1 Overview

Our business model for the FYE 31 December 2016 to 2019 and FPE 30 June 2020 is as follows:-



Major revenue contributor representing 96.47%, 95.46%, 90.10%, 89.65% and 88.91% of total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively.

Distribution channel:

- direct distribution channels where we sell our products to customers for their usage; and
- indirect distribution channels where we sell our products to intermediaries, who subsequently resell our products to their respective customers.

Notes:-

- (1) Other contractors include mechanical and electrical, engineering, railway system, telecommunication and ICT service contractors.
- (2) Cable and wire manufacturers who purchased our aluminium rods, plastic compounds, and wooden cable drums; as well as a highway operating company, railway and seaport operator who purchased our cables and wires.
- (3) Resellers include distributors, wholesalers, trading companies, and other cable and wire manufacturers, all of whom resell our cables and wires to their respective customers.
- (4) Daya was also previously involved in the manufacturing of wooden cable drums used for the packaging, storage and delivery of our cables and wires up to 29 February 2020, when we decided to relocate Daya factory. We have temporarily ceased all the manufacturing activities of wooden cable drums since 29 February 2020. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

5. INFORMATION ON OUR GROUP (CONT'D)

(i) Revenue Model

We are principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. This business activity accounted for 96.47%, 95.46%, 90.10%, 89.65% and 88.91% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively. All our power cables and wires including low and medium voltage cables and wires are SIRIM certified and these are manufactured to either Malaysian Standards (MS), IEC standards or British Standards. In addition, our control cables and wires are SIRIM certified. Our high voltage power cables have been tested to meet the requirements of TNB and we are an approved vendor of TNB for high voltage power cables with rated voltage up to 132kV. In addition, we started manufacturing high voltage power cables in June 2019 and this accounted for 0.48% and 2.45% of our total revenue for the FYE 31 December 2019 and FPE 30 June 2020 respectively.

We also derive revenue from related products and services which accounted for the remaining 3.53%, 4.54%, 9.90%, 10.35% and 11.09% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively. These include mainly sales of aluminium rods, plastic compounds and wooden cable drums; trading of cables and wires, and copper strips; and supply and installation of rectifiers.

Our key supporting activities for our cable and wire manufacturing operations include furnace and casting operations. We have two (2) electric furnaces and one (1) gas-fired furnace that melt copper and aluminium, respectively before casting them into rods to be used as core materials and transmitting medium for our cables and wires. Other supporting activities include the manufacturing of plastic compounds that are used as insulation and protective layer materials for our cables and wires. We were involved in the manufacturing of wooden cable drums used for packaging, storage and delivery of our cables and wires for the FYE 31 December 2016 up to 29 February 2020, when we decided to relocate Daya Factory. We have temporarily ceased all the manufacturing activities of wooden cable drums since 29 February 2020. We currently source the wooden cable drums from external parties for our cable and wire manufacturing operations. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

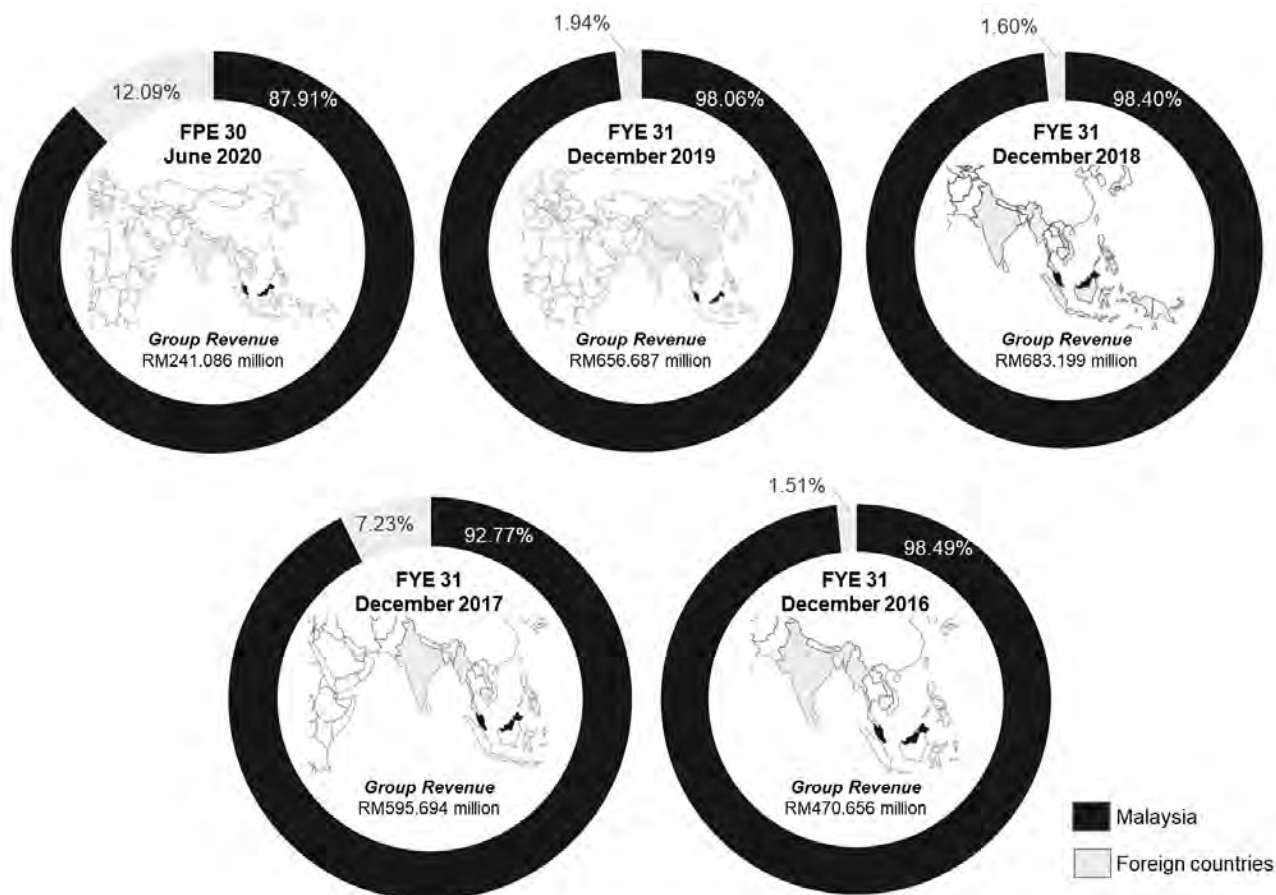
Generally, our sales are based on purchase orders from customers, including those customers where we have entered into contractual agreements.

Our cables and wires are used in various industry sectors including, among others, power distribution and transmission, telecommunications, building and construction, infrastructure, manufacturing and processing industries including oil and gas processing and petrochemical plants. Within oil and gas, we manufacture power, communications and control and instrumentation cables and wires to EPCC contractor and refinery and petrochemical processing plant operator.

5. INFORMATION ON OUR GROUP (CONT'D)

(ii) Geographical Markets

Malaysia is our main market represented 98.49%, 92.77%, 98.40%, 98.06% and 87.91% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively.



5. INFORMATION ON OUR GROUP (CONT'D)**(iii) Distribution Channel and Customers**

We adopt both direct and indirect distribution channel strategy:-

- direct distribution channels where we sell our products to customers for their usage; and
- indirect distribution channels where we sell our products to intermediaries, who subsequently resell our products to their respective customers.

	FYE 2016		FYE 2017		FYE 2018		FYE 2019		FPE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution channel	317,541	67.47	449,059	75.38	438,116	64.13	408,419	62.19	147,473	61.17
EPCC and other contractors ⁽¹⁾	147,507	31.34	238,240	39.99	216,874	31.75	243,799	37.13	81,491	33.80
Utility companies	158,437	33.66	132,615	22.26	195,247	28.58	141,403	21.53	41,467	17.20
Manufacturing and processing plants	8,504	1.81	73,370	12.32	9,999	1.46	7,578	1.15	12,956	5.37
Others ⁽²⁾	3,093	0.66	4,834	0.81	15,996	2.34	15,639	2.38	11,559	4.80
Indirect distribution channel	153,115	32.53	146,635	24.62	245,083	35.87	248,268	37.81	93,613	38.83
Resellers ⁽³⁾	153,115	32.53	146,635	24.62	245,083	35.87	248,268	37.81	93,613	38.83
Total Group Revenue	470,656	100.00	595,694	100.00	683,199	100.00	656,687	100.00	241,086	100.00

Notes:-

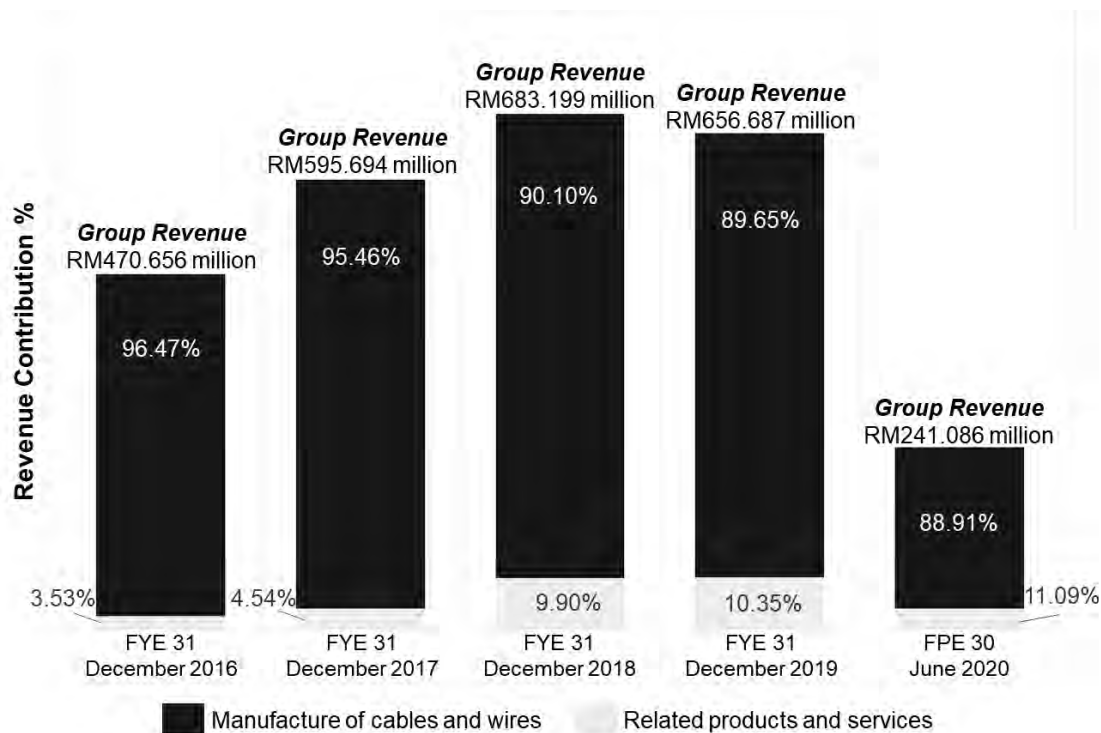
- (1) Other contractors include mechanical and electrical, engineering, railway system, telecommunications and ICT service contractors.
- (2) Others include mainly cable and wire manufacturers who purchased our aluminium rods, plastic compounds and wooden cable drums for their own use during the FYE 31 December 2016 to 2019 and FPE 30 June 2020, a highway operating company who purchased our cables and wires in FYE 31 December 2017 and FYE 31 December 2018, railway operator in FYE 31 December 2019 and seaport operator in FYE 31 December 2019 and FPE 30 June 2020.
- (3) Resellers include distributors, wholesalers, trading companies, and other cable and wire manufacturers, all of whom resell our cables and wires to their respective customers.

We mainly use a direct distribution channel for our sales, which accounted for 67.47%, 75.38%, 64.13%, 62.19% and 61.17% of our total revenue for FYE 31 December 2016, FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020 respectively. For further information on revenue by distribution channels, please refer to Section 5.5.9.2 of this Prospectus.

5. INFORMATION ON OUR GROUP (CONT'D)

5.5.1.2 Our Revenue Streams

The breakdown of our revenue by business activities for the FYE 31 December 2016 to 2019 and FPE 30 June 2020 is as follows:-



Please refer to Sections 5.5.2 and 11.2 of this Prospectus for details on our products and services, and management’s discussion and analysis of our Group’s financial conditions and results of operations respectively.

5. INFORMATION ON OUR GROUP (CONT'D)

5.5.2 Our Products and Services

5.5.2.1 Manufacture of Cables and Wires

As a manufacturer of cables and wires, we also have the following production facilities:-

- electric furnace to melt copper cathode and gas-fired furnace to melt aluminium ingots;
- continuous casting and rolling to produce copper and aluminium rods as input materials for wire drawing;
- drawing of wire into various smaller diameters to be core conductors;
- wire assembly such as bunching into core conductors;
- plastic extrusion using PVC compounds use as insulation, bedding and outer sheath materials; and
- manufacture of wooden cable drums used to coil our cables and wires for storage and delivery purposes. We have temporarily ceased all the manufacturing activities of wooden cable drums since 29 February 2020, when we decided to relocate Daya Factory. We currently source the wooden cable drums from external parties for our cable and wire manufacturing operations. Please refer to Section 6.1.2 of this Prospectus for further information relating to the relocation of Daya Factory.

For the FYE 31 December 2016 to 2019 and FPE 30 June 2020, the cables and wires that we manufactured can be broadly categorised into the following:-

- **Power cables and wires** used in electrical systems for the distribution of power. Our power cables and wires are used in overhead and underground power distribution networks outside of buildings, as well as for internal wiring within buildings. We mainly manufacture two (2) main voltage range of power cables and wires, namely (i) medium voltage (MV) and (ii) low voltage (LV). Our MV power cables are typically used to carry power in the range from 3.5kV up to 33kV. Our LV power cables and wires are used to carry power ranging from 300V up to 1kV. We started manufacturing high voltage cables in June 2019. This type of cables accounted for 0.48% and 2.45% of our total revenue for the FYE 31 December 2019 and FPE 30 June 2020 respectively. Our high voltage power cables are used to carry power up to 132kV.
- **Communications cables and wires** are primarily used to transmit data including text, sound and images by using electrical current of various frequencies. These cables and wires are commonly used to connect devices to communicate with telecommunications networks including trunk, wide and local area networks.
- **Control and instrumentation cables and wires** are mainly used to transmit electrical signals and data to measure, monitor, control and regulate industrial process automation plants. Control cables carry signals in the form of low voltage electrical current, to control the functioning of equipment. Instrumentation cables are similar to control cables and serve to monitor, measure and control instruments, equipment or other devices. Control and instrumentation cables and wires are essential in carrying signals in an automation system where equipment and devices need to communicate with each other.

5. INFORMATION ON OUR GROUP (CONT'D)

We have the capabilities and expertise to manufacture a variety of cables and wires with the following combination of features to meet various specifications including electrical, mechanical and thermal properties, dimensional tolerance and requirements.

- Low and medium voltage ranging from 300V up to 33kV and high voltage up to 132kV for power cables and wires, as well as low voltage up to 1kV for control and instrumentation cables and wires;
- Types of core conductors including copper and aluminium, where we manufacture both solid and stranded core conductors. The maximum operating temperature of our conductors range from 70°C to 90°C;
- Number of cores/pairs per cable ranging from:-
 - Power cables and wires: single core up to five (5) cores with nominal cross-sectional area up to 1,600mm²;
 - Communication cables and wires: telephone cables up to 2,400 pairs; and coaxial cables up to 21 cores; and
 - Control and instrumentation cables and wires: control cables up to 50 cores and instrumentation cables up to 28 pairs:
- Shielding materials such as metallic wire and copper tape shield;
- Insulation materials mainly PVC or PE or XLPE or XLPO with wall thickness ranging from 0.2mm up to 10.0mm, and sheathing materials mainly PVC or PE with wall thickness ranging from 0.7mm up to 3.9mm for outer sheath; and
- Special features for sheathing material include fire and heat resistance, resistant to ultra violet rays, anti-termites and anti-rodents.

5. INFORMATION ON OUR GROUP (CONT'D)

The types of cables and wires that we manufacture mainly cater to the following applications:-

Power Cables and Wires – High voltage (HV) and Medium voltage (MV)

Generally, electricity from power generation plants is delivered to users using the power transmission and power distribution network. Power transmission network uses high voltage transmission cables to carry power over long distances before it reaches the primary distribution substation which uses MV power voltage cables

Some of the applications of our HV and MV power cables are as follows:-

- (a) **Power transmission network:** The electric power transmission network uses HV power cables to deliver power from power generation plant to primary distribution substation.
- (b) **Power distribution networks:** The electric power distribution network uses MV power cables to deliver power from the primary distribution substations to other secondary distribution substations that serve defined commercial, residential or industrial areas, as well as interconnection between solar power plant to the distribution substation.
- (c) **Industrial applications:** MV cables are also used to link the power distribution network directly to major power users including:-
 - infrastructures such as railway systems, airports, water and sewerage treatment plants; and
 - manufacturing and processing plants such as oil and gas processing, petrochemical plants, steel mills and other factories that require direct supply of medium voltage power for its operations.

Power Cables and Wires – Low voltage (LV)

Some of the applications of our LV power cables are as follows:-

- (d) **Secondary distribution networks:** Our LV cables starts from secondary distribution substations to run overhead or underground along and outside of light industrial, commercial and residential premises.
- (e) **Connecting premises:** Our LV cables are used to connect the secondary power distribution substations directly to individual premises.
- (f) **Inside Buildings:** Some of our LV cables are used for cabling and wiring inside buildings.

Communications Cables and Wires

Some of the applications of our communications cables and wires are as follows:-

- (g) **Telecommunications networks:** This includes trunk and wide area network linking networks over large distances as well as local area networks connecting devices such as computers, printers, storage devices and hubs within a relatively small and contained area.
- (h) **Others:** Including CCTV system, security and alarm system, public address system and others.

5. INFORMATION ON OUR GROUP (CONT'D)

Control and Instrumentation Cables and Wires

Some of the applications of our control and instrumentation cables and wires are as follows:-

- (i) **Industrial and commercial automation systems:** Our cables and wires are used to connect equipment, devices and instruments such as switches, sensors, actuators, motor starters, programmable logic controllers and distributed control systems within an industrial plant and commercial buildings to facilitate automation.
- (j) **Others:** Including marine cables for ships, and oil and gas cables used on offshore platforms and petrochemical plants.

5. INFORMATION ON OUR GROUP (CONT'D)

(i) Overview of Cables and Wires

A cable or wire is commonly made up of three (3) major components, namely:-

- **Conductor**, the medium used for the transmission of electricity in the case of power cables and wires, and transmission of data or signals in the case of communications, and control and instrumentation cables and wires.
- **Insulation**, to prevent people or any other things to come into contact with the conductor, as well as leakage of electricity or signals.
- **Protection**, to protect the cables and wires from unintended external stress and forces that may damage the cables.

(a) Conductors

Our Group uses either copper or aluminium as the conductor for our cables and wires. The choice of conductor material will be dependent on intended applications as well as the operating environment and cost considerations.

In general, copper has higher conductivity and tensile strength compared to aluminium. However, aluminium costs less and is also lighter compared to copper.

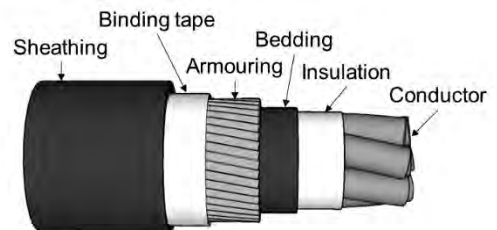
Aluminium has 61% of the conductivity and 30% of the weight of copper. Thus, for the same conductivity capacity, an aluminium conductor will weigh approximately half of a copper conductor (*Source: Industry Overview*).

Conductors may consist of solid cores or multiple wires bunched together to form stranded core conductors. As at the LPD, we manufacture cables and wires with a solid core or stranded core conductors.

(b) Insulation

Cables and wires may be bare or insulated. We mainly manufacture insulated cables and wires.

Insulations are usually applied over conductors to prevent leakage or contact with people or animals to prevent electrocution. The insulations used by our Group are mainly PVC and XLPE. We also use other types of insulation materials such as PE and XLPO.



(c) Protection

Insulated conductors may be further covered by one (1) or more protective layers, such as bedding, armoring, binding and sheathing.

- A layer of screen or shield may be added to reduce external electrical noise from affecting the transmission of signals in cables and wires, or the emission of electromagnetic waves from the conductor within the power cables and wires as well as any interference from external equipment and devices. We mainly use copper tape and aluminium PE foil as shielding or screening materials. For fire resistant cables and wires, the copper conductor is covered with a layer of Mica tape to act as a fire protective barrier.

5. INFORMATION ON OUR GROUP (CONT'D)

- Bedding is a protective layer between the insulation and armouring, which is mainly made from PVC materials.
- Armouring is to provide mechanical protection such that the cables and wires are able to withstand higher stress before they are damaged. The armouring materials we use are aluminium wire for single core cables and galvanised steel wire for multicore cables.
- Armoured cables may be wrapped with binding tape such as PP woven before they are further protected with a layer of sheathing.
- The outermost protective layer is the sheath, also known as jacket. We mainly use PVC or PE as sheathing materials. We also use Low-Smoke Zero-Halogen (LSZH) compound as sheathing materials for our fire resistant and flame retardant power cables and wires, due to its halogen free, low smoke and low toxicity characteristics.

(ii) Power Cables and Wires

Our Group primarily manufactures two (2) main types of power cables, namely low voltage and medium voltage power cables. Our power cables are mainly used for the distribution of power or electricity from the power grid to premises and within buildings, structures, infrastructures, marine vessels, and machinery and equipment.

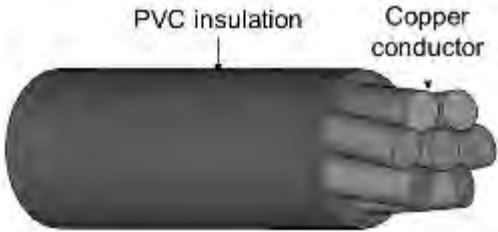
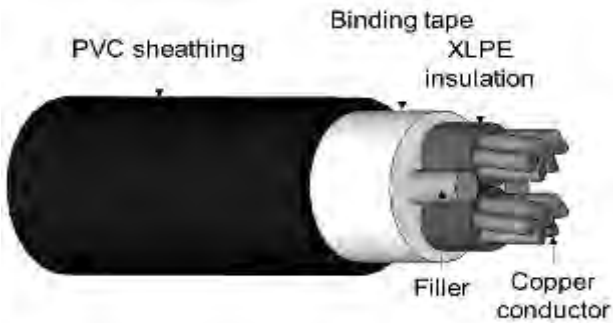
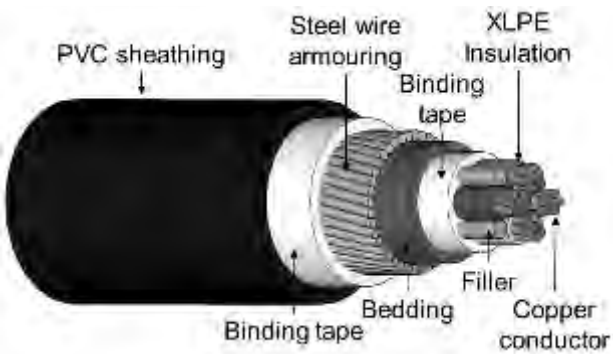
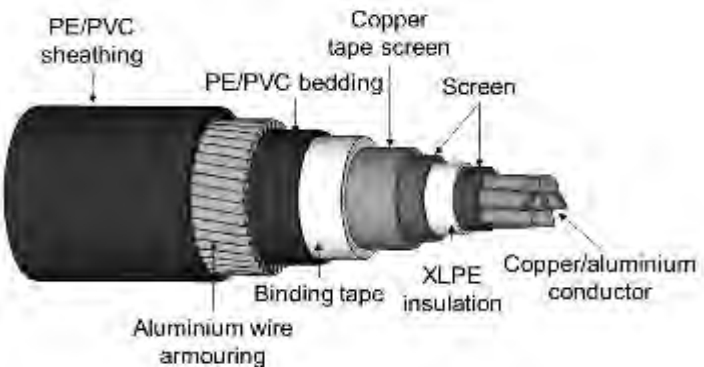
Low Voltage and Medium Voltage Power Cables

We manufacture a range of single core and multicore power cables in various sizes and materials. Some of the general specifications of our power cables are as follows:-

	Low voltage	Medium voltage
Voltage	300/500V, 450/750V, 600/1000V	3.6/6kV, 6.35/11kV, 8.7/15kV, 12.7/22kV, 19/33kV
Conductor material	Copper/Aluminium	Copper/Aluminium
Insulation	XLPE, PVC	PVC
Nominal cross-sectional areas	1.5mm ² up to 630mm ²	16mm ² up to 630mm ²
Number of cores	Single	Single
	Multiple (up to 5 cores)	Multiple (up to 3 cores)
Armouring	Non-armoured	Non-armoured
	Armoured (aluminium wire/galvanised steel wire)	Armoured (aluminium wire/galvanised steel wire)
Sheath	PE/PVC	PE/PVC
Others	Flexible, fire resistant, flame retardant	-

5. INFORMATION ON OUR GROUP (CONT'D)

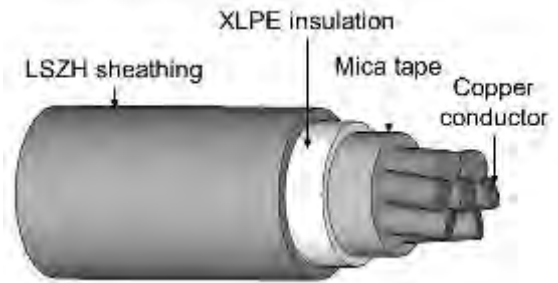
The following are some examples of our low voltage and medium voltage power cables and wires:-

Type of cables	Diagram
Low voltage non-sheathed cable	 <p>PVC insulation Copper conductor</p>
Low voltage 2-core non-armoured cable	 <p>PVC sheathing Binding tape XLPE insulation Filler Copper conductor</p>
Low voltage 4-core armoured cable	 <p>PVC sheathing Steel wire armouring XLPE insulation Binding tape Binding tape Bedding Filler Copper conductor</p>
Medium voltage single core armoured cable	 <p>PE/PVC sheathing Copper tape screen PE/PVC bedding Screen Binding tape XLPE insulation Copper/aluminium conductor Aluminium wire armouring</p>

5. INFORMATION ON OUR GROUP (CONT'D)

We also manufacture low voltage power cables with fire resistant and flame retardant properties, which are mainly used in a highly flammable environment. Our fire resistant cables are designed to withstand extreme heat and fire conditions, while the flame retardant cables are designed to restrict the spread of fire.

We use copper as a conductor for our fire resistant and flame retardant cables. Fire resistant cables are covered with a layer of Mica tape prior to the insulation process. The insulation materials used for fire resistant and flame retardant cables are XLPE, XLPO or PVC. These cables may be armoured or non-armoured and the outer sheath materials used for these types of cables is LSZH compound.



Our fire resistant and flame retardant cables comply with BS6387:1994, IEC60331-21:1999 and IEC60332-1:1993, and we have obtained approval certificates from the Bomba.

In addition, our range of products includes aerial bundle cable ("**ABC**"), which are cables that are bundled together for overhead power distribution lines. Some the general specifications of our ABC are as follows:-

	Low voltage ABC	Medium voltage ABC
Voltage	600/1000V	6.35/11kV, 19/33kV
Number of cores	1 phase and 1 messenger 3 phase and 1 messenger 3 phase, 1 messenger and 1 street lighting	3 phase and 1 messenger
Phase conductor material	Aluminium	Aluminium
Neutral messenger conductor material	Aluminium alloy	Galvanised steel wire
Insulation	PE	XLPE
Screening	-	Copper tape
Sheath	-	PVC