

## **NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MASTER TEC GROUP BERHAD (“MTG” OR “COMPANY”) DATED 28 DECEMBER 2023 (“ELECTRONIC PROSPECTUS”)**

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

### **Website**

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad (“Bursa Securities”) website at [www.bursamalaysia.com](http://www.bursamalaysia.com) (“Website”).

### **Availability and Location of Printed Prospectus**

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company or the Issuing House, Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a paper/printed copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the application forms are not available in electronic format.

### **Jurisdictional Disclaimer**

The IPO and the distribution of the Electronic Prospectus are subject to Malaysian law. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, Directors, Promoters, Selling Shareholder, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

### **Close of Application**

Applications for the IPO Shares will open at **10.00 a.m.** on **28 December 2023** and will close at **5.00 p.m.** on **18 January 2024**. Any change to the timetable will be advertised by the Company in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia and make an announcement on the Website.

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

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

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

The contents of the Electronic Prospectus as provided by the Company to Bursa Securities, 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.

# Master Tec

## MASTER TEC GROUP BERHAD

(Registration No. 202201040911 (1486608-P))  
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF 285,600,000 ORDINARY SHARES IN MASTER TEC GROUP BERHAD ("MTG" OR "COMPANY") ("SHARES") COMPRISING PUBLIC ISSUE OF 158,100,000 NEW SHARES AND OFFER FOR SALE OF 127,500,000 EXISTING SHARES (COLLECTIVELY, "IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARES ON THE ACE MARKET OF BURSA SECURITIES IN THE FOLLOWING MANNER:

- (I) 51,000,000 IPO SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 2,144,000 IPO SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES;
- (III) 104,956,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- (IV) 127,500,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY,

AT AN IPO PRICE OF RM0.39 PER SHARE, PAYABLE IN FULL UPON APPLICATION, SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS.

Principal Adviser, Sponsor, Sole  
Placement Agent and Sole Underwriter



**SJ SECURITIES**

**SJ SECURITIES SDN BHD**

(Registration No. 198501009222 (141671-T))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser

**sierac**  
corporate advisers

**SIERAC CORPORATE ADVISERS SDN BHD**

(Registration No. 200001013247 (515853-A))

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 38 OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARES ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARES ON THE ACE MARKET OF BURSA SECURITIES AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES 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 OF BURSA SECURITIES 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 OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. 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 A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

MASTER TEC GROUP BERHAD PROSPECTUS



# Master Tec

<https://mastertec.my/>



*All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" commencing on page viii, "Definitions" commencing on page xii and "Glossary of Technical Terms" commencing on page xx.*

## **RESPONSIBILITY STATEMENTS**

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

SJ Securities, being our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, 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 our IPO.

## **STATEMENTS OF DISCLAIMER**

Approval has been granted by Bursa Securities for the listing of and quotation for our Shares. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our company or our Shares.

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

This Prospectus, together with the Application Form(s), 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 CMSA for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

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

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

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for the offering would be in compliance with the terms of our IPO as stated in this Prospectus and the Application Form(s) 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 have accepted our offering in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith.

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

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our offering or you are or might be subjected to. Neither us nor our adviser nor any other advisers in relation to our offering shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

## **ELECTRONIC PROSPECTUS**

This Prospectus can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

The internet is not a fully secured medium, and that your Internet Share Application may be subject to the risks of problems occurring during the 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. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us or the Issuing House, a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with Bursa Securities, 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 in fulfilling any of the terms of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or costs 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 of any data, information, files or other material provided by the Third Party Internet Sites; and
- (iii) any data, information, files or other material downloaded from 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 only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties;
- (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; and
- (iii) the Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, 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 indicative time and/or dates:

<b>Event</b>	<b>Tentative Date(s)</b>
Issuance of the Prospectus/Opening of the Application	28 December 2023
Closing of Application	18 January 2024
Balloting of Applications	22 January 2024
Allotment/Transfer of IPO Shares to successful applicants	26 January 2024
Listing	29 January 2024

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on Bursa Securities' website accordingly.

**TABLE OF CONTENTS**

	<b>Page</b>
<b>PRESENTATION OF FINANCIAL AND OTHER INFORMATION</b>	<b>viii</b>
<b>FORWARD-LOOKING STATEMENTS</b>	<b>x</b>
<b>DEFINITIONS</b>	<b>xii</b>
<b>GLOSSARY OF TECHNICAL TERMS</b>	<b>xx</b>
<b>1. CORPORATE DIRECTORY</b>	<b>1</b>
<b>2. INTRODUCTION</b>	<b>5</b>
2.1 Approvals and conditions	5
2.2 Moratorium on our Shares	7
<b>3. PROSPECTUS SUMMARY</b>	<b>9</b>
3.1 Principal details of our IPO	9
3.2 Overview of our business	9
3.3 Competitive advantages	10
3.4 Impact of the COVID-19 pandemic	11
3.5 Future plans	12
3.6 Risk factors	13
3.7 Directors and Key Senior Management	16
3.8 Promoters and substantial shareholders	16
3.9 Financial and operational highlights	17
3.10 Use of proceeds	18
3.11 Dividend policy	18
<b>4. DETAILS OF OUR IPO</b>	<b>19</b>
4.1 Indicative timetable	19
4.2 Particulars of our IPO	19
4.3 Objectives of our IPO	26
4.4 Basis of arriving at the IPO Price	26
4.5 Dilution	27
4.6 Use of proceeds	28
4.7 Underwriting commission, brokerage fee and placement fee	33
4.8 Salient terms of the Underwriting Agreement	34
4.9 Trading and settlement in secondary market	37
<b>5. RISK FACTORS</b>	<b>38</b>
5.1 Risks relating to our business operations	38
5.2 Risks relating to our industry	49
5.3 Risks relating to the investment in our Shares	51
<b>6. INFORMATION ON OUR GROUP</b>	<b>53</b>
6.1 Our Company	53
6.2 Share capital	54
6.3 Our shareholders and Group structure	54
6.4 Our subsidiary	55
6.5 Trademarks	57
6.6 Property, plant and equipment	60
6.7 Relevant laws, regulations, rules or requirements	75
6.8 Employees	80

**TABLE OF CONTENTS (Cont'd)**

<b>7.</b>	<b>BUSINESS OVERVIEW</b>	<b>82</b>
7.1	History	82
7.2	Key achievements and milestones	85
7.3	Business model	87
7.4	Principal activities	90
7.5	Business operations	98
7.6	Technology	105
7.7	Technical	107
7.8	Machineries and equipment	108
7.9	Production capacity	108
7.10	Quality management	109
7.11	Competitive advantages	116
7.12	Seasonality and business interruptions	119
7.13	Major raw materials and purchases	123
7.14	Sales and marketing	124
7.15	Future plans	127
7.16	Major customers	132
7.17	Major suppliers	137
7.18	Environmental, social and governance	143
7.19	Major licenses, certifications, registrations, permits and approvals	148
<b>8.</b>	<b>INDUSTRY OVERVIEW</b>	<b>163</b>
<b>9.</b>	<b>INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT</b>	<b>174</b>
9.1	Promoters and substantial shareholders	174
9.2	Board of Directors	178
9.3	Board practices	203
9.4	Key Senior Management	208
9.5	Associations or family relationships between the Promoters, our substantial shareholders, Directors and Key Senior Management	214
9.6	Declarations by the Promoters, Directors and Key Senior Management	214
9.7	Existing or proposed service contracts	215
9.8	Management succession plan	215
<b>10.</b>	<b>RELATED PARTY TRANSACTIONS</b>	<b>216</b>
10.1	Material related party transactions	216
10.2	Related party transactions entered into that are unusual in their nature or conditions	217
10.3	Material loans and financial assistance made to or for the benefit of related parties	217
10.4	Material loans and financial assistance from related party to our Group	218
10.5	Monitoring and oversight of related party transactions	219
<b>11.</b>	<b>CONFLICT OF INTEREST</b>	<b>221</b>
11.1	Interests in entities which are carrying on a similar trade as that of our Group or which are our customers and/or our suppliers	221
11.2	Declaration by advisers on conflicts of interest	222
<b>12.</b>	<b>FINANCIAL INFORMATION</b>	<b>224</b>
12.1	Historical financial information	224
12.2	Capitalisation and indebtedness	228
12.3	Management's discussion and analysis of financial condition and results of operations	229
12.4	Liquidity and capital resources	258
12.5	Key financial ratios	265
12.6	Order book	272
12.7	Significant changes	273
12.8	Trend information	273
12.9	Dividend policy	273



**TABLE OF CONTENTS** (Cont'd)

12.10	Reporting Accountants' letter on the Pro Forma Statements of Financial Position	275
<b>13.</b>	<b>ACCOUNTANTS' REPORT</b>	<b>289</b>
<b>14.</b>	<b>ADDITIONAL INFORMATION</b>	<b>369</b>
14.1	Share capital	369
14.2	Extracts of our Constitution	369
14.3	Deposited securities and rights of depositors	375
14.4	Limitation on the right to hold securities and/or exercise voting rights	376
14.5	Material contracts	376
14.6	Material litigation	376
14.7	Repatriation of capital and remittance of profit and taxation	376
14.8	Consents	377
14.9	Documents available for inspection	377
14.10	Responsibility statements	377
<b>15.</b>	<b>SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE</b>	<b>378</b>
15.1	Opening and closing of Applications	378
15.2	Methods of Applications	378
15.3	Eligibility	379
15.4	Procedures for Application using Application Forms	380
15.5	Procedures for Application using Electronic Share Application	381
15.6	Procedures for Application using Internet Share Application	382
15.7	Authority of our Board and the Issuing House	382
15.8	Over/Under-subscription	382
15.9	Unsuccessful/Partially successful applicants	383
15.10	Successful applicants	384
15.11	Enquiries	385

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

---

All references to “our Company” and “MTG” are to Master Tec Group Berhad. All references to “our Group” and “MTG Group” are to our Company and our subsidiary taken as a whole. All references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, our Group. All references to “you” are to our prospective investors.

Unless the context otherwise requires, references to “Management” are to our Executive Directors and Key Senior Management as at the date of this Prospectus.

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

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as 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) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the LPD in this Prospectus are to 29 November 2023, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

Certain numbers presented in this Prospectus have been rounded off to the nearest hundredth or two decimal places. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments.

The information on our website or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share. 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, provided that where no source is stated, it can be assumed that the information originated from us or is extracted from the IMR Report as included in Section 8 of this Prospectus. We have appointed Infobusiness to provide an independent market and industry review. In compiling its data for the review, Infobusiness had relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS.

**PRESENTATION OF FINANCIAL AND OTHER INFORMATION** *(Cont'd)*

---

Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

## FORWARD-LOOKING STATEMENTS

---

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Group for future operations, and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and do not guarantee future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) our business strategies, trends and competitive position;
- (ii) our plans and objectives for future operations;
- (iii) potential growth opportunities;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) demands of our customers;
- (ii) general economic, business, social, political and investment environment in Malaysia and globally;
- (iii) government policy, legislation and regulation;
- (iv) interest rates, tax rates and exchange rates;
- (v) shortages in labour;
- (vi) competitive environment in our industry in which we operate;
- (vii) reliance on approvals and licences;
- (viii) delays in availability of supply and fluctuations in prices of input materials;
- (ix) fixed and contingent obligations and commitments; and
- (x) any other factors beyond our control.

## **FORWARD-LOOKING STATEMENTS** *(Cont'd)*

---

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 of this Prospectus on "Risk Factors" and Section 12.3 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.



**DEFINITIONS**

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

Accupro Group	:	Accupro Sdn Bhd (Registration No. 199001005613 (197181-V)) and its subsidiaries, Yogawa Marketing (M) Sdn Bhd (Registration No. 200701030760 (788786-U)) and Pearlmatics Sdn Bhd (Registration No. 199601031166 (403518-V))
ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act 2016
Acquisition	:	Acquisition of the entire equity interest in MTWC by MTG
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the ACE Market of Bursa Securities
AGM	:	Annual general meeting
Al Rajhi Bank	:	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd (Registration No. 200501036909 (719057-X))
Application(s)	:	Application(s) for our IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
Application Form(s)	:	Application form(s) for the application of our IPO Shares accompanying this Prospectus
ATM	:	Automated teller machine
Auditors or Reporting Accountants	:	Crowe Malaysia PLT
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for the IPO Shares
Board	:	Board of Directors of our Company
BOMBA	:	Fire and Rescue Department of Malaysia

**DEFINITIONS** (*Cont'd*)

Bumiputera	:	In the context of: <ul style="list-style-type: none"> <li>(i) Individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;</li> <li>(ii) Companies, companies which fulfil, among others, the following criteria or such other criteria as may be imposed by the MITI:             <ul style="list-style-type: none"> <li>(a) registered under the Act as a private company;</li> <li>(b) its shareholders are 100.00% Bumiputera; and</li> <li>(c) its board of directors (including its staff) are at least 51.00% Bumiputera; and</li> </ul> </li> <li>(iii) cooperatives, cooperatives whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by the MITI</li> </ul>
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compound annual growth rate
CCC	:	Certificate of completion and compliance or such certificate by any other name issued by the relevant authority under the Street, Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CEO	:	Chief executive officer
Certificate for Accommodation or CFA	:	A certificate granted under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 following the amendments made pursuant to the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 certifying an accommodation as fit for occupation by the employees
CMCO	:	Conditional MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
CMSA	:	Capital Markets and Services Act 2007
Conditional Approval Letter	:	Conditional letter of approval issued by MITI on 26 May 2023 to MTWC in respect of its expansion of manufacturing activities on Plant 3
Constitution	:	Constitution of our Company
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Dato' Lau	:	Dato' Lau Kim San

**DEFINITIONS** (Cont'd)

Datuk Saleh	:	Datuk Saleh Bin Mohd Dom
Director	:	An Executive Director or Non-Executive Director of our Company within the meaning given in Section 2 of the CMSA
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
E-Control	:	E-Control Technology Sdn Bhd (Registration No. 200101002674 (538430-X))
EIS	:	Employment Insurance System
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
Electronic Share Application	:	Application for our IPO Shares through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, eligible Directors and employees of our Group
EMCO	:	Enhanced MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
Energy Commission	:	Energy Commission of Malaysia
EPF	:	Employees' Provident Fund Board
EPS	:	Earnings per Share
ESG	:	Environmental, social and governance
Ever Care	:	Ever Care Solar Sdn Bhd (Registration No. 201901039713 (1349043-T))
Executive Directors	:	Collectively, Dato' Lau and TKH
FMCO	:	Full MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
FPE	:	Financial period(s) ended/ending 30 June, as the case may be
FYE	:	Financial year(s) ended/ending 31 December, as the case may be
FYE Under Review	:	Collectively, FYEs 2020, 2021 and 2022
Factory	:	Our Group's existing manufacturing plants comprising Plant 1, Plant 2 and Plant 3 collectively
GP	:	Gross profit
HSBC Bank	:	HSBC Bank Malaysia Berhad (Registration No. 198401015221 (127776-V))
IFRS	:	International Financial Reporting Standards

**DEFINITIONS** (*Cont'd*)

IMR or Infobusiness	:	Infobusiness Research & Consulting Sdn Bhd (Registration No. 199901024026 (498926-P)), the independent market researcher
IMR Report	:	Independent market research report dated 15 June 2023 prepared by Infobusiness
Internet Participating Financial Institution	:	Participating financial institution for the Internet Share Application
Internet Share Application	:	Application for the Issue Shares through an Internet Participating Financial Institution
IPO	:	Initial public offering of our IPO Shares in conjunction with our Listing
IPO Price	:	RM0.39 per IPO Share
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
Key Senior Management	:	Key senior management personnel of our Group comprising Dato' Lau, TKH, Lau Geok Cheng, Abdullah Bin Ab Rahman, Lim Soon Yuen and Yong Yew Chong
KKM or MOH	:	Ministry of Health of Malaysia
Listing	:	Listing of and quotation for our entire enlarged issued Shares on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Lot 1297	:	Vacant land held under Geran 31930, Lot 1297, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka bearing the postal address of PT 195, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka intended to be used for future manufacturing activities
Lot 1304	:	Vacant land held under Geran 31946, Lot 1304, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka bearing the postal address of PT 199, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka currently used for storage and is intended to be used for future manufacturing activities
Lot 1308	:	Vacant land held under Geran 31901, Lot 1308, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka bearing the postal address of PT 183, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka intended to be used for future manufacturing activities and storage depending on our manufacturing operation needs
LPD	:	29 November 2023, being the latest practicable date for ascertaining certain information contained in this Prospectus
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day on which Bursa Securities is open for trading of securities

**DEFINITIONS** (Cont'd)

MCB	:	Master Cable (B) Sdn Bhd (Registration No. RC/00007367)
Maybank	:	Malayan Banking Berhad (Registration No. 196001000142 (3813-K))
Maybank Islamic	:	Maybank Islamic Berhad (Registration No. 200701029411 (787435-M))
MCCG	:	Malaysian Code on Corporate Governance which came into effect on 28 April 2021
MCO	:	Movement control order under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institute of Accountants
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment, Trade and Industry ( <i>formerly known as Ministry of International Trade and Industry</i> )
MOF	:	Ministry of Finance
MTG or Company	:	Master Tec Group Berhad (Registration No. 202201040911 (1486608-P))
MTG Group or Group	:	Collectively, our Company and our subsidiary, MTWC
MTG Shares or Shares	:	Ordinary shares in our Company
MTPC	:	MTPC Sdn Bhd (Registration No. 201901035193 (1344523-T))
MyIPO	:	Intellectual Property Corporation of Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
NRP	:	National Recovery Plan
NTA	:	Net tangible assets
Oasis Office	:	Our sales office located at B-2-19 Capital 2 Oasis Square, No. 2, Jalan PJU 1A/7A, Oasis Ara Damansara, 47301 Petaling Jaya, Selangor
Offer for Sale	:	Offer for sale of 127,500,000 Offer Shares by the Selling Shareholder
Offer Shares	:	Existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application
PAT	:	Profit after taxation



**DEFINITIONS** *(Cont'd)*

PBT	:	Profit before taxation
PB multiple	:	Price-to-book multiple
PE multiple	:	Price-to-earnings multiple
Pink Application Form	:	Application form for the application of the Issue Shares by the Eligible Persons accompanying this Prospectus
Pink Form Allocations	:	2,144,000 Issue Shares made available for application by the Eligible Persons
Plant 1	:	Our Group's manufacturing plant constructed on Geran 31927, Lot 1299, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka and Geran 31926, Lot 1300, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka bearing the postal address of Lot 1299 and 1300, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka
Plant 2	:	Our Group's manufacturing plant constructed on HSD 19242, PT 2191, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka (previously known as Geran 31931, Lot 1301, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka and Geran 31933, Lot 1302, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka) bearing the postal address of PT2191 (previously known as Lot 1301 and 1302), Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka
Plant 3	:	Our Group's manufacturing plant constructed on Geran 31928, Lot 1298, Mukim Rembia Daerah Alor Gajah, Negeri Melaka and Geran 31934, Lot 1303, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka bearing the postal address of Lot 1298 and 1303, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka
Plant 4	:	Our Group's manufacturing plant to be constructed on Lot 1297
Plant 5	:	Our Group's manufacturing plant to be constructed on Lot 1304
PRC	:	People's Republic of China
Press Metal Group	:	Press Metal Bintulu Sdn Bhd (Registration No. 201001034899 (918822-X)) and its subsidiary, Press Metal Aluminium Rods Sdn Bhd (Registration No. 197701005025 (36093-H))
Promoter(s)	:	Collectively, Dato' Lau and MTPC
Prospectus	:	This prospectus dated 28 December 2023 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 158,100,000 Issue Shares by our Company
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
RMCO	:	Recovery MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA

**DEFINITIONS** *(Cont'd)*

SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SEB	:	Sarawak Energy Berhad (Registration No. 196701000221 (7199-D))
SEB Group	:	SEB and its subsidiary, Syarikat SESCO Berhad (Registration No. 200401034422 (672931-A))
Selected Investors	:	Investors that meet the requirements of Schedule 6 or 7 of the CMSA and subscribe for our IPO Shares through private placement
Selling Shareholder	:	Dato' Lau
SESB	:	Sabah Electricity Sdn Bhd (Registration No. 199801006745 (462872-W))
Share Registrar	:	Securities Services (Holdings) Sdn Bhd (Registration No. 197701005827 (36869-T))
Share Transfer	:	Transfer of a total of 561,000,000 Shares held by Dato' Lau to MTPC during the prescription period, which is carried out after the Offer for Sale and Public Issue
SICDA	:	Securities Industry (Central Depositories) Act 1991
SIRIM	:	SIRIM QAS International Sdn Bhd (Registration No. 199601037981 (410334-X))
SJ Securities or Principal Adviser or Sponsor or Sole Placement Agent or Sole Underwriter	:	SJ Securities Sdn Bhd (Registration No. 198501009222 (141671-T))
SME Bank	:	Small Medium Enterprise Development Bank Malaysia Berhad (Registration No. 197901005290 (49572-H))
SOP	:	Standard operating procedures
Specified Shareholders	:	Collectively, Dato' Lau, MTPC, Lau Geok Cheng and Clement Lau Wei Kiat
sq. ft.	:	Square feet
TKH	:	Tee Kok Hwa
TNB	:	Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))
TNB Group	:	TNB and its subsidiaries, Tenaga Cable Industries Sdn Bhd (Registration No. 198901012116 (189423-D)), Allo Technology Sdn Bhd (Registration No. 199901026101 (501001-A)), TNB-IT Sdn Bhd (Registration No. 199801010385 (466513-M)), TNB Power Generation Sdn Bhd (Registration No. 201901027074 (1336401-D)) and SESB
UK	:	United Kingdom
Underwriting Agreement	:	Underwriting agreement dated 12 December 2023 between our Company and SJ Securities for the purpose of our IPO

**DEFINITIONS** *(Cont'd)*

---

USA : United States of America

**Currencies**

BND : Brunei Dollar, the lawful currency of Brunei Darussalam

Euro : Euro, the lawful currency of European Union

RM and sen : Ringgit Malaysia and sen, the lawful currency of Malaysia

RMB : Renminbi, the lawful currency of PRC

SGD : Singapore Dollar, the lawful currency of Singapore

USD : United States Dollar, the lawful currency of the USA

**Subsidiary**

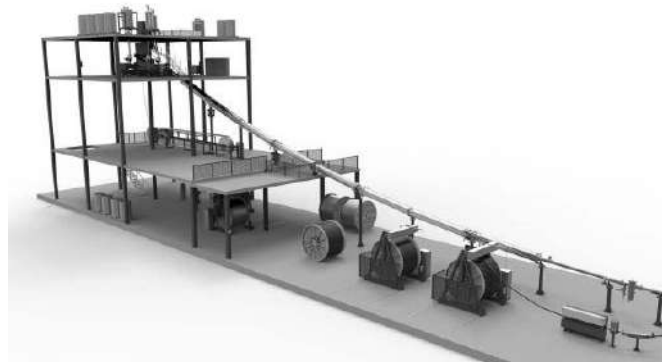
MTWC : Master Tec Wire & Cable Sdn Bhd (Registration No. 200501023148 (705279-P))

## GLOSSARY OF TECHNICAL TERMS

---

This glossary contains explanation of certain terms used in this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings or usage of these terms.

ABC	:	Aerial bundled cable, an overhead power line for power transmission and distribution
AFNOR	:	Association Française de Normalisation
Aluminium rod	:	A long and circular shaped aluminium rod which is used as the key material for the manufacturing of our aluminium-cored wires and cables
American Wire Gauge or AWG	:	A numerical standard measure used in the USA that applies a gauge number system to measure the cross-section area of electrical conductors which has its own code to define cable size. For example, No. 2 AWG (equivalent to 33.4 mm <sup>2</sup> ), No. 15 AWG (equivalent to 1.65 mm <sup>2</sup> ) and No. 27 AWG (equivalent to 0.102 mm <sup>2</sup> )
Armoured cable	:	A cable which has an extra protective layer wrapped around with materials such as aluminium and steel to increase its mechanical strength to prevent damage to the internal parts of the cable under harsh operating environment
AWM	:	Appliance wiring materials, also known as hook-up wires, are commonly used in a variety of applications such as general-purpose wiring circuits, control circuits and internal wiring of appliances
Bare conductor	:	A conductor of aluminium or copper without insulation layer
Bedding	:	A process of applying a protective layer between the armour and insulator
BS	:	British Standards
CCV line	:	Catenary continuous vulcanising line, a computer-controlled triple-layer co-extrusion production line for XLPE power cables. The triple-layer extrusion process produces an inner semiconductor layer, an insulation layer and an outer semiconductor layer in one single continuous process



*(picture illustration of a CCV line)*

**GLOSSARY OF TECHNICAL TERMS** (Cont'd)

Circuit kilometre	:	Actual length of the line in an electricity reticulation system, as opposed to conductor length, as one or more conductors may be employed to create a circuit
Conductor	:	A conductor is generally made from copper or aluminium rods, which is a medium used for the transmission of electricity, data or signals
Control cables	:	Shielded cables used to transmit signals in controlling or regulating a system in an industrial environment
Copper cathode	:	The core raw material which undergo continuous casting process to turn into copper rods (as raw materials for our conductors) which are further used for the manufacturing of our wires and cables
Copper rod	:	A long and circular shaped copper rod which is used as the key material for the manufacturing of our copper-cored wires and cables
DC	:	Direct current
E&E	:	Electrical and electronic
EMF	:	Electromagnetic fields
EMI	:	Electromagnetic interference refers to low frequency noise of less than 20 kilohertz
EMS	:	Environmental management system
EN	:	European Standard
EPCC	:	Engineering, procurement, construction and commissioning
EPR	:	Ethylene propylene rubber
Extrusion	:	A process to reshape a material into a long and straight shape with a fixed cross-section profile
Fibre optic cable	:	Fibre optic cable is used to transfer data signals in the form of light and travel hundreds of miles significantly faster than copper cables
Fire resistant cable	:	Fire resistant cable is designed to maintain circuit integrity and continue to work for a specified period of time in the event of a fire
Flame retardant cable	:	Flame retardant cable is a cable which will prevent fire from spreading across the cable in the event of a fire
FR	:	Fire resistant
FRT	:	Fire retardant
FTTH	:	Fibre to the home is the installation and use of optical fibre from a central point to individual buildings to provide high-speed internet access
HDPE	:	High density polyethylene is a type of synthetic resin made from petroleum
HV	:	High voltage, rated voltage of 66kV and above, based on the Performance & Statistical Information on the Malaysian Electricity Supply Industry 2019 issued by the Energy Commission



**GLOSSARY OF TECHNICAL TERMS** (Cont'd)

IEC	:	International Electrotechnical Commission
IEC 60228	:	A numerical standard measure used by many countries around the world to measure the cross-section area of electrical conductors based on mm <sup>2</sup>
Instrumentation cables	:	Unshielded cables used to transmit signals in measuring or detecting various parameters of a system in controlled environments such as laboratories and test facilities
Insulation	:	A process of applying a protective layer to the conductor to prevent people or any other objects from coming into contact with the conductor as well as the leakage of electricity or signals
Inverter	:	A device whose function is to convert DC into alternating current, which can be fed into the electric grid or used by a local off-grid network
ISO	:	International Organization for Standardization
JIT	:	Just-in-time, is an inventory management method in which raw materials are received from suppliers only as when needed
km	:	Kilometre
kV	:	Kilovolt, a unit of electric potential and is equivalent to 1,000V
kWh	:	Kilowatt hour, which is equivalent to 1,000 watts of electricity used continuously for an hour
LDPE	:	Low density polyethylene is a type of synthetic resin made from petroleum
LME	:	London Metal Exchange
LSZH	:	Low smoke zero halogen is a material which emits smoke that is less dense and at a lower rate during a fire
LV	:	Low voltage, rated voltage up to 1kV, based on the Performance & Statistical Information on the Malaysian Electricity Supply Industry 2019 issued by Energy Commission
M&E	:	Mechanical and electrical
MDPE	:	Medium density polyethylene is a type of synthetic resin made from petroleum
Mica tape	:	Mica tape provides a fire protection barrier used in our fire resistant cables
mm <sup>2</sup>	:	Square millimetre
MPIA	:	Malaysian Photovoltaic Industry Association

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

MS	:	Malaysian Standard is developed through consensus by committees which comprise balanced representation of producers, users, consumers and others with relevant interests in accordance with Standards of Malaysia Act 1996 (Act 549). An MS is a technical document that specifies the minimum requirements of quality and safety for use by the public. The use of MS is voluntary except in so far as they are made mandatory by regulatory authorities by means of regulations, local by-laws or any other similar ways.
MV	:	Medium voltage, rated voltage between 6.6kV and 33kV, based on the Performance & Statistical Information on the Malaysian Electricity Supply Industry 2019 issued by the Energy Commission
MWh	:	Megawatt hour, which is equivalent to 1,000 kWh of electricity used continuously for an hour
OEM	:	Original equipment manufacturer
OHSAS	:	Occupational Health and Safety Assessment Series
PE	:	Polyethylene is a type of synthetic resin made from petroleum
pH	:	A figure expressing the acidity or alkalinity of a solution
Power cables	:	Power cables are primarily used to transmit/distribute electrical energy from one point to another
PV	:	Photovoltaic
PVC	:	Polyvinyl chloride is a type of synthetic resin made from petroleum
QC	:	Quality control
QMS	:	Quality management system
RFI	:	Radio frequency interference refers to higher frequency noise greater than 20 kilohertz
Sheath	:	Refers to the jacket which is the outermost protection layer of a cable
Shielding or screening	:	Refers to the application of a protective layer to minimise electromagnetic interference and radiofrequency interference emanating from E&E devices and machinery
Solar DC power cable	:	A single-core copper cable with insulation and sheath used within solar PV systems
SS	:	Singapore Standards
UL	:	Underwriters Laboratory, a global not-for-profit safety science company, is a third-party testing laboratory that certifies and tests products. UL tests the latest products and technologies for safety before they are marketed around the world. UL offers its services in five strategic areas, from product safety, environment, life and health, university, and verification services. UL tests 22 billion different products annually, ranging from consumer electronics, alarms and security equipment, to lasers, medical devices, and robotics
UV	:	Ultraviolet is a form of radiation emitted from the sun

**GLOSSARY OF TECHNICAL TERMS** *(Cont'd)*

---

V	:	Volts
Wooden drum	:	A packaging material used to coil our wires and cables for storage and delivery
XLEVA	:	Cross-linked ethylenevinyl acetate and polyethylene copolymer is a type of synthetic resin made from petroleum
XLPE	:	Cross-linked polyethylene is a type of synthetic resin made from petroleum
XLPO	:	Cross-linked polyolefin is a type of synthetic resin made from petroleum

## 1. CORPORATE DIRECTORY

### BOARD OF DIRECTORS

Name	Designation	Nationality	Address
Datuk Saleh	Independent Non-Executive Chairman	Malaysian	KM 3276 Jalan Sutera 11, Taman Sutera, Kelemak, 78000 Alor Gajah, Melaka
Dato' Lau	Non-Independent Executive Director and Managing Director	Malaysian	No. 11, Jalan Vista Kirana 2, Taman Vista Kirana, 75450 Ayer Keroh, Melaka
TKH	Non-Independent Executive Director and CEO	Malaysian	No. 46, Jalan Samarinda 6, Taman Satu Krubong, 75260 Melaka
Yee Ying Sung	Independent Non-Executive Director	Malaysian	No. 8 Jalan PB 5, Taman Padang Balang, 75350 Batu Berendam, Melaka
Fong Hui Fong	Independent Non-Executive Director	Malaysian	Lot 4760 Lorong Ghaffar, Klebang Besar, 75200 Melaka
Hooi Lian Jye	Independent Non-Executive Director	Malaysian	793 D, Jalan Emas 6, Taman Kerjasama, Bukit Beruang, 75450 Melaka

### AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Yee Ying Sung	Chairman	Independent Non-Executive Director
Fong Hui Fong	Member	Independent Non-Executive Director
Hooi Lian Jye	Member	Independent Non-Executive Director

### NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Hooi Lian Jye	Chairperson	Independent Non-Executive Director
Yee Ying Sung	Member	Independent Non-Executive Director
Fong Hui Fong	Member	Independent Non-Executive Director

**1. CORPORATE DIRECTORY (Cont'd)**

- COMPANY SECRETARIES** : **Chua Siew Chuan**  
Professional qualification: Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**")  
(MAICSA Membership No.: 0777689)  
(CCM Practicing Certificate No. 201908002648)
- Yeow Sze Min**  
Professional qualification: MAICSA  
(MAICSA Membership No.: 7065735)  
(CCM Practicing Certificate No. 201908003120)
- Securities Services (Holdings) Sdn Bhd**  
(Registration No. 197701005827 (36869-T))  
Level 7, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur
- Tel. No. : +603 2084 9000
- REGISTERED OFFICE** : No. 60-1, Jalan Lagenda 5,  
Taman 1 Lagenda,  
75400 Melaka
- Tel. No. : +606 288 0210
- HEAD/MANAGEMENT OFFICE** : RM1299-A Kawasan Perindustrian Rembia,  
78000 Alor Gajah,  
Melaka
- Tel. No. : +606 316 1111  
Fax No. : +606 316 2888  
Email : info@mastertec.my  
Website : www.mastertec.my
- PRINCIPAL ADVISER, SPONSOR, SOLE PLACEMENT AGENT AND SOLE UNDERWRITER** : **SJ Securities Sdn Bhd**  
(Registration No. 198501009222 (141671-T))  
26, Jalan Pendaftar U1/54  
Temasya Glenmarie  
40150 Shah Alam
- Tel. No. : +603 7845 6925  
Fax No. : +603 7845 6925
- LEGAL ADVISERS** : **Rosli Dahlan Saravana Partnership**  
Level 16, Menara 1 Dutamas,  
No. 1 Jalan Dutamas 1,  
Solaris Dutamas,  
50480 Kuala Lumpur
- Tel. No. : +603 6209 5400  
Fax No. : +603 6209 5411  
Partner-in-charge : Ong Eu Jin

**1. CORPORATE DIRECTORY (Cont'd)**

- AUDITORS AND REPORTING ACCOUNTANTS** : **Crowe Malaysia PLT**  
 201906000005 (LLP0018817-LCA) & AF 1018  
 52, Jalan Kota Laksamana 2/15,  
 Taman Kota Laksamana, Seksyen 2,  
 75200 Melaka
- Partner-in-charge : Piong Yew Peng  
 Approval No. : 03070/06/2025 J  
 Professional : Chartered Accountant, Fellow of CPA  
 Qualification : Australia and Member of the MIA  
 (MIA Membership No.: 11430)
- Tel. No. : +606 282 5995  
 Fax No. : +606 283 6449
- FINANCIAL ADVISER** : **Sierac Corporate Advisers Sdn Bhd**  
 (Registration No. 200001013247 (515853-A))  
 Suite 12-07 Menara 1MK,  
 Kompleks 1 Mont Kiara,  
 No. 1 Jalan Kiara, Mont Kiara,  
 50480 Kuala Lumpur
- Tel. No. : +603 2389 3697
- IMR** : **Infobusiness Research & Consulting Sdn Bhd**  
 (Registration No. 199901024026 (498926-P))  
 C4-3A-3, Solaris Dutamas  
 No. 1, Jalan Dutamas 1  
 50480 Kuala Lumpur
- Tel. No. : +603 6205 3930  
 Fax No. : +603 6205 3927
- Research Director : Leow Hock Bee  
 Qualification : B.Sc. (Hons) Geology from the University  
 of Western Ontario and Master of  
 Business Administration from Massey  
 University
- SHARE REGISTRAR** : **Securities Services (Holdings) Sdn Bhd**  
 (Registration No. 197701005827 (36869-T))  
 Level 7, Menara Milenium,  
 Jalan Damanlela, Pusat Bandar Damansara,  
 Damansara Heights,  
 50490 Kuala Lumpur
- Tel. No. : +603 2084 9000  
 Fax No. : +603 2094 9940

**1. CORPORATE DIRECTORY (Cont'd)**

---

**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  
Malaysia

Tel. No. : +603 7890 4700  
Fax No. : +603 7890 4680

**LISTING SOUGHT** : ACE Market of Bursa Securities

**SHARIAH STATUS** : Approved by the SAC



## 2. INTRODUCTION

### 2.1 APPROVALS AND CONDITIONS

#### 2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 6 November 2023, approved our Admission and our Listing, subject to the following conditions:

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(i)	Submit the following information in respect of the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository:	Complied
	(a) Name of Specified Shareholders;	
	(b) Number of Shares; and	
	(c) Date of expiry of the moratorium for each block of Shares;	
(ii)	Confirm that approvals from other relevant authorities have been obtained for the implementation of the Listing;	Complied
(iii)	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
(iv)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
(v)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of MTG on the first day of Listing;	To be complied
(vi)	In relation to the IPO to be undertaken by MTG, to announce at least two Market Days prior to the Listing date, the result of the offering including the following:	To be complied
	(a) Level of subscription of public balloting and placement;	
	(b) Basis of allotment/allocation;	
	(c) A table showing the distribution for placement tranche; and	
	(d) Disclosure of placees who become substantial shareholders of MTG arising from the IPO, if any; and	
(vii)	MTG/SJ Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of MTG to the Official List.	To be complied

## 2. INTRODUCTION (Cont'd)

### 2.1.2 SC

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

The SC had, vide its letters dated 8 November 2023 and 13 December 2023, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies.

The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	MTG is to allocate Shares equivalent to 12.5% of its enlarged number of issued Shares at the point of Listing to Bumiputera investors to be approved by MITI; and	Complied
(ii)	MTG is to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	Complied

The effects of our Listing on the equity structure of our Company are as follows:

Category of shareholders	As at 31 May 2023 <sup>(1)</sup>		After our Listing	
	No. of Shares	%	No. of Shares	%
<b>Bumiputera</b>				
- Bumiputera public investors via balloting	-	-	<sup>(2)</sup> 25,500,000	2.50
- Bumiputera investors to be approved by the MITI	-	-	<sup>(2)</sup> 127,500,000	12.50
- Others	-	-	<sup>(3)</sup> 344,000	0.03
<b>Total Bumiputera</b>	-	-	<b>153,344,000</b>	<b>15.03</b>
Non-Bumiputera	100	100.00	866,656,000	84.97
<b>Total Malaysians</b>	<b>100</b>	<b>100.00</b>	<b>1,020,000,000</b>	<b>100.00</b>
Foreigners	-	-	-	-
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>1,020,000,000</b>	<b>100.00</b>

**Notes:**

- (1) *Being the latest practicable date prior to the submission of our Listing application to Bursa Securities.*
- (2) *Based on the assumption that the Shares offered to Bumiputera investors to be approved by the MITI and Bumiputera public investors via balloting shall be fully subscribed.*
- (3) *Based on the assumption that the Shares offered to Eligible Persons who are Bumiputera under the Pink Form Allocations shall be fully subscribed.*

## 2. INTRODUCTION (Cont'd)

### 2.1.3 MITI

The MITI had, vide its letter dated 20 September 2023, stated that it has taken note and has no objection for us to implement our Listing.

### 2.1.4 SAC

The SAC had, vide its letter dated 11 August 2023, classified our Shares as Shariah-compliant securities based on the latest audited combined financial statements of our Group for the FYE 2022.

## 2.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by certain Specified Shareholders as follows:

- (a) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**First 6-Month Moratorium**");
- (b) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.0% the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (c) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

The details of the moratorium by our Specified Shareholders who hold Shares in our Company are as follows:

Specified Shareholder	Year 1		Year 2		Year 3			
	First 6-Month Moratorium		Second 6-Month Moratorium		Shares under moratorium		Shares under moratorium	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
MTPC	561,000,000	55.00	350,625,000	34.38	233,750,000	22.92	116,875,000	11.46
Dato' Lau	173,400,000	17.00	108,375,000	10.62	72,250,000	7.08	36,125,000	3.54
Lau Geok Cheng <sup>(2)</sup>	50,000	*	-	-	-	-	-	-
Clement Lau Wei Kiat <sup>(3)</sup>	15,000	*	-	-	-	-	-	-
<b>Total</b>	<b>734,465,000</b>	<b>72.00</b>	<b>459,000,000</b>	<b>45.00</b>	<b>306,000,000</b>	<b>30.00</b>	<b>153,000,000</b>	<b>15.00</b>

## 2. INTRODUCTION (Cont'd)

---

**Notes:**

- \* *Negligible*
- (1) *Based on the enlarged issued 1,020,000,000 Shares after our IPO.*
- (2) *Lau Geok Cheng is the sister of our Promoter, substantial shareholder, Non-Independent Executive Director and Managing Director, Dato' Lau, hence a person connected with him and a specified shareholder. She is also our sourcing manager.*
- (3) *Clement Lau Wei Kiat is the son of our Promoter, substantial shareholder, Non-Independent Executive Director and Managing Director, Dato' Lau, hence a person connected with him and a specified shareholder. He is also the personal assistant to Dato' Lau and an alternate director in MTWC.*

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium shall also apply to the shareholder of MTPC, namely Dato' Lau, who has provided an undertaking that he will not sell, transfer or assign his shares in MTPC during the Moratorium Period in accordance with Rule 3.19(2) of the Listing Requirements.

The moratorium restriction, which is fully accepted by our Specified Shareholders, will be specifically endorsed on the share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes with the aforesaid restriction.

### 3. PROSPECTUS SUMMARY

**THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.**

#### 3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO entails an offering of 158,100,000 Issue Shares and 127,500,000 Offer Shares at an IPO Price of RM0.39 per IPO Share.

Our IPO Shares will be allocated in the following manner:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Malaysian Public via balloting						
- Non-Bumiputera	25,500,000	2.50	-	-	25,500,000	2.50
- Bumiputera	25,500,000	2.50	-	-	25,500,000	2.50
Pink Form Allocations						
- Directors	1,400,000	0.14	-	-	1,400,000	0.14
- Employees	744,000	0.07	-	-	744,000	0.07
Private placement						
- Non-Bumiputera	104,956,000	10.29	-	-	104,956,000	10.29
- Bumiputera	-	-	127,500,000	12.50	127,500,000	12.50
<b>Total</b>	<b>158,100,000</b>	<b>15.50</b>	<b>127,500,000</b>	<b>12.50</b>	<b>285,600,000</b>	<b>28.00</b>

Enlarged number of Shares upon Listing	1,020,000,000
IPO Price per Share	RM0.39
Market capitalisation upon Listing <sup>(2)</sup>	RM397,800,000

**Notes:**

(1) Based on our enlarged issued Shares of 1,020,000,000 Shares upon our Listing.

(2) Based on our IPO Price and our enlarged number of Shares upon Listing.

MTPC, Dato' Lau, Lau Geok Cheng and Clement Lau Wei Kiat have provided their undertakings not to sell, transfer or assign their entire shareholdings in our Company. Please refer to Section 2.2 of this Prospectus for further details on the moratorium on our Shares. Save for the moratorium on the sale of the existing Shares imposed on our Specified Shareholders, there is no other moratorium imposed on our Shares. For detailed information in relation to our IPO, please refer to Section 4.2 of this Prospectus.

#### 3.2 OVERVIEW OF OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 3 November 2022 as a private limited company under the name of Master Tec Group Sdn Bhd. On 15 June 2023, our Company was converted into a public limited company under our present name.

### 3. PROSPECTUS SUMMARY *(Cont'd)*

---

We are an investment holding company, while MTWC, our sole subsidiary, is principally involved in the manufacturing and distribution of power cables, control and instrumentation cables, and other related products, and the trading of power cables, fibre optic cables, and other related products.

We have about 17 years of operating history in the wires and cables industry in Malaysia since commencing business operations in 2006. There has been no material change in the manner in which we conduct our business or activities since we commenced business operations and up to the LPD.

Further details of our Group and our business overview are set out in Sections 6 and 7 of this Prospectus.

#### 3.3 COMPETITIVE ADVANTAGES

Our competitive strengths and advantages are as follows:

**(i) We are an established manufacturer of wires and cables with a reputable brand name and proven track record**

We have been operating in the wires and cables industry for about 17 years. Throughout the years, we have established a reputable MASTERTEC brand and track record for our LV power cables and control and instrumentation cables. Through our brand, customers recognise our products and they are given the assurance and confidence of our products' quality, performance, safety and durability.

**(ii) We have established manufacturing facilities, followed by an effective production planning and management system**

We have established a comprehensive manufacturing infrastructure in our current manufacturing plants to produce quality copper-cored and aluminium-cored LV wires and cables for our customers. We have implemented an effective production planning and management system to ensure quality and efficiency in our productivity.

**(iii) We have an experienced Key Senior Management**

Our Group is managed by our Key Senior Management with years of experience ranging between nine and 26 years in the wires and cables industry. Our Key Senior Management team plays vital roles in our Group's success as they possess vast experience, expertise, commitment and knowledge. Their expertise lies in their experience in the wires and cables manufacturing technology and processes as well as in the design and development, and manufacturing of quality wires and cables for various end user markets.

**(iv) We place emphasis on the quality of our products**

We are committed to product quality, safety and durability. We conduct QC inspection and testing on the wires and cables manufactured by us based on our quality inspection plan. We have an organised and comprehensive quality management policy which we have strictly implemented and followed in accordance with international standards. Our ability to produce quality products can be evidenced by the various certifications, approvals, recognitions, and registrations granted by various governing bodies and authorities, in recognition and approval of the quality, safety and performance of our wires and cables for their respective applications.

### 3. PROSPECTUS SUMMARY *(Cont'd)*

---

#### (v) **We have a balanced portfolio of customers**

Our Group has a balanced portfolio of customers. For the FYE 2022 and as at LPD, we have a total of 246 and 219 active customers respectively, from power utility companies and electrical wholesalers to M&E contractors and project owners. Our wires and cables are utilised in various end user markets, including power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E.

Further details of our competitive advantages are set out in Section 7.11 of this Prospectus.

### 3.4 IMPACT OF THE COVID-19 PANDEMIC

#### (i) **Impact on our operations**

Our Group's operations were temporarily shut down when the Malaysian government implemented the first MCO on 18 March 2020. However, the COVID-19 pandemic had minimal effects on our operations as our business was categorised as one of the essential services and we were allowed to continue our business operations with a reduced physical workforce capacity under strict rules and guidelines, and SOPs set by KKM and MITI.

During the various phases of the MCOs from 2020 to 2022, we also faced difficulty in hiring and retaining foreign workers to operate our machineries and equipment in our manufacturing plants. In addition, the Malaysian government's decision to temporarily freeze the recruitment of foreign workers in June 2020 in order to curb the spread of COVID-19 coupled with the difficulty in renewing foreign worker work permits after they expired, and the return of some foreign workers to their home countries had compounded our Group's labour shortage predicament.

The various phases of the MCOs and our shortage of foreign workers contributed to a decline in our production capacity as we did not have sufficient foreign workers to operate our manufacturing activities at optimal capacity.

The temporary freeze on foreign worker recruitment by the Ministry of Human Resource was lifted in August 2022. We started to hire and train our new foreign workers and managed to raise our production output at the end of 2022.

During the various phases of the MCOs, we continued to communicate with our customers to address the delay in fulfilling orders and kept them updated on our Group's progress and expected timeline for resuming production, in order to minimise the impact on our customers.

#### (ii) **Impact on our supply chain**

During the various phases of the MCOs, our supply of certain raw materials, namely wooden drums and copper cathodes, from our existing suppliers were affected.

We also experienced delays in the delivery of our wooden drums used as packaging materials for our wires and cables due to the various phases of the MCOs which resulted in a scarcity of timber supply in Malaysia. However, our manufacturing operations were not materially affected as we were able to secure wooden drums from other local suppliers for our packaging needs.



### 3. PROSPECTUS SUMMARY *(Cont'd)*

---

#### (iii) Impact on our financial performance

During the various phases of the MCOs, our Group incurred COVID-19 related expenses amounting to approximately RM0.11 million for the purchase of personal protective equipment, body temperature measurement devices, COVID-19 Antigen Rapid Self-Test kits, COVID-19 vaccination, COVID-19 tests for our employees, accommodation and transportation for infected employees as well as cleaning agents and sanitisation services for our offices and manufacturing facilities.

Further details of seasonality and business interruptions are set out in Section 7.12 of this Prospectus.

### 3.5 FUTURE PLANS

Our objective is to further grow our position as an established wires and cables solutions provider in the markets that we operate in. Our business and growth strategies include the following:

#### (i) Venture into the manufacturing of MV power cables

We intend to venture into the manufacturing of MV power cables comprising XLPE insulated overhead and underground power cables for power distribution purposes catering to customers from various end user markets, including but not limited to power utility, solar PV, industrial parks, commercial buildings and public transportation.

Our future plans to manufacture MV power cables will be carried out in two stages, as explained below:

##### ***Stage 1: Construction of two new manufacturing plants***

We intend to construct two new manufacturing plants to manufacture our MV power cables. We have identified two pieces of vacant lands, namely Lot 1297 and Lot 1304, behind our existing Plant 3 to construct two new manufacturing plants. The total construction cost for Plant 4 and Plant 5 is estimated to be RM16.78 million, which will be fully funded by the proceeds from our Public Issue.

##### ***Stage 2: Purchasing new machineries and equipment***

We intend to purchase several new machineries and equipment which will be used for the manufacturing of our MV power cables. Such new machineries and equipment will be installed in our Plant 4 and Plant 5 upon the completion of the construction of both manufacturing plants. The total purchase price of these new machineries and equipment is estimated to be RM24.39 million, which will be fully funded by the proceeds from our Public Issue.

#### (ii) Expand our market coverage through export sales

Our market expansion strategy is to proactively work with our electrical wholesalers who have a strong business network and exposure in overseas countries to increase our export sales as well as identify and secure new potential customers. Our immediate plan is to focus on our existing export markets, such as Brunei, Singapore and Thailand, to grow our business.

Further details of our future plans are set out in Section 7.15 of this Prospectus.

### 3. PROSPECTUS SUMMARY *(Cont'd)*

#### 3.6 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all the information contained in Section 5 of this Prospectus, including the risks as summarised below, before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects, and your investment in our Shares could be materially and adversely affected by any of these risks.

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

**(i) Our business relies on our ability to continuously secure purchase orders from our customers**

We do not have any long-term contracts with any of our customers. Our sales are generally based on purchase orders from our general market customers and power utility customers. As our general market customers are not obligated to continue to purchase products from us or maintain their business relationships with us, there is no assurance that our revenue contribution from our general market customers will remain constant or increase. Revenue contributed by our power utility customers are generally from purchase orders issued based on supply contracts entered into with them through tenders won. As new supply contracts are awarded by our power utility customers on a tender basis, they are not under any contractual obligations to award supply contracts to us in the future.

**(ii) We may not be able to procure our supply of raw materials from our suppliers at favourable prices and/or in a timely manner**

The main raw materials used by our Group are copper materials and aluminium materials. Our purchases of copper materials and aluminium materials accounted for 57.13%, 59.26%, 61.42% and 78.39% of our total purchases for the FYE Under Review and FPE 2023, respectively. Our production output and production costs remain dependent on a stable and adequate supply of our raw materials at competitive prices for our Group to maintain our profit margins. If we are unable to procure raw materials in the quantities or at prices that we require, our production output and profit margins may be adversely affected.

**(iii) The fluctuations in the prices of our major raw materials such as copper and aluminium compounds may adversely affect our profitability**

Copper and aluminium are the main raw materials we use to manufacture our wires and cables and they contribute to the majority of our cost of sales. Both copper and aluminium are actively traded commodities in the international metals market and are mainly priced in USD. The prices of copper and aluminium are affected by numerous factors beyond our control, including global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential disruptions in the supply chains and currency exchange rates. Any unfavourable and material fluctuations in the prices of copper and aluminium may affect our margins and profitability, especially if we are unable to pass on the cost increments to our customers.

**(iv) Our Group may be exposed to an increasing concentration risk to a single customer**

During the FYE Under Review, the TNB Group's contribution to our Group's total revenue had increased from 10.55% in 2020 to 29.16% in 2022, and further increased to 35.97% in FPE 2023, and as such, our Group may be exposed to an increasing concentration risk to a single customer. If we fail to secure new supply contract tenders in the future that are similar or higher in value as compared to those which were secured during the FYE Under Review and FPE 2023 from the TNB Group, or if the TNB Group significantly reduces its purchase orders or terminates its business relationship with our Group, our business operations, financial performance and future growth may be materially and adversely affected.

**3. PROSPECTUS SUMMARY (Cont'd)**

---

**(v) Our future GP margins may be adversely affected by increased competition from other industry players**

Our GP margins during the FYE Under Review and FPE 2023 were 4.07%, 4.95%, 9.69% and 17.27%, respectively. The increase in our GP margins over the FYE Under Review and FPE 2023 was mainly due to the increase in the sales of our aluminium-cored LV power cables, which has a higher profit margin compared to our copper-cored LV power cables. In the event the level of competition for our aluminium-cored LV power cables manufacturing segment increases in the future, we may need to lower our selling prices to remain competitive at the expense of our GP margin.

**(vi) Our venture into the manufacture of MV power cables may not be successfully implemented or achieve the intended business objectives or financial and operational results**

Our future growth depends to a certain extent on our ability to successfully venture into the manufacture of MV power cables. We anticipate demand and have identified potentials for growth for MV power cables based on the number of tenders for MV power cables offered by companies operating in the power utility, commercial and industrial, oil and gas, and public transportation sectors.

There is no assurance that our future growth will correspond to our plans to venture into the manufacture of MV power cables. If we incur significant costs in connection with our plans but our future growth does not meet our expectation, our business, financial condition and results of operations could be materially and adversely affected.

**(vii) We are dependent on our Key Senior Management**

We operate in an industry that requires specialised technical knowledge and expertise in wires and cables technology, applications and processes. Our Group is managed by an experienced Managing Director and CEO as well as other members of our Key Senior Management, who have extensive knowledge and experience in the wires and cables industry. The loss of our Managing Director, CEO or any other members of our Key Senior Management without suitable and timely replacement or our inability to attract, hire and retain suitable candidates as replacement for positions within our Key Senior Management may adversely affect our Group's business, financial condition and results of operations. In addition, the loss of our Managing Director, CEO or any other members of our Key Senior Management could result in the loss of vital industry knowledge, expertise, and experience.

**(viii) We are dependent on foreign workers for our manufacturing activities**

We are dependent on foreign labour for our manufacturing operations. As at the LPD, our manufacturing operations employed a total of 148 employees, of which 88 or 59.46% are foreign workers who are Nepalese and Bangladeshi. We are dependent on our foreign workers to operate some of our machineries to produce wires and cables according to our customers' specifications and requirements in our manufacturing plants. There is no assurance that we can continually recruit and retain sufficient foreign workers to support our manufacturing operations. If we are unable to hire foreign workers, there is a risk that we may not have sufficient workers to take over or replace our foreign workers if they resign or leave their employment. Accordingly, the manufacturing operations at our manufacturing plants may be adversely affected.

### 3. PROSPECTUS SUMMARY (Cont'd)

**(ix) We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies for our business operations**

We require certain licences, permits, certificates, and approvals issued by various government authorities and regulatory agencies and these licences, permits, certificates, and approvals are essential for the conduct of our business. As at 8 December 2023, we possess all major licences, permits, certificates and approvals which are required for us to conduct our business operations. Although MTWC has not received any notices, penalties or compounds from MITI as at the LPD, there can be no assurance that MITI will not give any notices, penalties or compounds in the future for its past non-compliance.

**(x) We may face operational disruption due to downtime in machineries and equipment**

The various manufacturing processes of our wires and cables is highly dependent on the machineries and equipment in our manufacturing plants. Hence, any prolonged downtime of our machineries and equipment will result in the disruption of our production of wires and cables.

**(xi) We may be exposed to operational risks and liabilities for claims and litigation due to inadequate insurance coverage**

We are susceptible to various operational risks such as accidents, outbreaks of fire or floods, and/or energy crisis, which may cause loss of or damage to our products and/or significant damage to our manufacturing plants, storage and offices, thus disrupting and affecting our business operations.

We believe our current insurance coverage is adequate for our business and level of operations. Nonetheless, we are still exposed to the risk that the insurance coverage may be inadequate to cover any losses, damages or liabilities which we may incur in the course of our business operations. There are also other risks such as natural disasters, riots, general strikes, acts of terrorism and other risks that cannot reasonably be insured against, which may adversely affect our operations.

**(xii) We are subject to workplace safety and health regulations**

We operate three manufacturing plants to produce our wires and cables. Our manufacturing operations expose our employees to certain workplace health and safety hazards. Our employees working in our manufacturing plants handle heavy raw materials and operate machineries and equipment that can cause accidents and/or personal injuries when proper procedures are not followed.

Despite the safety procedures put in place and the trainings conducted, there is no guarantee that there will not be a breach of the safety and health procedures. Any accidents, personal injuries or breaches in safety and health procedures may lead to stop work orders, claims or other legal proceedings against our Group.

**(xiii) We may suffer losses due to adverse foreign exchange fluctuations**

For the FYE Under Review and for the FPE 2023, our Group's sales and purchases are transacted based on prices quoted in RM and various foreign currencies. Our Group's export sales were transacted in USD, SGD and BND, while our Group's import purchases were transacted in USD, RMB and Euro. Accordingly, our Group is exposed to the risk of losses due to adverse foreign exchange fluctuations, to a certain extent.

Please refer to Section 5 of this Prospectus for the full list of risk factors which should be carefully considered before investing in our Shares.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and our Key Senior Management are as follows:

Directors		Key Senior Management	
Name	Designation	Name	Designation
Datuk Saleh	Independent Non-Executive Chairman	Dato' Lau	Managing Director
Dato' Lau	Non-Independent Executive Director	TKH	CEO
TKH	Non-Independent Executive Director	Lau Geok Cheng	Sourcing Manager
Yee Ying Sung	Independent Non-Executive Director	Abdullah Bin Ab Rahman	Production Manager
Fong Hui Fong	Independent Non-Executive Director	Lim Soon Yuen	Product Engineering Manager
Hooi Lian Jye	Independent Non-Executive Director	Yong Yew Chong	Finance Manager

Further details of our Directors and Key Senior Management are set out in Section 9 of this Prospectus.

#### 3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Promoters and substantial shareholders	Nationality/ Country of Incorporation	Before our IPO		Public Issue		After our IPO and Share Transfer			
		Direct	Indirect	Direct	Indirect	Direct	Indirect		
		No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000		
Dato' Lau	Malaysian	861,900	100.00	734,400	72.00	173,400	17.00	5561,000	55.00
MTPC	Malaysia	-	-	-	-	-	-	561,000	55.00

**Notes:**

- (1) Based on our issued 861,900,000 Shares after the Acquisition and before our IPO.
- (2) Based on our enlarged issued 1,020,000,000 Shares upon our Listing.
- (3) Deemed interested by virtue of his shareholdings in MTPC pursuant to Section 8(4) of the Act.

Further details of our Promoters and substantial shareholders are set out in Section 9 of this Prospectus.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out a summary of our combined financial information for the FYE Under Review and FPE 2023:

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
<b>Combined statements of comprehensive income</b>				
Revenue	162,313	275,875	362,685	138,039
GP	6,605	13,653	35,130	23,837
Other income	4,142	2,541	3,358	1,417
Profit from operations	6,518	10,260	31,444	20,697
PBT	6,230	7,215	26,180	18,451
PAT attributable to owners of our Company	5,258	5,533	19,555	13,632
<b>Other selected financial information</b>				
GP margin (%)	4.07	4.95	9.69	17.27
PBT margin (%)	3.84	2.62	7.22	13.37
PAT margin (%)	3.24	2.01	5.39	9.88
Current ratio (times)	1.34	1.34	1.47	1.66
Cash and cash equivalents	4,065	18,188	35,217	36,412
Total borrowings	53,183	87,435	87,227	76,715
<b>Cash flow</b>				
Net cash from/(used in) operating activities	6,025	(11,925)	15,935	30,154
Net cash (used in)/from investing activities	(2,173)	1,124	(150)	(8,274)
Net cash from financing activities	2,513	24,924	1,244	(20,685)
Net increase in cash and cash equivalents	6,365	14,123	17,029	1,195

Further details of our financial information are set out in Sections 12 and 13 of this Prospectus.

#### Order book

Save for our sales to the TNB Group and the SEB Group which are secured via supply contracts followed by the issuance of purchase orders to effect such sales, our Group's remaining sales are typically derived from purchase orders issued by our customers. As such, we do not generally maintain an order book.

As at the LPD, our unbilled purchase orders and balance supply contract value stood at approximately RM48.52 million and RM29.44 million, respectively. Our Group expects to recognise RM24.41 million by 31 December 2023, while the remaining balance is expected to be recognised by 31 May 2024.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.10 USE OF PROCEEDS

We expect the gross proceeds from the Public Issue amounting to RM61.66 million will be utilised by our Group in the following manner:

Utilisation of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Capital expenditure for the following:			
• Construction of new MV power cable manufacturing plants	Within 15 months	16,783	27.22
• Purchase of new machineries and equipment	Within 15 months	24,387	39.55
General working capital	Within 15 months	16,289	26.42
Defray fees and expenses relating to our Listing	Within 3 months	4,200	6.81
<b>Total</b>		<b>61,659</b>	<b>100.00</b>

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of RM49.73 million will accrue entirely to the Selling Shareholder. The Selling Shareholder will bear his own expenses including, but not limited to, the placement fee in relation to the Offer for Sale which is estimated to be approximately RM0.99 million.

Further details of the use of proceeds are set out in Section 4.6 of this Prospectus.

#### 3.11 DIVIDEND POLICY

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiary. Distributions by our subsidiary will depend upon its operating results, earnings, capital requirements, general financial condition and other relevant factors. We target a payout ratio of 30.00% of our PAT attributable to owners of our Company of each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law 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. The following table sets out the dividends declared and paid for the FYE Under Review, FPE 2023 and up to the LPD, and the corresponding dividend payout ratio:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	-	2,383	9,778	-
PAT	5,258	5,533	19,555	13,632
Dividend payout ratio <sup>(1)</sup> (%)	-	43.07	50.00	-

**Note:**

(1) Computed based on dividends declared and/or paid over PAT.

MTWC had declared dividend for the FYE 31 December 2022 of about RM9.78 million which was paid to Dato' Lau in April 2023. For the avoidance of doubt, neither our Company nor our subsidiary will be declaring any further dividends up to the completion of our Listing.

Further details of our dividend policy are set out in Section 12.9 of this Prospectus.



## 4. DETAILS OF OUR IPO

### 4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or dates:

<b>Events</b>	<b>Time and/or date</b>
Issuance of this Prospectus/Opening of Applications	10.00 a.m., 28 December 2023
Closing of Applications	5.00 p.m., 18 January 2024
Balloting of Applications	22 January 2024
Allotment/Transfer of our IPO Shares to successful applicants	26 January 2024
Listing	9.00 a.m., 29 January 2024

In the event there is any change to the indicative timetable, we will advertise the notice of change in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and make an announcement on Bursa Securities' website accordingly.

### 4.2 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.5 of this Prospectus.

Our IPO consists of the Public Issue and the Offer for Sale, totaling 285,600,000 IPO Shares, representing 28.00% of our enlarged issued Shares.

#### 4.2.1 Public Issue and Offer for Sale

Our Public Issue of 158,100,000 Issue Shares and Offer for Sale of 127,500,000 Offer Shares, representing 28.00% of our enlarged issued Shares, at the IPO Price shall be allocated in the following manner, subject to the clawback and reallocation provisions as set out in Section 4.2.5 of this Prospectus:

##### (i) Malaysian Public

51,000,000 Issue Shares, representing 5.00% of our enlarged issued Shares, will be made available for application by the Malaysian Public through a balloting process as follows:

- (a) 25,500,000 Issue Shares, representing 2.50% of our enlarged issued Shares, will be made available to the Bumiputera Malaysian Public; and
- (b) 25,500,000 Issue Shares, representing 2.50% of our enlarged issued Shares, will be made available to the Malaysian Public.

**4. DETAILS OF OUR IPO (Cont'd)****(ii) Eligible Persons**

2,144,000 Issue Shares, representing 0.21% of our enlarged issued Shares, will be made available for application by the Eligible Persons under the Pink Form Allocations as follows:

<b>Eligible Persons</b>	<b>No. of persons</b>	<b>Aggregate no. of Issue Shares allocated</b>
Eligible Directors <sup>(1)</sup>	5	1,400,000
Eligible employees <sup>(2)</sup>	51	744,000
<b>Total</b>	<b>56</b>	<b>2,144,000</b>

**Notes:**

(1) *The allocation to the eligible Directors is based on, among others, their respective roles and responsibilities in our Company and a total of 1,400,000 Issue Shares have been allocated to them as follows:*

<b>Name</b>	<b>Designation</b>	<b>No. of Issue Shares allocated</b>
<i>Datuk Saleh</i>	<i>Independent Non-Executive Chairman</i>	<i>100,000</i>
<i>TKH</i>	<i>Non-Independent Executive Director and CEO</i>	<i>1,000,000</i>
<i>Yee Ying Sung</i>	<i>Independent Non-Executive Director</i>	<i>100,000</i>
<i>Fong Hui Fong</i>	<i>Independent Non-Executive Director</i>	<i>100,000</i>
<i>Hooi Lian Jye</i>	<i>Independent Non-Executive Director</i>	<i>100,000</i>
	<b>Total</b>	<b>1,400,000</b>

(2) *The allocation to the eligible employees of our Group who are full-time confirmed employees is based on, among others, job grade, performance, length of service and their past contribution to our Group. A total of 200,000 Issue Shares has been allocated to our Key Senior Management as follows:*

<b>Name</b>	<b>Designation</b>	<b>No. of Issue Shares allocated</b>
<i>Lau Geok Cheng</i>	<i>Sourcing Manager</i>	<i>50,000</i>
<i>Abdullah Bin Ab Rahman</i>	<i>Production Manager</i>	<i>50,000</i>
<i>Lim Soon Yuen</i>	<i>Product Engineering Manager</i>	<i>50,000</i>
<i>Yong Yew Chong</i>	<i>Finance Manager</i>	<i>50,000</i>
	<b>Total</b>	<b>200,000</b>

**(iii) Private placement to Selected Investors**

232,456,000 IPO Shares, representing 22.79% of our enlarged issued Shares, will be made available by way of private placement of which 104,956,000 Issue Shares are allocated to Selected Investors and 127,500,000 Offer Shares are allocated to identified Bumiputera investors approved by the MITI.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.2.2 Selling Shareholder

The Selling Shareholder will offer a total of 127,500,000 Offer Shares, representing 12.50% of our enlarged issued Shares. Details of the Selling Shareholder are as follows:

Name/Address	Nature of relationship	Before our IPO			Offer for Sale			After our IPO and the Share Transfer						
		Direct		Indirect	Direct		Indirect	Direct		Indirect				
		No. of Shares	(1)%	No. of Shares	%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%	No. of Shares	(2)%		
Dato' Lau	Promoter, substantial shareholder, Non-Independent Executive	861,900	100.00	-	-	127,500	14.79	12.50	-	-	173,400	17.00	(3)561,000	55.00
No. 11, Jalan Vista Kirana 2, Taman Vista Kirana, 75450 Ayer Keroh, Melaka	Director and Managing Director													

**Notes:**

- (1) Based on our issued 861,900,000 Shares after the Acquisition and before our IPO.
- (2) Based on our enlarged issued 1,020,000,000 Shares upon our Listing.
- (3) Deemed interested by virtue of his shareholdings in MTPC pursuant to Section 8(4) of the Act.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.2.3 Share Transfer

During the prescription period (one day after the launching date of the Prospectus up to a period of 30 days), the Selling Shareholder will transfer a total of 561,000,000 Shares to MTPC for a purchase consideration of RM218.79 million. Further details of the Share Transfer are set out below:

<b>Selling Shareholder</b>	<b><sup>(1)</sup>No. of Shares held before the Share Transfer</b>	<b>No. of Shares to be transferred to MTPC</b>	<b><sup>(1)</sup>No. of Shares held after the Share Transfer</b>	<b>%</b>
Dato' Lau	734,400,000	561,000,000	173,400,000	17.00

**Note:**

(1) Excluding the 127,500,000 Offer Shares which will be offered under the Offer for Sale.

MTPC is principally an investment holding company which is also involved in agriculture and plantation. Dato' Lau is the sole shareholder and sole director of MTPC.

Further information on MTPC including its shareholding after our IPO and the Share Transfer and its profile are set out in Sections 9.1.1 and 9.1.2(ii) of the Prospectus.

##### 4.2.4 Underwriting and allocation of the IPO Shares

A summary of our IPO Shares to be allocated under our IPO is as follows:

	<b>No. of IPO Shares</b>	<b><sup>(1)</sup>%</b>
Malaysian Public (via balloting)		
- Bumiputera	25,500,000	2.50
- Non-Bumiputera	25,500,000	2.50
Eligible Persons	2,144,000	0.21
Private placement		
- Selected Investors	104,956,000	10.29
- Bumiputera investors approved by the MITI	127,500,000	12.50
<b>Total</b>	<b>285,600,000</b>	<b>28.00</b>

**Note:**

(1) Based on our enlarged issued 1,020,000,000 Shares upon our Listing.

The 51,000,000 IPO Shares made available for application by the Malaysian Public and the 2,144,000 IPO Shares reserved for application by the Eligible Persons under the Pink Form Allocations are fully underwritten.

#### 4. DETAILS OF OUR IPO (Cont'd)

The private placement of 104,956,000 IPO Shares to Selected Investors and 127,500,000 IPO Shares to identified Bumiputera investors approved by the MITI are not underwritten. Irrevocable undertakings will be obtained from the investors to subscribe for our IPO Shares made available under the private placement.

Our IPO is subject to the public spread requirements as stipulated under the Listing Requirements. The number of IPO Shares will not increase via any over-allotment or "greenshoe" option.

##### 4.2.5 Clawback and reallocation

Our IPO Shares shall be subject to the following clawback and reallocation provisions:

###### (i) Malaysian Public

In the event of under-subscription of our IPO Shares by the Malaysian Public, and subject to a corresponding over-subscription by the Eligible Persons or Selected Investors under the private placement, the remaining portion will be clawed back and reallocated to the Eligible Persons and/or offered to the Selected Investors under the private placement, at the discretion of our Sole Placement Agent and our Board.

Any remaining IPO Shares not subscribed for will be subscribed by our Sole Underwriter in accordance with the terms of the Underwriting Agreement.

###### (ii) Eligible Persons

In the event of under-subscription of our IPO Shares by the Eligible Persons under the Pink Form Allocations, the unsubscribed IPO Shares will be reallocated to other Eligible Persons who have applied for excess IPO Shares (if any) ("**Excess Shares**") in addition to their pre-determined allocation. Such Excess Shares will be allocated to the Eligible Persons who have applied for Excess Shares on a fair and equitable basis in the following manner:

- (a) firstly, allocation on a proportionate basis based on the number of Excess Shares they applied for; and
- (b) secondly, to minimise odd lots.

Our Board reserves the right to allocate to the Eligible Persons who have applied for Excess Shares in addition to their pre-determined allocation at the discretion of our Board in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason thereto.

In the event of under-subscription by the other Eligible Persons (after reallocation of Excess Shares to other Eligible Persons), and subject to a corresponding over-subscription by the Malaysian Public or the Selected Investors under the private placement, the remaining portion will be clawed back and reallocated to the Malaysian Public and/or offered to the Selected Investors under the private placement, at the discretion of our Sole Placement Agent and our Board.

Thereafter, any remaining IPO Shares not subscribed for will be subscribed by our Sole Underwriter in accordance with the terms of the Underwriting Agreement.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### (iii) Selected Investors

In the event of under-subscription of the IPO Shares by the Selected Investors under the private placement and subject to a corresponding over-subscription by the Malaysian Public or Eligible Persons, the remaining portion will be clawed back and reallocated to the Malaysian Public and/or offered to the Eligible Persons.

##### (iv) Identified Bumiputera investors approved by the MITI

In the event of under-subscription of our IPO Shares by identified Bumiputera investors approved by the MITI under the private placement and subject to a corresponding over-subscription by the Malaysian Public or Selected Investors, the remaining portion will be clawed back and reallocated as follows:

- (a) firstly, to the Malaysian institutional investors which are part of the Selected Investors under Section 4.2.1(iii) of this Prospectus; and
- (b) secondly, to the Bumiputera Malaysian Public which are part of the Malaysian Public under Section 4.2.1(i)(a) of this Prospectus.

Thereafter, any remaining IPO Shares will be made available for other Malaysian Public under Section 4.2.1(i)(b) of this Prospectus and/or other Selected Investors under Section 4.2.1(iii) of this Prospectus. If still under-subscribed, such IPO Shares will be made available for subscription by the Eligible Persons.

The clawback and reallocation provisions will not apply in the event there is an over-subscription or under-subscription in all of the allocations of our IPO Shares at the closing date of our IPO.

Our IPO Shares will be allocated in a fair and equitable manner, to be determined by our Board, and the basis of allocation for such IPO Shares shall take into account the desirability of distributing such IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirement of Bursa Securities and to establish a liquid market for our Shares.

As at the LPD, to the best of our knowledge and belief, save as disclosed in Section 4.2.1(ii) of this Prospectus:

- (i) there are no substantial shareholders, Directors or Key Senior Management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (ii) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

##### 4.2.6 Minimum subscription level

There is no minimum subscription level in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public spread requirements under the Listing Requirements, the minimum subscription level will be the number of Shares required to be held by public shareholders.

#### 4. DETAILS OF OUR IPO (Cont'd)

Pursuant to the Listing Requirements, at least 25.00% of our enlarged issued Shares must be held by a minimum of 200 public shareholders holding not less than 100 Shares each at the time of our Admission. Prior to the Admission, we will ensure that this requirement is met through the balloting process and the private placement exercise such that a minimum of 200 public shareholders holding not less than 100 Shares each is in place and at least 25.00% of our enlarged issued Shares are held by public shareholders.

If we fail to meet the public spread requirement, we may not be allowed to proceed with our Listing. In such event, we will return in full, without interest or any share of revenue or benefits arising therefrom, all monies paid in respect of all applications. If any such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

##### 4.2.7 Share capital

Upon completion of our Listing, our share capital will be as follows:

	<b>No. of Shares</b>	<b>RM</b>
After the Acquisition	861,900,000	86,190,090
To be issued under our Public Issue	158,100,000	<sup>(1)</sup> 59,859,000
<b>Total upon our Listing</b>	<b>1,020,000,000</b>	<b>146,049,090</b>

IPO Price 0.39

**Market capitalisation upon Listing** (based on our IPO Price and our enlarged total number of 1,020,000,000 Shares upon Listing) 397,800,000

**Note:**

(1) *Calculated based on the IPO Price and after deducting the estimated listing expenses of RM1.80 million which is directly attributable to the Public Issue and is allowed to be debited against the share capital of our Company.*

##### 4.2.8 Classes of shares and ranking

As at the date of this Prospectus, we have only one class of shares being ordinary shares.

The Issue Shares will, upon allotment and issuance, rank equally in all respects with our then existing Shares including voting rights and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attached to any Shares which we may issue in the future, our shareholders shall, in proportion to the number of Shares held by them, be entitled to share the profits paid out by us in the form of dividends or other distributions. Similarly, if we are liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.



#### 4. DETAILS OF OUR IPO (Cont'd)

Each shareholder shall be entitled to be present and vote at our general meetings in person or by proxy or by attorney or by other duly authorised representative. Each shareholder shall be entitled to appoint more than one proxy to attend and vote at our general meetings provided the shareholder specifies the proportion of their shareholdings to be represented by each proxy. At any general meeting convened by us, a resolution put to the vote at the meeting shall be decided by way of a poll. On a poll, each shareholder present in person or, by proxy or, by attorney or by other duly authorised representative shall have one vote for each Share held or represented.

#### 4.3 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) to establish liquidity for our Shares by the listing of and quotation for our enlarged total number of 1,020,000,000 Shares on the ACE Market of Bursa Securities;
- (ii) to enable our Group to raise funds for the purposes as set out in Section 4.6 of this Prospectus;
- (iii) to enable our Group to gain recognition through our listing status which will further enhance our corporate reputation and brand name which is aimed at expanding our customer base as well as to retain and attract new employees;
- (iv) to provide an opportunity for the Malaysian Public, and our eligible Directors and employees to participate in our equity; and
- (v) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue growth opportunities.

#### 4.4 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon between our Directors, our Promoters and the Selling Shareholder together with SJ Securities, being our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, after taking into consideration the following factors:

- (i) our pro forma combined NA per Share of approximately 15.52 sen as at 30 June 2023 based on our enlarged total number of 1,020,000,000 Shares after our IPO and utilisation of proceeds from our Public Issue set out in Section 4.6 of this Prospectus;
- (ii) PE multiple of approximately 20.31 times based on our Group's EPS of approximately 1.92 sen for the FYE 2022 after taking into account our Group's PAT of RM19.56 million and our enlarged total number of 1,020,000,000 Shares after our IPO.

Based on our Group's PAT of RM13.63 million for the FPE 2023, the annualised Group's PAT for the FYE 2023 would be RM27.26 million. This would translate into a PE multiple of 14.59 times based on the IPO Price of RM0.39 per IPO Share and enlarged number of 1,020,000,000 Shares after the IPO;

#### 4. DETAILS OF OUR IPO (Cont'd)

(iii) our historical financial track record as summarised below:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	162,313	275,875	362,685	138,039
GP	6,605	13,653	35,130	23,837
Other income	4,142	2,541	3,358	1,417
PAT	5,258	5,533	19,555	13,632
GP margin (%)	4.07	4.95	9.69	17.27
PAT margin (%)	3.24	2.01	5.39	9.88

(iv) our competitive advantages as set out in Section 7.11 of this Prospectus;

(v) our future plans as set out in Section 7.15 of this Prospectus; and

(vi) outlook and prospects of the industry in which our Group operates as described in Section 8 of this Prospectus.

**You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus.**

#### 4.5 DILUTION

##### 4.5.1 NA per Share

Dilution is the amount by which the IPO Price exceeds our pro forma combined NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.39
Pro forma combined NA per Share as at 30 June 2023 after adjusting for the Acquisition	0.12
Pro forma combined NA per Share as at 30 June 2023, after adjusting for the Acquisition, the Public Issue and the use of the proceeds from the Public Issue	0.16
Increase in pro forma combined NA per Share to our existing shareholders	0.04
Dilution in the pro forma combined NA per Share to new investors	0.23
Dilution in the pro forma combined NA per Share to new investors as a percentage of the IPO Price	58.97%

Save for the issuance of our Shares at an issue price of RM0.10 per Share to Dato' Lau as settlement of the consideration for the Acquisition, none of our substantial shareholders, Directors, Key Senior Management or persons connected to them had acquired, obtained the rights to acquire and/or subscribe for our Shares in the past three years up to the LPD.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.6 USE OF PROCEEDS

We expect the gross proceeds from the Public Issue amounting to RM61.66 million will be utilised by our Group in the following manner:

Utilisation of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Capital expenditure for the following:			
- Construction of new MV power cable manufacturing plants	Within 15 months	16,783	27.22
- Purchase of new machineries and equipment	Within 15 months	24,387	39.55
General working capital	Within 15 months	16,289	26.42
Defray fees and expenses relating to our Listing	Within 3 months	4,200	6.81
<b>Total</b>		<b>61,659</b>	<b>100.00</b>

Further details on the use of proceeds from the Public Issue are as follows:

##### 4.6.1 Capital expenditure for construction of new manufacturing plants and purchase of new machineries and equipment

The use of our gross proceeds for capital expenditure for the construction of new manufacturing plants and purchase of new machineries and equipment is part of our strategy to venture into the manufacturing of MV power cables, which will further drive the growth of our business operations and financial performance. Please refer to Section 7.15(i) of this Prospectus for further details on our plan to venture into the manufacturing of MV power cables.

We have earmarked RM41.17 million, representing approximately 66.77% of the proceeds from our Public Issue, of which RM16.78 million will be allocated for the construction of two new manufacturing plants at Lot 1297 and Lot 1304, and RM24.39 million will be allocated for the purchase of new machineries and equipment.

##### (i) Construction of manufacturing plants

The estimated total construction costs for Plant 4 and Plant 5 on Lot 1297 and Lot 1304 respectively of RM16.78 million will be fully funded by the proceeds from our Public Issue.

The breakdown for the estimated total construction costs are as follows:

Details	RM'000
Construction of manufacturing plant in Lot 1297 <sup>(a)</sup>	
(i) Site clearing works	164
(ii) Piling works	1,020
(iii) Reinforced concrete foundation works	2,499
(iv) Building frame with beam	1,982
(v) Roof structures	2,637
(vi) Brick wall and plastering works	849
(vii) M&E work with testing and commissioning	1,699
(viii) External works	326
(ix) Others including plumbing and fencing	376
	11,552

**4. DETAILS OF OUR IPO (Cont'd)**

<b>Details</b>	<b>RM'000</b>
Construction of manufacturing plant in Lot 1304 <sup>(b)</sup>	
(i) Site clearing works	70
(ii) Piling works	459
(iii) Reinforced concrete foundation works	1,127
(iv) Building frame with beam	883
(v) Roof structures	1,178
(vi) Brick wall and plastering works	364
(vii) M&E work with testing and commissioning	837
(viii) External works	152
(ix) Others including plumbing and fencing	161
	5,231
<b>Total</b>	<b>16,783</b>

**Notes:****(a) Manufacturing plant in Lot 1297 (Plant 4)**

*We intend to build a three-storey manufacturing plant with an estimated built-up of 48,351.49 sq. ft., which will comprise two CCV lines connected to Plant 1 and Plant 3 for the manufacturing of our MV power cables as disclosed in Section 7.15(i) of this Prospectus.*

*As at the LPD, Lot 1297 is a vacant land with a land size area of 56,133.79 sq. ft. which was purchased by our Group in September 2022 for a purchase consideration of approximately RM1.96 million from Solutionpack Technology Academy Sdn Bhd. The purchase of Lot 1297 had been funded by internally generated funds.*

*The construction of Plant 4 is scheduled to commence by the 1<sup>st</sup> quarter of 2024 upon securing the building plan approval and planning permission and is expected to be completed by the 4<sup>th</sup> quarter of 2024. Subsequently, production is scheduled to also commence by the 4<sup>th</sup> quarter of 2024.*

**(b) Manufacturing plant in Lot 1304 (Plant 5)**

*We intend to build a single storey manufacturing plant with an estimated built-up area of approximately 21,893.79 sq. ft., which comprises a production floor, QC laboratory and a storage as disclosed in Section 7.15(i) of this Prospectus.*

#### 4. DETAILS OF OUR IPO (Cont'd)

As at the LPD, Lot 1304 is a vacant land with a land size area of 75,358.14 sq. ft. which is rented by our Group from GNE HMP Sdn Bhd ("**Vendor**") for a period of 3 years from 1 December 2022 to 30 November 2025, with an option to renew for a further term of 3 years from 1 December 2025 to 30 November 2028. Lot 1304 is currently used for storage. Pursuant to the tenancy agreement, the circumstances in which the Vendor is entitled to terminate the tenancy agreement in relation to Lot 1304 are mainly within our control and subject to our actions or inactions, and as such, we are of the view that the risk of early termination of the aforesaid tenancy agreement is remote.

Our Group has the irrevocable option to purchase the land at an option price of approximately RM4.97 million, which may be exercised at any time until 31 July 2028.

The option price was mutually agreed upon by the Vendor and MTWC after taking into consideration that Lot 1304 is the only available piece of land adjacent to Plant 3 and Plant 4. We intend to exercise the irrevocable option to purchase Lot 1304 by 31 July 2028, being the expiry date of the irrevocable option. In addition, MTWC has also lodged a private caveat on 20 January 2023 in respect of Lot 1304 which prohibits the sale, transfer or charge of Lot 1304 without our prior consent.

The construction of Plant 5 is scheduled to commence by the 1<sup>st</sup> quarter of 2024 upon securing the building plan approval and planning permission and is expected to be completed by the 4<sup>th</sup> quarter of 2024. Subsequently, production is scheduled to also commence by the 4<sup>th</sup> quarter of 2024.

On 20 September 2023, we submitted the applications for planning permission to the Alor Gajah Municipal Council to develop and construct Plant 4 and Plant 5. The planning permissions are expected to be obtained by end January 2024 and thereafter, we expect to submit the applications for building plan approval. We expect to obtain the building plan approvals from the relevant authorities by end April 2024.

#### (ii) Purchase of machineries and equipment

The estimated total cost of new machineries and equipment of RM24.39 million will be fully funded by the proceeds from our Public Issue.

The details of the machineries and equipment as well as breakdown of the estimated costs are as follows:

Type of machineries and equipment	Description	Country	Unit	Estimated price
				RM'000
CCV line	A computer-controlled triple-layer co-extrusion production line for XLPE power cables. The triple-layer extrusion process produces an inner semiconductor layer, an insulation layer and an outer semiconductor layer in one single continuous process.	PRC	2	5,791

**4. DETAILS OF OUR IPO (Cont'd)**

<b>Type of machineries and equipment</b>	<b>Description</b>	<b>Country</b>	<b>Unit</b>	<b>Estimated price</b>
				<b>RM'000</b>
Partial discharge testing machine	To test for insulation defects that may result in the failure of the cable's electrical insulation	PRC	1	784
Rigid Stranding Line 61 Wires	A stranding line used in cable manufacturing for stranding concentric, round, compressed, compacted or sector shaped copper and aluminium conductors	Italy	1	7,834
Extrusion machines	For insulation and sheathing	PRC	1	2,649
Aluminium rod drawing machine	For the drawing of aluminium rods into wires	Italy	1	3,992
X-ray measuring system	For measuring of concentricity, wall thickness, diameter and ovality of cables	Germany	2	1,449
Double twist high speed bunching machine	For stranding copper and aluminium conductor	PRC	1	1,051
Taping machine	To apply copper tape on the cable for electrical shielding and grounding purposes to prevent the cable from affecting other cables or equipment in the direct surroundings	Italy	3	837
<b>Total</b>				<b>24,387</b>

We have already placed purchase orders for the abovementioned new machineries and equipment from the respective vendors to be used for the production of our MV power cables. As at the LPD, we have paid a sum of RM6.81 million as deposits and RM0.51 million as progressive payments, all of which were funded by internally generated funds, to our vendors. The remaining RM17.07 million will be paid upon delivery of the machineries and equipment.

The new machineries and equipment will be delivered to our manufacturing plants in accordance with the delivery schedules agreed with various vendors from the time the deposits were paid. We expect to receive all the machineries by the 4<sup>th</sup> quarter of 2024, which is in line with the expected time of completion of the construction of Plant 4 and Plant 5.

#### 4. DETAILS OF OUR IPO (Cont'd)

Upon the completion of the construction of Plant 4 and Plant 5, the new machineries and equipment will be installed to carry out the production of MV power cables. The new machineries and equipment will have the capacity to produce approximately 3,600 tonnes of MV power cables annually.

Any variations from the amounts budgeted above shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended use of proceeds.

##### 4.6.2 General working capital

Our Group's working capital requirement will increase in tandem with our plan to venture into the manufacturing of MV power cables. Over the FYE Under Review, our Group has registered significant revenue growth at a CAGR of 49.48%. We will allocate RM16.29 million, representing approximately 26.42% of the proceeds from our Public Issue, for working capital which will be used to finance our purchase of raw materials for our manufacturing of MV power cables. The main raw materials used for our manufacturing of MV power cables include aluminium rods and compounds.

The construction of Plant 4 and Plant 5 are expected to be completed by the 4<sup>th</sup> quarter of 2024 and the production of MV power cables at Plant 4 and Plant 5 are also expected to commence by the 4<sup>th</sup> quarter of 2024. Taking into consideration the delivery timing for our main raw materials, we intend to purchase our main raw materials up to 2 months in advance prior to the commencement of our production of MV power cables.

For the FYE Under Review, we have recorded increasing sales of MV power cables to our customers via our trading arm at a CAGR of 135.89%. In addition, the sales of MV power cables had increased by 107.49% in FPE 2023 as compared to FPE 2022. Moving forward, we intend to fulfil such orders for MV power cables through our new MV power cables manufacturing capabilities.

Given that most of our suppliers are based locally and have shorter lead times coupled with our JIT inventory management policy, we generally maintain one month's quantity of raw materials in our storage to ensure uninterrupted production.

##### 4.6.3 Defray fees and expenses relating to our Listing

An amount of RM4.20 million is allocated to defray the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

<b>Estimated listing expenses</b>	<b>RM'000</b>
Professional fees <sup>(1)</sup>	2,210
Underwriting, placement and brokerage fees	1,492
Other fees and expenses such as printing and advertising in connection with our IPO and our Listing	498
<b>Total</b>	<b>4,200</b>

**Note:**

(1) Includes advisory/professional fees for, amongst others, our Principal Adviser, Financial Adviser, Solicitors, Reporting Accountants, IMR, and other professional advisers.

#### 4. DETAILS OF OUR IPO (Cont'd)

---

Any variations from the amounts budgeted above shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended use of proceeds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of RM49.73 million will accrue entirely to the Selling Shareholder. The Selling Shareholder will bear his own expenses including, but not limited to, the placement fee in relation to the Offer for Sale which is estimated to be approximately RM0.99 million.

Pending the use of the proceeds from our Public Issue, we intend to place the proceeds (including accrued interest, if any) or any balance thereof in interest-bearing accounts with licensed financial institutions in Malaysia and/or in money market instruments.

#### 4.7 UNDERWRITING COMMISSION, BROKERAGE FEE AND PLACEMENT FEE

##### 4.7.1 Underwriting commission

We have entered into the Underwriting Agreement with SJ Securities, our Sole Underwriter for the underwriting of 53,144,000 Issue Shares made available for application by the Malaysian Public as well as the Pink Form Allocations ("**Underwritten Shares**"). We will pay an underwriting commission of 2.25% of the total value of the Underwritten Shares based on the IPO Price.

##### 4.7.2 Brokerage fee

We will pay brokerage fee in respect of the 53,144,000 Issue Shares made available for application by the Malaysian Public as well as the Pink Form Allocations, at the rate of 1.00% of our IPO Price in respect of successful applicants which bear the stamp of either the participating organisations of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

SJ Securities, being our Sole Placement Agent, is entitled to charge brokerage commission to successful applicants for the IPO Shares made available to Selected Investors and identified Bumiputera investors approved by MITI by way of private placement. For the avoidance of doubt, such brokerage commission under the abovementioned successful applications will not be payable by us.

##### 4.7.3 Placement fee

Our Sole Placement Agent has agreed to place out 232,456,000 IPO Shares to Selected Investors and identified Bumiputera investors approved by the MITI. Our Company will pay a placement fee of 2.00% of the total value of IPO Shares successfully placed out by our Sole Placement Agent.



#### 4. DETAILS OF OUR IPO (Cont'd)

---

##### 4.8 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement entered on 12 December 2023, the Sole Underwriter has agreed to underwrite 53,144,000 Underwritten Shares for an underwriting commission of 2.25% of the total value of the Underwritten Shares based on the IPO Price and on the terms and conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as follows:

##### 4.8.1 Conditions precedent

The several obligations of the Sole Underwriter under the Underwriting Agreement shall further be conditional upon:

- (a) the acceptance of the Listing and the clearance of registrable prospectus from Bursa Securities, and the lodgement of registrable prospectus with the CCM respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of this Prospectus to the public;
- (b) the issuance of this Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within one month from the date hereof or such extension as consented by the Sole Underwriter;
- (c) there having been, as at any time hereafter up to and including the date adopted in this Prospectus as the last date for acceptance and receipt of the Application(s) ("**Closing Date**"), no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Group (which in the reasonable opinion of the Sole Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in this Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement, if they are repeated on and as of the Closing Date;
- (d) the issue, offering and subscription of the Issue Shares in accordance with the provisions of the Underwriting Agreement and this Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (e) all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
- (f) the Sole Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in Underwriting Agreement;

#### 4. DETAILS OF OUR IPO (Cont'd)

- (g) the delivery to the Sole Underwriter prior to the date of registration of this Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of our Board and the shareholders in general meeting approving the Underwriting Agreement, this Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of this Prospectus; (ii) a certificate, in the form or substantially in the form contained in the Underwriting Agreement, dated the date of this Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in sub-section (c) above;
- (h) the delivery to the Sole Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from our Board as the Sole Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Company and its subsidiary nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date; and
- (i) the Sole Underwriter being satisfied that our Company will, following completion of the Public Issue be admitted to the Official List and its issued share capital listed and quoted on the ACE Market of Bursa Securities without undue delay.

##### 4.8.2 Non-fulfilment of conditions precedent

In the event any of the conditions as set out in Section 4.8.1 are not satisfied by the Closing Date, the Sole Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than three market days after the Closing Date and upon such termination, our Company and the Sole Underwriter shall be released and discharged from their obligations save for our Company's obligations pursuant to the Underwriting Agreement and none of the parties shall have a claim against the other save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by our Company for the payment of the expenses as provided in the Underwriting Agreement). The Sole Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Sole Underwriter's rights under the Underwriting Agreement.

##### 4.8.3 Termination

Notwithstanding anything contained in the Underwriting Agreement, the Sole Underwriter may by notice in writing to our Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Sole Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution of the Issue Shares;

#### 4. DETAILS OF OUR IPO (Cont'd)

- (b) there is withholding of information of a material nature from the Sole Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares;
- (c) there shall have occurred, happened or come into effect in the opinion of the Sole Underwriter any material and/or adverse change to the business or financial condition of our Company or its subsidiary;
- (d) there shall have occurred, happened or come into effect any of the following circumstances:
- (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;
  - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Sole Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Company or its subsidiary and the success of the Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms;
  - (iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
    - (1) on or after the date of the Underwriting Agreement; and
    - (2) prior to the allotment of the Issue Shares,
      - lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least three Market Days; or
  - (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency;
- (e) there is failure on the part of our Company to perform any of their respective obligations herein contained;
- (f) any matter which arose immediately before the date of this Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or

**4. DETAILS OF OUR IPO (Cont'd)**

---

- (g) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

**4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET**

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS accounts. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyers' CDS accounts being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

## 5. RISK FACTORS

---

**AN INVESTMENT IN OUR SHARES INVOLVES A NUMBER OF RISKS, MANY OF WHICH ARE BEYOND OUR CONTROL. YOU SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS PROSPECTUS, INCLUDING THE RISKS DESCRIBED BELOW, BEFORE DECIDING TO INVEST IN OUR SHARES. OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS, AND YOUR INVESTMENT IN OUR SHARES COULD BE MATERIALLY AND ADVERSELY AFFECTED BY ANY OF THESE RISKS.**

### 5.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

#### 5.1.1 Our business relies on our ability to continuously secure purchase orders from our customers

We do not have any long-term contracts with any of our customers. Our sales are generally based on purchase orders from our general market customers and power utility customers. Our general market customers, comprising electrical wholesalers, M&E contractors and project owners, accounted for 83.39%, 78.55%, 66.20% and 56.30% of our Group's total revenue whilst our power utility customers accounted for 16.61%, 21.45%, 33.80% and 43.70% of our Group's total revenue for the FYE Under Review and FPE 2023, respectively. Of our total customers, 61.50%, 57.28%, 54.09% and 47.15% of them were recurring customers for the FYE Under Review and FPE 2023, respectively.

Revenue contributed by our general market customers are generally based on purchase orders. We believe that our success in securing new purchase orders depend on factors such as our technical and customer services, marketing strategies, market demand for our products, and the level of competition in the wires and cables industry. As our general market customers are not obligated to continue to purchase products from us or maintain their business relationships with us, there is no assurance that our revenue contribution from our general market customers will remain constant or increase. If our general market customers decide to reduce their purchase orders with us or discontinue their business relationship with us for any reason, and if we are unable to secure additional and/or new general market customers of similar scale, our business operations, financial performance and future growth may be materially and adversely affected.

Revenue contributed by our power utility customers are generally from purchase orders issued based on supply contracts entered into with them through tenders won. TNB typically issues purchase orders on a quarterly basis whilst SEB and SESB typically issues purchase orders on a "as and when they require" basis, up to the values of their respective supply contracts within the agreed period stated in the supply contracts. We believe that our ability to continuously secure new purchase orders from our power utility customers is dependent on various factors including our pricing and tender strategy, our competitors' tender and pricing strategies, the level of competition and our power utility customers' tender evaluation standards.

As new supply contracts are awarded by our power utility customers on a tender basis, they are not under any contractual obligations to award supply contracts to us in the future. As such, there is no assurance that we will be able to successfully win new tenders from our existing power utility customers in the future, win new tenders of similar values or that our existing power utility customers will continue to invite us for upcoming tenders after the completion of the current supply contracts. There is also no assurance that we will be able to maintain or improve business relationships with our existing power utility customers and any of them may terminate their respective business relationships with us at any time. Any failure to win new tenders in the future that are similar or better than those during the FYE Under Review and FPE 2023 may materially and adversely affect our business operations, financial performance and future growth.

## 5. RISK FACTORS (Cont'd)

---

### 5.1.2 We may not be able to procure our supply of raw materials from our suppliers at favourable prices and/or in a timely manner

The main raw materials used by our Group are copper materials and aluminium materials. Our purchases of copper materials and aluminium materials accounted for approximately 57.13%, 59.26%, 61.42% and 78.39% of our total purchases for the FYE Under Review and FPE 2023, respectively.

Prior to 2022, we purchased copper in the form of copper cathodes from an overseas supplier, namely Toyota Tsusho Asia Pacific Pte Ltd. Copper cathodes are thin sheets of copper purified from copper ore. The copper cathodes are then sent to a local manufacturer, namely Alpha Industries Sdn Bhd, to be melted and cast into copper rods which are then used for our production of wires and cables. In FYE 2021, we encountered delays in the delivery of copper cathodes from our overseas supplier due to global supply chain disruptions as a result of the COVID-19 pandemic. The delays in the delivery of copper cathodes resulted in brief shortages of supply to meet our production needs and the fulfilment of some of our customers' orders fell behind schedule. However, we immediately informed our affected customers and regularly updated them on the status of their orders. Our affected customers understood that the delays were caused by a global phenomenon and did not impose any late delivery penalties on our Group. Notwithstanding the above, we ceased our purchases of copper cathodes from our overseas supplier and switched to a local supplier, namely Alpha Industries Sdn Bhd, to supply copper rods to minimise any risk of supply chain disruptions and delivery delays.

We have not entered into any long-term agreements with any of our raw material suppliers. Our production output and production costs remain dependent on a stable and adequate supply of our raw materials at competitive prices for our Group to maintain our profit margins. If we are unable to procure raw materials in the quantities or at prices that we require, our production output and profit margins may be adversely affected.

During the FYE Under Review and FPE 2023, aside from the delivery delays of copper cathodes that we encountered due to global supply chain disruptions during the COVID-19 pandemic in FYE 2020 and FYE 2021, we have not experienced any other material disruption in terms of the supply of raw materials from our major suppliers, with whom we have established cordial relationships. Please refer to Section 7.12.2(ii) of this Prospectus for more information on the impact on supply chain due to COVID-19 pandemic. Notwithstanding, we do not foresee any difficulty in having to source for new suppliers as the majority of these raw materials are commodities which can be sourced from the market, both locally and internationally. We believe we have the capability and experience to source for alternative suppliers when the need arises.

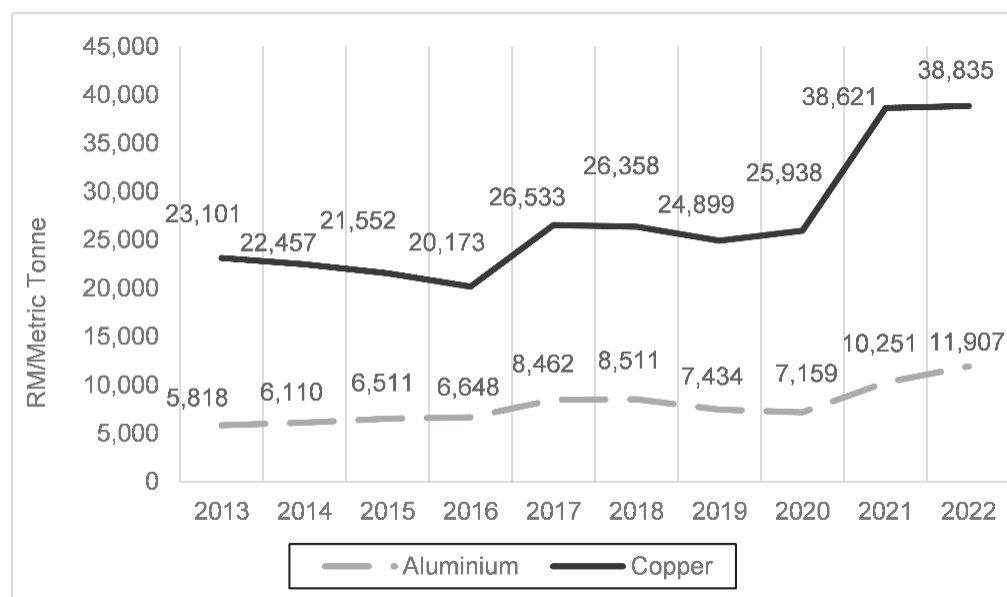
However, there is no assurance that we will be able to procure our raw materials from other suppliers at favourable prices and/or in a timely manner. Any major disruption or sudden cessation of supply from our suppliers for any reason may result in a shortage of supply of raw materials which may affect our Group's production schedule and the delivery of our products to our customers or result in our Group having to pay a higher cost for the raw materials, which consequently, may materially and adversely impact our Group's business operations, financial performance and future growth.

## 5. RISK FACTORS (Cont'd)

### 5.1.3 The fluctuations in the prices of our major raw materials such as copper and aluminium may adversely affect our profitability

Copper and aluminium are the main raw materials we use to manufacture our wires and cables and they contribute to the majority of our cost of sales. Both copper and aluminium are actively traded commodities in the international metals market and are mainly priced in USD. The prices of copper and aluminium are affected by numerous factors beyond our control, including global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential disruptions in the supply chains and currency exchange rates. Any unfavourable and material fluctuations in the prices of copper and aluminium may affect our margins and profitability, especially if we are unable to pass on the cost increments to our customers.

Between 2013 and 2022, the prices of aluminium and copper expanded at CAGRs of 8.28% and 5.94%, respectively (*Source: IMR Report*). Further details on the annual average prices of aluminium and copper from 2013 to 2022 are as follows:



*Source: IMR Report*

In the ordinary course of business, we maintain inventories of copper and aluminium materials of up to one month's supply to minimise any delays and potential disruptions in the supply chain. We believe that the volatility of our raw material cost is manageable, as our raw material purchases are based on purchase orders and not long-term supply contracts. We are able to pass on the fluctuation in cost of our raw materials, namely copper and aluminium, to our customers. Our price quotations to our customers, which are based on the spot rate of copper and aluminium quoted on the LME and the daily USD exchange rate, contain terms and conditions that would allow us to adjust the selling price of our wires and cables within a specified time due to the daily price fluctuations. We also have a JIT inventory management policy for the procurement of our raw materials to help minimise the impact of price volatility and optimise our cash flow position in our daily operations.

However, despite generally being able to pass on the increase in raw material costs to our customers through adjustments in selling prices, our profitability may be adversely affected if we are unable to do so on a timely basis, or should we decide not to do so in order to maintain our competitive pricing.

Notwithstanding the above, there can be no assurance that any fluctuations in the prices of our major raw materials will not affect the future profitability of our Group.



## 5. RISK FACTORS *(Cont'd)*

### 5.1.4 Our Group may be exposed to an increasing concentration risk to a single customer

During the FYE Under Review and FPE 2023, the TNB Group's contribution to our Group's total revenue had increased from 10.55% in 2020 to 29.16% in 2022, and further increased to 35.97% in FPE 2023, and as such, our Group may be exposed to an increasing concentration risk to a single customer. Further, our Group also sells wires and cables to electrical wholesalers, who may in turn supply them to the TNB Group. Therefore, our Group's exposure to the TNB Group as a single customer may be higher than the amount disclosed in this Prospectus as we are unable to ascertain the actual contribution of the TNB Group to our Group's revenue. Please refer to Section 7.16 of this Prospectus for further information on our Group's major customers.

We have maintained a good business relationship with the TNB Group for the past seven years since MTWC had successfully registered as an approved vendor of the TNB Group. We have consistently won supply contract tenders from the TNB Group with progressively higher contract amounts due to our competitive pricing, quality and timely delivery of our products as well as the positive feedback received from the TNB Group on our products and services. As at the LPD, we have not encountered any circumstance where the purchase orders from the TNB Group were lower than the amount contracted throughout the agreed period stipulated in the supply contracts.

Notwithstanding, there can be no assurance that we will be able to continuously secure new supply contract tenders or supply contract tenders of similar values from the TNB Group in the future. This is because although MTWC is one of the approved vendors of the TNB Group, which allows MTWC to participate in the TNB Group's annual tender process, we do not have long-term purchase commitments from the TNB Group. We are also not the exclusive supplier of the TNB Group. There is also no assurance that the purchase orders from future supply contracts will not be lower than the amount contracted throughout the agreed period. As such, if we fail to secure new supply contract tenders in the future that are similar or higher in value as compared to those which were secured during the FYE Under Review and FPE 2023 from the TNB Group, or if the TNB Group significantly reduces its purchase orders or terminates its business relationship with our Group, our business operations, financial performance and future growth may be materially and adversely affected.

### 5.1.5 Our future GP margins may be adversely affected by increased competition from other industry players

Our GP margins during the FYE Under Review and FPE 2023 were 4.07%, 4.95%, 9.69% and 17.27%, respectively. The increase in our GP margins over the FYE Under Review and FPE 2023 was mainly due to the increase in the sales of our aluminium-cored LV power cables, which has a higher profit margin compared to our copper-cored LV power cables. During the FYE Under Review, our sales of our aluminium-cored LV power cables increased from 1,158.14 tonnes in FYE 2020 to 4,394.13 tonnes in FYE 2022. For the FPE 2023, our sales of our aluminium-cored LV power cables amounted to 3,317.96 tonnes. We managed to achieve higher GP margins from the sale of our aluminium-cored LV power cables mainly due to the relatively fewer manufacturers of aluminium-cored power cables in Malaysia as compared to manufacturers of copper-cored power cables.

However, there is no assurance that our GP margins is sustainable in the foreseeable future as we continue to face competition from both new and existing wires and cables manufacturers. In the event the level of competition for our aluminium-cored LV power cables manufacturing segment increases in the future, we may need to lower our selling prices to remain competitive at the expense of our GP margin.



## 5. RISK FACTORS (Cont'd)

---

We will continue to strive to maintain our competitiveness in the industry by leveraging on our competitive strengths such as our proven track record and reputable MASTERTEC brand, established manufacturing infrastructure, experienced Key Senior Management, quality of products, as well as our Group's strong emphasis on technical support, sales, marketing and customer services. In the event that we are not able to remain competitive, it may materially and adversely impact our Group's track record and industry reputation, leading to a loss of business and damage to our Group's business operations, financial performance and future growth.

### 5.1.6 Our venture into the manufacture of MV power cables may not be successfully implemented or achieve the intended business objectives or financial and operational results

Our future growth depends to a certain extent on our ability to successfully venture into the manufacture of MV power cables. We anticipate demand and have identified potentials for growth for MV power cables based on the number of tenders for MV power cables offered by companies operating in the power utility, commercial and industrial, oil and gas, and public transportation sectors.

As set out in Sections 4.6.1 and 7.15(i) of this Prospectus, we intend to venture into the manufacturing of MV power cables comprising XLPE insulated overhead and underground power cables for power distribution purposes catering to customers from various end user markets, including but not limited to power utility, solar PV, industrial parks, commercial buildings and public transportation.

We have earmarked RM41.17 million, representing about 66.77% of the IPO proceeds for the construction of Plant 4 and Plant 5, and the purchase of new machineries and equipment. It is expected that our new manufacturing plants for the manufacture of MV power cables will commence operations by the 4<sup>th</sup> quarter of 2024.

Our venture into the manufacture of MV power cables may involve the following risks: (i) our actual production volume is affected by the demand and purchase orders for MV power cables, which in turn may be affected by general market conditions of the wires and cables industry, customers' preferences, competition or other factors which are beyond our control; (ii) the demand for MV power cables may not be sufficient to efficiently utilise our new production capacity allocated for MV power cables; and (iii) availability and costs of raw materials, and the continuing availability of factory workers. There is no assurance that our future growth will correspond to our plans to venture into the manufacture of MV power cables. If we incur significant costs in connection with our plans but our future growth does not meet our expectation, our business, financial condition and results of operations could be materially and adversely affected.

There is also no assurance that our future plans to construct the new Plant 4 and Plant 5, and to purchase new machineries and equipment will be completed as scheduled. Our venture into the manufacture of MV power cables could be adversely affected by factors such as shortage of factory workers, unexpected technical problems, inability to obtain the required governmental approvals for any reason, unforeseen difficulties encountered in the construction of the new manufacturing plants, or unforeseen delays in the timely deliveries of our new machineries and equipment. Any failure or delay in implementing any parts of our plan to venture into the manufacturing of MV power cables may affect our planned future business growth and adversely affect our business, financial condition and results of operations.

## 5. RISK FACTORS (Cont'd)

### 5.1.7 We are dependent on our Key Senior Management

We operate in an industry that requires specialised technical knowledge and expertise in wires and cables technology, applications and processes. Our Group is managed by an experienced Managing Director and CEO as well as other members of our Key Senior Management, who have extensive knowledge and experience in the wires and cables industry. Our Key Senior Management play a crucial role in our daily operations as well as charting, formulating and implementing strategies to drive the future growth of our Group. We believe that our Group's continued success will depend, to a significant extent, upon the abilities, capabilities and continued efforts of our Key Senior Management.

In view of the above, the loss of our Managing Director, CEO or any other members of our Key Senior Management without suitable and timely replacement or our inability to attract, hire and retain suitable candidates as replacement for positions within our Key Senior Management may adversely affect our Group's business, financial condition and results of operations. In addition, the loss of our Managing Director, CEO or any other members of our Key Senior Management could result in the loss of vital industry knowledge, expertise, and experience. There is also a risk of losing any member of our Key Senior Management to our competitors, which could pose a possible risk of theft of trade secrets, with competitors then gaining valuable information about our manufacturing processes.

We have in place human resource management strategies which include the adoption of succession planning for key positions and providing employees with a variety of on-going training programmes to enhance their knowledge and capabilities. Please refer to Section 9.8 of this Prospectus for more information on our Management Succession Plan.

However, there can be no assurance that we will be successful in retaining our Managing Director, CEO and other members of our Key Senior Management or in ensuring a smooth transition should a new member of our Key Senior Management was to be appointed. Any increase in costs associated with recruiting, motivating and retaining our Key Senior Management could also have a negative impact on our profitability.

### 5.1.8 We are dependent on foreign workers for our manufacturing activities

We are dependent on foreign labour for our manufacturing operations. As at the LPD, our manufacturing operations employed a total of 148 employees, of which 88 or 59.46% are foreign workers who are Nepalese and Bangladeshi. We are dependent on our foreign workers to operate some of our machineries to produce wires and cables according to our customers' specifications and requirements in our manufacturing plants.

Due to the COVID-19 pandemic outbreak and the closing of international borders, we experienced difficulties in hiring foreign workers. The return of some foreign workers to their home countries had also compounded our Group's labour shortage predicament. Our shortage of foreign workers contributed to a decline in our production output as we did not have sufficient foreign workers to operate our machineries and equipment in our manufacturing plants at optimal capacity. Therefore, in order to fulfil our customers' orders, we had to purchase OEM wires and cables carrying the MASTERTEC brand to supplement our production output, thereby ensuring that our customers' orders were fulfilled and delivered in a timely manner.

The temporary freeze on foreign worker recruitment by the Ministry of Human Resource was lifted in August 2022. We started to hire and train our new foreign workers and managed to raise our production output at the end of 2022.

## 5. RISK FACTORS (Cont'd)

---

As at the LPD, aside from the difficulty we faced in recruiting and retaining foreign workers during the COVID-19 pandemic between 2020 to 2022, there has been no other past incidents of foreign worker shortages which had an adverse impact on our manufacturing operations.

There is no assurance that we can continually recruit and retain sufficient foreign workers to support our manufacturing operations. If we are unable to hire foreign workers, there is a risk that we may not have sufficient workers to take over or replace our foreign workers if they resign or leave their employment. Accordingly, the manufacturing operations at our manufacturing plants may be adversely affected.

We may not be able to replace our foreign workers with local workers on a timely basis, or we may have to incur additional costs to hire local workers which may adversely affect our Group's manufacturing operations. There can be no assurance that we will not face shortage of foreign workers in the future or that we will be able to hire foreign workers in a timely manner as any disruption or scarcity in supply of foreign workers may adversely affect our manufacturing operations, which consequently, may materially and adversely affect our business operations, financial performance and future growth.

### 5.1.9 We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies for our business operations

We require certain licences, permits, certificates, and approvals issued by various government authorities and regulatory agencies and these licences, permits, certificates, and approvals are essential for the conduct of our business.

As at 8 December 2023, we possess all major licences, permits, certificates and approvals which are required for us to conduct our business operations. Please refer to Section 7.19 of this Prospectus for further details of our major licences, permits, certificates and approvals.

In 2017, MTWC expanded its manufacturing activities on Plant 3 based on its existing manufacturing licence for Plant 1 and Plant 2 which are adjacent to Plant 3. MTWC was under the impression that the manufacturing licence obtained previously was for its entire operations rather than for specific plants.

On 7 April 2023, MTWC submitted a licence application to MIDA for its expansion activities on Plant 3. On 26 May 2023, MITI issued a Conditional Approval Letter in respect of the licence application. Subsequently, on 22 June 2023, MTWC has obtained the expansion manufacturing licence in respect of Plant 3.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has our Group been imposed with any notices, penalties or compounds arising from the past non-compliance. In addition, although MITI has the right to impose the relevant penalties or take legal action against MTWC for its past non-compliance, our Board is of the opinion that such penalty/action against MTWC is unlikely as the expansion manufacturing licence in respect of Plant 3 has already been obtained and based on verbal confirmation from MITI, it is unlikely for MTWC to be subject to any repercussions/retrospective sanctions from MITI as a result of operating on Plant 3 without a manufacturing licence.

Although MTWC has not received any notices, penalties or compounds from MITI as at the LPD, there can be no assurance that MITI will not give any notices, penalties or compounds in the future for its past non-compliance.

## 5. RISK FACTORS (Cont'd)

### 5.1.10 We may face operational disruption due to downtime in machineries and equipment

The various manufacturing processes of our wires and cables is highly dependent on the machineries and equipment in our manufacturing plants. Hence, any prolonged downtime of our machineries and equipment will result in the disruption of our production of wires and cables.

In order to mitigate the above, our Group has implemented certain preventive measures to ensure that there is minimal disruption to our production processes. These measures involve routine maintenance tasks by our maintenance staff such as lubrication of the machinery parts and timely replacement of parts which are subject to daily wear and tear. Our Group also has a policy for the storage of spare parts, whereby critical parts of the machineries and equipment are purchased periodically and kept in our storage to ensure sufficient replacement parts are readily available, thus reducing the downtime of our machineries and equipment. Our Group has also taken initiatives to conduct various in-house training and other related programmes to improve the skills and knowledge of our maintenance staff. During the FYE Under Review and FPE 2023, our Group has not experienced any major downtime in the operation of our machineries and equipment.

Notwithstanding the above, there can be no assurance that any breakdown in our machineries and equipment will not severely disrupt our manufacturing operations.

### 5.1.11 We may be exposed to operational risks and liabilities for claims and litigation due to inadequate insurance coverage

We are susceptible to various operational risks such as accidents, outbreaks of fire or floods, and/or energy crisis, which may cause loss of or damage to our products and/or significant damage to our manufacturing plants, storage and offices, thus disrupting and affecting our business operations. We seek to limit the various operational risks through the implementation of the following plans and risk management practices:

- (i) our facilities are equipped with the regulatory fire-fighting equipment. Our employees are trained on the use of these equipment as well as the proper fire-fighting techniques and procedures. In addition, we purchase fire insurance coverage on our properties, storage, machineries and equipment;
- (ii) we ensure that we have sufficient spare parts to cope with unexpected emergencies at any one time, where we have a spare parts storage policy. Our management also holds regular meetings and discussions to identify and mitigate any foreseeable problems in our business operations; and
- (iii) we ensure that our manufacturing plants and storage meet all safety requirements stipulated in various licenses issued by the relevant authorities. We also conduct various in-house trainings and briefings on safety requirements to minimise the risks of industrial accidents in our facilities.

As at the LPD, our operations have not been affected by any such events.

## 5. RISK FACTORS (Cont'd)

We are aware of the adverse consequences arising from inadequate insurance coverage for accidents and outbreaks that could disrupt our business operations. As at the LPD, our Group has the following insurance coverage to insure ourselves against, among others, risks of fire and burglary:

- (a) fire insurance policy for our manufacturing plants (up to 100% of the NBV);
- (b) all risks insurance policy for our machinery, equipment, and tools (up to 100% of the NBV); and
- (c) fire insurance policy of up to RM36.00 million and burglary insurance policy of up to RM1.00 million for our inventories. As at 30 June 2023, our inventory value was RM37.70 million.

We believe our current insurance coverage is adequate for our business and level of operations.

Nonetheless, we are still exposed to the risk that the insurance coverage may be inadequate to cover any losses, damages or liabilities which we may incur in the course of our business operations. There are also other risks such as natural disasters, riots, general strikes, acts of terrorism and other risks that cannot reasonably be insured against, which may adversely affect our operations.

To the extent such risks are uninsured, not covered under our insurance policies, or where the insurance protection is not sufficient to cover such risks, we may have to bear such losses, damages or liabilities and consequently our business operations and financial condition may suffer a material adverse impact.

Although we review our insurance policies on a yearly basis to ensure that there is adequate insurance coverage for our assets, there is no assurance that our insurance coverage is sufficient to offset the potential financial losses arising from any insured events.

### 5.1.12 We are subject to workplace safety and health regulations

We operate three manufacturing plants to produce our wires and cables. Our manufacturing operations expose our employees to certain workplace health and safety hazards. Our employees working in our manufacturing plants handle heavy raw materials and operate machineries and equipment that can cause accidents and/or personal injuries when proper procedures are not followed.

We place emphasis on the safety, health and wellbeing of our employees. We have safety procedures put in place in accordance with our health and safety policy based on the Occupational Safety and Health Act 1994 which governs the safety and health of our employees at work. We conduct training programmes on the importance on maintaining workplace safety and employees' health.

We have employers' liability insurance and personal accident insurance to ensure our employees are taken care of in the event of any accidents or personal injuries as well as minimise our Group's potential risks of workplace safety and health liabilities.

Despite the safety procedures put in place and the trainings conducted, there is no guarantee that there will not be a breach of the safety and health procedures. Any accidents, personal injuries or breaches in safety and health procedures may lead to stop work orders, claims or other legal proceedings against our Group.

## 5. RISK FACTORS (Cont'd)

Our Group believes that our existing operations adhere to the safety and health procedures implemented and is not aware of any non-compliance with workplace safety and health regulations. As at the LPD, there has not been any material accidents, personal injuries or breaches in the workplace safety and health procedures. However, there can be no assurance that workplace safety and health hazards will not occur that may have a material adverse effect on our Group's financial condition or results of operations.

### 5.1.13 We may suffer losses due to adverse foreign exchange fluctuations

For the FYE Under Review and FPE 2023, our Group's sales and purchases are transacted based on prices quoted in RM and various foreign currencies. Our Group's export sales were transacted in USD, SGD and BND, while our Group's import purchases were transacted in USD, RMB and Euro.

Our Group's total export sales in foreign currencies for the FYE Under Review and FPE 2023 are set out below:

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Export sales								
- USD	4,725	2.91	9,378	3.40	3,208	0.88	840	0.61
- SGD	4,539	2.80	6,196	2.25	6,819	1.88	3,170	2.30
- BND	3,049	1.88	4,076	1.48	4,903	1.35	2,979	2.16
<b>Total export sales</b>	<b>12,313</b>	<b>7.59</b>	<b>19,650</b>	<b>7.13</b>	<b>14,930</b>	<b>4.11</b>	<b>6,989</b>	<b>5.07</b>
Total revenue	162,313		275,875		362,685		138,039	

Our Group's total export sales in foreign currencies accounted for 7.59%, 7.13%, 4.11% and 5.07% of our Group's total revenue for the FYE Under Review and FPE 2023, respectively. For the FYE Under Review and FPE 2023, there were no export sales in any single foreign currency of more than 5.00% of our Group's total revenue.

Our Group's total import purchases in foreign currencies for the FYE Under Review and FPE 2023 are set out below:

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Import purchases								
- USD	59,004	45.11	68,065	27.42	15,176	5.19	3,082	2.85
- RMB	1,352	1.03	1,111	0.45	7,285	2.49	8,898	8.23
- Euro	428	0.33	507	0.20	369	0.13	301	0.28
<b>Total import purchases</b>	<b>60,784</b>	<b>46.47</b>	<b>69,683</b>	<b>28.07</b>	<b>22,830</b>	<b>7.81</b>	<b>12,281</b>	<b>11.36</b>
Total purchases	130,795		248,193		292,168		108,134	

**5. RISK FACTORS** *(Cont'd)*

---

Our Group's total import purchases in foreign currencies accounted for 46.47%, 28.07%, 7.81% and 11.36% of our Group's total purchases for the FYE Under Review and FPE 2023, respectively. For the FYEs 2020 and 2021, import purchases in USD accounted for more than 10% of our Group's total purchases. Our largest USD denominated purchases in FYEs 2020 and 2021 were for copper cathodes from our overseas supplier. In FYE 2022, we ceased procuring copper cathodes from our overseas supplier and directly purchases copper rods from a local supplier. As such, we have reduced our foreign exchange fluctuation risk for USD as our foreign exchange exposure to purchases made in USD dropped to 5.19% of our Group's total purchases in FYE 2022.

Accordingly, our Group is exposed to the risk of losses due to adverse foreign exchange fluctuations, to a certain extent. However, we believe that the above risk would not materially impact our business or profitability on the basis that we maintain USD and SGD bank accounts to handle the foreign currency transactions. Our foreign currency earnings are maintained in the foreign currency accounts, which are later used to make payments in the respective foreign currencies. This approach reduces the cost of currency conversions and forms a natural hedge to protect us from being materially affected by unfavourable foreign currency movements.

Notwithstanding the above, there can be no assurance that any significant foreign exchange fluctuations will not materially and adversely affect our Group's financial condition.



## 5. RISK FACTORS (Cont'd)

### 5.2 RISKS RELATING TO OUR INDUSTRY

#### 5.2.1 We are subject to competition in the wires and cables industry

The wires and cables industry in Malaysia is highly competitive and, according to the IMR Report, registered an ex-factory sales amounting to RM9,610.0 million in 2022. As our Group recorded revenues of RM343.40 million for the sales of our wires and cables manufactured in-house in FYE 2022, our market share in the Malaysian wires and cables industry amounted to 3.57%. The wires and cables industry is highly competitive due to the following:

- (i) The presence of various wires and cables manufacturers who sell their products in the Malaysian market, some of whom have greater manufacturing, sales, development and financial resources than others;
- (ii) Competitive pricing - wires and cables manufacturers that are able to provide competitive pricing solutions may be better positioned among their competitors to secure new product orders. Aggressive pricing competition may lead to lower product selling prices, which in turn, may result in lower profit margins;
- (iii) Product quality and performance – wires and cables manufacturers that are able to consistently produce products that meet their customers' technical requirements may be better positioned among their competitors to secure new product orders;
- (iv) Reliability of supply and timeliness of delivery – wires and cables manufacturers that are able to consistently manufacture wires and cables products in sufficient production volumes and in a timely manner to meet the product delivery timeline requirements of their customers may be better positioned among their competitors to secure new product orders; and
- (v) Wires and cables manufacturers that are more adept in providing customer-centric sales, marketing, technical support and customer services may be better positioned among their competitors to secure new orders.

We believe that our Group can leverage on our competitive strengths to mitigate the competition from existing competitors. Our competitive strengths include our proven track record and reputable MASTERTEC brand, established manufacturing infrastructure, experienced Key Senior Management, quality of products, as well as our Group's strong emphasis on technical support, sales, marketing and customer services.

In order to remain competitive in the industry, we must periodically make investments in advance machineries and equipment to ensure that our production processes are and remain up to date. However, we cannot be certain that we will have the available financial resources to make such capital expenditures when required.

We also believe that the impact of competition from new entrants into our industry, to a certain extent, is minimised by the numerous barriers of entry to the industry including the importance of having an established track record in manufacturing quality wires and cables, market acceptance and reputable brand name, strong business relationships with customers, technical know-how, and high capital expenditure required to set up manufacturing facilities.

Although our Group seeks to continue to adopt appropriate strategies to improve our competitiveness and as a result, increase our market share, there can be no assurance that competition from existing competitors and/or new entrants will not have a material adverse effect on our performance/market share in the future.



## 5. RISK FACTORS (Cont'd)

---

### 5.2.2 We are subject to political, economic and regulatory conditions in Malaysia

Our Group's operations are closely linked to the performance of the Malaysian economy. Any adverse developments in the political, economic and regulatory conditions in Malaysia could materially and adversely affect the financial and business prospects of our Group. These include the risks of war, a global economic downturn or unfavourable changes in the Malaysian government's policies such as changes to methods of taxation, fluctuation in foreign exchange rates, inflation and changes in interest rates.

Whilst we will continue to adopt effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that any adverse political, economic and regulatory conditions will not materially affect our Group's performance.

### 5.2.3 Our business and operations may be affected by a recurrent outbreak of the COVID-19 disease or an outbreak from other contagious diseases

The pandemics of the past 20 years have demonstrated the speed at which contagious diseases is able to spread globally. Examples of recent contagious diseases include the COVID-19 virus, Middle East respiratory syndrome, Ebola, severe acute respiratory syndrome, swine (e.g. H1N1) and avian (e.g. H5N1) influenza, and Zika viruses highlight the continuing risks of contagious diseases that may affect our business and operations.

Malaysia began its transition towards the endemic phase of COVID-19 on 1 April 2022. Although Malaysia has a relatively high vaccination rate among its population (more than 80% of the population having received the 2<sup>nd</sup> dose of the Covid-19 vaccination) (*source: KKMNOW, MOH; Department of Statistics Malaysia*), we remain exposed to the risks of potential new waves of COVID-19 infections, more contagious and/or virulent strains of the COVID-19 virus (for which existing vaccinations may or may not be fully effective), and the Malaysian government re-imposing various restrictive measures to curb the spread of potential new waves of COVID-19 infections.

Should the COVID-19 outbreak becomes severe again or an outbreak of a contagious disease occurs that result in restrictions imposed by the Malaysian government such that we and/or our customers and suppliers are required to suspend all or part of their business operations, we may experience a delay or shortage of raw materials, delays in order fulfilments or termination of orders by our customers. In such an event, our business, financial condition and results of operations may be materially and adversely affected. Our revenue and profitability may also be materially affected if any infectious disease outbreak affect Malaysia's overall economic and market conditions resulting in an economy slowdown and/or negative business sentiments.

While the impact of the COVID-19 pandemic on our Group's business has not been material to date, there is no assurance that the risks associated with COVID-19 disease or from the outbreak of any other contagious diseases will not have a material and adverse effect on our business operations in the future. Please refer to Section 7.12.2 of this Prospectus for details on the interruptions to our business operations arising from the COVID-19 pandemic.

## 5. RISK FACTORS *(Cont'd)*

---

### 5.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

#### 5.3.1 There is no prior market for our Shares

Prior to our Listing, there was no public trading of our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon our Listing.

#### 5.3.2 Our Promoters will be able to exert significant influence over our Group as they will continue to hold majority of our Shares after our Listing

Our Promoters will collectively hold in aggregate 72.00% of our enlarged issued Shares upon our Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will always be aligned with those of our other shareholders.

#### 5.3.3 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

- (i) our Sole Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein;
- (ii) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing; and
- (iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall refund all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which our Company shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA upon expiration of that period until full refund is made; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

## 5. RISK FACTORS (Cont'd)

---

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, our Company shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA upon expiration of that period until full refund is made; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
  - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
  - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

### 5.3.4 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and trading volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

## 6. INFORMATION ON OUR GROUP

### 6.1 OUR COMPANY

#### 6.1.1 Background

Our Company was incorporated in Malaysia under the Act on 3 November 2022 as a private limited company under the name of Master Tec Group Sdn Bhd. On 15 June 2023, our Company was converted into a public limited company under our present name.

We are an investment holding company, while MTWC, our sole subsidiary, is principally involved in the manufacturing and distribution of power cables, control and instrumentation cables, and other related products, and the trading of power cables, fibre optic cables, and other related products.

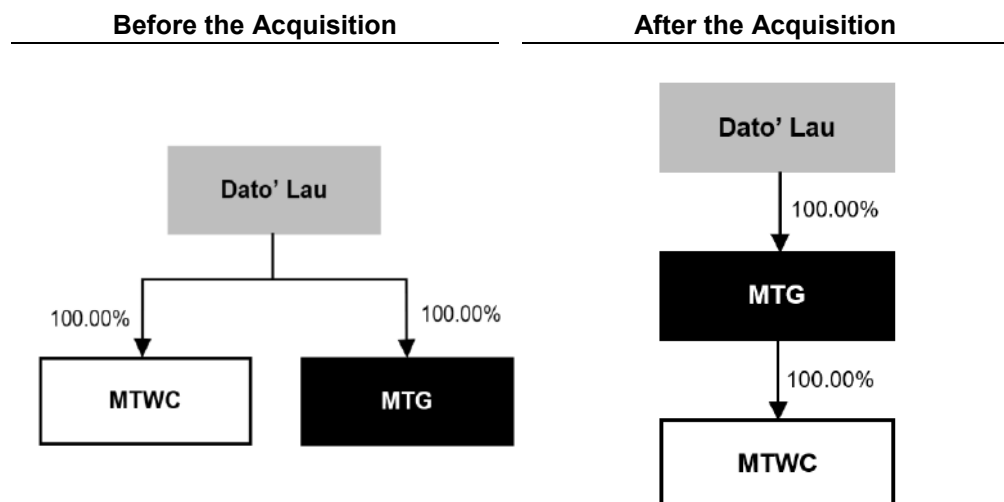
We have 17 years of operating history in the wires and cables industry in Malaysia since commencing business operations in 2006. There has been no material change in the manner in which we conduct our business or activities since we commenced business operations and up to the LPD. Further details of our Group's history are set out in Section 7.1 of this Prospectus.

#### 6.1.2 Acquisition

On 9 June 2023, we entered into a conditional share sale agreement with Dato' Lau, being the Promoter and our substantial shareholder, to acquire the entire equity interest in MTWC comprising 30,000,000 ordinary shares ("**MTWC Sale Shares**") for a purchase consideration of RM86,189,990 which represents a PB multiple of approximately 1.00 time of the audited NA of MTWC as at 31 December 2022 of approximately RM86.23 million. The purchase consideration was satisfied entirely by the issuance of 861,899,900 new Shares at an issue price of RM0.10 each, credited as fully paid-up to Dato' Lau.

The Acquisition was completed on 5 December 2023. The MTWC Sale Shares were acquired free from all charges, liens, pledges, trusts and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the Acquisition.

The shareholding structure of our Group before and after the Acquisition are as follows:



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

### 6.2 SHARE CAPITAL

Our issued share capital is RM86,190,090 comprising 861,900,000 Shares as at 5 December 2023. Our Company does not have any treasury shares as at 5 December 2023.

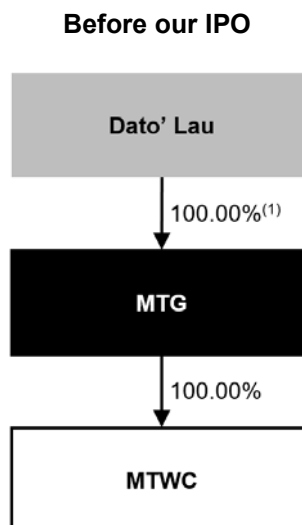
The changes in our issued share capital since the date of our incorporation are as follows:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/ Types of issue</u>	<u>No. of cumulative Shares</u>	<u>Cumulative issued share capital</u>
				<b>RM</b>
3 November 2022	100	RM100/ Subscribers' shares	100	100
5 December 2023	861,899,900	RM86,189,990/ Shares issued for the Acquisition	861,900,000	86,190,090

Upon our Listing, our issued share capital will increase to RM146,049,090 comprising 1,020,000,000 Shares.

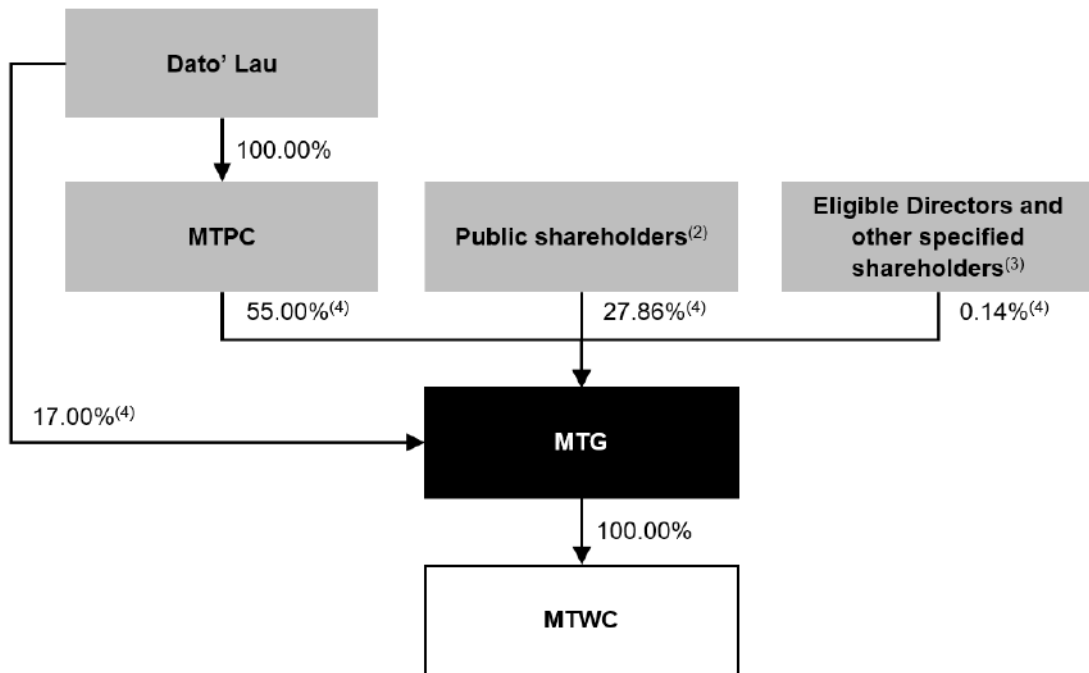
### 6.3 OUR SHAREHOLDERS AND GROUP STRUCTURE

Our shareholders and Group structure before our IPO, and after our IPO and Share Transfer are as follows:



## 6. INFORMATION ON OUR GROUP (Cont'd)

### After our IPO and Share Transfer



#### Notes:

- (1) Based on our issued 861,900,000 Shares before our IPO.
- (2) Comprise of the Malaysian Public and Selected Investors as set out in Sections 4.2.1(i) and 4.2.1(iii) of this Prospectus respectively, and the Eligible Persons, save for our Directors, Lau Geok Cheng and Clement Lau Wei Kiat.
- (3) Comprise of our eligible Directors as set out in Section 4.2.1(ii) of this Prospectus and Pink Form Allocations to Lau Geok Cheng and Clement Lau Wei Kiat, who are persons connected to Dato' Lau and are deemed as non-public shareholders.
- (4) Based on the enlarged issued 1,020,000,000 Shares upon our Listing.

## 6.4 OUR SUBSIDIARY

As at 5 December 2023, our subsidiary is as follows:

Name and registration number	Date and country of incorporation	Share capital	Our effective equity interest	Principal activities
		RM		
MTWC 200501023148 (705279-P)	4 August 2005/ Malaysia	30,000,000	100.00%	(i) Manufacturing and distribution of power cables, control and instrumentation cables, and other related products; and (ii) Trading of power cables, fibre optic cables, and other related products.

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

As at 5 December 2023, our Company does not have any joint venture and associated company.

### 6.4.1 Information on MTWC

MTWC was incorporated in Malaysia on 4 August 2005 under the Companies Act 1965 as a private limited company and is deemed registered under the Act.

The principal place of business of MTWC is at RM1299-A, 1300, PT 2191, Lot 1298 and 1303, Lot 1297 and 1304, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka.

MTWC is principally involved in the manufacturing and distribution of power cables, control and instrumentation cables, and other related products as well as the trading of power cables, fibre optic cables, and other related products.

As at 5 December 2023, the issued share capital of MTWC is RM30,000,000 comprising 30,000,000 ordinary shares. The changes in the issued share capital of MTWC for the FYE Under Review, FPE 2023 and up to 5 December 2023 are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration/ Types of issue</u>	<u>Cumulative issued share capital</u>
			<b>RM</b>
3 May 2021	26,500,000	RM26,500,000/ Shares issued pursuant to bonus issue	30,000,000

MTWC is our wholly-owned subsidiary. As at 5 December 2023, MTWC does not have any subsidiary, joint venture or associate.

As at 5 December 2023, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.

In addition, none of our Shares and share capital in our subsidiary were issued and allotted at a discount or have any special terms or instalment payment terms. Our issued Shares and the issued shares of our subsidiary are fully paid-up.

As at 5 December 2023, neither our Company nor our subsidiary is involved in any bankruptcy, receivership or similar proceedings.

During the last financial year and up to 5 December 2023, there were no:

- (a) public take-over offers by third parties in respect of our Shares; and
- (b) public take-over offers by our Company in respect of other companies' securities.

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


**6.5 TRADEMARKS**

Save as disclosed below, our Group has not registered any other brand names, patents, trademarks or intellectual property rights:





Trademarks	Trademark no.	Registered owner	Issuing authority	Description <sup>(1)</sup>	Validity period	Status
	09004586	MTWC	MyIPO	Blueprint apparatus; cables, electric; compact disc players; comparators; computer game programs; computer keyboards; computer memories; computer operating programs, recorded; computer peripheral devices; computer programmes (programs), recorded; computer programs (downloadable software); computer software (recorded); computers; conductors, electric; connections, electric; connections for electric lines; copper wire, insulated; data processing apparatus; demagnetising apparatus for magnetic tapes; disk drives (for computers); distance measuring apparatus; distance recording apparatus; divers' apparatus; drives (disk-) (for computers); electroplating apparatus; encoded cards, magnetic; floppy disks; identity cards, magnetic; magnetic data media; magnetic encoders; magnetic wires; masts for wireless aerials; microphones; microprocessors; modems; 3G USB modem; notebook computers; pocket calculators; printers for use with computers; radios; record players; satellite navigational apparatus; satellites for scientific purposes; semi-conductors; sighting telescopes for firearms; sound recording discs; sound reproduction apparatus; telegraph wires; telephone apparatus; telephone receivers; telephone transmitters; telephone wires; teleprinters; teleprompters; telerupters; telescopes; teletypewriters; television apparatus; transmitters of electronic signals; wire connectors (electricity); wires, electric; wires of metal alloys (fuse wire); word processors; wrist rests for use with computers.	23 March 2009 to 23 March 2029	Registered



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

<b>Trademarks</b>	<b>Trademark no.</b>	<b>Registered owner</b>	<b>Issuing authority</b>	<b>Description<sup>(1)</sup></b>	<b>Validity period</b>	<b>Status</b>
MASTERTEC	09004587	MTWC	MyIPO	Blueprint apparatus; cables, electric; compact disc players; comparators; computer game programs; computer keyboards; computer memories; computer operating programs, recorded; computer peripheral devices; computer programmes (programs), recorded; computer programs (downloadable software); computer software (recorded); computers; conductors, electric; connections, electric; connections for electric lines; copper wire, insulated; data processing apparatus; demagnetising apparatus for magnetic tapes; disk drives (for computers); distance measuring apparatus; distance recording apparatus; divers' apparatus; drives (disk-) (for computers); electroplating apparatus; encoded cards, magnetic; floppy disks; identity cards, magnetic; magnetic data media; magnetic encoders; magnetic wires; masts for wireless aerials; microphones; microprocessors; modems; 3G USB modem; notebook computers; pocket calculators; printers for use with computers; radios; record players; satellite navigational apparatus; satellites for scientific purposes; semi-conductors; sighting telescopes for firearms; sound recording discs; sound reproduction apparatus; telegraph wires; telephone apparatus; telephone receivers; telephone transmitters; telephone wires; teleprinters; teleprompters; telerupters; telescopes; teletypewriters; television apparatus; transmitters of electronic signals; wire connectors (electricity); wires, electric; wires of metal alloys (fuse wire); word processors; wrist rests for use with computers.	23 March 2009 to 23 March 2029	Registered
	40201906526P	MTWC	Intellectual Property Office of Singapore	Electric cables and wires; Insulated electrical wires; electric extension cables; insulated telecommunications cables; insulated electric copper wires; sheaths for electrical wires; Materials for electricity mains (wires, cables); Electronic cables; Cables for electronic transmission; Insulated electric cables.	26 March 2019 to 26 March 2029	Registered

6. INFORMATION ON OUR GROUP (Cont'd)

Trademarks	Trademark no.	Registered owner	Issuing authority	Description <sup>(1)</sup>	Validity period	Status
	KH-M-0-1473474	MTWC	Department of Intellectual Property Rights of Cambodia <sup>(2)</sup>	Electric cables and wires; Insulated electrical wires; electric extension cables; insulated telecommunications cables; insulated electric copper wires; sheaths for electrical wires; Materials for electricity mains (wires, cables); Electronic cables; Cables for electronic transmission; Insulated electric cables.	5 April 2019 to 5 April 2029	Registered
	1473474 (International registration number)	MTWC	Brunei Intellectual Property Office	Electric cables and wires; Insulated electrical wires; electric extension cables; insulated telecommunications cables; insulated electric copper wires; sheaths for electrical wires; Materials for electricity mains (wires, cables); Electronic cables; Cables for electronic transmission; Insulated electric cables.	5 April 2019 to 5 April 2029	Registered
	1473474 (International registration number)	MTWC	Intellectual Property Office of Vietnam	Electric cables and wires; Insulated electrical wires; electric extension cables; insulated telecommunications cables; insulated electric copper wires; sheaths for electrical wires; Materials for electricity mains (wires, cables); Electronic cables; Cables for electronic transmission; Insulated electric cables.	5 April 2019 to 5 April 2029	Registered
	221126431	MTWC	Department of Intellectual Property of Thailand	Electric cables and wires; Insulated electrical wires; electric extension cables; insulated telecommunications cables; insulated electric copper wires; sheaths for electrical wires; Materials for electricity mains (wires, cables); Electronic cables; Cables for electronic transmission; Insulated electric cables.	5 April 2019 to 4 April 2029	Registered

Notes:

(1) All our trademarks have been registered under Class 9.

(2) We have registered the trademark as we have previously supplied our wires and cables to our customers in Cambodia.

Our Group does not expect to be materially impacted if the trademarks above are not granted renewal as our Group's business and profitability are not dependent on the above trademarks. If the trademarks are not granted renewal, our Group is still entitled as proprietor of the unregistered trademarks to continue using them in the ordinary course of our Group's business.

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

**6.6 PROPERTY, PLANT AND EQUIPMENT**

**6.6.1 Properties owned by our Group**

The summary of the material properties owned by our Group as at the LPD are set out below:

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(a)	<b>Postal address:</b> Lot 1299 and 1300, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran 31927, Lot 1299, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka and Geran 31926, Lot 1300, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Description of property:</b> Three-storey office building attached to a single-storey production floor  <b>Existing use:</b> Office and production located at Plant 1  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry	79,868.22/ 47,425.79	26 May 2006/ 29 September 2008	Charged in favour of Maybank on 8 November 2006, 8 April 2010, 21 June 2011, 6 August 2015, 10 March 2016 and 11 October 2016	8,572
			<b>Express conditions:</b> For factory use only				

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(b)	<b>Postal address:</b> PT2191 (previously known as Lot 1301 and 1302), Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka  <b>Title details:</b> HSD 19242, PT 2191, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka (previously known as Geran 31931, Lot 1301, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka and Geran 31933, Lot 1302, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka)	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred, leased or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for first time purchaser  <b>Description of property:</b> Single-storey building with a mezzanine floor, comprising a production floor and storage facilities  <b>Existing use:</b> Production and storage located at Plant 2  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry  <b>Express conditions:</b> For factory use only	79,868.22/ 52,463.30	26 May 2006/ 4 August 2010	Charged in favour of Maybank on 8 November 2006, 8 April 2010, 21 June 2011, 6 August 2015, 10 March 2016 and 11 October 2016	(2)7,469

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(c)	<b>Postal address:</b> Lot 1298 and 1303, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka  <b>Title details:</b> GRN 31928, Lot 1298, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka and GRN 31934, Lot 1303, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred, leased or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for first time purchaser  <b>Description of property:</b> Single-storey building with mezzanine floor, comprising a production floor with office, QC laboratory and storage facilities  <b>Existing use:</b> Office, QC laboratory, production and storage located at Plant 3  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry  <b>Express conditions:</b> For factory use only	79,868.22/ 58,265.05	26 May 2006/ 6 November 2017	Charged in favour of Maybank on 8 November 2006, 8 April 2010, 21 June 2011, 6 August 2015, 10 March 2016 and 11 October 2016	(2)12,478

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(d)	<b>Postal address:</b> SP2, Jalan Sungai Petai Bahagia 1, Taman Sungai Petai Bahagia, 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran Mukim 916, Lot 14738 Mukim Sungai Petai, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred, leased or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for first time purchaser  <b>Description of property:</b> Single storey terrace house  <b>Existing use:</b> Workers' accommodation  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Building  <b>Express conditions:</b> For residential use only	1,539.24/ 1,094.00	28 January 2014/ 22 April 2015	Charged in favour of Al Rajhi Bank on 25 July 2022	150

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(e)	<b>Postal address:</b> SP3, Jalan Sungai Petai Bahagia 1, Taman Sungai Petai Bahagia 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran Mukim 915, Lot 14737, Mukim Sungei Petai, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Restriction-in-interest:</b> This land is not permitted to be transferred or leased except with the permission of the state authority <sup>(1)</sup> . This interest restriction is excluded for the first transfer of ownership or lease  <b>Description of property:</b> Single storey terrace house  <b>Existing use:</b> Workers' accommodation  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Building  <b>Express conditions:</b> For residential use only	1539.24/ 1,094.00	28 January 2014/ 22 April 2015	Charged in favour of Al Rajhi Bank on 25 July 2022	150

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(f)	<b>Postal address:</b> SP4 & SP 4-1, Jalan Sungai Petai Bahagia 1, Taman Sungai Petai Bahagia, 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran 63268, Lot 14903, Mukim Sungei Petai, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Description of property:</b> Double-storey shop lot  <b>Existing use:</b> Vacant  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry  <b>Express conditions:</b> For corporate buildings only	1980.56/ 3,950.00	13 January 2017/ 23 November 2022	Charged in favour of Al Rajhi Bank on 25 July 2022	462



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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(g)	<b>Postal address:</b> SP5 & SP5-1, Jalan Pusat Perniagaan Rembia 16, Pusat Iks Rembia, Kawasan Perindustrian Rembia 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran 63269, Lot 14904, Mukim Sungei Petai, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for the first transfer or charge  <b>Description of property:</b> Double-storey shop lot  <b>Existing use:</b> Workers' accommodation  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry  <b>Express conditions:</b> For corporate buildings only	1980.56/ 3,950.00	13 January 2017/ 23 November 2022	Charged in favour of Al Rajhi Bank on 25 July 2022	462

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(h)	<b>Postal address:</b> SP6, Jalan Sungai Petai Bahagia 1, Taman Sungai Petai Bahagia, 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran Mukim 912, Lot 14734, Mukim Sungei Petai, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for the first transfer or charge  <b>Description of property:</b> Single storey terrace house  <b>Existing use:</b> Workers' accommodation  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Building  <b>Express conditions:</b> For residential use only	1539.24/ 1,094.00	28 January 2014/ 22 April 2015	Charged in favour of Al Rajhi Bank on 25 July 2022	150

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(i)	<b>Postal address:</b> PT 195, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka  <b>Title details:</b> Geran 31930, Lot 1297, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka	MTWC	<b>Description of property:</b> Vacant land  <b>Existing use:</b> Vacant land  <b>Tenure of property:</b> Freehold  <b>Category of land use:</b> Industry  <b>Express conditions:</b> For factory use only	56,133.79/ N/A <sup>(3)</sup>	26 September 2022/ N/A	Nil <sup>(5)</sup>	2,050
			<b>Restriction-in-interest:</b> This land is not permitted to be transferred or leased except with the permission of the state authority <sup>(1)</sup> . This interest restriction is excluded for the first transfer of ownership or lease				

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000
(j)	<b>Postal address:</b> PT 183, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka	MTWC	<b>Restriction-in-interest:</b> The alienated land cannot be transferred, leased or charged without written consent from state authority <sup>(1)</sup> . Such restriction is exempted for the first purchaser	66,230.34/ N/A <sup>(3)</sup>	16 March 2023/ N/A	Charged in favour of Al Rajhi Bank on 27 April 2023	(4)2,339
	<b>Title details:</b> Geran 31901, Lot 1308, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka		<b>Existing use:</b> Vacant land				
			<b>Tenure of property:</b> Freehold				
			<b>Category of land use:</b> Industry				
			<b>Express conditions:</b> For factory use only				

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

No.	Postal address/ Title details	Registered owner	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)/ Express conditions/ Restriction-in-interest	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 30 June 2023
				sq. ft.			RM'000

**Restriction-in-interest:**

The alienated land cannot be transferred, leased or charged without written consent from state authority<sup>(1)</sup>. Such restriction is exempted for the first purchaser

**Notes:**

- (1) Pursuant to Section 120 of the National Land Code (Revised 2020), the state authority has the authority to alienate lands and impose restrictions in interest as it deems fit.
- (2) The significant difference of the NBV as at 30 June 2023 between properties (b) and (c) are due to the difference in construction cost to build the properties on the respective lands which amounted to RM7.25 million and RM11.79 million respectively, which is mainly attributable to the difference in building specifications i.e. built-up area, type of facilities etc. In addition, the construction of building on property (b) was completed in 2010 whereas the construction of building on property (c) which was completed in 2017, therefore, property (b) has incurred higher depreciation cost compared to property (c).
- (3) Vacant land which contains no buildings or structures.
- (4) Based on the purchase consideration for the land as the acquisition was completed after FYE 2022.
- (5) A charge has been presented on 26 April 2023 in favour of HSBC Bank and pending registration by the land office.

The properties owned by our Group are not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

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

**6.6.2 Properties rented by our Group**

The summary of the material properties rented by our Group as at the LPD are set out below:

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Land area/ Built-up area	Date of CCC	Period of tenancy/ Rental per annum
(a)	B-2-19 Capital 2, Oasis Square, No 2, Jalan PJU 1A/7A, Oasis Ara Damansara, 47301 Petaling Jaya, Selangor	Moo Nyat Min/ MTWC	Office unit located on the 2 <sup>nd</sup> floor of a 10-storey office building/ Sales and marketing office	sq. ft. N/A <sup>(1)</sup> / 1,223.00	5 April 2010	1 August 2023 to 31 July 2025/ RM33,600.00
(b)	PT 199, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka <sup>(4)</sup>	GNE HMP Sdn Bhd/ MTWC	Vacant land/ Storage of packaging materials, finished goods and other materials <sup>(5)</sup>	75,358.14/ N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	1 December 2022 to 30 November 2025/ RM90,420.00
(c)	SP621, Jalan Seri Pelangi 7, Taman Seri Pelangi, 78000 Alor Gajah, Melaka	Lee Thiam Hock/ MTWC	Double storey terrace house/ Workers' accommodation	1,539.24/ 1,450.97	22 November 2004	1 August 2022 to 31 July 2024/ RM14,400.00
(d)	SP1234, Jalan Seri Pelangi 2, Taman Seri Pelangi, 78000 Alor Gajah, Melaka	Mohd Irwan Bin Mansor/ MTWC	Single storey terrace house/ Workers' accommodation	1,539.24/ 887.26	22 November 2004	1 October 2022 to 30 September 2024/ RM9,600.00
(e)	SP736, Jalan Seri Pelangi 4, Mukim Sungai Petai, 78000 Alor Gajah, Melaka	Sani Bin Lajis/ MTWC	Hostel unit located on the 1 <sup>st</sup> floor of a double storey townhouse/ Workers' accommodation	N/A <sup>(3)</sup> / 729.04	22 November 2004	1 July 2023 to 30 June 2024/ RM6,000.00
(f)	SP616, Jalan Seri Pelangi 7, Taman Seri Pelangi, 78000 Alor Gajah, Melaka	Lee Min Fei/ MTWC	Double storey terrace house/ Workers' accommodation	1,539.24/ 1,656.00	22 November 2004	15 March 2023 to 14 February 2024/ RM15,600.00
(g)	B-08-03, Block B, Kondominium Asplenium, Jalan Bunga Tanjung, BT 14, 47100 Puchong, Selangor	Ju Choon Lian/ MTWC	Condominium unit located on the 8 <sup>th</sup> floor of a 21-storey condominium/ Vacant	N/A <sup>(1)</sup> / 1,223.00	10 February 2012	1 May 2023 to 30 April 2025/ RM22,800.00

## 6. INFORMATION ON OUR GROUP (Cont'd)

### Notes:

- (1) *The land area is not applicable as this property is in a unit of a building.*
- (2) *Land which contains no buildings or structures.*
- (3) *The land area is not applicable as this property is in a unit of a townhouse.*
- (4) *This land is intended to be used for the construction of Plant 5, which is rented with an option to renew for a further term of three years from 1 December 2025 to 30 November 2028. MTWC has the irrevocable option to purchase the land at an option price of approximately RM4.97 million, which may be exercised at any time until 31 July 2028.*
- (5) *Our Group stores wooden drums, finished goods and production scraps which are able to withstand exposure to the external environment within a gated and guarded area with closed-circuit television coverage.*

Our Group does not expect to be materially impacted if the abovementioned tenancies are not granted renewal. If any of the tenancies are not granted renewal, our Group will still be able to rent similar properties within close proximity of the current rented properties. The properties rented by our Group are not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

### 6.6.3 Acquisition of properties

Save as disclosed below, our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2020 to 2022, FPE 2023 and up to the LPD:

No.	Date of purchase	Postal address/Title no.	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)	Land area/ Built-up area	Date of CCC	Purchase value
				sq. ft.		RM'000
(a)	26 September 2022	<b>Postal address:</b> PT 195 Jalan Alor Gajah, Kawasan Perindustrian Remberia, 78000 Alor Gajah, Melaka	<b>Description of property:</b> Vacant land  <b>Existing use:</b> Nil <sup>(1)</sup>	56,133.79/ N/A	N/A	1,965

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

No.	Date of purchase	Postal address/Title no.	Description of property/ Existing use/ Expiry of lease (if any)/ Tenure of property/ Category of land use (if any)	Land area/ Built-up area	Date of CCC	Purchase value
				sq. ft.	RM'000	
		<b>Title no.:</b> Geran 31930, Lot 1297, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka	<b>Expiry of lease:</b> Nil			
			<b>Tenure of property:</b> Freehold			
			<b>Category of land use:</b> Industrial			
(b)	16 March 2023	<b>Postal address:</b> PT 183, Jalan Alor Gajah, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka	<b>Description of property:</b> Vacant land	66,230.34/ N/A	N/A	2,252
		<b>Title no.:</b> Geran 31901, Lot 1308, Mukim Rembia, Daerah Alor Gajah, Negeri Melaka	<b>Existing use:</b> Nil <sup>(2)</sup>			
			<b>Expiry of lease:</b> Nil			
			<b>Tenure of property:</b> Freehold			
			<b>Category of land use:</b> Industrial			

**Notes:**

- (1) We intend to use this land for the construction of Plant 4.
- (2) We intend to use this land for future expansion to construct additional manufacturing plant and storage depending on our manufacturing operation needs.



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

**6.6.4 Material capital expenditures and divestitures**

**(a) Material capital expenditure**

Save as disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for the FYE Under Review, FPE 2023 and from 1 July 2023 up to the LPD:

Capital expenditures	At cost					1 July 2023 up to the LPD
	FYE 2020	FYE 2021	FYE 2022	FPE 2023	RM'000	
Acquisition of Lot 1297	-	-	(1)2,033	-	-	-
Acquisition of Lot 1308	-	-	-	(2)2,339	-	-
<b>Total</b>	-	-	<b>2,033</b>	<b>2,339</b>	-	-

**Notes:**

(1) *Includes stamp duty and professional fees amounting to RM0.07 million.*

(2) *Includes stamp duty and professional fees amounting to RM0.09 million.*

The above capital expenditures, which were mainly driven by our business growth, were financed by internally generated funds.

**(b) Material capital divestitures**

There were no material capital divestitures (including interests in other corporations) made by us for the FYE Under Review, FPE 2023 and from 1 July 2023 up to the LPD.

As at the LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.6.1 of this Prospectus and the material capital commitment as set out in Section 12.4.6 of this Prospectus, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

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

### 6.6.5 Material plans to construct, expand and improve our facilities

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.6.1 of this Prospectus and the material capital commitments as set out in Section 12.4.6 of this Prospectus, our Group does not have any other immediate plans to construct, expand or improve our facilities as at the LPD.

## 6.7 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following is an overview of the major laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

### (a) Industrial Co-ordination Act 1975 ("ICA")

Pursuant to the ICA, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Failure to comply is an offence punishable upon conviction to a fine not exceeding RM2,000.00 or a term of imprisonment of directors not exceeding six months and to a further fine not exceeding RM1,000.00 every day during which such default continues.

"Manufacturing activity" is defined under the ICA as "the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article of substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of part and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Manufacturing companies with shareholders' funds of RM2.50 million and above or engaging 75 or more full-time paid employees are required to apply to the MITI for a manufacturing licence.

In 2017, MTWC expanded its manufacturing activities on Plant 3. MTWC was undertaking manufacturing activities based on its existing manufacturing licence for Plant 1 and Plant 2 which was adjacent to Plant 3. MTWC was under the impression that the manufacturing licence obtained previously was for its entire operations rather than for specific plants.

MTWC had on 7 April 2023 submitted a licence application to MIDA for its expansion activities on Plant 3 and had obtained the Conditional Approval Letter. Subsequently, on 22 June 2023, MTWC has obtained the expansion manufacturing licence in respect of Plant 3.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has our Group been imposed with any notices, penalties or compounds arising from such non-compliance. In addition, although MITI has the right to impose the relevant penalties or take legal action against MTWC for its non-compliance, our Board is of the opinion that such penalty/action against MTWC is unlikely as the expansion manufacturing licence in respect of Plant 3 has already been obtained and based on verbal confirmation from MITI, it is unlikely for MTWC to be subjected to any repercussions/retrospective sanctions from MITI as a result of operating Plant 3 without a manufacturing licence.

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

---

**(b) Local Government Act 1976 (“LGA”)**

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

As we operate in Melaka and Selangor, we are subject to the by-laws of the respective states and fall under the purview of Alor Gajah Municipal Council and Petaling Jaya City Council. The relevant by-laws governing the conduct of our business are as follows:

**(i) Licensing of Trades (Alor Gajah Municipal Council) By-Laws 2010 (“Alor Gajah Business By-Laws 2010”)**

Alor Gajah Business By-Laws 2010 provides that no person shall operate any activity of trade or use any place or premise in the local area of the Council without the license issued by the Council. Any person who contravenes any provisions of the Alor Gajah Business By-Laws 2010 or conditions or restrictions of the licence commits of an offence and shall, on conviction be liable to a fine not exceeding RM2,000.00 or imprisonment of directors for a term not exceeding one year or both.

**(ii) Advertisements (Alor Gajah Municipal Council) By-Laws 2010 (“Alor Gajah Advertisement By-Laws 2010”)**

Alor Gajah Advertisement By-Laws 2010 provides that no person shall exhibit or erect or cause to be exhibited or erected any advertisement without a licence issued by the Council under the Alor Gajah Advertisement By-Laws 2010. Any person who contravenes any provisions of the Alor Gajah Advertisement By-Laws 2010 or conditions or restrictions of the licence commits of an offence and shall, on conviction be liable to a fine not exceeding RM2,000.00 or imprisonment of directors for a term not exceeding one year or both.

**(iii) Trade Licensing, Business and Industry (Petaling Jaya City Council) By-Laws 2007 (“Petaling Jaya Business By-Laws 2007”)**

Petaling Jaya Business By-Laws 2007 provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Council for any activity of trade, business and industry without a licence issued by the Licensing authority. Any person who contravenes any provisions of the provisions of the Petaling Jaya Business By-Laws 2007 shall be guilty of an offence and shall upon conviction be liable to a fine not exceeding RM2,000.00 or to imprisonment of directors for a term not exceeding one year or both such fine and imprisonment of directors and in the case of a continuing offence to a fine not exceeding RM200.00 for each day during which such offence is continued after conviction

## 6. INFORMATION ON OUR GROUP (Cont'd)

### (iv) **Advertisement (Petaling Jaya City Council) By-Laws 2007 (“Petaling Jaya Advertisement By-Laws 2007”)**

Petaling Jaya Advertisement By-Laws 2007 provides that no person shall exhibit or cause or permit to be exhibited any advertisement without a license granted by the licencing authority under the Petaling Jaya Advertisement By-Laws 2007. Any person who contravenes any of the provisions of these by-laws shall be guilty of an offence and shall, upon conviction, be liable to a fine not exceeding RM2,000.00 or to imprisonment of directors for a term not exceeding one year or both such fine and imprisonment of directors and in the case of a continuing offence to a fine not exceeding RM200.00 for each day during which the offence is continued after conviction.

As at the LPD, our subsidiary, MTWC holds and maintains valid business premise licences for all our operating business premises in Malaysia and valid signboard licences at our Factory and Oasis Office.

### (c) **Fire Services Act 1988 (“FSA”)**

The FSA provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, among other things, that a fire certificate shall only be issued after the designated premises have been inspected and BOMBA is satisfied that there are adequate life safety, fire prevention, fire protection and firefighting facilities.

Where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment of directors for a term not exceeding five years or to both.

As at the LPD, our Factory which is a designated premise under the FSA has a valid fire certificate issued by BOMBA which is renewable annually.

### (d) **Electricity Supply Act 1990 (“ESA 1990”) and Electricity Regulations 1994 (“Electricity Regulations”)**

The ESA including the Electricity Regulations regulate the electricity supply industry, the supply of electricity, the licensing of any electricity installation, as well as the registration of any electrical contractors, manufacturers, importers and any competent person involved in the supply or use of electricity.

Pursuant to the Regulation 97(1) of the Electricity Regulations, no person shall manufacture, import, display, sell or advertise any domestic equipment, any low voltage equipment which is usually sold directly to the general public or any low voltage equipment which does not require special skills in its operation unless the equipment is approved by the Energy Commission.

Any person who manufactures or imports any equipment shall apply to be registered with the Energy Commission pursuant to Regulation 97C of the Electricity Regulations.

“Equipment” is defined under the Electricity Regulations as “any item for such purposes as generation, conversion, transmission, distribution or utilisation of electrical energy or communications such as machines, transformers, apparatus, measuring instruments, protective devices, wiring materials, accessories, electrical product, consumer electrical equipment and appliances”.

## 6. INFORMATION ON OUR GROUP (Cont'd)

---

A person who contravenes or fails to comply with any of the provisions of the Electricity Regulations shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment of directors for a term not exceeding 1 year or both. In addition, our Group will not be able to market and sell our wires and cables.

As at the LPD, our Group holds and maintains valid certificates of approval to manufacture, display, sell and advertise various wires and cables, and certificate of registration to manufacture issued by the Energy Commission.

### (e) Occupational Safety and Health Act 1994 (“OSHA”)

The OSHA regulates the safety, health and welfare of persons at work, protecting others against the risks of safety or health in connection with the activities of persons at work.

We are required to prepare and as often as may be appropriate revise a written statement of our general policy with respect to the safety and health at work of our employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of our employees.

Failure to carry out the aforementioned duties shall constitute an offence and the employer shall upon conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment of directors for term not exceeding two years or to both.

We are also required to establish a safety and health committee at our place of work if there are 40 or more persons employed at the place of work or the Director General of the Department of Occupational Safety and Health directs the establishment of such a committee at the place of work. Failure to do so shall constitute an offence and the employer shall, on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment of directors for a term not exceeding six months or to both.

As at the LPD, our Group is in compliance with the relevant provisions under the OSHA.

### (f) Factories and Machinery Act 1967 (“FMA”)

The FMA and the relevant regulations made thereunder, including the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 provide for the control of factories with respect to matters relating to the safety, health and welfare of persons in the factories, the registration and inspection of machinery and other matters connected therewith.

Pursuant to the FMA, any person who operates or causes or permits any machinery to be operated must also ensure that, where required, the machinery used or operated has a valid certificate of fitness, failing which such person will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM150,000.00 or to imprisonment of directors for a term not exceeding three years or both.

As at the LPD, our Group has obtained the required certificates of fitness in respect of all our machineries.

### (g) Street, Drainage and Building Act 1974 (“SDBA”)

The SDBA is implemented by the local authorities of Peninsular Malaysia and it stipulates that every building or part of a building must have a CCC or Certificate of Fitness for Occupation (“CFO”) before it may be occupied.

## 6. INFORMATION ON OUR GROUP (Cont'd)

Under the Uniform Building By-Laws 1984 (“UBBL”) which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e. an architect, registered building draughtsman or engineer.

To the best of their knowledge, a qualified person must be satisfied that: (i) the relevant building has been constructed in accordance with UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

Pursuant to the SDBA, a person who occupies a premise without a CCC or CFO is subject to a fine of up to RM250,000.00, imprisonment of directors for a term of up to 10 years, or both.

As at the LPD, our owned and rented properties have a record of validly obtained CCC or CFO.

### (h) **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (“EMSHAA”)**

The EMSHAA, as amended by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019, establishes the minimum housing, nurseries and accommodation criteria for employees (and their dependants, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees. Employers must comply with enhanced minimum standards on accommodation for employees which includes obtaining a CFA from the Director General of Labour (“DOL”).

Failure by an employer to obtain a CFA or to ensure the employee accommodation is fit for human habitation in accordance with the EMSHAA commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00. Employers who contravene any other provision of the EMSHAA or any regulation made thereunder or fails to carry out any order issued by the DOL, will commit an offence, and if no penalty is expressly provided for the offence will, on conviction, be liable to a fine not exceeding RM50,000.00 and to a further fine not exceeding RM1,000.00 a day for each day during which the offence continues.

As at the LPD, our Group provides accommodation to our foreign workers. Our Group owns three workers' accommodations and is renting seven workers' accommodations which are currently occupied by our workers, further details of which are set out in Section 6.8 of this Prospectus. As at the LPD, all accommodations which are currently occupied by our workers are issued with a CFA and comply with the necessary requirements of the EMSHAA and its regulations.

### (i) **Environmental Quality Act 1974 (“EQA”), Environmental Quality (Clean Air) Regulations 2014 (“EQCAR”), and Environmental Quality (Scheduled Wastes) Regulations 2005 (“EQSWR”)**

The EQA regulates and control the levels of pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without licence, prohibits the discharge of oil and wastes into Malaysian waters without a licence and prohibits open burning.

## 6. INFORMATION ON OUR GROUP (Cont'd)

The EQCAR is a subsidiary legislation pursuant to the EQA which regulates the emission of air pollutants to the atmosphere and specifies the requirements for an air pollution control system for every premises to which the EQCAR applies to, including any premises used for any industrial or trade purposes, or on which matter is burnt in connection with any industrial or trade purposes and any other premises or process that discharges or is capable of discharging air pollutants into the open air. Any person who contravenes or fails to comply with any provisions of the EQCAR will be guilty of an offence and shall be liable to a fine not exceeding RM100,000.00 or to imprisonment of directors for a term not exceeding two years or to both.

The EQSWR is a subsidiary legislation pursuant to the EQA which imposes on the waste generator of premises an obligation to record, store, label, treat and dispose scheduled waste in accordance with the regulation. Any person who contravenes the aforementioned will commit an offence, and will be compounded by the Director General or any other public officer or local authority to whom the Director General has delegated such power to a sum of money not exceeding RM2,000.00.

As at the LPD, our Group is in compliance with the relevant provisions under the EQA, EQCAR and EQSWR.

### 6.8 EMPLOYEES

As at the LPD, we have a total workforce of 182 employees, of which 94 are local employees, comprising 91 permanent employees and 3 contractual employees. As at the LPD, our Group has 88 contractual foreign workers. Our foreign workers consist of 55 Bangladeshi and 33 Nepalese. As at 6 December 2023, all our foreign workers have valid working permits.

The breakdown of our employees as at 31 December 2022 and as at the LPD are as follows:

Department	No. of employees		Total
	Permanent	Contract/ Temporary	
<b>As at 31 December 2022</b>			
Executive Directors	2	-	2
Key Senior Management	4	-	4
Sales and marketing	17	-	17
Finance and accounting	3	-	3
Human resource and administration	7	1	8
Factory operations <sup>(3)</sup>	57	(1)82	139
<b>Total</b>	<b>90</b>	<b>83</b>	<b>173</b>
<b>As at the LPD</b>			
Executive Directors	2	-	2
Key Senior Management	4	-	4
Sales and marketing	16	-	16
Finance and accounting	3	-	3
Human resource and administration	8	1	9
Factory operations <sup>(3)</sup>	58	(2)90	148
<b>Total</b>	<b>91</b>	<b>91</b>	<b>182</b>

**6. INFORMATION ON OUR GROUP (Cont'd)****Notes:**

- (1) Includes 81 foreign workers.
- (2) Includes 88 foreign workers.
- (3) The breakdown of employees under the factory operations is as follows:

<b>Department</b>	<b>No. of employees</b>				<b>Total employees</b>
	<b>Permanent</b>		<b>Contract/Temporary</b>		
	<b>Local</b>	<b>Foreign</b>	<b>Local</b>	<b>Foreign</b>	
<b>As at 31 December 2022</b>					
<i>Production</i>	18	-	1	76	95
<i>Maintenance</i>	9	-	-	-	9
<i>Purchasing and store</i>	4	-	-	1	5
<i>Planning and warehouse</i>	5	-	-	2	7
<i>Technical</i>	8	-	-	-	8
<i>QC</i>	13	-	-	2	15
<b>Total</b>	<b>57</b>	<b>-</b>	<b>1</b>	<b>81</b>	<b>139</b>
<b>As at the LPD</b>					
<i>Production</i>	18	-	2	82	102
<i>Maintenance</i>	10	-	-	-	10
<i>Purchasing and store</i>	4	-	-	1	5
<i>Planning and warehouse</i>	5	-	-	2	7
<i>Technical</i>	9	-	-	-	9
<i>QC</i>	12	-	-	3	15
<b>Total</b>	<b>58</b>	<b>-</b>	<b>2</b>	<b>88</b>	<b>148</b>

There were no significant changes in the number of employees of our Group from 31 December 2022 up to the LPD.

None of our employees belong to any labour union and as at the LPD, there has been no material dispute between our management and our employees. Since FYE 2020 to FYE 2022 and up to the LPD, there has not been any incident of work stoppage or labour dispute that has materially affected our operations.

Our Group is in compliance with the Malaysian government's directive on COVID-19 screening for all our foreign workers.



## 7. BUSINESS OVERVIEW

---

### 7.1 HISTORY

The history of our business begun when our co-founders, Dato' Lau and his former business partner, incorporated MTWC with equal shareholding in 2005 to focus on the manufacturing and distribution of LV power cables using PVC insulation with conductor sizes ranging between 1.5 mm<sup>2</sup> and 16 mm<sup>2</sup> which were mainly used for power distribution in residential and commercial buildings, and AWM cables which were mainly used for E&E appliances and system applications. In 2021, Dato' Lau's former business partner exited from our Group to pursue other business interests.

MTWC commenced its business and manufacturing operations in 2006 from a rented factory located at No. 8691 C, Batu Lapan, Jalan Paya Rumput, 75250 Melaka with seven production lines capable of producing up to 700 tonnes of LV power cables and AWM cables annually. At the time, we distributed our LV power cables to dealers, and AWM cables to wire harnessing manufacturers in Malaysia. Our LV power cables were manufactured in accordance with the MS for the residential and commercial buildings in Malaysia whilst our AWM cables were manufactured in accordance with the UL Standard for E&E appliances for the global market. For the FYE Under Review and FPE 2023, we no longer produce AWM cables for our customers.

In 2009, as our business grew and we needed to increase our production capacity, MTWC shifted its manufacturing operation to a bigger manufacturing plant located at Kawasan Perindustrian Rembia, 78000 Alor Gajah, Melaka (i.e. Plant 1). Plant 1 is a three-storey office building attached to a single-storey production floor. This manufacturing plant has a built-up area of 47,425.79 sq. ft. and we were able to increase our annual production capacity to 2,400 tonnes of LV power cables.

In 2009, we expanded our product range to include XLPE insulated LV power cables and armoured LV power cables, in various sizes to suit our customers' requirements and specifications. XLPE insulated power cables provide better electrical resistance and are able to withstand higher operating temperature of up to 90 degree Celsius as compared to PVC insulated power cables. An armoured cable has an extra protective layer wrapped around with either steel wire, aluminium wire, steel tape and/or aluminium tape to increase its mechanical strength to prevent damage to the internal parts of the cable under harsh operating environments. Armoured cables are typically used for outdoor and underground installations.

To create a brand recognition for our products among our customers, in 2009, we submitted an application for registration of our MASTERTEC brand as a trademark with MyIPO, and we obtained the approval in 2011. Subsequently, we started to market and distribute most of our products under our MASTERTEC brand.

In 2010, as we faced constraints in our production capacity, we expanded our production area by constructing a second manufacturing plant (i.e. Plant 2) on a vacant land situated next to Plant 1. The construction of Plant 2 commenced and was completed in the same year with a built-up area of 52,463.30 sq. ft. Plant 2 is a single-storey building with a mezzanine floor, comprising a production floor and storage facilities.

In 2010, we also acquired several new machineries, including mica taping machines, instrumentation cabling machines and wire braiding machines, as well as provided staff trainings to increase our production efficiency and productivity. The acquisition of these new machineries also allowed us to expand our range of products to include various control and instrumentation cables and LV power cables for new customers in the existing as well as new markets sectors such as oil and gas and telecommunications.

## 7. BUSINESS OVERVIEW (Cont'd)

---

In 2011, we started to produce two new products, namely fire resistant cables and flame retardant cables. Fire resistant cables and flame retardant cables are used in critical fire protection applications such as emergency power systems, emergency lighting systems, fire alarm systems and critical process valves in the oil and gas and petrochemical industries, as well as in tunnels and mines. A fire resistant cable is designed to maintain circuit integrity and continue to work for a specified period of time in the event of a fire, whereas a flame retardant cable is a cable which will actively prevent fire from spreading across the cable in the event of a fire. We started to manufacture our fire resistant cables and flame retardant cables as an OEM for several multinational corporations who were involved in the wires and cables industry in Malaysia. For the FYE Under Review and FPE 2023, these multinational corporations are no longer our customers.

In 2011, MTWC registered with the MOF as a manufacturer of electronic wires, fire resistant cables, flame retardant cables, LV cables and HV cables in various sizes under the supplies/services category. This registration enables us to participate in the procurement exercises of the Malaysian government as a supplier/service provider in relation to these products.

In 2013, we identified power utility companies as a new category of customers that we wanted to secure. Power utility companies utilised aluminium-cored power cables in addition to copper-cored power cables. In order for us to penetrate the power utility market, we invested in one aluminium drawing machine to produce aluminium wires (with diameter of between 1.6 mm<sup>2</sup> and 4.5 mm<sup>2</sup>) for our trial production of aluminium-cored wires and cables. Apart from copper, aluminium is among the most frequently used as an electrical conductor in wires and cables. As a raw material, aluminium is around 70% lighter in weight when compared to copper and cost approximately one third of the price of copper.

In 2015, we successfully produced our first aluminium-cored LV power cables and obtained the Certificate of Product Acceptance (*Sijil Guna Pakai*) from TNB. Subsequently, we were awarded tenders for several power utility projects from TNB, SESB and SEB. In the same year, we also secured orders for our aluminium-cored wires and cables from other existing and new customers. As at the LPD, we have the capability to produce copper-cored and aluminium-cored wires and cables, depending on our customers' product specifications and requirements.

In 2016, as we started to receive more purchase orders for our aluminium-cored LV power cables from our power utility customers, we decided to construct a third manufacturing plant (i.e. Plant 3) to increase our production of aluminium-cored LV power cables to ensure we can cope with anticipated demand. The construction of Plant 3 began in 2016 and was completed in 2017 with a built-up area of 58,265.05 sq. ft. Plant 3 is a single-storey building with a mezzanine floor, comprising a production floor with office, QC laboratory and storage facilities. We also invested in several new machineries such as aluminium drawing machine, rigid stranded machine and extrusion machine from European vendors. Currently, Plant 3 is utilised for the manufacturing of aluminium-cored wires and cables.

In 2017, we further expanded our product range to manufacture LV ABC for our power utility customers to be used for overhead power distribution in residential areas.

In 2019, there was a growing trend for renewable energy, especially for solar PV systems in the country. As such, we also began to manufacture and distribute solar DC power cables for our customers in the solar PV industry, as part of our strategy to further expand our market reach. Currently, we only produce solar DC power cables with sizes above 16 mm<sup>2</sup> in our manufacturing plant. Solar DC power cables with conductor sizes between 1.5 mm<sup>2</sup> and 16 mm<sup>2</sup> are sourced from a supplier in the PRC and resold to our customers in the Malaysian market. We did not venture into the manufacturing of solar DC power cables with conductor sizes between 1.5 mm<sup>2</sup> and 16 mm<sup>2</sup> primarily because the manufacturing set-up requires high capital investment, specialised machinery such as electron beam technology and different technical skillsets.

## 7. BUSINESS OVERVIEW (Cont'd)

---

In 2019, we also started selling MV power cables to our existing customers. As we currently do not have the appropriate manufacturing set-up to manufacture MV power cables in our manufacturing plants, we purchase them from local OEM manufacturers and resell them to our customers under our MASTERTEC and/or other OEM brands. As our purchase orders for MV power cables continued to grow encouragingly over the years, we decided to venture into the manufacturing of MV power cables to further expand our business and market presence in the wires and cables industry. Please refer to Section 7.15 of this Prospectus for details of our expansion plan into the manufacturing of MV power cables.

In 2019, we also observed a growing demand for fibre optic cables in Malaysia as the Malaysian government initiated the FTTH program to provide fibre optic access solutions for residential deployments. In the FTTH networks, fibres are directly connected to individual homes or multi-tenant buildings. Due to this initiative, we took the opportunity to venture into the trading of fibre optic cables for our customers from the telecommunications sector in 2020. Currently, we are not involved in the manufacturing of fibre optic cables. Instead, we purchase our fibre optic cables from OEM manufacturers in the PRC and resell them to our customers in Malaysia under our MASTERTEC brand.

Since inception, we have established ourselves as one of the leading manufacturers of wires and cables in Malaysia. As at the LPD, our wires and cables are manufactured in accordance with local and international standards such as MS, IEC, BS, EN, SS and UL and are utilised in various industrial applications including power utilities, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E.

The fundamental difference between the various standards for wires and cables are as follows:

- IEC is an international standard adopted by many countries;
- EN is a standard adopted by 18 countries in Western Europe;
- UL is a standard adopted mainly by the USA and Canada; and
- MS (Malaysia), SS (Singapore) and BS (United Kingdom) are country-based standards adopted by the respective countries.

For countries without their own standards for wires and cables i.e. Cambodia, they may adopt the IEC standard and other countries' standards.

The standards adopted for our products are determined based on product sample design or drawings and/or technical specifications and requirements provided by our customers, which usually includes the standard to adopt. The standards to be adopted for our products are generally dependent on our customer's budget and type of project. For instance, customers from the industrial sector have their own technical specifications and requirements and require us to follow them. Their technical specifications and requirements which may vary from the standards published by IEC, EN, UL, MS. Customers from the commercial and residential sectors in Malaysia generally adopt the MS standard for their product sample design. However, they may also require other standards such as IEC and BS standards to be adopted.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.2 KEY ACHIEVEMENTS AND MILESTONES

Our Group's key achievements and milestones are listed in the table below.

Year	Key achievements and milestones
2005	<ul style="list-style-type: none"> <li>Incorporation of MTWC to be involved in the manufacturing and distribution of LV power cables.</li> </ul>
2006	<ul style="list-style-type: none"> <li>MTWC commenced its business and manufacturing operations from a rented factory located at No. 8691 C, Batu Lapan, Jalan Paya Rumput, 75250 Melaka.</li> <li>MTWC started the manufacturing of PVC insulated LV power cables and AWM cables for E&amp;E appliances and systems.</li> </ul>
2008	<ul style="list-style-type: none"> <li>MTWC started to export its products to the overseas markets such as Singapore, Brunei, Vietnam and Cambodia.</li> <li>MTWC obtained the ISO 9001:2008 Certification for its QMS from AFNOR.</li> </ul>
2009	<ul style="list-style-type: none"> <li>MTWC received the Golden Bull Award from Business Media International Sdn Bhd.</li> <li>MTWC started the production of XLPE insulated LV power cables (up to 1kV) with either armoured or non-armoured protection layers.</li> <li>MTWC obtained the ISO 14001:2004 Certification for its EMS from AFNOR.</li> <li>MTWC shifted its entire manufacturing operations to Kawasan Perindustrian Rembia 78000 Alor Gajah, Melaka by setting up Plant 1 to manufacture LV power cables.</li> </ul>
2010	<ul style="list-style-type: none"> <li>MTWC started the manufacturing of control and instrumentation cables.</li> <li>MTWC expanded its manufacturing of LV power cables to Plant 2.</li> </ul>
2011	<ul style="list-style-type: none"> <li>MTWC started the manufacturing of fire resistant cables and flame retardant cables.</li> <li>MTWC received the SME Export Excellence Award from SMI Association of Malaysia.</li> </ul>
2012	<ul style="list-style-type: none"> <li>MTWC started the production of LV power cables using LSZH materials.</li> </ul>
2015	<ul style="list-style-type: none"> <li>MTWC started the production of LV power cables using aluminium conductors, mainly for its power utility customers.</li> <li>MTWC successfully registered as an approved vendor of the TNB Group by obtaining the Certificate of Product Acceptance (<i>Sijil Guna Pakai</i>) from TNB.</li> </ul>
2017	<ul style="list-style-type: none"> <li>MTWC started the production of aluminium-cored LV power cables in Plant 3.</li> <li>MTWC started the production of LV ABC for our power utility customers.</li> </ul>
2018	<ul style="list-style-type: none"> <li>MTWC upgraded its ISO 14001:2004 EMS Certification to ISO 14001:2015 EMS Certification from AFNOR.</li> <li>MTWC upgraded its ISO 9001:2008 QMS Certification to ISO 9001:2015 QMS Certification from AFNOR.</li> </ul>

**7. BUSINESS OVERVIEW (Cont'd)**

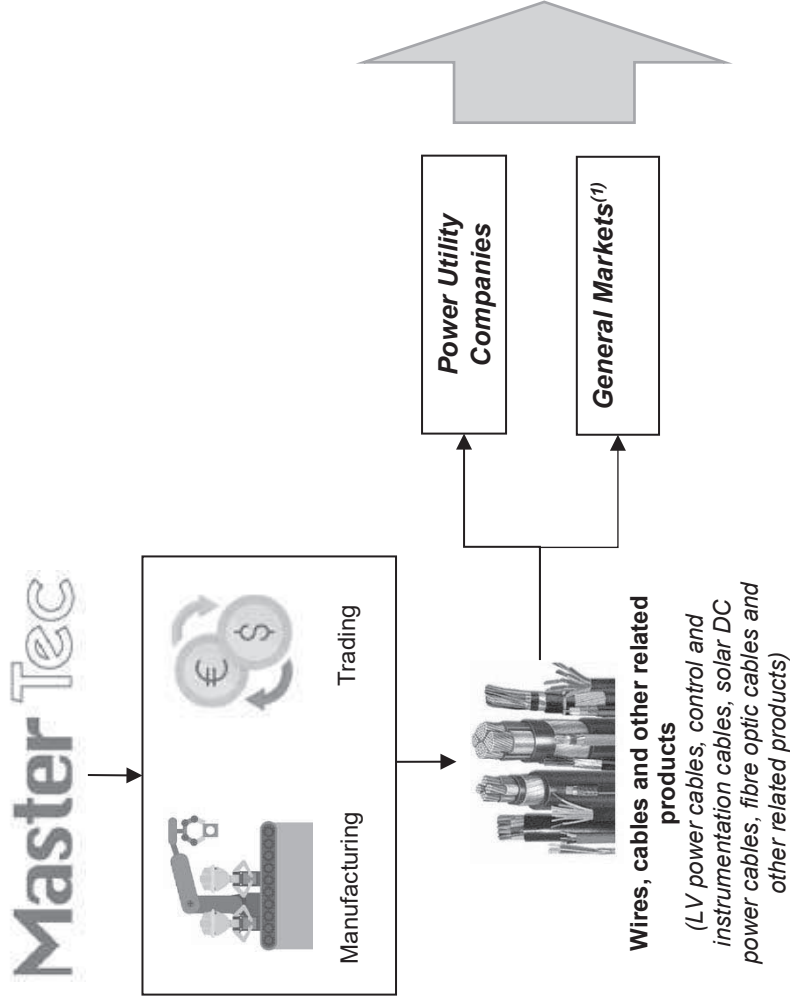
---

<b>Year</b>	<b>Key achievements and milestones</b>
2019	<ul style="list-style-type: none"><li>• MTWC started the trading of MV power cables, fibre optic cables and related products.</li><li>• MTWC started to produce solar DC power cables with conductor sizes above 16 mm<sup>2</sup> and trade solar DC power cables with conductor sizes between 1.5 mm<sup>2</sup> and 16 mm<sup>2</sup> for customers in the solar PV industry.</li><li>• MTWC obtained its ISO 45001:2018 Occupational Health &amp; Safety Management System Certification from Care Certification Private Limited.</li></ul>
2021	<ul style="list-style-type: none"><li>• MTWC received the Product Safety Award from the Energy Commission.</li></ul>

**7. BUSINESS OVERVIEW (Cont'd)**

**7.3 BUSINESS MODEL**

The business model for our principal business activities is as follows:



**Notes:**

- (1) General markets include electrical wholesalers, M&E contractors, and project owners who utilise and/or redistribute our wires and cables to various end user markets.
- (2) The industry served are the main industries of our end-customers that utilise our wires, cables and other related products.

## 7. BUSINESS OVERVIEW (Cont'd)

Our Group's revenue segments are as follows:

### (i) Revenue contribution by principal activities

Our Group's revenue contribution by principal activities for the FYE Under Review and FPE 2023 are outlined in the table below:

Principal activity	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing								
- MASTERTEC brand	151,830	93.54	254,502	92.25	327,955	90.42	117,635	85.22
- OEM brand	6,930	4.27	9,323	3.38	15,449	4.26	9,395	6.80
	158,760	97.81	263,825	95.63	343,404	94.68	127,030	92.02
Trading	3,553	2.19	12,050	4.37	19,281	5.32	11,009	7.98
<b>Total</b>	<b>162,313</b>	<b>100.00</b>	<b>275,875</b>	<b>100.00</b>	<b>362,685</b>	<b>100.00</b>	<b>138,039</b>	<b>100.00</b>

### (ii) Revenue contribution by principal products

Our Group's revenue contribution by principal products for the FYE Under Review and FPE 2023 are outlined in the table below:

Principal product	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
LV power cables <sup>(1)</sup>								
- Copper-cored	124,589	76.76	197,713	71.67	188,110	51.86	62,340	45.16
- Aluminium-cored	28,291	17.43	61,040	22.12	147,172	40.58	59,537	43.13
	152,880	94.19	258,753	93.79	335,282	92.44	121,877	88.29
Control and instrumentation cables	5,880	3.62	5,072	1.84	8,122	2.24	5,153	3.73
Others <sup>(2)</sup>	3,553	2.19	12,050	4.37	19,281	5.32	11,009	7.98
<b>Total</b>	<b>162,313</b>	<b>100.00</b>	<b>275,875</b>	<b>100.00</b>	<b>362,685</b>	<b>100.00</b>	<b>138,039</b>	<b>100.00</b>

#### Notes:

- (1) Includes solar DC power cables above 16 mm<sup>2</sup> which accounted for 0.43%, 0.01% and 0.56% of our Group's total revenue for FYE 2021, FYE 2022 and FPE 2023, respectively. Our Group did not record any sales of solar DC power cables above 16 mm<sup>2</sup> in FYE 2020.
- (2) Others include sales of MV power cables, solar DC power cables (1.5 mm<sup>2</sup> to 16 mm<sup>2</sup>), fibre optic cables, raw materials (i.e. aluminium rods and compounds) and packaging materials (i.e. wooden drums). Sales of solar DC power cables (1.5 mm<sup>2</sup> to 16 mm<sup>2</sup>) accounted for 1.09%, 1.80%, 1.01% and 1.78% of our Group's total revenue during the FYE Under Review and FPE 2023, respectively.



**7. BUSINESS OVERVIEW (Cont'd)**

**(iii) Revenue contribution by industries**

Our Group's revenue contribution by industries for the FYE Under Review and FPE 2023 are outlined in the table below:

Industry	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Power utility companies	26,957	16.61	59,184	21.45	122,591	33.80	60,326	43.70
General markets								
- Electrical wholesalers*	96,925	59.71	150,957	54.72	162,533	44.81	50,108	36.30
- M&E contractors	34,364	21.17	65,556	23.76	66,469	18.33	24,434	17.70
- Project owners	4,067	2.51	178	0.07	11,092	3.06	3,171	2.30
<b>Total</b>	<b>135,356</b>	<b>83.39</b>	<b>216,691</b>	<b>78.55</b>	<b>240,094</b>	<b>66.20</b>	<b>77,713</b>	<b>56.30</b>
	<b>162,313</b>	<b>100.00</b>	<b>275,875</b>	<b>100.00</b>	<b>362,685</b>	<b>100.00</b>	<b>138,039</b>	<b>100.00</b>

**Note:**

\* *Electrical wholesalers redistribute our Group's wires and cables to various end user markets.*

**(iv) Revenue contribution by principal markets**

Our Group's revenue contribution by principal markets for the FYE Under Review and FPE 2023 are outlined in the table below:

Principal market	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	147,139	90.65	254,428	92.23	346,865	95.64	130,930	94.85
Brunei	5,905	3.64	5,873	2.13	5,792	1.60	2,979	2.16
Myanmar <sup>(1)</sup>	675	0.42	-	-	-	-	-	-
Singapore	4,222	2.60	6,437	2.33	6,820	1.88	3,183	2.30
Thailand	3,960	2.44	(2)9,137	3.31	3,208	0.88	-	-
Vietnam <sup>(2)</sup>	412	0.25	-	-	-	-	-	-
Cambodia	-	-	-	-	-	-	947	0.69
<b>Total</b>	<b>162,313</b>	<b>100.00</b>	<b>275,875</b>	<b>100.00</b>	<b>362,685</b>	<b>100.00</b>	<b>138,039</b>	<b>100.00</b>



## 7. BUSINESS OVERVIEW (Cont'd)

### Notes:

- (1) *The discontinued sales to Myanmar was due to the challenging political landscape in the country.*
- (2) *The surge in sales from Thailand was due to increased sales from an E&E manufacturer and wholesaler.*
- (3) *The discontinued sales to Vietnam was due to the increased local competition.*

### 7.4 PRINCIPAL ACTIVITIES

Our Group is principally involved in the manufacturing and distribution of a wide range of LV power cables, control and instrumentation cables, and other related products for our local and overseas customers. For the FYE Under Review and FPE 2023, the majority of our sales are derived from our local customers which accounted for 90.65%, 92.23%, 95.64% and 94.85% of our Group's total revenue, respectively.

As at the LPD, our Group's principal activities are segmented into (i) manufacturing and (ii) trading as described below:

#### (i) **Manufacturing and distribution of wires and cables such as LV power cables, and control and instrumentation cables**

We are a manufacturer of a wide range of quality LV power cables, control and instrumentation cables, and other related products for various end user markets, including power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E. For the FYE Under Review and FPE 2023, our manufacturing activity accounted for 97.81%, 95.63%, 94.68% and 92.02% of our Group's total revenue, respectively.

Our Group has been involved in the manufacturing and distribution of quality, safe and high-performance wires and cables for about 17 years. Our products are manufactured in accordance with international standards such as MS, IEC, BS, EN, SS and UL. In addition, our products manufactured for residential and commercial sectors are certified and/or approved by SIRIM, Energy Commission and/or BOMBA (where required). Our products manufactured for our customers in the industrial sector such as power utility, petrochemical, oil and gas and public transportation have their own standards, requirements and specifications. For our export markets, our products are certified by the respective governing bodies in the foreign countries.

Our Group's MASTERTEC brand has been registered as a trademark with MyIPO effective from 2009. The intention to establish the MASTERTEC brand is to build relationships with our customers, promote product recognition, create a reputable identity and enhance customers' loyalty. Currently, the majority of the wires and cables that are manufactured and distributed by us are marketed under our own brand. For the FYE Under Review and FPE 2023, we have also provided OEM of our LV power cables, and control and instrumentation cables to our customers on an ad hoc basis.

As at the LPD, we are a registered LV power cable supplier with the MOF for government related projects in Malaysia. Having obtained the Certificate of Product Acceptance from TNB for our aluminium-cored LV power cables, we are also a certified supplier of LV power cables to power utility companies in Malaysia such as TNB, SESB and SEB.

Currently, we operate from three adjacent manufacturing plants owned by our Group at Kawasan Perindustrian Rembia, Alor Gajah, Melaka. Further details of our manufacturing plants are as follows:

**7. BUSINESS OVERVIEW (Cont'd)**

<b>Manufacturing plant</b>	<b>Land area / Built-up area sq. ft.</b>	<b>Type of products/processes</b>	<b>Year of commencement of operation</b>
Plant 1	79,868.22 / 47,425.79	<ul style="list-style-type: none"> <li>• Manufacturing of our copper-cored wires and cables.</li> <li>• Providing support activities to produce components required for aluminium-cored wires and cables. These components include (i) extrusion process to produce the insulation layers and the sheathing layers for the wires and cables, (ii) armouring process to produce the armouring for the wire sand cables; and (iii) lay-up process to produce multicore cables.</li> <li>• Storing of incoming raw materials.</li> </ul>	2009
Plant 2	79,868.22 / 52,463.30	<ul style="list-style-type: none"> <li>• Manufacturing of our copper-cored wires and cables.</li> <li>• Storing of finished products.</li> </ul>	2010
Plant 3	79,868.22 / 58,265.05	<ul style="list-style-type: none"> <li>• Manufacturing of our aluminium-cored wires and cables.</li> <li>• Cable testing activity.</li> <li>• Storing of raw materials and finished products.</li> </ul>	2017

Since inception, we have invested and built manufacturing facilities with all the necessary sources of raw materials, machineries and equipment, and skilled workers to manufacture quality, safe, and high-performance wires and cables to meet the stringent international standards and requirements. As at the LPD, our three manufacturing plants have an accumulated production capacity to produce up to 9,500 tonnes of wires and cables (i.e. 4,000 tonnes copper-cored and 5,500 tonnes aluminium-cored wires and cables) annually. Please refer to Sections 7.8 and 7.9 of this Prospectus for further details of our primary machineries and their production capacities respectively.

As at the LPD, we have a team of 16 sales and marketing staff who are primarily responsible for the promotion and marketing of our products, securing new customers as well as building relationships with our existing customers through our sales and marketing offices at Kawasan Perindustrian Rembia, Alor Gajah, Melaka and our Oasis Office. Please refer to Section 7.14 of this Prospectus for details of our sales and marketing activity.

We also have a technical team which comprises 10 staff with relevant experience and knowledge to provide technical support, QC, product enhancement and customisation, process improvement and materials selection to ensure we produce quality, safe and high-performance wires and cables to meet customers' application requirements and budget. Please refer to Section 7.7 of this Prospectus for details of our technical activity.

## 7. BUSINESS OVERVIEW (Cont'd)

For the FYE Under Review and FPE 2023, our Group's manufactured products are segmented into the following categories:

- (a) **Power cables**, which are primarily used to transmit/distribute electrical energy from one point to another.

Power cables are our core product category, accounting for 94.19%, 93.79%, 92.44% and 88.29% of our Group's total revenue for the FYE Under Review and FPE 2023, respectively. As at the LPD, we produce two main types of LV power cables, namely:

- PVC insulated LV power cable (300/500V, 450/750V and 600/1,000V); and
- XLPE insulated LV power cable (600/1,000V).

Our LV single-core and multicore power cables are manufactured with either a copper or aluminium conductor, insulated with either PVC or XLPE material around the conductor, armoured or non-armoured, and with an outer PVC or MDPE material as protective sheathing. Our LV power cables are typically utilised for overhead and underground applications, for power utilities LV underground distribution systems and in residential and commercial buildings, industrial plants, public transport systems, power stations and substations.

	<b>PVC Insulated</b>	<b>XLPE Insulated</b>
<b>Voltage</b>	300/500V, 450/750V and 600/1,000V	600/1,000V
<b>Conductor</b>	Copper or Aluminium	
<b>Insulation</b>	PVC	XLPE
<b>Number of cores</b>	Single and multicores (up to 48 cores)	Single and multicores (up to 48 cores)
<b>Armouring</b>	Non-armoured and armoured (aluminium wire / galvanised steel wire)	Non-armoured and armoured (aluminium wire / galvanised steel wire / copper tape screen)
<b>Sheath</b>	PVC	PVC/MDPE

Our power cables are made from three major components, namely conductor, insulation and outer sheath. A wire is defined as one electrical conductor, either bare or insulated, and protected by an outer sheath while a cable is defined as an assembly of two or more wires encased together in a sheath. Our power cable's outer sheath is made from a non-conducting material, either PVC or MDPE, to shield the conducting parts of the cable. Please refer to Section 7.6 of this Prospectus for more information on our cables' technology.

## 7. BUSINESS OVERVIEW (Cont'd)

---

A conductor is a type of material that allows electricity to flow through it. Copper and aluminium are most frequently used as electrical conductors in electrical cables due to their low resistance and excellent conductivity. Our conductors are made of pure annealed copper or electrical conductor grade aluminium. We produce conductors of various sizes, depending on the conductor size measured based on its cross-section area according to the IEC 60228 and American Wire Gauge standards. The IEC 60228 and American Wire Gauge are two different standards used to specify the conductor cross-section area. The IEC 60228 standard is used by many countries around the world whereas the American Wire Gauge standard is used in the USA.

In the production of our power cables, insulation materials are used to extrude and cover around the conductors to prevent electric current leakage. The insulation materials used in the manufacturing of our cables are compounds such as PVC, XLPE, MDPE, XLPO, LSZH, and XLEVA.

Each conductor is first insulated with its own electrical insulation made from either PVC or XLPE. Then, the insulated conductors are then held together by an outer sheath made of either PVC or MDPE to form a finished cable. An outer sheath is the outermost layer of wire and cable whose primary function is to protect the insulation and the conductor core from external physical forces and chemical deterioration.

We also produce our LV power cables for special application purposes such as fire resistant power cables, flame retardant power cables, LSZH power cables and solar DC power cables which require additional processes and materials to achieve their required characteristics and performance.

Our fire resistant power cables are designed to maintain circuit integrity and continue to work for a specified period of time during a fire outbreak. Our flame retardant power cables are designed to slowdown the spread of fire into other areas during a fire outbreak. Our LSZH power cables give off very little smoke and do not emit harmful fumes during a fire. Additionally, LSZH power cables are less likely to corrode or contribute to metal corrosion in the event of a fire. Our fire resistance power cables, flame retardant power cables and LSZH power cables comply with the performance requirements set by IEC standards and BOMBA. The application markets that use our special application LV power cables include oil and gas, elevators for high rise properties, public transport, fire safety systems.

We also manufacture solar DC power cables with conductor sizes of 16 mm<sup>2</sup> and above. We use XLPO material for insulation and outer sheath to produce all our solar DC power cables due to its strong protection properties in withstanding high UV radiation and high temperatures as well as being weather resistant.

We also manufacture bare copper or aluminium wires for our customers. A bare wire is a conductor without electrical insulation to achieve better electrical and thermal conductivity, and faster electricity transmission and distribution. Our bare wires are general being used for earthing purpose, such as discharging electrical energy directly to the earth underground.

Currently, we produce a wide range of LV power cables in a variety of sizes, materials, and types, each particularly adapted to its uses. Our LV power cables are manufactured and distributed to various end user markets, including power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E.

**7. BUSINESS OVERVIEW (Cont'd)**

(b) **Control and instrumentation cables** – control cables and instrumentation cables are utilised widely for obtaining and transmitting data and communications from various instruments, machinery and equipment. They used multiple conductors to convey low electrical signals to control, regulate, measure and detect signals in industrial environments and controlled environments such as laboratories and test facilities.





▪ **Control cables**

We manufacture control cables that are shielded cables used to transmit signals in controlling or regulating a system in an industrial environment. Control cables are typically made with a thicker and more durable outer sheath to withstand harsh environments and heavy use. It is also often shielded to protect against EMI and RFI.

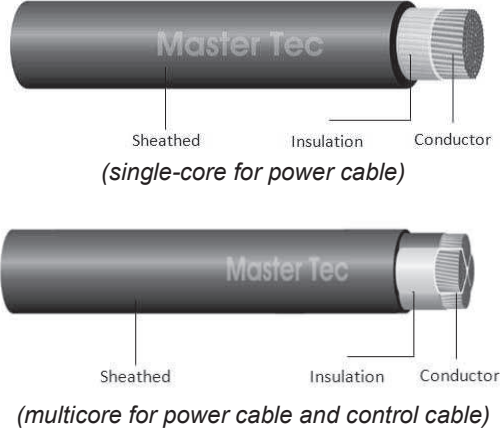
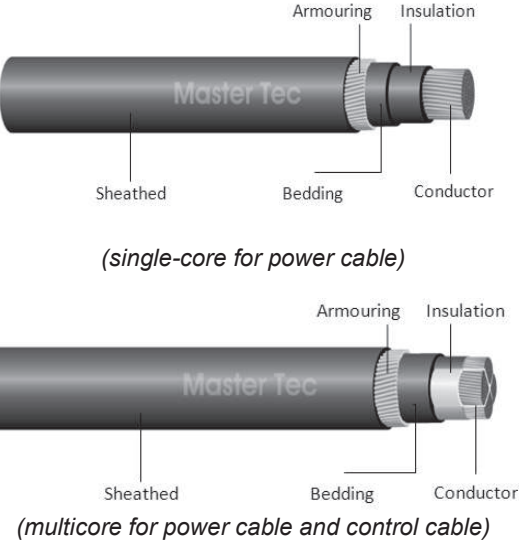
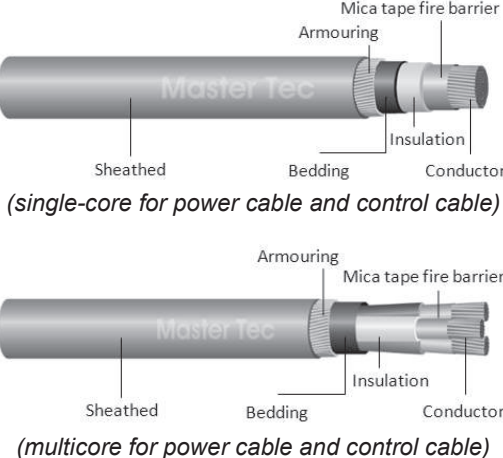
▪ **Instrumentation cables**

Instrumentation cables are unshielded cables used to transmit signals in measuring or detecting various parameters of a system in controlled environments such as laboratories and test facilities.

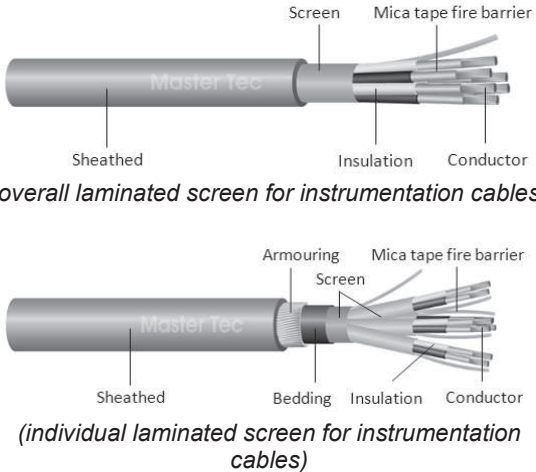
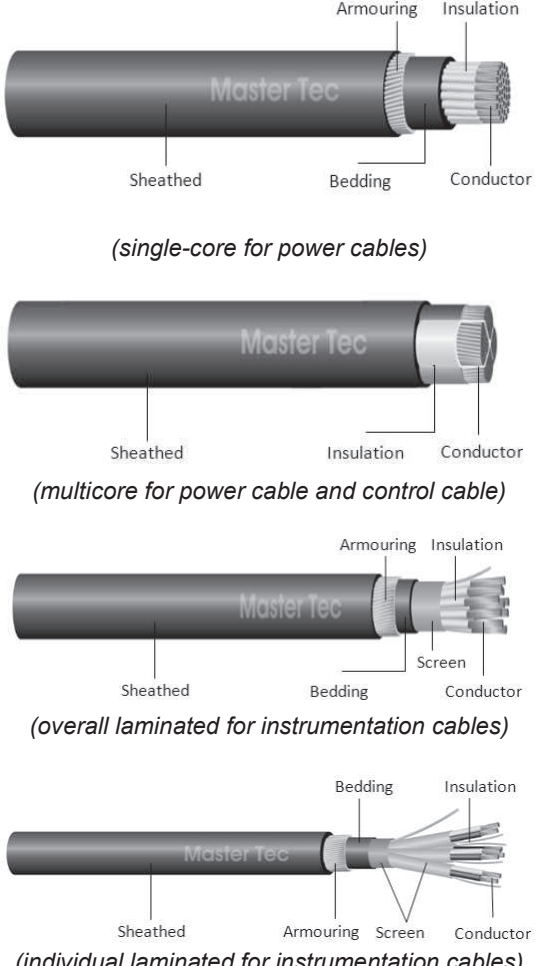
The following are some of our wires and cables that we manufacture:

Type of wires and cables	Picture	Cable construction
LV ABC	 <p>(multicore for power cable)</p>	<ul style="list-style-type: none"> <li>• Stranded aluminium conductor; and</li> <li>• PVC/PE insulated</li> </ul>
Bare conductor	 <p>(for power cable)</p>	<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor</li> </ul>
Non-sheathed wires and cables	 <p>(single-core for power cable)</p>	<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor; and/or</li> <li>• PVC/LSZH/MDPE insulated</li> </ul>
Non-armoured wires and cables		<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor;</li> <li>• PVC/XLPE insulated; and/or</li> <li>• PVC sheathed</li> </ul>

7. BUSINESS OVERVIEW (Cont'd)

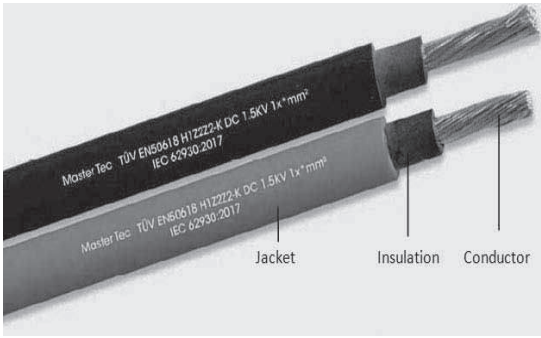
Type of wires and cables	Picture	Cable construction
	 <p>(single-core for power cable)</p> <p>(multicore for power cable and control cable)</p>	
Armoured wires and cables	 <p>(single-core for power cable)</p> <p>(multicore for power cable and control cable)</p>	<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor;</li> <li>• PVC/XLPE compound insulated;</li> <li>• PVC bedding;</li> <li>• Aluminium wires armoured (for single core)/galvanised steel wires armoured (for multicore); and/or</li> <li>• PVC sheathed</li> </ul>
LSZH and fire resistant wires and cables	 <p>(single-core for power cable and control cable)</p> <p>(multicore for power cable and control cable)</p>	<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor;</li> <li>• Mica tape fire barrier;</li> <li>• XLPE/LSZH/PVC-FR compound insulated;</li> <li>• PVC/LSZH bedding;</li> <li>• Aluminium wires armoured/galvanised steel wires armoured;</li> <li>• LSZH/PVC-FR compound sheathed;</li> <li>• Individual laminated aluminium polyester tape with a tinned copper drain wire; and/or</li> <li>• Overall laminated aluminium polyester tape with a tinned copper drain wire</li> </ul>

7. BUSINESS OVERVIEW (Cont'd)

Type of wires and cables	Picture	Cable construction
	 <p>(overall laminated screen for instrumentation cables)</p> <p>(individual laminated screen for instrumentation cables)</p>	
<p>Flame retardant wires and cables</p>	 <p>(single-core for power cables)</p> <p>(multicore for power cable and control cable)</p> <p>(overall laminated for instrumentation cables)</p> <p>(individual laminated for instrumentation cables)</p>	<ul style="list-style-type: none"> <li>• Stranded copper or aluminium conductor;</li> <li>• XLPE/LSZH compound insulated;</li> <li>• Aluminium wires armoured/ galvanised steel wires armoured;</li> <li>• PVC-FR/LSZH bedding and sheathed;</li> <li>• Individual laminated aluminium polyester tape with a tinned copper drain wire; and/or</li> <li>• Overall laminated aluminium polyester tape with a tinned copper drain wire</li> </ul>



**7. BUSINESS OVERVIEW (Cont'd)**

Type of wires and cables	Picture	Cable construction
Solar DC power cables	 <p style="text-align: center;">(for solar PV System)</p>	<p><b>Cable construction</b></p> <ul style="list-style-type: none"> <li>• Conductor: Soft tinned annealed copper according to IEC 60228, class 5;</li> <li>• Insulation: XLPO, flame retardant, halogen free, E-Beam cross-linked compounds;</li> <li>• Jacket: XLPO, flame retardant, halogen free, E-Beam cross-linked compounds, UV and ozone resistant, black/white marking; and</li> <li>• Jacket colour: All the chromatographic</li> </ul>

The wires and cables manufactured by our Group are made-to-order in accordance with the specifications detailed in the purchase orders received from our customers. Each purchase order will contain the product details (i.e., name, quantity, type) and the product specifications to be manufactured. A job order is issued to the production department for every purchase order received and confirmed by our sales and marketing department, even if there are multiple purchase orders for products with the same specifications.

The completed products are wound into wooden drums and the product descriptions are written on the drums. The drum number is then recorded on the associated purchase order for easy identification purposes. This is to ensure that should there be any defects in the production batch, the affected batch can be traced and identified through the respective purchase order and drum number.

**(ii) Trading of other cables**

During the FYE Under Review and FPE 2023, we were also involved in the trading of MV power cables, fibre optic cables, solar DC power cables (conductor sizes of between 1.5 mm<sup>2</sup> to 16 mm<sup>2</sup>) and others. Currently, we are not involved in the manufacturing of these cables. Instead, we purchase them from our local and overseas suppliers and resell them to our customers under our MASTERTEC and/or other OEM brands.

▪ **MV power cables**

MV power cables are used in larger systems and applications which require high energy power distribution.

▪ **Fibre optic cables**

A fibre optic cable is a network cable that contains strands of glass fibres inside an insulated casing. They are designed for long-distance, high-performance data networking, and telecommunications purposes. Compared to wired cables, fibre optic cables provide higher bandwidth and transmit data over longer distances.

Fibre optic cores are made of glass (silica) or plastic. The core is the light transmission area of the fibre and is the main component of a fibre optic cable.

▪ **Solar DC power cables**

Solar DC cable is a single core copper cable with insulation and sheath used in the solar PV systems.



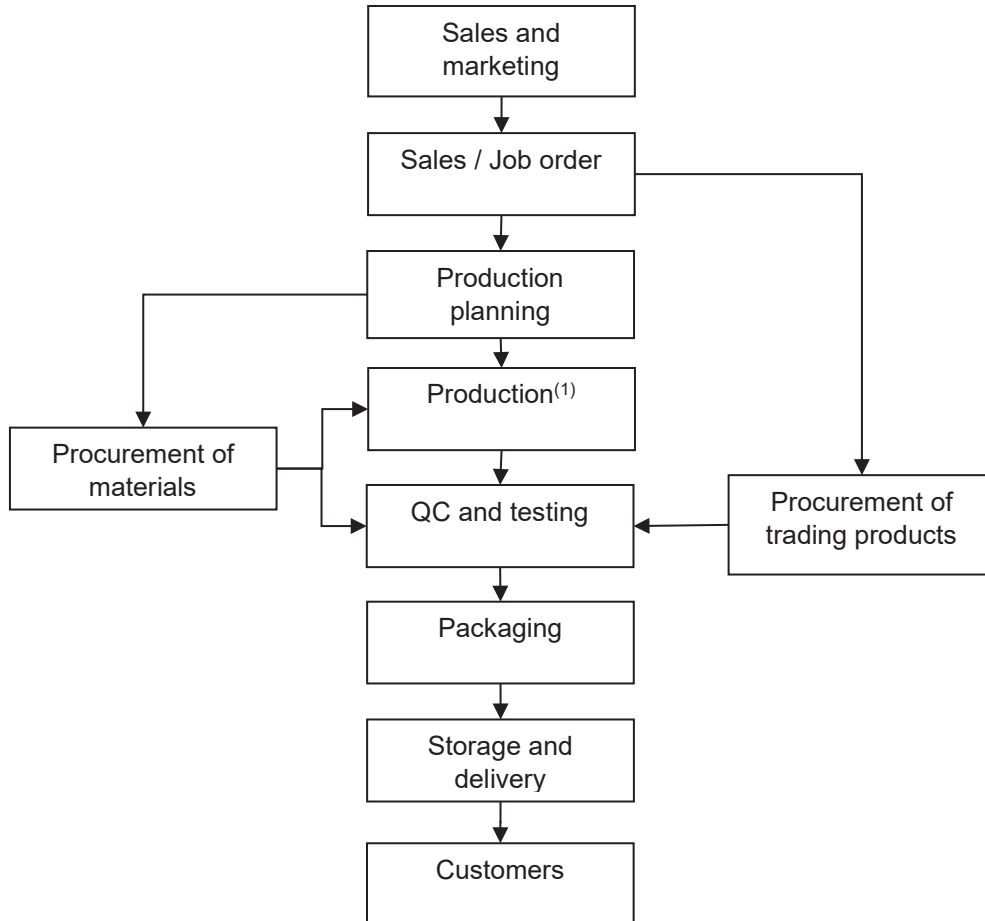
**7. BUSINESS OVERVIEW (Cont'd)**

▪ **Others**

For the FYE Under Review and FPE 2023, we also traded other products including raw materials such as copper rods, aluminium rods, copper tapes, and packaging materials to other local cables manufacturers.

**7.5 BUSINESS OPERATIONS**

Our Group's overall business operations are illustrated in the diagram below:



**Note:**

(1) Please refer to the production diagram below for detailed information.

## 7. BUSINESS OVERVIEW (Cont'd)

### Sales and marketing

As at the LPD, we have a team of 16 sales and marketing staff who are involved in business development, sales and marketing, and customer services activities.

Presently, we distribute our products to two categories of customers, namely:

- (i) **Power utility companies** such as TNB, SESB and SEB; and
- (ii) **General markets** which include:
  - **electrical wholesalers** who resell our products to their respective customers in various end user markets such as power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E;
  - **M&E contractors** comprising infrastructure construction companies, property developers, solar PV companies, and oil and gas companies; and
  - **project owners** such as manufacturing plants and telecommunication companies.

Our customers place their purchase orders with our sales and marketing department. After sales confirmation, the sales and marketing department will issue a job order to the production department to commence preparation for the production.

### Production planning

In the production planning stage, the production department needs to plan, prepare, acquire and assign the necessary resources for the production processes. Prior to the commencement of the production of our wires and cables, our production department will ensure that there is a sufficient quantity of raw materials in storage. Generally, we maintain one month's quantity of raw materials in our storage to ensure uninterrupted production. Our production department will actively monitor our raw material inventory level. If it detects any shortage of raw materials, we will immediately acquire and stock up the raw materials from our list of qualified suppliers.

In the production planning stage, the production department will prepare the production schedule for the production floor to carry out their production works.

### Procurement of raw materials

Currently, the primary raw materials used in the manufacturing of our wires and cables are aluminium rods, copper rods and compounds. We procure our raw materials from a number of local and overseas suppliers. Please refer to Section 7.13 of this Prospectus for more information on our type of major raw materials and supplies arrangement.

### Procurement of trading products

Currently, our trading activities consist of MV power cables, fibre optic cables, solar DC power cables (conductor sizes of between 1.5 mm<sup>2</sup> to 16 mm<sup>2</sup>) and other related products. As at the LPD, we do not manufacture any of the products that we trade. Instead, we source our trading products from local and overseas suppliers and resell them to our customers.

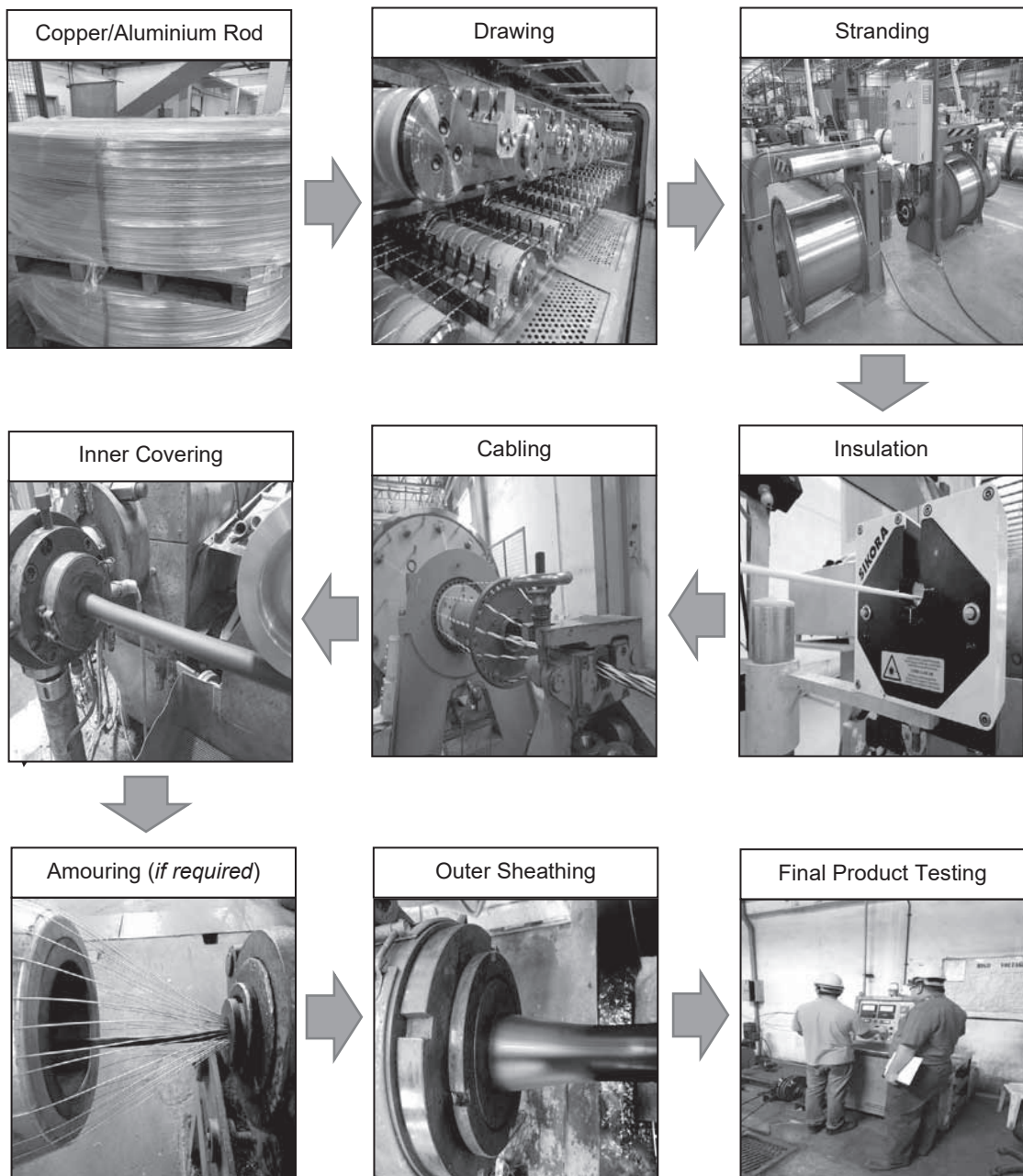
We perform QC inspections on our trading products when our suppliers deliver their products to us at our storage. Any defective products received will be notified to the respective supplier for rectification or replacement.

The sales and marketing department is responsible to promote and market our trading products to our customers. When a customer places a purchase order, our sales and marketing department will generate a delivery order to our storage to arrange for product delivery. Subsequently, the storage will arrange for shipment based on the delivery order.

## 7. BUSINESS OVERVIEW (Cont'd)

### Production



The general steps taken to manufacture our cables are illustrated in the flowchart below:





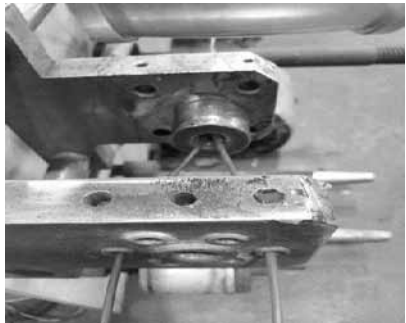

There are multiple processes involved in the manufacturing of our cables. The key processes include wire drawing, stranding, insulation, cabling, inner sheath, armouring, outer sheath, screening and final product testing. As illustrated in the flowchart above, the manufacturing processes of all our cables are generally similar with each other, using various machineries and equipment. However, some of the cables will be required to undergo additional processes such as lay-up, taping, pairing and braiding.

**7. BUSINESS OVERVIEW (Cont'd)**

Details of some of these processes are described as follows:

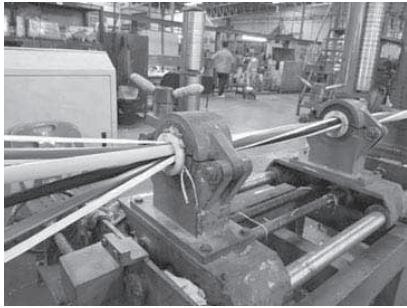
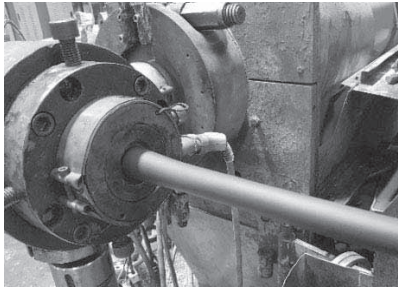
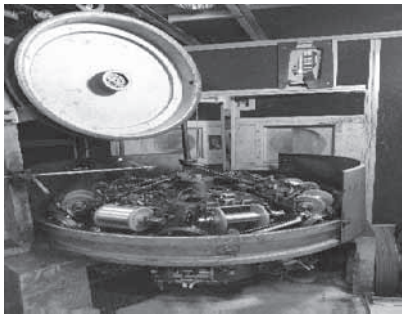
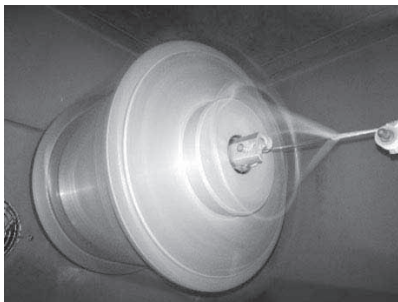
<b>Type of process</b>	<b>Description</b>
<p data-bbox="300 331 716 394">Copper/aluminium rod breakdown drawing</p> 	<p data-bbox="738 331 1398 544">The copper/aluminium rod breakdown drawing process is a manufacturing process to produce copper/aluminium wires from copper/aluminium rods respectively. The process involves drawing or pulling a copper/aluminium rod through a series of dies with progressively smaller holes, which reduces the diameter of the rod and increases its length.</p> <p data-bbox="738 577 1398 757">The drawing process can be repeated several times, with the rod being fed through progressively smaller dies each time, until the desired wire diameter is achieved. After the final drawing pass, the wire is typically annealed to relieve from any stress and improve its conductivity.</p>
<p data-bbox="300 918 716 954">Copper/aluminium wire re-rolling</p> 	<p data-bbox="738 918 1398 1043">For some cases, after the drawing process or after stranding process, the drawn or stranded wires are required to re-roll into smaller bobbin. A bobbin is a cylinder on which a wire is wound.</p>
<p data-bbox="300 1447 461 1482">Wire drawing</p> 	<p data-bbox="738 1447 1398 1908">The wire drawing process is used to produce wires in various diameters and is used for the stranding process to produce the conductors. The incoming copper or aluminium rod is drawn through a continuous series of dies until the required wire size is obtained. After the wire drawing process, the copper/aluminium wires will undergo the annealing (heat treatment) process by electrical heating in a steam environment before winding onto a steel bobbin for the stranding or bunching process. The annealing process is required for the copper wire but not for the aluminium wire due to differences in their metallurgical properties. The copper wire is annealed to produce wires for the right M&amp;E properties for the subsequent cable manufacturing processes.</p>

## 7. BUSINESS OVERVIEW (Cont'd)

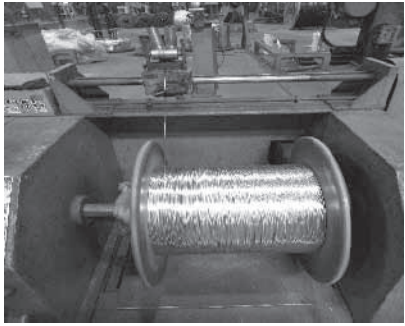
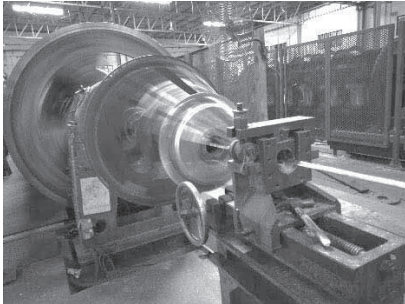
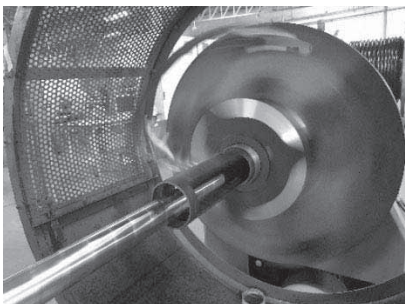
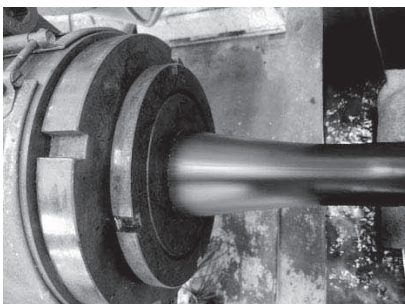
Type of process	Description
<p data-bbox="300 271 416 297">Stranding</p> 	<p data-bbox="738 271 1388 573">Stranding or bunching is the process to produce conductors of shaped cross-section or compacted circular conductor. The wires produced from the wire drawing process are first laid in layers over the single centre wire and then over the succeeding layers. The conductor is normally constructed using Class 2 Rigid conductor or Class 5/6 Flexible Conductor. The typical conductor sizes for the power cables application ranges from 1.5 mm<sup>2</sup> to 1,000 mm<sup>2</sup>, depending on the required current and voltage rating.</p>
<p data-bbox="300 658 416 685">Insulation</p> 	<p data-bbox="738 658 1388 931">The insulation process is the application of the electrical insulating material (XLPE/PVC) layer(s) onto the stranded conductor by an extrusion process. The typical insulating materials used are PVC, PE, XLPE and EPR. The insulation process is very critical to the performance of the power cables and both the insulating material, and the extrusion process must be extremely clean without the introduction of dust or contaminants into the extruded layer.</p>
<p data-bbox="300 1052 488 1079">Pairing process</p> 	<p data-bbox="738 1052 1388 1326">The pairing process involves combining two or more insulated wires and twisting them together in a specific pattern and at a specific pitch. The pitch is the distance travelled by one wire in one twist around another wire. The twisting of the wire is done to reduce electromagnetic interference and crosstalk between adjacent wire, which can cause signal distortion or attenuation. After pairing, the twisted pairs are further twisted together in a process called cabling.</p>
<p data-bbox="300 1464 703 1491">Cabling for Instrumentation Cable</p> 	<p data-bbox="738 1464 1388 1704">The cabling process for instrumentation cable is done after the pairing process. It involves the assembly of individual paired wires into a cable with a specific number of pairs or cores and a specific configuration. If the cable requires shielding, a metallic shield tape is added around the twisted group together with a drain wire. The shield can be made of copper tape or PE aluminium tape.</p>



## 7. BUSINESS OVERVIEW (Cont'd)

Type of process	Description
<p>Lay-up</p> 	<p>The lay-up process is used for the production of multicore cables. The lay-up process is also referred to as the cabling process whereby the insulated cores are laid and twisted together to form into a single cable for the process, such as an inner covering or the bedding process.</p>
<p>Bedding</p> 	<p>The bedding process is also known as the inner sheathing process whereas a layer of polymeric material, such as PE or PVC, is extruded onto the cable to prepare it for the subsequent armoring process. The bedding process functions as a protective layer for the lay-up cores and also for the armoured wires or tapes to sit on.</p>
<p>Braiding process</p> 	<p>The braiding process is a method used in the manufacturing of cables to provide extra strength and durability. The process involves intertwining multiple strands of steel or copper wires in a spiral pattern to create a flexible, strong, and protective covering for the core of the cable. The cable's core is fed through a braiding machine, which has multiple spools of steel or copper wires in the carrier. The carrier rotates and spools move up and down causing cable to intertwine in a spiral pattern as they move through the braiding machine and the steel or copper wires is pulled tight around the cable's core, creating a protective and flexible covering.</p>
<p>Mica tape taping</p> 	<p>A taping process is wrapping layer(s) of mica tape around the bare conductor. Mica tape provides a fire protection barrier to the cable.</p>

**7. BUSINESS OVERVIEW (Cont'd)**

<b>Type of process</b>	<b>Description</b>
<p data-bbox="300 271 533 300">Steel wire re-rolling</p> 	<p data-bbox="738 271 1398 421">Steel wire re-rolling process is necessary before the armouring process is done. Steel wires are received from suppliers in skid form and cannot be used directly in the armouring machine. It needs to be re-rolled into the bobbin according to specification required.</p>
<p data-bbox="300 685 427 714">Armouring</p> 	<p data-bbox="738 685 1398 864">The armouring process is the application of the metallic layer in the form of wires or tapes spiralled around the triple extruded core(s) or bedding of the cable. Armouring is used for mechanical protection as well as to carry fault current in the event of a shorting or cable damage.</p>
<p data-bbox="300 1077 424 1106">Screening</p> 	<p data-bbox="738 1077 1398 1256">The screening process is mainly for electrical suppression to provide extra shielding of EMF emitting out from higher voltage core(s) to avoid any power interferences. Copper or aluminium tapes or wires are widely used to form the metallic layer for the screening purpose.</p>
<p data-bbox="300 1469 571 1498">Outer sheath jacketing</p> 	<p data-bbox="738 1469 1398 1738">The outer sheathing process is the final process in cable manufacturing. The outer sheathing process involves extruding a compound layer such as PVC, PE or MDPE onto the cable. The details of the cable marking such as the cable type, voltage rating, manufacturer's name and year of manufacture will be embossed on the outer sheath. Sometimes, the customers would also request to emboss their particulars on the cable for future references.</p>

## 7. BUSINESS OVERVIEW (Cont'd)

### QC and testing

We conduct quality checks and inspections on every stage of our production processes, such as drawing, stranding, inner covering, cabling, insulation, armouring and/or sheathing to identify and correct any deviations from our quality requirements. By doing this, we are able to ensure consistency in our product quality.

After the finished products are produced, we will carry out a final inspection on all wires and cables using our QC and testing equipment to ensure that the product complies with our product specifications which are approved by our customers. All completed products are checked before delivery according to the final inspection report. Once the checks have been performed, quantities are recorded in the final inspection report to indicate that QC tests have been completed. Please refer to Section 7.10 of this Prospectus for more information on our QMS.

### Packaging

Our wires and cables are wound into wooden drums and the product descriptions are written on the drums. The drum number is then recorded on the associated purchase order for easy identification purposes. This is to ensure that should there be any defects in the production batch, the affected batch can be traced and identified through the respective purchase order and drum number.

### Storage and delivery

All final products are kept safely in our storage. When a delivery order is issued to the storage, the storekeeper will make arrangements for product delivery. Before the products are delivered to the customers, we will conduct another outgoing sampling inspection to ensure that the product delivery details are accurate and that it meets our QC objectives.

Generally, the order cycle time, being the average time taken to ship out an order from the time the purchase order was confirmed, for our manufactured wires and cables takes between four and six weeks, whereas our trading of MV power cables takes between eight and 10 weeks. The order cycle time for our trading of fibre optic cables and solar DC power cables takes about a week.

## 7.6 TECHNOLOGY

Our wires and cables come in a variety of sizes, choice of materials, standards and construction types, each particularly suited for its respective applications. We also provide additional customisations for our wires and cables based on our customers' application requirements including, but not limited to, the following:

- Mica tape to produce fire resistant cable;
- Flame retardant cable which uses PVC/LSZH compound with calcium or aluminium based additives;
- Aluminium tape screening for instrumentation cable for EMI application;
- Copper wire braider screening for mechanical and noise protection for EMI application; and
- Armouring for mechanical protection of the cable.

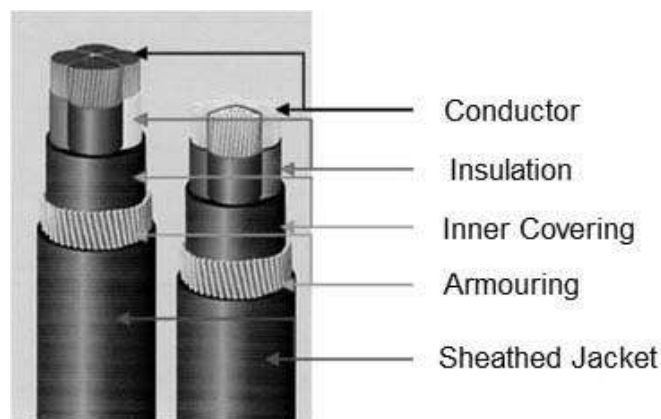


## 7. BUSINESS OVERVIEW (Cont'd)

The construction and materials of each individual wire and cable will vary according to its intended application, which are determined by three main factors as follows:

- Working voltage and operating temperature, which determines the thickness and composition of the insulation materials;
- Current carrying capacity, which determines the cross-section size of the conductors; and
- Environmental conditions such as temperature, chemical exposure, sunlight exposure and mechanical impact, which determines the form and composition of the sheath enclosing the cable core(s).

Below is an illustration diagram of the construction structure of a cable:



### Conductor

Copper and aluminium are the most common conductor materials used in the production of wires and cables. Copper has a higher conductivity than aluminium. It is more ductile (can be drawn out) and has a relatively high tensile strength (the greatest stress a substance can bear along its length without tearing apart). It can also be easily soldered. However, copper is more expensive and heavier than aluminium. Although an aluminium conductor has less conductivity than a copper conductor, its lightness makes long spans possible. The aluminium or copper conductors are normally stranded, although very small cables may use solid conductors.

### Insulation

We use PVC and XLPE as insulation materials in the manufacture of our wires and cables. PVC is a commonly used insulation material that has good temperature resistance and electrical resistance. PVC is also very flexible and easy to shape. However, XLPE is the preferred insulation material for cables manufacturing in line with improved manufacturing and polymer handling techniques. XLPE insulated wires and cables are more durable, provide better electrical resistance, able to withstand higher operating temperatures of up to 90 degree Celsius and possess lower environmental impact as compared to PVC insulated wires and cables. The lifespan of wires and cables is determined by the properties of the insulation materials.

After the insulation process, all our wires and cables come in various designs, mainly to provide protection to the conductors and insulators via an inner covering.

### Inner covering

In general, single-core or multicore wires and cables will come with a layer of inner covering (also known as sheathing) on top of the insulation. The inner sheath's primary purpose is to provide protection for the insulation. Depending on the application, the inner sheath can be either PVC, LSZH or MDPE.

## 7. BUSINESS OVERVIEW (Cont'd)

---

### Armouring

On top of the inner sheath is the armour, whose functions are to provide mechanical protection to the wires and cables as well as a fault current path. The inner sheath provides a cushion for the armour to rest on. The armour consists of mainly aluminium wires for single-core cables and galvanised steel wires for multicore cables.

### Outer sheath or protective jacket

Finally, on top of the armour, is an outer sheath or protective jacket. It is mainly made of extruded compound materials which can be either PVC, XLPE, MDPE, LSZH, or XLEVA. The materials for the outer sheath are selected to provide the necessary protection to the cable against ingress of oil, termites or rodents, and chemical and mechanical impacts as well as safety to the users.

## 7.7 TECHNICAL

We do not have a research and development division for the manufacture of our wires and cables. However, as at the LPD, we have a technical team comprising 10 staff who possess the necessary qualifications and experience to provide technical support, QC, product enhancement and customisation, process improvement, and materials selection. This is to ensure that we produce quality, safe and high-performance wires and cables to be used for commercial and industrial applications as well as offering good customer service.

Wires and cables are widely used in various application markets. To ensure our technical knowledge and product performance are in line with current market advancements, we participate in the cable design stage using different compounds, core sizes, armouring and sheathing materials, and other components to design wires and cables that are more durable and flexible, more resilient, more resistant to abrasion as well as able to tolerate higher voltage stress and higher temperatures. For instance, to produce a more flexible cable, we may need to modify or change the cable's construction structure, dimension (i.e. different thickness, internal diameter and/or outer diameter) and/or select different materials to achieve better performance (i.e. using different types of braiding and reinforcement materials). This process must be conducted in trial phases before it can achieve the required results.

The cable design stage begins with our customer giving us the product sample design or drawing and/or technical specifications and requirements. After reviewing and analysing the information given by our customer, we will prepare a technical datasheet with product design proposals that includes the proposed construction design of the wire and cable including conductor size, cable dimension and electrical performance, the bill of materials (list of materials used in the construction of the wire and cable) and the product costing. The technical datasheet will also include design suggestions that suit our customer's specifications and requirements.

For a new product, we will prepare a prototype and perform in-house and third-party verifications to obtain customer approval before beginning production. For an existing product, upon our customer approving the technical datasheet, we will send it for production.

Leveraging on our experience in the wires and cables industry, we are also able to customise our wires and cables using different number of cores, type of conductors, type of insulation and protective materials, cable sizes, and material compositions to fulfil our customers' requirements. Our technical team is constantly working with our customers to provide technical support as well as data collection to track the performances of our wires and cables. Our technical team will follow up with our customers through calls and emails to check on the performance of our wires and cables and provide installation instructions, if required. For some customers, we also conduct site visits at customers' installation sites to verify the performance of our wires and cables.

## 7. BUSINESS OVERVIEW (Cont'd)

The data collected comprises product designs, bill of materials and product performance which is used for future design reference and product enhancement. Manufacturers with the same factory set-up may not be able to produce cables of the same quality unless they possess the right designs, technical know-how and manufacturing experience.

### 7.8 MACHINERIES AND EQUIPMENT

The major machineries and equipment used by our Group in our manufacturing activities is as follows:

Major machineries and equipment	No. of unit	Average age	NBV as at 30 June 2023
		Years	RM'000
Copper drawing machine	1	5.95	1,362
Aluminium drawing machine	1	4.29	2,691
Multi-wire drawing machine	1	3.50	2,797
Copper intermediate drawing machine	2	11.15	21
Aluminium intermediate drawing machine	1	10.22	10
Double twisting machine	8	10.68	522
Braider machine	5	11.90	50
Mica tape wrapping machine	4	5.17	51
Extruder	12	9.95	3,567
Rewinding machine	8	11.71	49
Rigid stranded machine	3	7.67	4,864
Drum twister	2	4.11	1,735
Copper tape wrapping machine	2	5.73	607
Planetary cabling machine	1	8.40	623
Reroll Line	3	6.81	197

Save for the extruders, which have an average lifespan of between 15 and 30 years, all our other major machineries and equipment are still operating since the year of purchase.

### 7.9 PRODUCTION CAPACITY

Our Group has three manufacturing plants with a combined annual production capacity to produce up to 9,500 tonnes of wires and cables, of which 4,000 tonnes are copper-cored wires and cables and 5,500 tonnes are aluminium-cored wires and cables. Our manufacturing plants are operating six days a week, two shifts per day, and seven hours per working shift.

Our production output and the utilisation of our Group's machineries for the FYE Under Review and FPE 2023 is illustrated in the table below:

Products	Production capacity	Actual output				% of utilisation			
		FYE 2020	FYE 2021	FYE 2022	FPE 2023	FYE 2020	FYE 2021	FYE 2022	FPE 2023
		Tonnes	Tonnes	Tonnes	Tonnes	Tonnes			
Copper-cored wires and cables	4,000	2,461	2,750	2,382	1,546	61.53	68.75	59.55	38.65
Aluminium-cored wires and cables	5,500	1,158	2,472	4,394	3,318	21.05	44.95	79.89	60.33
<b>Total</b>	<b>9,500</b>	<b>3,619</b>	<b>5,222</b>	<b>6,776</b>	<b>4,864</b>	<b>38.09</b>	<b>54.97</b>	<b>71.33</b>	<b>51.20</b>

## 7. BUSINESS OVERVIEW (Cont'd)

We utilised an average of 59.55% and 79.89% (FYE 2022), and 38.65% and 60.33% (FPE 2023) of our machinery's capacity to produce our copper-cored wires and cables, and aluminium-cored wires and cables, respectively.

### 7.10 QUALITY MANAGEMENT

We take pride in the quality and safety of our products. The majority of the products manufactured and distributed by us are marketed under our own MASTERTEC brand. Throughout our long operating history, we have invested in manufacturing technologies, and formulated a proven QMS which is ISO certified to ensure our products are produced according to stringent quality and safety standards set by international governing bodies.

We have an experienced QC team which is in-charge of product testing and QC activities. As at the LPD, our QC department has 15 QC staff including management level and each staff has the relevant knowledge and experience in the manufacturing of wires and cables and are also periodically trained through various trainings conducted internally. Our QC department carries out inspections at every stage of the production process.

Being a reputable manufacturer of wires and cables, the quality of wires and cables is our utmost priority. Therefore, we adopt the approaches below in the various stages of sourcing, production and delivery to ensure that quality standards are maintained.

Our Group has adopted a stringent internal quality management assurance policy to ensure that the products manufactured by our Group are of high quality and meet the specifications and requirements of our customers. MTWC has also been awarded with the ISO 9001 (which certify that we have an effective QMS for the manufacturing of our wires and cables) and ISO 14001 (which certify that we have an effective EMS to help improve our environmental performance through more efficient use of resources and reduction of waste) certifications from AFNOR, and ISO 45001 (which certify that we have an effective OHSAS to provide a safe working environment for our staff) certification from Care Certification Private Limited, where the full range of wires and cables manufactured by our Group are in conformity with the IEC, MS, BS, EN, SS and UL. As such, our Group has to comply with the criteria set out under the ISO 9001, ISO 14001, and ISO 45001 certifications.

Our Group's in-house QC team will also carry out internal QC audit on our QMS. Our Group conducts QC inspections at various stages of the production processes to facilitate corrective actions in order to eradicate any cause of deviations at their sources. Our Group has equipped ourselves with technology inspection equipment to ensure that our products consistently meet the customers' requirements and specifications. Periodically, our customers also send their own QC staff to conduct QC inspections at our Group's production floor. External audits strengthen our customers' confidence in our Group's products.

The total amount of defect/return manufactured power cable products amounted to less than RM0.15 million over the FYE Under Review and FPE 2023.

#### Testing laboratory



Given the critical nature of wires and cables, reliability, quality and compliance are vital. To provide the necessary assurances of our products to our customers and end-user customers, we conduct multiple tests on our wires and cables in our QC laboratory.

We conduct continuous product testing to measure the properties and performance of our wires and cables to ensure that they are high in quality as well as in compliance with the various industrial standards for their intended application usage. We have an in-house laboratory which has the capability to conduct laboratory testing on the materials obtained from our suppliers as well as the products manufactured by us. By having an internal testing facility, we are able to minimise our time in production and time to market our products.




**7. BUSINESS OVERVIEW (Cont'd)**

Our QC staff work continuously to ensure the quality of our products conform to specification. This ranges from frequent supply-chain audits to routine quality assurance tests on inbound and outbound deliveries. Our inspection programme ensures the highest possible quality standards. Each stage of production is carefully examined and tested for compliance in accordance with our customers' specifications.

Currently, we have the following testing equipment to carry out our QC and testing processes:




Type of testing equipment	Test function
<p>Profile projector</p> 	<p>This projector is used to measure the dimensions of the wires and cables, including the diameter, roundness, and cross-sectional shape.</p> <p>This information is critical to ensure the wires and cables meet the required specifications and standards.</p>
<p>HV tester</p> 	<p>This HV tester is used to test the electrical insulation of the wires and cables under high voltage conditions.</p> <p>This is a crucial QC measure to ensure that the insulation is adequate and will not fail under normal operating conditions, which will cause electrical hazards or equipment failure. At the same time, it will help to identify potential manufacturing defects, such as cuts or pinholes in the insulation, which can compromise the performance of the wires and cables.</p> <p>This test will also ensure that our products manufactured comply with the industry's standards and regulations.</p>

7. BUSINESS OVERVIEW (Cont'd)




Type of testing equipment	Test function
<p>Limiting Oxygen Index tester</p> 	<p>The Limiting Oxygen Index tester is used to assess the flame retardant performance of the compounds used in the insulation of our wires and cables, and also test for the oxygen index of the compounds.</p> <p>The higher the Limiting Oxygen Index value means the wires and cables have higher resistance to combustion, which determines the performance of our products to limit the spread of the flames, in the event of a fire.</p> <p>The test is also able to validate the materials used in our wires and cables to ensure they are high in quality, safe and provide the required performance standards.</p>
<p>Mutual capacitance tester</p> 	<p>The mutual capacitance tester is used to measure the capacitance between two insulated conductors.</p> <p>This measurement is important because it can indicate the presence of insulation faults or defects by verifying the quality of the compound used in the production of the wires and cables.</p> <p>This tester can also identify any defects in the compound or variations in the insulation thickness.</p> <p>The mutual capacitance tester is also used to measure the capacitance of cable shields and other protective layers, which are designed to protect the wires and cables from electromagnetic interference.</p> <p>By measuring the capacitance, the tester can verify that the shield is working effectively and providing adequate protection.</p>
<p>Acidity tester</p> 	<p>The acidity tester is used to measure the acidity level of the insulation and sheathing materials by testing the pH level of the materials used.</p> <p>The acidity tester helps to identify the presence of acidic components in the material. This enables us to determine the halogen level of the material for LSZH materials.</p>



7. BUSINESS OVERVIEW (Cont'd)



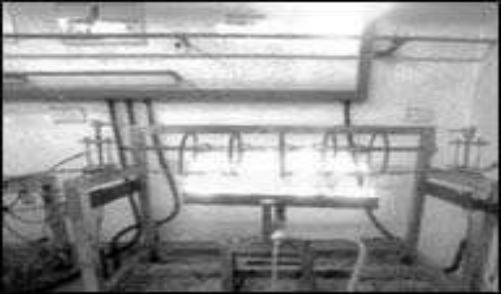
Type of testing equipment	Test function
<p>Spark tester</p> 	<p>The spark tester is used to ensure the wires and cables produced have no breakage in insulation. The wires and cables are passed through the spark tester, which applies a high voltage electrical charge to the surface of the product.</p> <p>If there are any weak points or faults in the insulation, the electrical charge will create a spark or discharge, indicating that there is a problem with the insulation.</p>
<p>Smoke density tester</p> 	<p>The smoke density tester is used to evaluate the fire safety of the wires and cables by measuring the amount of smoke generated from burning the wires and cables.</p> <p>During a fire, the wires and cables will release smoke that can obstruct vision and make it difficult for people to evacuate safely.</p> <p>This tester will detect and generate information to show the wires and cables meets safety standards and regulations.</p>
<p>Online laser diameter gauge</p> 	<p>The online laser diameter gauge is a non-contact technology used to measure the diameter of the wires and cables continuously during the manufacturing process.</p> <p>This allows for immediate adjustments to be made if any variations in diameter are detected, reducing material wastage, and ensuring consistent quality.</p> <p>Real-time data is generated from the diameter measurement system which can be used to monitor production processes and identify potential problems before they occur.</p>

## 7. BUSINESS OVERVIEW (Cont'd)

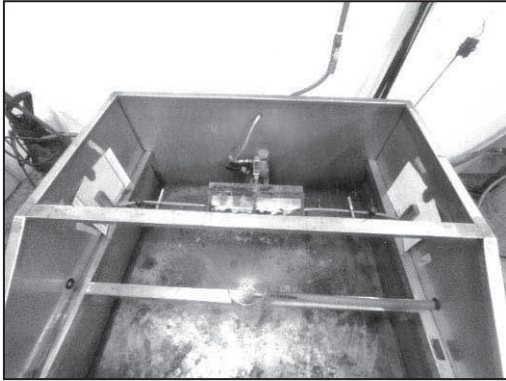
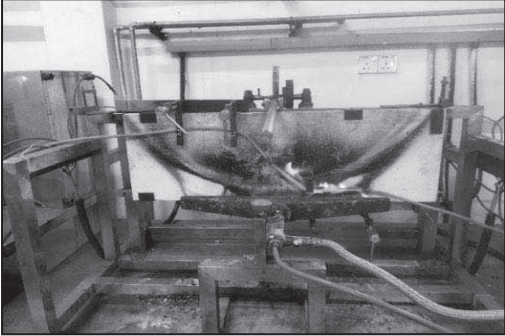
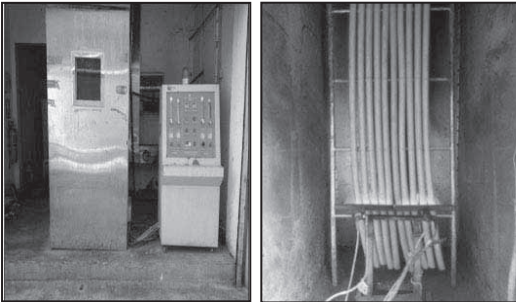
Type of testing equipment	Test function
<p data-bbox="300 275 608 304">Double bridge ohm meter</p> 	<p data-bbox="842 275 1388 456">The double bridge ohm meter is used to accurately measure the DC resistance of the cable. The double bridge ohm meter can eliminate errors caused by contact resistance and lead resistance, which can cause inaccuracies in single bridge meter.</p> <p data-bbox="842 490 1388 730">The double bridge ohm meter is very useful because it can accurately measure ultra-low resistance to ensure the quality of the products are being produced. It is also useful for measuring the resistance of cables that have high levels of conductivity or are made of materials that are difficult to measure accurately with other instruments.</p>
<p data-bbox="300 768 624 797">Insulation resistance tester</p> 	<p data-bbox="842 768 1388 860">The insulation resistance tester is used to measure the insulation resistance of the wires and cables.</p> <p data-bbox="842 893 1388 1072">This tester can detect insulation defects such as cuts, abrasions, and moisture in the insulation material. This tester can also identify damaged wires and cables that need to be replaced before they cause electrical hazards or equipment failure.</p>
<p data-bbox="300 1247 647 1276">Tensile and elongation tester</p> 	<p data-bbox="842 1247 1388 1368">The tensile and elongation tester is used to measure the mechanical properties of the wires and cables by applying a controlled force to a specimen until it breaks or deforms.</p> <p data-bbox="842 1402 1388 1523">The tensile and elongation tester is commonly used to determine the ultimate tensile strength, elongation, yield strength, and other mechanical properties of the wires and cables.</p>





7. BUSINESS OVERVIEW (Cont'd)

Type of testing equipment	Test function
<p>Aging oven</p> 	<p>The aging oven is used to simulate the effects of aging on the insulation of the wires and cables by subjecting them to various environmental factors such as heat, moisture, and chemicals.</p> <p>This aging oven can accurately replicate the conditions that the wires and cables are likely to encounter during their lifetime, such as exposure to sunlight, high temperatures, and humidity by subjecting them to various environmental factors for a specified period. The insulation is then tested for changes in its properties such as tensile strength and elongation.</p> <p>This test helps evaluate the performance and durability of the insulation materials, identify potential issues, and improve the quality of the products.</p>
<p>Hot set tester</p> 	<p>The hot set tester is used to determine the degree to which the thermoset material can resist deformation and maintain its structural integrity when exposed to high temperatures.</p> <p>This tester applies a specific load to a sample of the material and subjects it to a controlled temperature for a set period.</p> <p>After the test, the degree of deformation is measured, and the results are used to evaluate the material's ability to withstand high-temperature conditions.</p>
<p>Fire resistance tester - Resistance to fire only</p> 	<p>This tester is used to determine the integrity of the wires and cables to withstand exposure to fire. This test measures the ability of the wires and cables to maintain their electrical and mechanical circuit integrity during and after exposure to fire.</p> <p>This tester is an important tool for ensuring the safety and reliability of the wires and cables used in various applications, including buildings, transportation systems, and industrial equipment. It helps to ensure that the wires and cables can withstand exposure to fire and continue to function properly, which is essential for preventing fire-related accidents and minimising property damage.</p>

7. BUSINESS OVERVIEW (Cont'd)

Type of testing equipment	Test function
<p>Fire resistance tester - Resistance to fire and water</p> 	<p>This tester is used to evaluate the ability of the wires and cables to maintain their functional properties when exposed to fire and water by exposing them to a flame for a specified period, and then water is sprayed onto them to simulate the effects of a fire hose.</p>
<p>Fire resistance tester</p> 	<p>This tester is used to evaluate the ability of the wires and cables to maintain their circuit integrity when exposed to fire and mechanical shock by exposing them to a flame for a specified period, and then subjecting them to mechanical shock or impact.</p>
<p>Flame retardant test chamber</p> 	<p>The flame retardant test chamber is used to simulate a fire situation, in which the wires and cables are exposed to a flame, and then measured on the extent to which the flame can spread or continue to burn.</p> <p>This tester can also determine whether the wires and cables can self-extinguish after the flame is removed. This test helps to ensure that the products manufactured by us and used in buildings and other structures are resistant to fire and can limit the spread of flames.</p> <p>This also helps to ensure our flame-retardant wires and cables produced meet the industrial standards for fire safety.</p>

**7. BUSINESS OVERVIEW (Cont'd)**

Type of testing equipment	Test function
<p>Hardness tester</p> 	<p>The hardness tester is used to determine the hardness of the materials used to produce our wires and cables. The hardness of a material is an important factor that affects the mechanical properties and performance, in terms of the strength and durability of the wires and cables.</p>
<p>Single vertical flame tester</p> 	<p>The single vertical flame tester is used to evaluate how retardant the wires and cables are to flame by simulating a fire scenario where a small flame is in contact with them.</p> <p>This is to ensure the wires and cables have sufficient flame retardant properties, ensuring that they do not contribute to the spread of a fire. If the wires and cables can self-extinguish or do not propagate the flame beyond a certain point, they will pass the single vertical flame test and are considered to having strong fire resistant properties.</p> <p>If the wires and cables fail the test, they may need to be redesigned or improved to meet the industry's safety standards.</p>

**7.11 COMPETITIVE ADVANTAGES**

Our Directors believe that our success and prospects are bolstered by a combination of strengths and advantages, including the following:

**7.11.1 We are an established manufacturer of wires and cables with a reputable brand name and proven track record**

We have been operating in the wires and cables industry for about 17 years. Throughout the years, we have established a reputable MASTERTEC brand and track record for our LV power cables, and control and instrumentation cables. Through our brand, customers recognise our products and they are given the assurance and confidence of our products' quality, performance, safety and durability.

This factor, along with our other competitive advantages and our growth strategies, has led us to be one of the established wires and cables manufacturers in Malaysia today, with a market share of about 3.57% in 2022 (*source: IMR Report*). We strive to improve our position in Malaysia by actively growing our market share through our expansion into new products and markets. Please refer to Section 7.15 of this Prospectus for further details on our future plans.

## 7. BUSINESS OVERVIEW (Cont'd)

Our proven track record has enabled us to qualify as an approved supplier of power cables to TNB, SEB and SESB. Being their approved supplier also showcases our competence and capability of producing quality, safe and high-performance cables to meet their stringent requirements and specifications. As the power utility companies have their own power cable standards, we have to meet their product certification, product type test, quality audit requirements before qualifying as their approved supplier. As their approved supplier, we are able to participate in their tenders and vendor review processes encompassing quality, cost and delivery. We also need to be audited by the power utility companies yearly so as to continue to qualify as their approved supplier.

Recurring orders from our major customers are also confirmations of their continued satisfaction with our products. Our relationship with our major customers spans between three and 15 years. Please refer to Section 7.16 of this Prospectus for the list of our major customers and our years of relationship with them.

Having a reputable brand and established track record have set us apart from the rest of our competitors as one of the established wires and cables manufacturers in Malaysia.

### 7.11.2 We have established manufacturing facilities, followed by an effective production planning and management system

We have established a comprehensive manufacturing infrastructure in our current manufacturing plants to produce quality copper-cored and aluminium-cored wires and cables for our customers. We have implemented an effective production planning and management system to ensure quality and efficiency in our productivity.

We understand our manufacturing activities also depend on the performance and efficiency of our machineries and equipment. Therefore, we regularly keep abreast with the latest technologies in the wires and cables industry. In the past, we have invested to upgrade our machineries and equipment to ensure we are able to produce quality, high-performance, safe and durable cables effectively and efficiently. We source our advanced machineries and equipment from reputable vendors in the overseas markets such as Italy, Belgium, the PRC, the Republic of Korea, Switzerland and India.

To ensure our manufacturing plants are operating efficiently, we have a maintenance department which is responsible for the repair and maintenance of our machineries and equipment. We carry out scheduled preventive maintenance activities on our machineries and equipment, at intervals of one to 12 months, depending on the needs of the respective machineries and equipment to ensure downtime of our machineries and equipment is kept to a minimum level. Our preventive maintenance activities include lubricating machineries and timely replacement of components that are subjected to daily wear and tear. The primary goal of our preventive maintenance is to prevent equipment failure before it actually occurs. It is designed to preserve and enhance equipment reliability by replacing worn components before they fail. Hence, by taking a proactive stance, our Group is able to maintain our machineries and equipment in a good condition.

Our Group also has the necessary tools and technical manpower to switch our product lines when required without having to incur a high downtime in the process. As there are many types of wires and cables in use in the market, and due to the specific technical and customised requirements of various end users, we endeavour to provide a fast turnaround time in fulfilling our customers' orders, so as to meet our customers' expectations of prompt deliveries.

This flexibility provides our Group with the advantage of meeting different build-to-order requirements from different customers which may come unexpectedly and in rapid succession. This flexibility also enables us to cater to a wider customer base.

## 7. BUSINESS OVERVIEW (Cont'd)

Our Group also endeavours to manage our supply chain effectively in the planning and management of all manufacturing activities such as sourcing, procurement, production, and logistics, from the point-of-origin to point-of-consumption. This also includes coordination and collaboration with our suppliers and/or customers. In order to secure a stable source of supplies of key raw materials such as aluminium rods, copper rods and compounds, we consider our suppliers as strategic partners.

### 7.11.3 We have an experienced Key Senior Management

Our Group is managed by our Key Senior Management with years of experience ranging between nine and 26 years in the wires and cables industry. Our Key Senior Management team plays vital roles in our Group's success as they possess vast experience, expertise, commitment and knowledge. Their expertise lies in their experience in the wires and cables manufacturing technology and processes as well as in the design and development, and manufacturing of quality wires and cables for various end user markets. Through their experience and knowledge, we have been able to produce quality, safe, durable and high-performance LV power cables and control and instrumentation cables for our customers. Their strategic planning and direction, and technical knowledge gives us the competitive advantage to compete effectively with our competitors. Please refer to Sections 9.2.2 and 9.4.3 of this Prospectus for the profiles of our Key Senior Management.

We believe that a capable, dedicated and experienced Key Senior Management team is a key factor to the successful operation of our Group. Our Key Senior Management are tasked to carry out their duties to ensure all operations within their scope meet our Group's objectives. Our Key Senior Management ensure that all employees make good use of their skills, carry out proper staff training as well to support our Group's growing business operations. Since a good working environment is essential for human resource development, our Key Senior Management encourage new staff to learn their roles and job functions while receiving on-the-job training. All departments are expected to stay in constant communication and collaborate with each other, which allows for all departments and designated employees to be updated on the latest technical, operational and QC matters in our Group, so that commensurate action can be affected within the shortest time.

### 7.11.4 We place emphasis on the quality of our products

We are committed to product quality, safety and durability. We conduct QC inspection and testing on the wires and cables manufactured by us based on our quality inspection plan. We have an organised and comprehensive quality management policy which we have strictly implemented and followed in accordance with international standards. Our ability to produce quality products can be evidenced by the various certifications, approvals, recognitions, and registrations granted by various governing bodies and authorities, in recognition and approval of the quality, safety and performance of our wires and cables for their respective applications. For example, we were awarded ISO 9001:2015 QMS Certification which provides our customers with the assurance and confidence of the quality of our products.

We also work closely with some of our customers in the deployment of our products with the view of meeting their short to medium term demands. We also provide technical support to assist our customers in the design of their products to achieve better application results and minimise cost. Please refer to Section 7.7 of this Prospectus for more information on our technical support. Through our consistent quality assurance, we have been able to secure and retain businesses from our customers and secure new customers over the FYE Under Review and FPE 2023.



## 7. BUSINESS OVERVIEW (Cont'd)

Since our Group started the wires and cables manufacturing business in 2006, our Group has built a good reputation for the quality of our wires and cables among our local and international customers. Through the consistency in quality of our products and services, we are able to compete effectively with our competitors to secure new customers as well as retain existing customers.

To ensure consistency of our product quality, we equip ourselves with several testing equipment to carry out QC procedures in our Group's production processes from checking of raw material through to final inspection of the finished products. Please refer to Section 7.10 of this Prospectus for details of our quality management processes and procedures.

We also have a laboratory to conduct product testing on the finished products manufactured by us. An in-house laboratory enables us to obtain real time test results as well as have a database to track and monitor our products historical and current records for future improvement.

### 7.11.5 We have a balanced portfolio of customers

Our Group has a balanced portfolio of customers. For the FYE 2022 and as at LPD, we have a total of 246 and 219 active customers respectively, from power utility companies and electrical wholesalers to M&E contractors and project owners. Our wires and cables are utilised in various end user markets, including power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E.

By diversifying our range of customers, any downturn in a particular application market is likely to be offset by other application markets which are growing and expanding. Please refer to Sections 7.16 and 7.3 of this Prospectus for details of our customer category and the industry they served/supply to, respectively.

For instance, in the event that the power utility or infrastructure spendings in the country are to be reduced by the Malaysian government due to a budget deficit, such impact on our Group's revenue may be offset by demand from other end user markets.

## 7.12 SEASONALITY AND BUSINESS INTERRUPTIONS

### 7.12.1 Seasonality

We have not experienced any material seasonality and cyclicity in our business and operation as our products and services are not subject to seasonal and cyclical factors.

### 7.12.2 Business Interruptions due to COVID-19 pandemic

The Malaysian government imposed the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 to curb the spread of the COVID-19 pandemic in Malaysia on 18 March 2020. As COVID-19 cases have fluctuated since the first MCO, Malaysia has been put under various MCOs such as the CMCO, RMCO, EMCO and FMCO. The NRP was announced on 15 June 2021 to ease the country out of the MCO. Subsequently, Malaysia began transitioning to the endemic phase on 1 April 2022.

During the various phases of MCOs, our Group was required to implement various restrictions and other operational obligations at our production facilities and workers' accommodation to minimise the spread of COVID-19 virus, such as social distancing measures and strict hygiene requirements.

## 7. BUSINESS OVERVIEW (Cont'd)

Currently, our preventive measures for our operations include, among others:

- conducting regular sanitisation around the office and manufacturing plants;
- requiring our employees and visitors to wear facemasks, practice good personal hygiene and maintain social distancing when they are at our premises; and
- requiring our employees to undergo routine COVID-19 tests and for those who display COVID-19 symptoms to undergo home quarantine.

Our Group had also coordinated with the MITI under the Public-Private Partnership COVID-19 Industry Immunisation Programme to provide COVID-19 vaccinations to our workforce, carried out in stages from August 2021 onwards. The vaccination was provided free-of-charge to our employees, including local and foreign workers. Our Group's workforce was fully vaccinated by September 2021.

### (i) Impact of COVID-19 on our operations

Our Group's operations were temporarily shut down when the Malaysian government implemented the first MCO on 18 March 2020. However, the COVID-19 pandemic had minimal effects on our operations as our business was categorised as one of the essential services and we were allowed to continue our business operations with a reduced physical workforce capacity throughout the various phases of the MCOs under strict rules and guidelines, and SOPs set by KKM and MITI.

During the COVID-19 pandemic, we took strict precautions on the health conditions of our employees. We required our staff to conduct daily screening before entering our premises. Upon detecting positive COVID-19 cases, we immediately began mass screening of our employees and quarantined those who had come in close contact with the confirmed cases. We also immediately contacted the local district health authority and worked closely with them with regards to contact tracing, quarantine arrangements and health assessments. Subsequent to the resumption of operations, we had also implemented strict preventive measures, as mentioned above, to maintain a safe environment for our employees.

However, in August 2021, we had 19 production staff who were infected with the COVID-19 virus. As a result, our manufacturing plants were temporary shutdown from 13 August 2021 to 22 August 2021. During the shutdown period, we appointed an external sanitisation company to carry out sanitisation at our premises, and we required all our close contact employees to undergo COVID-19 screening, as well as self-monitoring for non-close contact employees.

In 2022, we also had 35 employees (office and production staff) who tested positive for COVID-19. However, we were not required to shut down our operations but were required to perform internal sanitisation, isolate employees who had close contact with the infected employees, restrict employees' movement in our premises, and conduct screening and testing. These 35 employees underwent quarantine at home and were allowed to return to our premises after they tested negative for COVID-19.

**7. BUSINESS OVERVIEW (Cont'd)**

---

During the various phases of the MCOs from 2020 to 2022, we also faced difficulty in hiring and retaining foreign workers to operate our machineries and equipment in our manufacturing plants. In addition, the Malaysian government's decision to temporarily freeze the recruitment of foreign workers in June 2020 in order to curb the spread of COVID-19 coupled with the difficulty in renewing foreign worker work permits after they expired, and the return of some foreign workers to their home countries had compounded our Group's labour shortage predicament.

The number of our foreign workers declined from 66 in 2020 to 62 in 2021. We managed to hire foreign workers for our factory operations and increase the number of foreign workers to 81 in 2022.

The various phases of the MCOs and our shortage of foreign workers contributed to a decline in our production capacity as we did not have sufficient foreign workers to operate our manufacturing activities at optimal capacity. In order to meet customers' orders during the COVID-19 pandemic, we purchased OEM LV power cables carrying the MASTERTEC brand to supplement our production output to ensure that our customers' orders were fulfilled and delivered in a timely manner. Upon delivery of the OEM LV power cables to our Group's storage, we perform various tests on the power cables to ensure the specifications meet our customers' requirements.

The temporary freeze on foreign worker recruitment by the Ministry of Human Resource was lifted in August 2022. We started to hire and train our new foreign workers and managed to raise our production output at the end of 2022.

During the various phases of the MCOs, we continued to communicate with our customers to address the delay in fulfilling orders and kept them updated on our Group's progress and expected timeline for resuming production, in order to minimise the impact on our customers.

In addition, we also did not experience any major disruptions in the delivery of spare parts for our machineries as we were able to obtain them from local vendors.

**(ii) Impact of COVID-19 on our supply chain**

During the various phases of the MCOs, our supply of certain raw materials, namely wooden drums and copper cathodes, from our existing suppliers were affected.

Prior to 2022, we purchased copper cathodes from an overseas supplier and sent them to a local manufacturer to process the copper cathodes into copper rods. However, by the end of FYE 2020, due to global supply chain disruptions, we experienced delivery delays of copper cathodes from our overseas supplier. In addition to exchange rate uncertainties between the USD and the RM, we decided to procure our copper rods directly from a local supplier in FYE 2021. We ceased procuring copper cathodes from our overseas supplier in FYE 2022.

We also experienced delays in the delivery of our wooden drums used as packaging materials for our wires and cables due to the various phases of the MCOs which resulted in a scarcity of timber supply in Malaysia. However, our manufacturing operations were not materially affected as we were able to secure wooden drums from other local suppliers for our packaging needs.



**7. BUSINESS OVERVIEW (Cont'd)**

---

**(iii) Impact of COVID-19 on our financial performance**

During the various phases of the MCOs, our Group incurred COVID-19 related expenses amounting to approximately RM0.11 million for the purchase of personal protective equipment, body temperature measurement devices, COVID-19 Antigen Rapid Self-Test kits, COVID-19 vaccination, COVID-19 tests for our employees, accommodation and transportation for infected employees as well as cleaning agents and sanitisation services for our offices and manufacturing facilities.

In summary, we did not experience any material impact on our financial performance (including any delay in revenue recognition or cancellation of orders) from the various disruptions on our manufacturing and distribution activities due to the COVID-19 pandemic, as demonstrated by our increase in revenue for our products from RM162.31 million in FYE 2020 to RM362.69 million in FYE 2022.

In 2020, our Group had also received subsidies from the Malaysian government's Wage Subsidy Programme amounting to a total of approximately RM0.31 million. Save for the above, our Group did not receive any further subsidies under the Wage Subsidy Programme during the FYE Under Review and FPE 2023.

Save for the impact from the various phases of MCOs, our Group has not experienced any interruptions to our businesses which affected our Group's operations for the past 12 months prior to the LPD.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.13 MAJOR RAW MATERIALS AND PURCHASES**

The table below set out the major types of raw materials and services procured by our Group during the FYE Under Review and FPE 2023:

Type of materials	Country	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Copper materials <sup>(1)</sup>	Malaysia, Singapore and PRC	66,141	50.57	113,945	45.92	111,753	38.25	53,809	49.76
Aluminium materials <sup>(2)</sup>	Malaysia, PRC, and Indonesia	8,582	6.56	33,139	13.35	67,711	23.18	30,957	28.63
Compounds <sup>(3)</sup>	Malaysia, Singapore, Republic of Korea, Vietnam, Thailand and PRC	9,666	7.39	17,510	7.05	25,748	8.81	13,962	12.91
OEM power cables	Malaysia	40,376	30.87	73,123	29.46	71,909	24.61	200	0.19
Others <sup>(4)</sup>	Malaysia and PRC	6,029	4.61	10,476	4.22	15,047	5.15	9,206	8.51
<b>Total purchases</b>		<b>130,794</b>	<b>100.00</b>	<b>248,193</b>	<b>100.00</b>	<b>292,168</b>	<b>100.00</b>	<b>108,134</b>	<b>100.00</b>

**Notes:**

- (1) Copper materials include copper rods, cathodes, and copper tapes.
- (2) Aluminium materials include aluminium wires, aluminium rods, and aluminium conductors.
- (3) Compounds include PVC, XLPE, MDPE, XLPO, LSZH and XLEVA.
- (4) Others were MV power cables, fibre optic cables, solar DC power cables (conductor sizes between 1.5 mm<sup>2</sup> and 16 mm<sup>2</sup>), polypropylene yarn, galvanised steel, woven tape, masterbatch and packaging materials.

## 7. BUSINESS OVERVIEW (Cont'd)

Our Group's total purchases for the FYE Under Review and FPE 2023 were approximately RM130.79 million, RM248.19 million, RM292.17 million and RM108.13 million, respectively, and our main raw materials (i.e., copper materials, aluminium materials and compounds) collectively accounted for 64.52%, 66.32%, 70.24% and 91.30% of our Group's total purchases, respectively. These main raw materials are sourced from local or overseas suppliers. As both copper and aluminium are actively traded commodities in the international metals market and are mainly priced in USD, the prices of copper and aluminium are affected by numerous factors beyond our control, including global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential disruptions in the supply chains and currency exchange rates. Any unfavourable and material fluctuations in the prices of copper and aluminium may affect our margins and profitability, especially if we are unable to pass on the cost increments to our customers.

For the FYE Under Review and FPE 2023, we procured the majority of our copper materials from Toyota Tsusho Asia Pacific Pte Ltd and Alpha Industries Sdn Bhd, and aluminium materials from the Press Metal Group. These are our long-term suppliers and we have built a strong business relationship with them ranging from five to 12 years.

Prior to 2022, we purchased copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd, an overseas supplier and sent them to Alpha Industries Sdn Bhd, a local copper rod manufacturer, to be melted and cast into copper rods. However, by the end of FYE 2020, due to global supply chain disruptions, we experienced delivery delays of up to two months of the copper cathodes from our overseas supplier. In addition to exchange rate uncertainties between the USD and the RM, we decided to procure our copper rods directly from Alpha Industries Sdn Bhd in FYE 2021. As a result of us purchasing directly from Alpha Industries Sdn Bhd, we incurred additional financing cost due to shorter credit terms. We ceased procuring copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd in FYE 2022.

Moving forward, we will continue to procure our raw materials from Alpha Industries Sdn Bhd and the Press Metal Group as they are able to provide us with an uninterrupted supply of quality raw materials. However, our Group is not overly dependent on these suppliers as there are other suppliers for copper rods and aluminium rods in the market, both locally and internationally.

### 7.14 SALES AND MARKETING

Currently, we distribute our products to two categories of customers, such as:

- (a) **Power utility companies** such as TNB, SESB and SEB; and
- (b) **General markets** which include:
  - **electrical wholesalers** who resell our products to their respective customers in various end user markets such as power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E;
  - **M&E contractors** comprising infrastructure construction companies, property developers, solar PV companies, and oil and gas companies; and
  - **project owners** such as manufacturing plants and telecommunication companies.

As at the LPD, we have 16 sales and marketing staff, who are primarily responsible for promoting and marketing our products and services as well as maintaining and building relationships with our existing customers, in addition to securing new customers for our Group. They continuously communicate with our customers to attain better understanding of their requirements as well as assist us in improving our products and services.

## 7. BUSINESS OVERVIEW (Cont'd)

---

Our sales and marketing strategies and activities include:

**(i) Corporate website**

We have a corporate website, <https://www.mastertec.my>, to market and promote our products and services. Our customers can view our website for information on our Group's profiles, products and services.

**(ii) Product quality consistency**

We constantly strive to provide quality products and services that meet our customers' expectations. We ensure that quality standards are met, from the purchase of raw materials to the manufacturing processes and finished products. Our commitment to quality is evidenced by our ISO certifications, product certification licenses, certification of product acceptance, approval certifications, certification of conformity that were awarded for our manufacturing and QC activities, and products produced, from respective authorities and governing bodies. Through our consistency in our deliverables, we are able to secure repeat sales from our major customers. As at the LPD, our years of relationship with our major customers ranges between three and 15 years.

**(iii) Collaboration with our customers**

We collaborate with our customers in the design and enhancement of our wires and cables to meet their requirements and application usage. We also work closely with them in the deployment of our wires and cables at their installation sites to collect data and provide suggestions and recommendations to our customers to help them achieve maximum performance and durability in the products produced.

We have a technical team to handle and manage technical issues that may arise in using our products as well as offer customisation work to our products to meet our customers' unique application usage.

We also invite our customers to visit our manufacturing plants to see our product range and to demonstrate our customisation and production capabilities to them. We will also allow our customers to test our wires and cables at our premise for their application usage. By doing this, we are able to build customers' confidence in the quality and performance of our products.

**(iv) Delivery commitment**

We have adopted a production planning and management system to ensure we are able to meet our delivery commitment to our customers. Delays in product delivery may cause our customers to stop ordering from us. Hence, we implemented an effective production forecast to manage our production utilisation and to ensure we have the production capacity to cater for any upsurge in orders from our customers from time to time. We also conduct scheduled maintenance on the machineries to ensure they operate efficiently.

For the FYE Under Review and FPE 2023, we have not encountered any material delays in our product deliveries to our customers.

**(v) Referrals**

Over the years, we have established a reputation as a reputable wires and cables solutions provider for our customers. Some of our new customers and prospect enquiries are secured through referrals via word of mouth.

**7. BUSINESS OVERVIEW (Cont'd)****(vi) Tender**

We participate in tenders to secure sales from our power utility customers. Our sales and marketing department is responsible for identifying and sourcing new tenders. After the potential customer/tender is identified, we will prepare and submit our tender proposal to the customer for appraisal. We will also perform follow-ups on the tenders with our customers.

**(vii) Trade fairs and exhibitions**

In 2022, we started to participate in local exhibitions and trade fairs. Such participation is significant as our Group is able to demonstrate and present our full range of products to the attendees effectively via direct face-to-face communication.

As at the LPD, we have participated in the following exhibitions and trade fairs:

<b>Year</b>	<b>Exhibitions and trade fairs</b>	<b>Venue</b>	<b>Organiser(s)</b>
2022	The 40th Conference of the ASEAN Federation of Engineering Organisations, Cambodia	Sokha Phnom Penh Hotel & Residence, Phnom Penh, Cambodia	Malaysia External Trade Development Corporation
2022	MPIA Solar Exhibition / Seminar	Avante Hotel, Petaling Jaya Selangor	MPIA
2022	MPIA Solar Exhibition / Seminar	WEIL Hotel, Ipoh, Perak	MPIA
2022	MPIA Solar Exhibition / Seminar	Renaissance Hotel, Johor Bahru, Johor	MPIA
2022	Malaysia's 1st Engineering and Air-Conditioning, Mechanical Ventilation and Refrigeration Exhibition and Conference	Kuala Lumpur Convention Centre, Kuala Lumpur	C.I.S Network Sdn Bhd
2022	Metal Engineering Expo	Setia City Convention Centre, Shah Alam, Selangor	MTE Exhibition Sdn Bhd
2022	ASEAN M&E	Kuala Lumpur Convention Centre, Kuala Lumpur	Informa Markets Malaysia Sdn Bhd
2023	MPIA Solar Exhibition / Seminar	Eastin Hotel, Penang	MPIA
2023	Metal Engineering Expo	Setia City Convention Centre, Shah Alam, Selangor	MTE Exhibition Sdn Bhd

**7. BUSINESS OVERVIEW (Cont'd)**

<b>Year</b>	<b>Exhibitions and trade fairs</b>	<b>Venue</b>	<b>Organiser(s)</b>
2023	International Energy Week 2023	Borneo Convention Centre Kuching, Sarawak	AMB Tarsus Exhibitions Sdn Bhd
2023	2nd Engineering Exhibition & Conference 2023	Kuala Lumpur Convention Centre, Kuala Lumpur	Institution of Engineers, Malaysia & C.I.S Network Sdn Bhd
2023	BuildXpo 2023	Malaysia International Trade and Exhibition Centre, Kuala Lumpur	Qube Integrated Malaysia Sdn Bhd

**7.15 FUTURE PLANS**

We have been operating in the wires and cables industry for about 17 years and we seek to continue to improve on our business and financial performance, product innovation and quality, as well as competitiveness. Our objective is to further grow our position as an established wires and cables solutions provider in the markets that we operate in. Our business and growth strategies include the following:

**(i) Venture into the manufacturing of MV power cables**

We have been involved in the trading of MV power cables since 2019 where we have built a portfolio of customers comprising power utility companies, electrical wholesalers and M&E contractors for our MV power cables. For the FYE Under Review and FPE 2023, the sales of our MV power cables were RM1.54 million (0.95% of our total revenue), RM1.57 million (0.57% of our total revenue), RM8.57 million (2.36% of our total revenue), and RM7.20 million (5.22% of our total revenue) respectively. The GP margins from the trading of MV power cables were 5.54%, 5.05%, 4.56% and 2.50% for the FYE Under Review and FPE 2023, respectively. Notwithstanding, the manufacturing of MV power cables is expected to generate better GP margins compared to the manufacturing of LV power cables and trading of MV power cables and thus is expected to improve our Group's profitability.

Through our involvement in the MV power cables market, we identified the demand and potentials for growth for MV power cables based on the number of tenders for MV power cables offered by companies operating in the power utility, commercial and industrial, oil and gas, and public transportation sectors. Taking a strategic move, we decided to venture into the manufacturing of MV power cables. Currently, we purchase our MV power cables from other manufacturers and redistribute them to our customers.

We intend to venture into the manufacturing of MV power cables comprising XLPE insulated overhead and underground power cables for power distribution purposes catering to customers from various end user markets, including but not limited to power utility, solar PV, industrial parks, commercial buildings and public transportation.

Our current technical team has experience in the production of MV power cables accumulated from previous employments where some of them had experience in operating a CCV line (which comprise three-layer insulation processes) and testing processes which differ from our manufacturing processes of LV power cables. In addition, they have also gained experience from our MV power cable trading activities where they have to advise our customers on the MV power cable technical specifications.

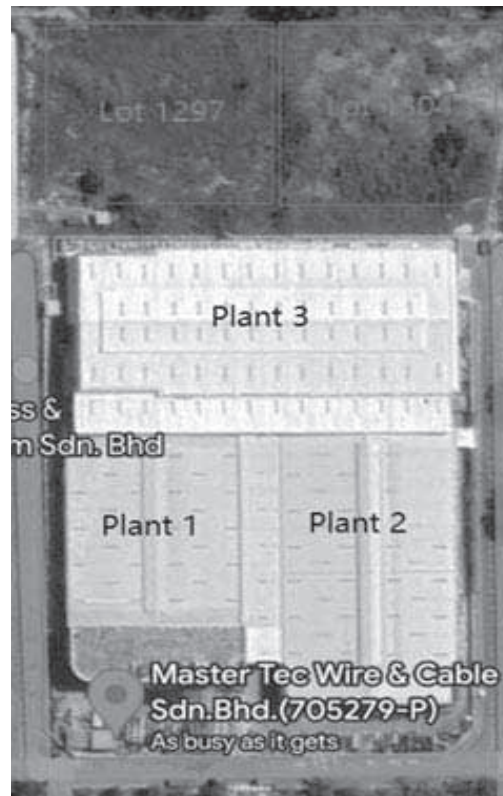
## 7. BUSINESS OVERVIEW (Cont'd)

We have earmarked RM41.17 million from our Public Issue for this purpose, of which RM16.78 million will be allocated for the construction of two new manufacturing plants at Lot 1297 (Plant 4) and Lot 1304 (Plant 5) and RM24.39 million will be allocated for the purchase of new machineries and equipment.

Our future plans to manufacture MV power cables will be carried out in two stages, as explained below:

### **Stage 1: Construction of two new manufacturing plants**

We intend to construct two new manufacturing plants to manufacture our MV power cables. We have identified two pieces of vacant lands, namely Lot 1297 and Lot 1304, behind our existing Plant 3 to construct two new manufacturing plants, as illustrated in the diagram below.



#### **Notes:**

##### **Lot 1297**

MTWC entered into a sale and purchase agreement with Solutionpack Technology Academy Sdn Bhd to acquire Lot 1297 for a purchase consideration of approximately RM1.96 million on 30 May 2022 and the acquisition was completed on 26 September 2022 funded by internally generated funds. Lot 1297 is currently a vacant land that has a land size area of 56,133.79 sq. ft.

##### **Lot 1304**

On 1 August 2022, MTWC entered into a three-year tenancy agreement for Lot 1304 with GNE HMP Sdn Bhd. This tenancy agreement was subsequently superseded by a new tenancy agreement dated 28 November 2022 ("**Lot 1304 Tenancy Agreement**") for a tenancy period from 1 December 2022 to 30 November 2025. Lot 1304 is currently a vacant land that has a land area of 75,358.14 sq. ft. As at the LPD, Lot 1304 is leased to our Group for a monthly rental of RM7,535.00.



## 7. BUSINESS OVERVIEW (Cont'd)

Under the Lot 1304 Tenancy Agreement, MTWC has an option to renew the tenancy for another three years and an option to purchase the said land at an option price of RM4.97 million (or RM66.00 per sq. ft.), which may be exercised at any time from the date of the Lot 1304 Tenancy Agreement until 31 July 2028.

We plan to build our Plant 4 on Lot 1297 and our Plant 5 on Lot 1304. Further details on Plant 4 and Plant 5 are described below.

The total construction cost for Plant 4 and Plant 5 is estimated to be RM16.78 million, which will be fully funded by the proceeds from our Public Issue. Any variations from the amounts budgeted above shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements.

On 20 September 2023, we submitted the applications for planning permission to the Alor Gajah Municipal Council to develop and construct Plant 4 and Plant 5. The planning permissions are expected to be obtained by the end of January 2024 and thereafter, we expect to submit the applications for building plan approval. We expect to obtain the building plan approvals from the relevant authorities by end April 2024.

The breakdown for the estimated construction cost for Plant 4 and Plant 5 is as follows:

<b>Details</b>	<b>Notes</b>	<b>RM'000</b>
Construction of Plant 4	(a)	11,552
Construction of Plant 5	(b)	5,231
<b>Total</b>		<b>16,783</b>

### Notes:

#### (a) Construction of Plant 4 in Lot 1297

We intend to build a three-storey manufacturing plant with an estimated built-up area of 48,351.49 sq. ft. It will comprise two CCV lines connected to Plant 1 and Plant 3 for the manufacturing of our MV power cables and related supporting activities, such as technical services and QC activities.

The construction cost for Plant 4 is estimated at RM11.55 million. We schedule to commence construction of Plant 4 by the 1<sup>st</sup> quarter of 2024 upon securing the building plan approval and planning permission. Plant 4 is expected to be completed by the 4<sup>th</sup> quarter of 2024 and production of our MV power cables is scheduled to also commence by the 4<sup>th</sup> quarter of 2024. As at the LPD, the building plan (including size of usage) for the construction of Plant 4 in Lot 1297 has yet to be finalised.

#### (b) Construction of Plant 5 in Lot 1304

We intend to build a single-storey manufacturing plant with an estimated built-up area of 21,893.79 sq. ft. It will comprise a production floor with extrusion, drawing and stranding machines for the production of MV power cables, a QC laboratory to carry out power discharge testing, HV testing, and construction testing on the MV power cables produced, and a storage for our finished products.

The construction cost for Plant 5 is estimated to cost RM5.23 million. We schedule to commence the construction of Plant 5 by the 1<sup>st</sup> quarter of 2024 upon securing the building plan approval and planning permission. Plant 5 is expected to be completed by the 4<sup>th</sup> quarter of 2024 and production of our MV power cables is scheduled to also commence by the 4<sup>th</sup> quarter of 2024. As at the LPD, the building plan (including size of usage) for the construction of Plant 5 in Lot 1304 has yet to be finalised.

### Stage 2: Purchasing new machineries and equipment

We intend to purchase several new machineries and equipment which will be used for the manufacturing of our MV power cables. These new machineries and equipment, as listed in the table below, will be installed in our Plant 4 and Plant 5 upon the completion of both manufacturing plants.

**7. BUSINESS OVERVIEW (Cont'd)**

<b>No.</b>	<b>Type of machineries and equipment</b>	<b>Description</b>	<b>Country</b>	<b>No. of unit</b>	<b>Estimated purchase price</b>
					<b>RM'000</b>
1.	CCV line	A computer-controlled triple-layer co-extrusion production line for XLPE power cables. The triple-layer extrusion process produces an inner semiconductor layer, an insulation layer and an outer semiconductor layer in one single continuous process	PRC	2	5,791
2.	Partial discharge testing machine	To test for insulation defects that may result in the failure of the cable's electrical insulation	PRC	1	784
3.	Rigid stranding line 61 wires machine	A stranding line used in cable manufacturing for stranding concentric, round, compressed, compacted or sector shaped copper and aluminium conductors	PRC	1	7,834
4.	Extrusion machine	For extrusion and sheathing.	PRC	1	2,649
5.	Aluminium rod drawing machine	For the drawing of aluminium rods into wires	Italy	1	3,992
6.	X-ray measuring system	For high accuracy measurements of concentricity, wall thickness, diameter, and ovality of a cable. Essential for QC of power cables produced in CCV lines	Germany	2	1,449
7.	Double twist high speed bunching machine	To assemble various copper or aluminium wires into a bunch or a strand utilising two 360 degrees twist in the wires for the construction of a multi-conductor cable	PRC	1	1,051
8.	Taping machine	To apply copper tape on the cable for electrical shielding and grounding purposes to prevent the cable from affecting other cables or equipment in the direct surroundings	Italy	3	837
	<b>Total</b>				<b>24,387</b>

## 7. BUSINESS OVERVIEW (Cont'd)

The total purchase price of these new machineries and equipment is estimated to be RM24.39 million, which will be fully funded by the proceed from our Public Issue. Any variations from the amounts budgeted above shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements.

We have already placed purchase orders for the abovementioned new machineries and equipment from the respective vendors to be used for the production of our MV power cables. As at the LPD, we have paid a sum of RM6.81 million as deposits and RM0.51 million as progressive payments to our vendors. The remaining RM17.07 million will be paid upon delivery of the machineries and equipment.

Our new machineries and equipment will be delivered to our manufacturing plants in accordance with the delivery schedules agreed with various vendors from the time the deposits were paid. We expect to receive all the machineries by the 4<sup>th</sup> quarter of 2024, which is in line with the expected time of completion of the construction of Plant 4 and Plant 5.

Upon the completion of the construction of Plant 4 and Plant 5, the new machineries and equipment will be installed to carry out the production of MV power cables. With these new machineries and equipment, we expect to achieve an annual production capacity of approximately 3,600 tonnes of MV power cables.

Apart from the new machineries and equipment, we will also be utilising some of the existing machineries and equipment in Plant 3 for certain production processes such as drawing and stranding to produce our MV power cables.

### (ii) **Expand our market coverage through export sales**

For the FYE Under Review and FPE 2023, the majority of our products are sold locally, accounting for 90.65%, 92.23%, 95.64% and 94.85%, respectively.

We have already established a strong market presence and track record of our products and services in the local market. Therefore, we will continue to improve our market share in the existing market as well as identify new markets for expansion, particularly export sales.

Our market expansion strategy is to proactively work with our electrical wholesalers who have a strong business network and exposure in overseas countries to increase our export sales as well as identify and secure new potential customers. Our immediate plan is to focus on our existing export markets, such as Brunei, Singapore and Thailand, to grow our business. We endeavour to grow our export sales revenue by up to 30.00% over the next five years.

We will also travel and visit our existing and potential electrical wholesalers/customers as well as their customers to understand their requirements to work on our product improvements and innovations. We also plan to attend and participate in more international trade fairs and exhibitions to understand the current market trends and at the same time, to promote our Group and our products to potential customers in foreign countries who attend the trade fairs and exhibitions.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.16 MAJOR CUSTOMERS**

Set out below is our Group's major customers for the FYE Under Review and FPE 2023.

Our major customers and their respective contribution to our Group's revenue in terms of amount and percentage for the FYE Under Review and FPE 2023 are as follows:

**FYE 2020**

Name of customer	Type of customer	Country of origin	Description of product	Length of relationship as at the LPD Years <sup>(1)</sup>	Revenue RM'000	% of Group's total revenue
Accupro Group <sup>(2)</sup>	Electrical wholesaler	Malaysia	Wires and cables	4	35,021	21.58
TNB Group <sup>(3)</sup>	Power utility/ Telecommunication companies	Malaysia	Wires and cables	7	17,122	10.55
Pen Power Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	8	13,064	8.05
Gentelite Electrical Trading Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	8	7,463	4.60
Master Cable (B) Sdn Bhd	Electrical wholesaler	Brunei	Wires and cables	15	5,905	3.64
<b>Total</b>					<b>78,575</b>	<b>48.42</b>

The major customers contributed 48.42% of our Group's total revenue for FYE 2020. The remaining 51.58% of the total revenue was contributed by 205 customers in FYE 2020. For the FYE 2020, <sup>(6)</sup>61.50% of our total customers were recurring customers.

**7. BUSINESS OVERVIEW (Cont'd)**

**FYE 2021**

Name of customer	Type of customer	Country of origin	Description of product	Length of relationship as at the LPD Years <sup>(1)</sup>	Revenue RM'000	% of Group's total revenue
TNB Group <sup>(3)</sup>	Power utility/ Telecommunication companies	Malaysia	Wires and cables	7	52,236	18.93
Accupro Group <sup>(2)</sup>	Electrical wholesaler	Malaysia	Wires and cables	4	51,171	18.55
Pen Power Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	8	27,120	9.83
Electrical Network Equipment Sdn Bhd <sup>(4)</sup>	Electrical wholesaler	Malaysia	Wires and cables	3	15,150	5.49
Gentlelite Electrical Trading Sdn Bhd <sup>(5)</sup>	Electrical wholesaler	Malaysia	Wires and cables	8	10,692	3.88
<b>Total</b>					<b>156,369</b>	<b>56.68</b>

The major customers contributed 56.68% of our Group's total revenue for FYE 2021. The remaining 43.32% of the total revenue was contributed by 247 customers in FYE 2021. For the FYE 2021, <sup>(6)</sup>57.28% of our total customers were recurring customers.

**7. BUSINESS OVERVIEW (Cont'd)**

**FYE 2022**

Name of customer	Type of customer	Country of origin	Description of product	Length of relationship as at the LPD Years <sup>(1)</sup>	Revenue RM'000	% of Group's total revenue
TNB Group <sup>(3)</sup>	Power utility/ Telecommunication companies	Malaysia	Wires and cables	7	105,765	29.16
Accupro Group <sup>(2)</sup>	Electrical wholesaler	Malaysia	Wires and cables	4	51,261	14.13
Pen Power Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	8	28,321	7.81
Electrical Network Equipment Sdn Bhd <sup>(4)</sup>	Electrical wholesaler	Malaysia	Wires and cables	3	25,302	6.98
SEB Group	Power utility company	Malaysia	Wires and cables	3	11,801	3.25
<b>Total</b>					<b>222,450</b>	<b>61.33</b>

The major customers contributed 61.33% of our Group's total revenue for FYE 2022. The remaining 38.67% of the total revenue was contributed by 237 customers in FYE 2022. For the FYE 2022, <sup>(6)</sup>54.09% of our total customers were recurring customers.

**7. BUSINESS OVERVIEW (Cont'd)**

**FPE 2023**

Name of customer	Type of customer	Country of origin	Description of product	Length of relationship as at the LPD Years <sup>(1)</sup>	Revenue RM'000	% of Group's total revenue
TNB Group <sup>(3)</sup>	Power utility/ Telecommunication companies	Malaysia	Wires and cables	7	49,652	35.97
Pen Power Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	8	16,212	11.74
SEB Group	Power utility company	Malaysia	Wires and cables	3	10,290	7.45
Oon Brothers Electrical Trading Co Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	9	4,406	3.19
Incomtec Consolidated Sdn Bhd	Electrical wholesaler	Malaysia	Wires and cables	9	3,313	2.40
<b>Total</b>					<b>83,873</b>	<b>60.75</b>

The major customers contributed 60.75% of our Group's total revenue for FPE 2023. The remaining 39.25% of the total revenue was contributed by 157 customers in FPE 2023. For the FPE 2023, <sup>(6)</sup>47.15% of our total customers were recurring customers.

**Notes:**

(1) Rounded up to the nearest whole year if six months or more and vice versa.

(2) Comprises *Yogawa Marketing (M) Sdn Bhd* and *Pearlmatix Sdn Bhd*, which are subsidiaries of *Accupro Sdn Bhd*, one of the major suppliers of our Group. Our Group sells bare copper wires to *Yogawa Marketing (M) Sdn Bhd* and *Pearlmatix Sdn Bhd* and purchases OEM cables from *Accupro Sdn Bhd*. Save for the aforementioned business transactions, there are no other relationship between our Group and the *Accupro Group*. The principal activities of *Accupro Sdn Bhd* are trading and servicing of lighting equipment. The principal activities of *Yogawa Marketing (M) Sdn Bhd* are trading of all kinds of cable, E&E appliances and the principal activities of *Pearlmatix Sdn Bhd* are trading of hardware and related materials. Therefore, the *Accupro Group* is not considered as a competitor to our Group. Further, *Accupro Sdn Bhd* does not supply wires and cables to the *TNB Group* and *SEB Group* since *Accupro Sdn Bhd* is not an approved vendor of the *TNB Group* and the *SEB Group*.



## 7. BUSINESS OVERVIEW (Cont'd)

- (3) *MTWC is one of the approved vendors of the TNB Group, allowing MTWC to participate in the TNB Group's tender process which is held once a year. After each successful tender, MTWC will enter into supply contracts with the TNB Group which will set out the amount contracted throughout the agreed period, typically for a period of one year (with variation orders of up to 30% of the contract value) with the option to extend for another year with the same contract value and the same variation orders as the first year. The option for the extension is at the discretion of the TNB Group and agreed by us. Notwithstanding such supply contracts, we are not dependent on the supply contracts as the purchases made by the TNB Group are made on a quarterly basis through the issuance of purchase orders. The pricing of each order made by the TNB Group varies depending on the prevailing market price of copper and aluminium, and foreign exchange rate. Although purchases from the TNB Group are made through purchase orders, MTWC is still required to participate in the tendering process in order to secure the supply of wires and cables from our Group of up to an agreed contract value. Details such as type and quantity of products will still be subject to orders made through the issuance of purchase orders on a quarterly basis. As at the LPD, we have not encountered any situation where the purchase orders from the TNB Group were lower than the amount contracted throughout the agreed period. However, there can be no assurance that future purchase orders from the TNB Group will not be lower than the amount contracted throughout the agreed period which may have an adverse impact on our financial performance.*
- (4) *As at the LPD, the controlling shareholder of Electrical Network Equipment Sdn Bhd is also a controlling shareholder of Accupro Sdn Bhd.*
- (5) *As at the LPD, Gentelrite Electrical Trading Sdn Bhd remains as our customer.*
- (6) *We periodically review the payment terms offered to all our customers. When a customer is designated as a high risk customer due to recurring late payment of invoices, we would then change the payment terms offered to such customer from credit terms to cash terms. As a result, there will be a slight decline in the percentage of recurring customers as some of these customers would then choose to purchase our products from electrical wholesalers who are willing to provide credit terms.*

Our major customers, listed in the table above, accounted for RM78.58 million (or 48.42%), RM156.37 million (or 56.68%), RM222.45 million (or 61.33%) and RM83.87 million (or 60.75%) of our Group's total revenue for the FYE Under Review and FPE 2023, respectively. We are dependent on three major customers, namely the TNB Group, Accupro Group and Pen Power Sdn Bhd by virtue of their contributions of more than 10.00% to our Group's total revenue during the FYE Under Review and FPE 2023.

Our Group has established between three and 15 years of business relationships with our major customers. Through our historical track record, we have been able to secure repeat orders for our products from existing major customers, as well as new orders from new customers. The fact that we are able to maintain long-standing business relationship with our customers is testament to our Group's capabilities in producing quality products as well as meeting our customers' expectations on a timely basis.

We are not overly dependent on any of our major customers as we have a balanced portfolio of customers. For FYE 2022 and as at LPD, we have 246 and 219 active customers, respectively, serving various end user markets including power utility, renewable energy, property development and construction, oil and gas, infrastructures, public transportation, manufacturing, industrial, commercial and E&E. We are constantly seeking to expand and diversify our customer base. By diversifying our range of customers, any downturn in a particular end user market will be offset by other end user markets which are growing and expanding.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.17 MAJOR SUPPLIERS**

Set out below is our Group's major suppliers for the FYE Under Review and FPE 2023.

Our major suppliers and their respective contribution to our Group's purchases in terms of amount and percentage for the FYE Under Review and FPE 2023 are as follows:

**FYE 2020**

Name of supplier	Type of supplier	Country of origin	Main type of materials purchased	Length of relationship as at the LPD Years <sup>(1)</sup>	Purchases RM'000	% of Group's total purchases
Toyota Tsusho Asia Pacific Pte Ltd <sup>(2)</sup>	Copper cathode producer	Singapore	Copper cathodes	6	53,588	40.97
Accupro Sdn Bhd	Electrical wholesaler	Malaysia	OEM cables <sup>(3)</sup>	4	41,220	31.52
Press Metal Group	Aluminium materials manufacturer	Malaysia	Aluminium rods	8	8,746	6.69
Alpha Industries Sdn Bhd	Copper rod manufacturer	Malaysia	Processing of copper cathodes into copper rods <sup>(4)</sup>	13	6,963	5.32
ZTT International Limited (ZTT Group) <sup>(2)</sup>	Diversified industries <sup>(4)</sup>	PRC	Fibre optic cables and related products, and copper tapes	7	3,216	2.46
<b>Total</b>					<b>113,733</b>	<b>86.96</b>

**7. BUSINESS OVERVIEW (Cont'd)**

**FYE 2021**

Name of supplier	Type of supplier	Country of origin	Main type of materials purchased	Length of relationship as at the LPD Years <sup>(1)</sup>	Purchases RM'000	% of Group's total purchases
Accupro Sdn Bhd	Electrical wholesaler	Malaysia	OEM cables <sup>(3)</sup>	4	72,998	29.41
Toyota Tsusho Asia Pacific Pte Ltd	Copper cathode producer	Singapore	Copper cathodes	6	54,966	22.15
Alpha Industries Sdn Bhd	Copper rod manufacturer	Malaysia	Processing of copper cathodes into copper rods <sup>(4)</sup> /copper rods	13	53,042	21.37
Press Metal Group	Aluminium materials manufacturer	Malaysia	Aluminium rods	8	31,548	12.71
Luna Far East Sdn Bhd	Copper product manufacturer	Malaysia	Copper tapes	11	4,492	1.81
<b>Total</b>					<b>217,046</b>	<b>87.45</b>

**7. BUSINESS OVERVIEW (Cont'd)**

**FYE 2022**

Name of supplier	Type of supplier	Country of origin	Main type of materials purchased	Length of relationship as at the LPD Years <sup>(1)</sup>	Purchases RM'000	% of Group's total purchases
Alpha Industries Sdn Bhd	Copper rod manufacturer	Malaysia	Copper rods	13	91,368	31.27
Accupro Sdn Bhd	Electrical wholesaler	Malaysia	OEM cables <sup>(3)</sup>	4	78,364	26.82
Press Metal Group	Aluminium materials manufacturer	Malaysia	Aluminium rods	8	67,562	23.12
Luna Far East Sdn Bhd	Copper product manufacturer	Malaysia	Copper tapes	11	12,747	4.36
Zhejiang Taihu YuanDa New Material Corp., Ltd.	Compounds manufacturer	PRC	Compounds	6	5,969	2.04
<b>Total</b>					<b>256,010</b>	<b>87.61</b>

## 7. BUSINESS OVERVIEW (Cont'd)

### FPE 2023

Name of supplier	Type of supplier	Country of origin	Main type of materials purchased	Length of relationship as at the LPD Years <sup>(1)</sup>	Purchases RM'000	% of Group's total purchases
Metrod Copper Products Sdn Bhd	Copper rod manufacturer	Malaysia	Copper rods	17	33,190	30.69
Press Metal Group	Aluminium materials manufacturer	Malaysia	Aluminium rods	8	25,829	23.89
Alpha Industries Sdn Bhd	Copper rod manufacturer	Malaysia	Copper rods	13	17,025	15.74
Accupro Sdn Bhd	Electrical wholesaler	Malaysia	MV power cables	4	7,039	6.51
Luna Far East Sdn Bhd	Copper product manufacturer	Malaysia	Copper tapes	11	3,676	3.40
<b>Total</b>					<b>86,759</b>	<b>80.23</b>

#### Notes:

(1) Rounded up to the nearest whole year if six months or more and vice versa.

(2) As at the LPD, we no longer purchase copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd as we purchase copper rods locally from Alpha Industries Sdn Bhd and another supplier. In addition, we also no longer purchase fibre optic cables and copper tapes from ZTT International Limited (ZTT Group) as we have not received any orders for fibre optic cables and we purchase our copper tapes locally from Luna Far East Sdn Bhd.

(3) During the various phases of the MCOs from 2020 to 2022, we faced difficulty in hiring and retaining foreign workers to operate our manufacturing machineries at optimal capacity. In addition, the Malaysian government's decision to temporarily freeze the recruitment of foreign workers in June 2020 in order to curb the spread of COVID-19 as well as the difficulty to renew work permits for foreign workers had compounded our Group's labour shortage predicament.

Therefore, in order to meet customers' orders during the COVID-19 pandemic, we purchased OEM LV power cables from Accupro Sdn Bhd which carried the MASTEK brand to supplement our production output. Upon delivery of the OEM LV power cables to our Group's storage, we perform various tests on the power cables to ensure the specifications meet our customers' requirements. We adopted this temporary business strategy of purchasing OEM LV power cables from Accupro Sdn Bhd to ensure that customers' orders were fulfilled and delivered in a timely manner.

Our Group's purchases of OEM LV power cables from Accupro Sdn Bhd decreased significantly in 2023 as our production output was sufficient to meet our customers' demand. From 1 January 2023 up to the LPD, our purchase of OEM LV power cables from Accupro Sdn Bhd amounted to about RM0.20 million. We ceased purchasing OEM LV power cables from Accupro Sdn Bhd in June 2023. Notwithstanding, Accupro Sdn Bhd continues to remain as one of our Group's suppliers mainly for the supply of MV power cables and solar DC power cables.

## 7. BUSINESS OVERVIEW (Cont'd)

- (4) *Copper cathode is the main raw material used to produce copper rods. As we do not have the in-house capabilities to produce our own copper rods, we outsourced the processing of copper cathodes into copper rods to Alpha Industries Sdn Bhd. The processing services which were previously undertaken by Alpha Industries Sdn Bhd, mainly involved continuous casting processes (a series of manufacturing processes) to transform the copper cathodes, which were in sheet form, into coiled copper rods.*

*The casting processes mainly comprise the melting of copper cathodes into molten copper, the casting, rolling and cooling of molten copper into copper strands to reduce the cross-section of the copper rods, surface treatment, drying and application of protective wax coating before the finished copper rods are wound into coils for delivery.*

- (5) *Diversified industries portfolio that includes marine equipment, renewable energy, new materials, smart grid, optical communications, and other diversified industrial products.*

Our major suppliers accounted for RM113.73 million (or 86.96%), RM217.05 million (or 87.45%), RM256.01 million (or 87.61%) and RM86.76 million (or 80.23%) of our Group's purchases for the FYE Under Review and FPE 2023, respectively.

We are dependent on the following suppliers during the FYE Under Review and FPE 2023 by virtue of their contributions of more than 10.00% to our Group's total purchases during the respective financial year/period ended:

- (i) Accupro Group;
- (ii) Alpha Industries Sdn Bhd;
- (iii) Press Metal Group;
- (iv) Toyota Tsusho Asia Pacific Pte Ltd; and
- (v) Metrod Copper Products Sdn Bhd.

For the FYE Under Review and FPE 2023, we sourced our major raw materials and OEM cables from five suppliers, namely Accupro Sdn Bhd, Alpha Industries Sdn Bhd, the Press Metal Group, Toyota Tsusho Asia Pacific Pte Ltd and Metrod Copper Products Sdn Bhd. They each accounted for more than 10.00% of our Group's total purchases.

- **Accupro Group**

The Accupro Group is made up of the following companies listed in the table below:

<b>Company</b>	<b>Principal activities</b>	<b>Remarks</b>
Accupro Sdn Bhd	Trading and servicing of lighting equipment	-
Yogawa Marketing (M) Sdn Bhd	Trading of all kinds of cable, E&E appliances	51% owned by Accupro Sdn Bhd
Pearlmatix Sdn Bhd	Trading of hardware and related materials	100% owned by Accupro Sdn Bhd

Accupro Sdn Bhd is one of our major suppliers and its principal activities are trading and servicing of lighting equipment. For FYE Under Review and FPE 2023, we procured mainly OEM LV power cables and OEM MV power cables from Accupro Sdn Bhd.

Yogawa Marketing (M) Sdn Bhd and Pearlmatix Sdn Bhd are also our major customers for the FYE Under Review and we sold mainly bare copper wires to them.

## 7. BUSINESS OVERVIEW (Cont'd)

- **Press Metal Group**

We source our aluminium rods from the Press Metal Group, which is the largest manufacturer of aluminium materials in Malaysia. Our Group has seven years of working relationship with the Press Metal Group, since we started purchasing aluminium rods to produce LV power cables for our customers. The Press Metal Group has reliably provided us with an uninterrupted supply of quality aluminium rods at competitive terms. Although we will continue to procure aluminium rods from the Press Metal Group, we also have alternate suppliers for aluminium rods in the event they are unable to supply to us. Our alternative suppliers are Tenaga Cable Industries Sdn Bhd in Malaysia, and Jiangsu Grand Cable Co. Ltd in the PRC.

- **Toyota Tsusho Asia Pacific Pte Ltd**

Prior to 2022, we procured copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd. Copper cathode is the main raw material to produce copper rods. We use copper rods to manufacture our copper conductors to produce our wires and cables. Previously, we procured our copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd and outsourced the processing activity to Alpha Industries Sdn Bhd to produce the copper rods for us. In FYE 2022, we ceased to procure copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd due to global supply chain disruptions which resulted in delivery delays of the copper cathodes.

- **Alpha Industries Sdn Bhd**

Alpha Industries Sdn Bhd is a manufacturer of copper rods in Malaysia. Prior to 2022, we purchased copper cathodes from an overseas supplier namely Toyota Tsusho Asia Pacific Pte Ltd and sent them to Alpha Industries Sdn Bhd to be melted and cast into copper rods. Due to the delivery delays of the copper cathodes from Toyota Tsusho Asia Pacific Pte Ltd in FYE 2021, we decided to stop purchasing copper cathodes from them in FYE 2022 and switched to procuring copper rods from Alpha Industries Sdn Bhd. By doing so, it also shortened the overall production process as we did not have to outsource the processing of copper cathodes into copper rods and minimised the risk of major raw material supply chain disruptions.

- **Metrod Copper Products Sdn Bhd**

Metrod Copper Products Sdn Bhd is an indirect, wholly-owned subsidiary of Metrod Holdings Berhad, a company listed on the Main Market of Bursa Securities. Metrod Copper Products Sdn Bhd is a manufacturer of copper rods, wires and strips in Malaysia. Its products are used in many applications including generation, transmission and distribution of electricity, telecommunications, lightning protection, welding, electronics and automotive parts, magnetic coils, motors, compressors, transformers etc. We have sourced our copper rods from Metrod Copper Products Sdn Bhd for over 17 years. During the FPE 2023, we increased our purchase of copper rods from Metrod Copper Products Sdn Bhd primarily due to more competitive pricing.

Our main raw materials (i.e. copper materials, aluminium materials and compounds) are readily available from other local and overseas suppliers. In the event our major suppliers ceased to supply raw materials to us, we have other alternative suppliers to supply us with raw materials on a timely basis.

During the FYE Under Review and FPE 2023, we have not experienced any material disruption in terms of the supply of raw materials from our major suppliers, with whom we have established cordial relationships. Notwithstanding, we do not foresee any difficulty in having to source for new suppliers as the majority of these raw materials are commodities which can be sourced from the market, both locally and internationally. We believe we have the capability and experience to source for alternative suppliers when the need arises.



## 7. BUSINESS OVERVIEW (Cont'd)

We have continued to maintain good working relationships with our suppliers. Aside from the delivery delays we encountered due to global supply chain disruptions in FYE 2020 and FYE 2021, we have not experienced in any material disruption in the supply of our raw materials for our manufacturing operations. We will continue to identify new suppliers in the local and overseas markets to supply us with raw materials as a mitigating strategy to expand our supplier list for our raw materials.

### 7.18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Group is cognisant of the responsibilities of maintaining sound ESG practices, taking into account the dynamic and continuously evolving environment in which we operate in and our commitment in maintaining the standards of ESG.

We are pleased to set out below the ESG Statement that outlines our ESG practices.

#### Environmental

Our Group places strong emphasis on environmental conservation and are committed to minimising any potential negative impact on the environment.

##### (a) Compliance with Environmental Quality Act 1974

Our Group is committed to the preservation of the environment and to comply with all relevant regulatory, statutory and other relevant requirements as enacted in the Environmental Quality Act 1974, with the ultimate aim of promoting environmental sustainability. Our Group has introduced the following range of initiatives throughout its operations in order to foster sustainability culture amongst all employees:

- All operating licenses, registrations, approvals related to environmental are approved, procured and maintained in accordance with current requirements strictly.
- Avoid unnecessary use of hazardous or particularly harmful materials in every possible way.
- Safe and proper waste disposal or waste management practice by licensed vendors with timely reporting to Department of Environment.
- Reduce waste by recycling and reusing where possible, in an economical and appropriate manner.
- Efficient use of resources especially non-renewable resources.

Our Group has not been imposed with any fine or penalty by the authorities in regard to any breach of the Environmental Quality Act 1974 during the FYE Under Review and FPE 2023.

##### (b) EMS certification

ISO 14001:2015 is an international quality standard that specifies requirements for an effective EMS. Our Group is committed to preserving the environment while increasing our Group's production efficiency. We are pleased to inform that our ISO 14001:2015 certification has been renewed and valid till 19 July 2024.

Our Group believes that such certification helps to improve our ongoing and future environmental conservation especially through more efficient use of resources and reduction of waste in our Group's businesses and operations.

## 7. BUSINESS OVERVIEW (Cont'd)

### (c) Waste management

Our Group's production activities generate scheduled waste and production scraps such as copper bare, copper tinned, PVC cable, metal, alloy etc. As part of our Group's sustainability efforts, the generation of these waste are being closely monitored and are being recycled to minimise scraps.

Outsourced service provider has been appointed to dispose for the scheduled waste generated by our Group.

### (d) Utilities resource management

Our Group continuously strive to ensure resources are managed in an effective and efficient manner. Our Group is focused on controlling our electricity and water consumption in our daily operations as effective energy and water usage plays a significant role in supporting environmental sustainability.

#### (i) Efficiency in electricity usage

Effective energy usage and management play significance roles in supporting environmental sustainability. Following the Malaysian government's initiative to steer transformation towards a future energy ecosystem that delivers a balance between environmental sustainability, secure and reliable energy supply, and optimal economic development, our Group have participated in this effort by practicing power saving in our operations.

<b>Total</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FPE 2023</b>
Total Electricity Consumption (MWh)	5,711	6,626	3,185
Total Revenue (RM'000)	275,875	362,685	138,039
Electricity (kWh) per Revenue (RM)	0.021	0.018	0.023

The electricity consumption across our Group has increased by approximately 16.02% from 5,711 MWh in FYE 2021 to 6,626 MWh in FYE 2022. However, the electricity consumption per RM of revenue generated has reduced from 0.021 kWh/RM in FYE 2021 to 0.018 kWh/RM in FYE 2022, indicating better efficiency in the use of electricity.

We are planning to implement solar energy as a source of renewable energy in our effort to reduce our overall carbon footprint. As we operate in a competitive manufacturing industry, energy consumption tends to increase with the expansion of production. Therefore, we are finalising our plan to invest up to RM3.11 million to install a 1.38 MWh rooftop solar PV system at our Factory in order to reduce our carbon footprint. The solar PV system is expected to generate up to approximately 1,820 MWh of electricity during the first year after installation. Our Group expects to complete the implementation of the solar PV system by December 2024.

#### (ii) Water usage optimisation

<b>Total</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FPE 2023</b>
Total Water Usage (litres)	24,271	28,868	14,287
Total Production Output (kg)	6,062,927	7,853,159	4,260,830
Water Usage (litres) per Production Output (kg)	0.0040	0.0037	0.0034

## 7. BUSINESS OVERVIEW (Cont'd)

Our Group's water consumption had increased from 24,271 litres in FYE 2021 to 28,868 litres in FYE 2022 (increased by approximately 18.94%) in tandem with the increase in total production output (increased by approximately 29.53%). However, the water consumption per production output has reduced from RM0.004 in FYE 2021 to RM0.0037 in FYE 2022, indicating improved usage optimisation.

### Social

CSR is a major priority of our Group's focus. The practices that our Group have adopted are as follows:

#### (a) Employment diversity and equal opportunity

Our Group practices equitable employment and acknowledges that employees are our Group's biggest asset. Our Group approaches employment diversity in a pragmatic manner with a view to provide equal opportunity to all. As at the LPD, our Group has a total of 182 employees comprising 155 males (85.16%) and 27 females (14.84%). Our Group has applied equitable policies in our recruitment process so as to ensure fairness in our hiring of employees and our recruitment are recruited in accordance with applicable employment laws and regulations. To date, our Group has not experienced any labour dispute that may result in a material impact on our Group's operations.

#### (b) Supply chain management

Management of our Group's supply chain is key as it can have a material impact on our Group's reputation and thereon, affects the quality, productivity and standing of our Group's products and services. In managing our Group's supply chain, the following policies and practices have been applied with a view to encourage, retain and/or maintain quality business partners:

- Pre-qualification of vendors: Potential vendors are required to undergo pre-qualification assessment prior to registering them into the approved vendor listing.
- Performance assessment: Periodic performance appraisal is conducted on vendors with regards to their performances. Vendors that do not meet our Group's assessments will be required to take corrective actions for them to continue their business relationship with our Group.

As a corporate citizen of Malaysia, our Group aims to stand tall in the local community we operate in and our Group takes pride in supporting local businesses and community. Our Group gives priority in sourcing from local vendors in order to secure the required materials or services for our operations and businesses. In FYE 2022, 92.19% of our Group's purchases were made locally from 45 local vendors.

#### (c) Health and safety

Our Group emphasises on the health and safety of all staff and has established the relevant safety and health policy that regulates the activities of preserving the health and safety of all employees. Safety and Health Committee has also been set up and meets regularly to ensure our responsibilities and functions are properly discharged in protecting the health and safety of all employees.

## 7. BUSINESS OVERVIEW *(Cont'd)*

### (d) **Employees benefits and development**

Our Group has in place a comprehensive range of employee benefits for talent retention and for attracting high performing personnel. These encompass medical and insurance coverage for employees' healthcare needs, annual leave entitlement, marriage leave, maternity and paternity leave, and compassionate leave. Long service awards are provided to recognise employees with long service records and for those who contributed positively to the growth of our Group.

Basic trainings are conducted where new employees at entry-level are made to learn about our Group's operations and industry practices. On-the-job trainings are also conducted where more specific and relevant knowledge based on individual roles are imparted to employees. In addition to the internal training programmes, employees are also given opportunities to participate in external training, which is relevant to their job functions, so as to enhance their skills, knowledge and capabilities.

### **Governance**

Our Board is fully committed to upholding pronounced standards of corporate governance throughout our Group with the ultimate objective of realising long-term shareholder value while taking into account the interests of relevant stakeholders.

#### (a) **Corporate governance**

Our Group recognises the importance of governance and as such, have progressively put in place practices in accordance with the principles encapsulated in the MCGG which covers the following:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and establishing meaningful relationship.

Our Board comprises of two Non-Independent Executive Directors and four Independent Non-Executive Directors; thus our Independent Directors form the majority of our Board. Furthermore, two of our Board members are female, which represent one-third of our Board's composition. Moving forward, our Group shall continue to adopt applicable good corporate governance practices as promulgated by the MCGG.

#### (b) **Integrity in corporate reporting**

Our Group's financial statements are audited by the independent auditors so as to give a true and fair view of the financial positions of the entities within our Group. Annual general meetings are also held to review and approve the audited financial statements and to deliberate on the prospects, performance of our Group and other matters of interest.

#### (c) **Anti-corruption policies and procedures**

Our Board is cognisant of the importance of continuously maintaining anti-corruption practices, and is dedicated to conduct its business in accordance with the highest standards of integrity, ethics and accountability. Towards this end, our Board has established anti-corruption policies and procedures that are in line with the Malaysian Anti-Corruption Commission Act 2009 as a commitment to uphold and regulate the principles and standards on anti-corruption as well as for the promulgation of accountability and ethics in our Group's business management and standards.

**7. BUSINESS OVERVIEW** *(Cont'd)*

---

**(d) Whistleblowing policy**

Our Board is committed to achieve and maintain high standards of transparency and ethics across our Group. A whistle-blowing policy has been implemented to provide a channel to report suspected wrongdoings that may adversely impact our Group. Our Group treats all reporting in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith.

Our Board recognise the fact that our Group's business environment is dynamic and our Group's ESG practices are to continuously evolve to keep abreast with the challenging business environment. Therefore, our Board will, and when necessary, direct and formulate initiatives and action plans to further elevate our Group's ESG practices.

Moving forward, the ESG practices of our Group will be disclosed via the Sustainability Statement that will be set out in its annual report and prepared in accordance with the standards and requirements set out the Sustainability Reporting Guide issued by Bursa Securities.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.19 MAJOR LICENCES, CERTIFICATIONS, REGISTRATIONS, PERMITS AND APPROVALS**

As at 8 December 2023, our Group has obtained all the major licences, certifications, registrations, permits and approvals for the operations of our Group's businesses from the respective authorities, which are outlined as follows:

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
1.	MTWC	MITI	A 018083	Manufacturing licence to manufacture wire and cable at Plant 1 and Plant 2	<u>Issuance Date</u> 7 April 2011  <u>Validity Period</u> Valid from 5 April 2011 until revoked	<ol style="list-style-type: none"> <li>Any disposal of the company's shares must be notified to the MITI and MIDA.</li> <li>The company must train Malaysians to promote the transfer of technology and expertise at all levels of positions.</li> <li>This company shall implement its projects as approved and in accordance with the laws and regulations of Malaysia.</li> </ol>	Complied
2.	MTWC	MITI	A 025064	Manufacturing licence to manufacture wire and cable at Plant 3	<u>Issuance Date</u> 22 June 2023  <u>Validity Period</u> Valid from 26 May 2023 until revoked	<ol style="list-style-type: none"> <li>Any disposal of the company's shares must be notified to the MITI and MIDA.</li> <li>The company must train Malaysians to promote the transfer of technology and expertise at all levels of positions.</li> <li>The company must comply with the capital investment per employee ratio requirement - Capital Investment Per Employee (CIPE) of at least RM140,000.00.</li> </ol>	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
3.	MTWC	Alor Gajah Municipal Council ("MPAG")	L017482022	Business Licence in respect of the following: (i) Management office (Trading); (ii) Manufacturing cable (cable wire); (iii) Storage of cable; (iv) Manufacturing fibre optic; and (v) Advertisement board (embossed letter), at Plant 1, Plant 2, Plant 3, Plant 4 and Plant 5	<u>Issuance Date</u> 17 October 2023  <u>Expiry Date</u> 28 October 2024	4. The company's total full-time workforce must consist of at least 80% Malaysian citizens no later than 31 December 2024. The employment of foreigners including workers obtained through outsourcing is subject to the current policy.  1. The license must be always displayed at a visible place at the licensed premise. 2. Any other business or trade on the premise other than the business or trade that the premise is licensed for is not allowed. 3. The license cannot be transferred to another person without the consent of MPAG. 4. The placing, hanging or obstruction of any item on the road, sidewalks of buildings and stairs is forbidden at all times without the written permission of MPAG. 5. The business premises must always be clean and trash cans must be undamaged and must use a plastic covering. Vendors must dispose their sale wastes at a separate location after trading.	To be complied <sup>(1)</sup>  Complied Complied Noted Complied Complied



7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
						<p>6. This license may be revoked at any time or not renewed if it is found to violate the conditions set by MPAG.</p> <p>7. The company must be in compliance with the conditions of the MOH, BOMBA, Department of Environment and Royal Malaysia Police at all times.</p> <p>8. The company must be in compliance with the conditions of MPAG from time to time.</p> <p>9. Business premise must install a "NO SMOKING" sign with the measurements of 40 cm x 50 cm in the business premise.</p> <p>10. The company is required to complete two doses of COVID-19 vaccines for the application and renewal of the business license.</p>	<p>Noted</p> <p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Complied</p>
4.	MTWC	Petaling Jaya City Council ("MBPJ")	L2540000647 781	Business Licence in respect of the following: (i) Management office; and (ii) Advertisement board (horizontal non-illuminated),	<p>Issuance Date 13 October 2023</p> <p>Expiry Date 31 December 2024</p>	<p>1. This license should be displayed at all times in the premises and shown if required by the relevant MBPJ officer.</p> <p>2. The company shall ensure that there is no misuse of the license issued to him other than the original purpose of the license.</p>	<p>Complied</p> <p>Complied</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
				at our Oasis Office		<p>3. The advertising licence number should be written on the bottom left corner of the advertisement board while the company details are to be written on the bottom right corner of the relevant advertising licence.</p> <p>4. The issuing authority of this licence reserves the right to revoke this licence in the event of breach of restrictions or conditions in this licence.</p> <p>5. The company is not allowed to employ foreign workers without approval of the MBPJ.</p> <p>6. The licence holder shall not place anything blocking the pavement in front or behind the premise.</p> <p>7. The planning permission from the Jabatan Perancangan Pembangunan and building plan approval from the MBPJ building control department must be obtained first for any building modifications, additional buildings or change of building/land use status.</p> <p>8. The company must comply with all laws implemented by MBPJ.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p> <p>Complied</p> <p>Noted</p> <p>Complied</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
5.	MTWC	Ministry of Domestic Trade and Consumer Affairs	M001627	Special Permit for Scheduled Control Items for the purchase of 50 litres per day of diesel and storage of diesel at RM 1299-A, Kawasan Perindustrian Rembia 78000, Alor Gajah, Melaka <sup>(2)</sup>	<p><u>Issuance Date</u> 24 October 2023</p> <p><u>Validity Period</u> 8 December 2023 to 7 December 2024</p>	<p>1. The licensee is subject to the Control of Supplies Act 1961 and its subsidiary legislations.</p> <p>2. The licensee shall be permitted to purchase 50 litres of diesel per day from Petronas Gas Station, Kazumi Global Enterprise, Lot 3579, Mukim Sungai Petai, 78000 Alor Gajah Melaka.</p> <p>3. The storage of scheduled controlled goods is permitted on the licenced premise only.</p> <p>4. The storage or possession of the scheduled control items is shall not exceed the quantity permitted under the permit.</p> <p>5. The purchase of scheduled controlled items are only for personal use and not for resale.</p> <p>6. The licensee shall only be permitted to purchase scheduled controlled items from the supplier permitted under the permit only and maintain a purchase records in the format attached to the permit.</p> <p>7. The licensee shall comply with all conditions set out in the permit.</p>	<p>Noted</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
6.	MTWC	MOF	K6362534422 3608538	Certificate of Registration with the MOF for the provision or supply of services under the field code category 140399 Manufacturer (electrical and electronic engineering equipment/ cables, electrical wires and accessories/ manufacturer of electronic wires, fire resistant and flame retardant cables, low and high voltage cables)	<u>Issuance Date</u> 15 August 2023  <u>Validity Period</u> 15 August 2023 to 25 October 2026	8. Failure to comply with any conditions of the permit may result in an action taken under the Control of Supplies Act 1961 and its subsidiary legislations.  9. The permit is non-transferrable.	Noted
						1. <u>General Conditions</u> 1.1. The approval is granted based on the information provided by the company.  1.2. Any changes to such information must be updated via online in the Profile Update webpage at <a href="http://www.eperolehan.gov.my">www.eperolehan.gov.my</a> within 21 days from the date of such change and failure to do so may result in actions being taken in accordance with paragraph 1.5 below.  1.3. The company must submit all the information within the prescribed period when requested by the MOF. Failure to do so will result in action being taken in accordance with paragraph 1.5 below.	Noted  Complied  Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
						<p>1.4. The company shall ensure that the field that have been registered in this certificate do not overlap with the fields that have been approved upon any of the following companies:</p> <p>1.4.1 Having the same shareholders or board of directors, management and employees; or</p> <p>1.4.2 Operating at the same premises.</p> <p>1.5. The MOF reserves the right to conduct an audit visit or inspection at any time without prior notice. Failure to comply with the registration requirements, field code and/ or registration of the company may be suspended/cancelled, and companies, shareholders and the board of directors are subject to disciplinary action including being blacklisted without any notice in the event the information provided is incorrect.</p>	<p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
						<p>1.6. Failure of the company to apply for renewal of registration after one year from the expiry date of the registration period may result in revocation of the company's registration with MOF and automatically removed from ePerolehan System. The company must make a new application.</p> <p><b>2. Suspension/Cancellation of Registration</b></p> <p>2.1 The registration of the company will be suspended/cancelled if it is found that the company has committed the following offences:</p> <p>2.1.1 The company/ shareholders/ partnership/ directors/ any member of management has committed a crime and was found guilty by a court in Malaysia or abroad or have civil liability.</p> <p>2.1.2 The company withdraws the offer before the tender is considered or rejects it after the offer is made.</p> <p>2.1.3 The company failed to perform any of the obligations in the contracts signed with the Malaysian government ("<b>Government</b>").</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
						<p>2.1.4 The company was found to have fraudulently amended the Certificate of Registration of the company or for other purposes.</p> <p>2.1.5 The company allows the Certificate of Registration of the company to be misused by other individuals/companies.</p> <p>2.1.6 The company was found to enter into price alliances with other companies when entering into Government tenders or subcontracts without the prior consent of the Government agencies that are involved.</p>	Noted
						<p><b>3. Renewal</b></p> <p>3.1 The company must submit an application for renewal of registration three months prior to the expiry of the registration period.</p> <p>3.2 Applications received after the expiration of the registration period are considered renewal registration.</p>	Noted



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions <b>4. Rights of the Government</b>	Status of compliance
						<p>4.1 The Certificate of Registration of Company issued virtually is the RIGHTS OF THE GOVERNMENT. The Government reserves the right to withdraw/suspend/cancel such registration if the company has been subjected to disciplinary action in accordance with 1PP/PK8 (Treasury Circular/Government Procurement 8).</p> <p><b>5. Participation in Government Procurement</b></p> <p>5.1 With the issuance of a Virtual Certificate, this Certificate no longer needs to be presented when collecting Government procurement documents (direct purchase, tenders/ quotations and other procurement methods) except for Government agencies who do not have internet access.</p> <p>5.2 The company must ensure that the registration with the MOF is still valid throughout the period the contract is in force.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions 6. Reminder in relation to Corruption Offences	Status of compliance
10.	MTWC	Energy Commission	JKKE/KK/16/0 0114	Certificate of Registration of Manufacture under Section 4(k) of the Electricity Supply Act 1990 at Plant 1, Plant 2, Plant 3, Plant 4 and Plant 5 <sup>(3)</sup>	<u>Issuance Date</u> 11 April 2023  <u>Expiry Date</u> 12 May 2025	Any act or attempt to bribe to offer or give, solicit or corruptly accept any bribes to and from any person in connection with Government procurement is a criminal offence under the Malaysian Anti-Corruption Commission Act 2009 [Act 694].	Noted
11.	MTWC	Energy Commission	SJT16131117 8692023	Certificate of Approval to manufacture, display, sell and advertise 1 Core x 1.5 mm <sup>2</sup> to 35.0 mm <sup>2</sup> Class 2 PVC Insulated Sheathed Cables under the trade name "Master Tec"	<u>Issuance Date</u> 10 November 2023  <u>Expiry Date</u> 9 November 2024	<ol style="list-style-type: none"> <li>The equipment shall go through the SIRIM Product Certification Scheme.</li> <li>The equipment must be affixed with a label issued by SIRIM.</li> <li>The application for renewal of the Certificate of Approval together with payment shall be made no less than 14 days from the date of expiry of the certificate (Regulation 106, Electricity (Amendment) Regulations 2003).</li> </ol>	<p>Complied</p> <p>Complied</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
12.	MTWC	Energy Commission	SJT16131117 9882023	Certificate of Approval to manufacture, display, sell and advertise 1 Core x 0.5 mm <sup>2</sup> to 2.5 mm <sup>2</sup> Class 5 PVC Insulated Cables Non-Sheathed with Flexible for Internal Wiring under the trade name "Master Tec"	<u>Issuance Date</u> 14 November 2023  <u>Expiry Date</u> 13 November 2024	<ol style="list-style-type: none"> <li>The equipment shall go through the SIRIM Product Certification Scheme.</li> <li>The equipment must be affixed with a label issued by SIRIM.</li> <li>The application for renewal of the Certificate of Approval together with payment shall be made no less than 14 days from the date of expiry of the certificate (Regulation 106, Electricity (Amendment) Regulations 2003).</li> </ol>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
13.	MTWC	Energy Commission	SJT16131117 8682023	Certificate of Approval to manufacture, display, sell and advertise 1 Core x 1.5 mm <sup>2</sup> to 35.0 mm <sup>2</sup> Class 2 PVC Insulated Non-Sheathed Cables under the trade name "Master Tec"	<u>Issuance Date</u> 10 November 2023  <u>Expiry Date</u> 9 November 2024	<ol style="list-style-type: none"> <li>The equipment shall go through the SIRIM Product Certification Scheme.</li> <li>The equipment must be affixed with a label issued by SIRIM.</li> <li>The application for renewal of the Certificate of Approval together with payment shall be made no less than 14 days from the date of expiry of the certificate (Regulation 106, Electricity (Amendment) Regulations 2003).</li> </ol>	<p>Complied</p> <p>Complied</p> <p>Noted</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
14.	MTWC	Energy Commission	SJT16131118 0202023	Certificate of Approval to manufacture, display, sell and advertise the following types of Class 5 Master Tec PVC Insulated Flexible Cord and Cable under the trade name "Master Tec":  (i) 2 Core x 0.5 mm <sup>2</sup> to 2.5 mm <sup>2</sup>  (ii) 3 Core x 0.5 mm <sup>2</sup> to 2.5 mm <sup>2</sup>  (iii) 4 Core x 0.75 mm <sup>2</sup> to 2.5 mm <sup>2</sup>  (iv) 5 Core x 0.75 mm <sup>2</sup> to 2.5 mm <sup>2</sup>	<u>Issuance Date</u> 15 November 2023  <u>Expiry Date</u> 14 November 2024	1. The equipment shall go through the SIRIM Product Certification Scheme.  2. The equipment must be affixed with a label issued by SIRIM.  3. The application for renewal of the Certificate of Approval together with payment shall be made no less than 14 days from the date of expiry of the certificate (Regulation 106, Electricity (Amendment) Regulations 2003).	Complied  Complied  Noted
15.	MTWC	TNB	3042037	Certificate of Registration as Supplier and Service Contractor	<u>Issuance Date</u> 13 September 2023  <u>Expiry Date</u> 25 October 2026	The validity of the certificate of registration is subject to the validity of the certificate of registration by MOF, the Construction Industry Development Board and any other relevant professional certificates <sup>(4)</sup> .	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Licensee	Issuing authority	Reference/ Licence/ Permit/ Registration No.	Description of licences/permits	Issuance date/ Validity period	Salient conditions	Status of compliance
16.	MTWC	SESB	003- 07012016- 0001	Certificate of Registration as Supplier and Service Contractor	15 August 2023 to 25 October 2026	-	N/A
17.	MTWC	SEB	PLS14/6A/LC	Letter of acceptance of the following products to be used in the SEB distribution system:  (i) Low voltage underground power and control cables;  (ii) Low voltage aerial bundled cables; and  (iii) Low voltage covered conductors	Valid from 23 December 2015	-	N/A

**Notes:**

- (1) As at the LPD, the total workforce of MTWC consists approximately 51.65% of local workforce. MTWC has made various efforts to comply with this condition by 31 December 2024 which include, but are not limited to, the following:
- (i) Participating in various recruitment fairs and interview programmes organised by local authorities in Melaka which seek to assist local workforce in Melaka to find suitable employment;

**7. BUSINESS OVERVIEW (Cont'd)**

---

- (ii) *Actively offering internship opportunities to local final-year students and fresh graduates. Subject to performance review, MTWC will offer full-time employment upon completion of internship period; and*
- (iii) *Encouraging and enquiring with our existing local workforce for any family members and/or friends who are seeking employment.*
- (2) *The purpose of the permit is for the forklifts used for our Group's operations.*
- (3) *This certificate is issued by the Energy Commission pursuant to the authority granted under Section 4(k) of the Electricity Supply Act 1990 which permits MTWC to manufacture any equipment in accordance with Regulation 97C of the Electricity Regulations 1994.*
- (4) *As MTWC is a supply and services contractor of TNB, it is only required to register with the MOF. Further, MTWC is not required to register with the Construction Industry Development Board as it does not carry out any construction works for TNB.*