

OCC Cables Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1791



GLOBAL OFFERING

Sole Sponsor



Joint Global Coordinators



Joint Bookrunners and Joint Lead Managers



IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

OCC Cables Limited

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares : 270,000,000 Shares (subject to the Over-allotment Option)
Number of Public Offer Shares : 27,000,000 Shares (subject to reallocation)
Number of Placing Shares : 243,000,000 Shares (subject to reallocation and the Over-allotment Option)
Offer Price : Not more than HK\$0.80 per Offer Share and expected to be no less than HK\$0.60 per Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full upon application in Hong Kong Dollars and subject to refund)
Nominal value : HK\$0.10 per Share
Stock code : 1791

Sole Sponsor



Fortune Financial Capital Limited

Joint Global Coordinators



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix VI to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, 11 October 2018 or such later date as may be agreed by our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and, in any event, not later than Tuesday, 16 October 2018. The Offer Price will be not more than HK\$0.80 and is currently expected to be not less than HK\$0.60 per Offer Share unless otherwise announced. Investors applying for Offer Shares must pay, on application, the maximum Offer Price of HK\$0.80 for each Offer Share together with brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is lower than HK\$0.80 per Offer Share.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters), may, with the consent of our Company, reduce the indicative Offer Price range and/or the number of Offer Shares below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Public Offer. In such a case, announcement of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be made on our Company's website at www.occ-cables.com and the website of the Stock Exchange at www.hkexnews.hk not later than the morning of the day which is the last day for lodging applications under the Public Offer.

If, for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before 5:00 p.m. on Tuesday, 16 October 2018, the Global Offering will not proceed and will lapse.

Pursuant to the force majeure provisions contained in the Public Offer Underwriting Agreement in respect of the Public Offer, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) have the right, in certain circumstances, subject to their sole and absolute opinion, to terminate the obligations at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is expected to be on Friday, 19 October 2018). Such circumstances are set out in the section headed "Underwriting — Underwriting arrangements — Public Offer — Grounds for termination" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus.

The Offer Shares have not and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and in accordance with Regulations S of the U.S. Securities Act.

5 October 2018

EXPECTED TIMETABLE⁽¹⁾

Latest time for completing electronic applications
under **HK eIPO White Form** service through
the designated website www.hkeipo.hk⁽²⁾ 11:30 a.m. on Thursday, 11 October 2018

Application lists of the Public Offer open⁽³⁾ 11:45 a.m. on Thursday, 11 October 2018

Latest time for lodging **WHITE** and
YELLOW Application Forms 12:00 noon on Thursday, 11 October 2018

Latest time for completing payment of
HK eIPO White Form applications by effecting
internet banking transfer(s) or PPS payment transfer(s) . . . 12:00 noon on Thursday, 11 October 2018

Latest time for giving **electronic application instructions**
to HKSCC⁽⁴⁾ 12:00 noon on Thursday, 11 October 2018

Application lists of the
Public Offer close⁽³⁾ 12:00 noon on Thursday, 11 October 2018

Expected Price Determination Date⁽⁵⁾ Thursday, 11 October 2018

(1) A full announcement of the Public Offer containing
the Offer Price, the level of indications of interest
in the Placing, the level of applications in the Public Offer,
basis of allocation of the Public Offer Shares under
the Public Offer and the result of allocations in
the Public Offer will be published on the website of
the Hong Kong Stock Exchange at www.hkexnews.hk and
our website at www.occ-cables.com⁽⁶⁾ from Thursday, 18 October 2018

(2) Results of allocations in the Public Offer
(with successful applicants' identification document numbers,
where appropriate) will be available through
a variety of channels as described in the
section headed "How to Apply for the Public Offer Shares —
11. Publication of Results" in this prospectus Thursday, 18 October 2018

Results of allocations in the Public Offer will be available
at www.tricor.com.hk/ipo/result with a "search by ID" function from . . Thursday, 18 October 2018

EXPECTED TIMETABLE⁽¹⁾

Despatch/collection of share certificates in respect of wholly or partially successful applications pursuant to the Public Offer on or before⁽⁷⁾⁻⁽¹¹⁾ Thursday, 18 October 2018

Despatch/collection of refund cheques and **HK eIPO White Form** e-Auto Refund payment instructions in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Public Offer on or before⁽⁷⁾⁻⁽¹¹⁾ Thursday, 18 October 2018

Dealings in the Shares on the Hong Kong Stock Exchange expected to commence on. 9:00 am on Friday, 19 October 2018

Notes:

- (1) All times refer to Hong Kong local time, except as otherwise stated.
- (2) You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for lodging applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day of lodging applications, when the application lists close.
- (3) If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 11 October 2018, the application lists will not open on that day. Please refer to the section headed “How to Apply for the Public Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.
- (4) Applicants who apply for the Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed “How to Apply for the Public Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
- (5) The Price Determination Date is expected to be on or about Thursday, 11 October 2018 and, in any event, not later than Tuesday, 16 October 2018 unless otherwise determined between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company (on behalf of ourselves). If, for any reason, the Offer Price is not agreed by Tuesday, 16 October 2018 between us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not become unconditional and will lapse.
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) Share certificates for the Public Offer Shares are expected to be issued on Thursday, 18 October 2018 but will only become valid certificates of title provided that the Global Offering has become unconditional in all respects, and neither of the Underwriting Agreements has been terminated in accordance with its terms, prior to 8:00 a.m. on the Listing Date, which is expected to be on or around Friday, 19 October 2018. Investors who trade Shares on the basis of publicly available allocation details before the receipt of share certificates or before the share certificates becoming valid certificates of title do so entirely at their own risk.

EXPECTED TIMETABLE⁽¹⁾

- (8) e-Auto Refund payment instructions/Refund cheques will be issued in respect of wholly or partially unsuccessful applications, and in respect of successful applications if the Offer Price as finally determined is less than the price payable on application. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant on your Application Form. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque, if any. Inaccurate completion of your Hong Kong identity card number/passport number may lead to a delay in encashment of, or may invalidate, your refund cheque.

Applications who apply through the **HK eIPO White Form** service and paid their applications monies through single bank account may have refund monies (if any) despatched to their application payment bank account, in the form of e-Auto Refund payment instructions. Applicants who apply through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions to the **HK eIPO White Form** Services Provider, in the form of refund cheques, by ordinary post at their own risk.

- (9) Applicants for 1,000,000 Public Offer Shares or more on **WHITE** Application Form(s) may collect their refund cheques (where relevant) and/or share certificates (where relevant) personally from our Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 18 October 2018 or any other day as announced by us as the date of despatch/collect of share certificates/refund cheques.

Individuals who are eligible for personal collection must not authorise any other person(s) to make collection on their behalf. Corporate applicants who are eligible for personal collection must attend by their authorised representative(s) bearing a letter of authorisation from such corporation(s) stamped with the corporation's chop. Both individuals and authorised representatives of corporations (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar.

- (10) Applicants for 1,000,000 Public Offer Shares or more on **YELLOW** Application Form(s) may collect their refund cheques, if any, in person but may not collect their share certificates personally, which will be deposited into CCASS for the credit of their designated CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts, as appropriated. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

- (11) Uncollected share certificates and refund cheques (if any) will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant Application Form. For further information, applicants should refer to the paragraph headed "How to apply for the Public Offer Shares — 14. Despatch/collection of share certificates and refund monies" of this prospectus.

The above expected timetable is a summary only. You should refer to the sections headed "Structure of the Global Offering" and "How to Apply for the Public Offer Shares" in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the application procedures for the Public Offer.

CONTENTS

This prospectus is issued by our Company solely in connection with the Global Offering does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus or the Application Forms must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, representatives, employees, agents or professional advisers or affiliates, or any other person or party involved in the Global Offering. Information contained in our website, located at www.occ-cables.com, does not form part of this prospectus.

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SUMMARY

This summary is intended to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide whether to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed “Risk Factors” of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We manufacture power cable products for power transmission and distribution systems in Malaysia and Vietnam. Our products have been used in power and other general industries, such as oil and gas, infrastructure, construction etc. According to the F&S Report, we ranked fourth based on revenue in the wire and cable manufacturing industry in Malaysia in 2017 with market share of 7.0%. Our products are categorised into (i) low voltage power cables; (ii) medium voltage power cables and (iii) fire-resistant power cables. Power cables are principally used for power transmission and distribution. They are generally available in a variety of sizes, materials and features. Our power cable products come in various standard sizes and dimensions and we can also customise our power cable products to the specifications of our customers. As we are a registered supplier of certain power cable products for TNB, the largest electric utility company in Peninsular Malaysia, our products can be used and applied to TNB’s power and electrical infrastructure expansion works and construction projects.

During the Track Record Period and up to the Latest Practicable Date, we generally produced our power cable products in our Existing Malacca Plant for our customers in Malaysia and in our Existing Vietnam Plant for our customers in Vietnam. Owing to the differences in customer requirements, our production machineries are readily switched between different processes to manufacture different power cable products. Our Directors consider that the most meaningful way to measure our production capacity and utilisation rate is through the production time of key machineries used in our power cable products manufacturing process rather than by units or volume of production output. The utilisation rate of our Existing Malacca Plant has reached 92.2%, 103.0%, 105.9% and 86.8% for the three years ended 31 December 2017 and four months ended 30 April 2018 respectively. Where we receive more orders than our machines are designed to process, we have been required to operate these machines at above their designed production capacities. The utilisation rate of our Existing Vietnam Plant has reached 33.5%, 45.5%, 47.5% and 36.4% for the same periods, respectively. We plan to further increase our production capacity in the Existing Malacca Plant by establishing the New Wing.

OUR GROWTH

For the three years ended 31 December 2017, our revenue increased from approximately RM196.9 million to RM262.1 million, representing a CAGR of approximately 15.4%. For the three years ended 31 December 2017, our profit after tax increased from approximately RM7.0 million to RM19.8 million, representing a CAGR of approximately 68.2%. The following table sets forth the breakdown of our revenue by product categories during the periods indicated.

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Low voltage power cable . . .	132,555	67.3	142,592	54.8	143,557	54.8	45,540	54.7	45,141	57.6
Medium voltage power cable.	35,303	17.9	68,596	26.3	79,437	30.3	27,806	33.4	19,199	24.5
Fire-resistant power cable . .	29,025	14.8	49,219	18.9	39,153	14.9	9,908	11.9	14,000	17.9
Total	196,883	100.0	260,407	100.0	262,147	100.0	83,254	100.0	78,340	100.0

SUMMARY

The major raw materials used in the production of our power cable products are primarily copper, aluminium, insulating materials and sheath materials (such as XLPE and PVC). For the three years ended 31 December 2017 and four months ended 30 April 2018, our total cost of raw materials accounted for approximately 92.1%, 92.9%, 91.6% and 92.0% of our total cost of goods sold, respectively.

PRODUCTION FACILITIES

We produce the wide range of our power cable products in our Existing Malacca Plant with a total gross area of approximately 52,594m² for production activities, storage, warehousing, ancillary office and parking. During the Track Record Period, we operated our Existing Vietnam Plant in Binh Duong, Vietnam with a total gross area of approximately 39,993m² for production activities, storage, warehousing, ancillary office and parking.

Our Directors confirm, upon seeking legal advice from our Malaysian Legal Advisers and Vietnam Legal Advisers, that we have obtained all the relevant licences and permits for the operation of our Existing Malacca Plant and Existing Vietnam Plant, respectively. We have not experienced any suspension or termination of any licence, permit or certificate necessary for the operation of our production plants during the Track Record Period.

In order to expand our production capacity and facilitate our long term business development, we decided to expand our Existing Malacca Plant for a total gross area of 15,191m². With the freed up area from the reallocation of our current stock yard to the New Wing, we will be expanding our current production facilities at the Existing Malacca Plant from its current total gross area of approximately 19,464m² to a total gross area of 22,512m² with the construction of the New Wing.

CUSTOMERS AND SUPPLIERS

For the three years ended 31 December 2017 and four months ended 30 April 2018, revenue from our top five customers accounted for approximately 38.1%, 47.6%, 39.8% and 43.1% of our total revenue, respectively. Revenue from our largest customer for the same period accounted for approximately 16.3%, 20.0%, 19.4% and 20.7% of our total revenue, respectively.

During the Track Record Period, we did not enter into any long term contracts with any of our suppliers and have not experienced any significant shortage of raw materials and accessories causing material disruption to our operations; the risk of our over-reliance on a single supplier is low.

During the Track Record Period, our purchases from our five largest suppliers accounted for approximately 82.7%, 66.1%, 67.4% and 59.8% of our costs of sales, excluding direct labour costs, respectively, while our purchases from our largest supplier accounted for approximately 25.9%, 24.6%, 21.8% and 26.8% of our costs of sales, excluding direct labour costs, respectively.

We generally determine the prices of our power cable products on a cost-plus basis. As such, our Directors believe that our Group can generally pass the risks arising from any fluctuation in the costs of the raw materials to our customers during the Track Record Period. During the Track Record Period, based on the prices traded on the London Metal Exchange, the highest and lowest price of copper are US\$7,215.0 and US\$4,310.0, and the highest and lowest price of aluminium are US\$2,597.5 and US\$1,423.5. For more details, please refer to the section headed “Business — Pricing policy” in this prospectus.

SUMMARY

OUR COMPETITIVE STRENGTHS

According to the F&S Report, the wire and cable industry in Malaysia is highly fragmented and saturated. We believe the following strengths have contributed to our success and differentiated us from our competitors, and will continue to enable us to increase our market share and capture future growth opportunities:

- We have an established operating history and proven track record
- We are a registered or approved supplier of power cable products to certain utility companies in Malaysia
- We offer high quality and wide range of power cable products to meet our customers' needs and maintain customer loyalty
- We have an experienced and professional management team
- We have in-house capabilities to design and develop customised power cable products
- We have strong operational efficiency and economies of scale in the production of our power cable products

For further details, please refer to the section headed “Business — Our competitive strengths” in this prospectus.

OUR BUSINESS STRATEGIES

Our principal objectives are to achieve sustainable growth, further strengthen our position in the wire and cable industry in Malaysia and Vietnam, and create long-term value for our Shareholders by executing the following key strategies:

- We intend to continue to expand our product offering to meet customers' needs
- We intend to expand our production capacity at our Existing Malacca Plant by:
 - Upgrading and maintaining our existing plant facilities
 - Acquisition of new machineries and equipment
 - Establishment of the New Wing
- We intend to expand our Group's sales and marketing team
- We intend to pursue strategic acquisition or investment to enhance our service capabilities and expand our product coverage

For further details, please refer to the section headed “Business — Our business strategies” in this prospectus.

SUMMARY OF COMBINED FINANCIAL INFORMATION

The following is a summary of our combined financial information as of and for the three years ended 31 December 2017 and four months ended 30 April 2017 and 2018, extracted from the Accountants' Report set out in Appendix I to this prospectus. The following summary should be read in conjunction with the audited combined financial information in Appendix I and the information set forth in “Financial Information” in this prospectus.

SUMMARY

Combined Statements of Profit or Loss and Other Comprehensive Income

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i>
Revenue	196,883	260,407	262,147	83,254	78,340
Cost of sales	(168,684)	(216,746)	(224,191)	(71,462)	(64,441)
Gross profit	28,199	43,661	37,956	11,792	13,899
Other income and other gains	1,023	386	885	364	287
Selling expenses	(2,831)	(4,651)	(3,942)	(1,146)	(1,494)
Administrative expenses	(10,250)	(7,692)	(7,650)	(2,289)	(2,498)
Other operating expenses	(3,866)	(1,835)	(1,951)	(660)	(1,154)
Impairment (loss)/gain on trade receivables, net	(1,158)	(1,589)	322	(25)	(130)
Finance costs	(869)	(1,322)	(740)	(232)	(105)
Listing expenses	—	—	—	—	(5,604)
Profit before income tax expense	10,248	26,958	24,880	7,804	3,201
Income tax expense	(3,288)	(7,004)	(5,113)	(1,532)	(1,643)
Profit for the year/period	6,960	19,954	19,767	6,272	1,558
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	3,331	743	(1,109)	(444)	(485)
Other comprehensive income for the year/period, net of tax	3,331	743	(1,109)	(444)	(485)
Total comprehensive income for the year/period	10,291	20,697	18,658	5,828	1,073

Our gross profit increased by RM2.1 million from RM11.8 million for the four months ended 30 April 2017 to RM13.9 million for the four months ended 30 April 2018 primarily due to the increase in gross profit of low voltage power cable from RM4.9 million for the four months ended 30 April 2017 to RM7.3 million for the four months ended 30 April 2018. Our gross profit of low voltage power cable increased because of the decrease in copper used for production of one of the main low voltage power cable products, which dropped by 96,700 kilogram from 127,200 kilogram amounting to RM3.3 million for the four months ended 30 April 2017 to 30,500 kilogram amounting to RM0.9 million for the four months ended 30 April 2018, while our revenue generated from the sale of low voltage power cable remained relatively stable at RM45.5 million for the four months ended 30 April 2017 and RM45.1 million for the four months ended 30 April 2018.

However, our profit for the same period decreased by RM4.7 million from RM6.3 million for the four months ended 30 April 2017 to RM1.6 million for the four months ended 30 April 2018 primarily due to the Listing expenses of RM5.6 million incurred during the four months ended 30 April 2018, which offset the increase in gross profit for the same period.

SUMMARY

Key Statements of Financial Position Items

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Non-current assets	35,062	36,738	42,407	42,034
Current assets	121,898	116,362	116,425	124,409
Current liabilities	60,808	37,577	29,083	35,919
Net current assets	61,090	78,785	87,342	88,490
Total assets less current liabilities	96,152	115,523	129,749	130,524
Non-current liabilities	2,094	1,968	1,536	1,178
Net assets	94,058	113,555	128,213	129,346
Total equity	94,058	113,555	128,213	129,346

Summary of Combined Statements of Cash Flows

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i>
Net cash (used in)/generated from operating activities	(57,723)	40,200	13,756	(11,030)	6,039
Net cash used in investing activities	(2,534)	(4,047)	(8,691)	(6,597)	(835)
Net cash generated from/(used in) financing activities	50,809	(22,120)	(14,430)	5,475	5,385
Net (decrease)/increase in cash and cash equivalents	(9,448)	14,033	(9,365)	(12,152)	10,589
Cash and cash equivalents at beginning of year/period	10,782	1,413	15,855	15,855	5,802
Effect of exchange rate changes on cash and cash equivalents	79	409	(688)	10	(65)
Cash and cash equivalents at end of year/period	1,413	15,855	5,802	3,713	16,326

We recorded negative operating cash flow for the year ended 31 December 2015 primarily due to the increase in trade receivables as at 31 December 2015 due to increased sales recognised in the last quarter of 2015 and increase in inventories as at 31 December 2015 due to the increase in production to cater for increased purchase orders received from customers before year end.

SUMMARY

KEY FINANCIAL RATIOS

The following table sets forth key financial ratios as of the dates or for the periods indicated. For further details of our key financial ratios, see “Financial Information — Key Financial Ratios”.

	Year ended 31 December			Four months ended 30 April
	2015	2016	2017	2018
	%	%	%	%
Profitability ratios				
Gross profit margin	14.3	16.8	14.5	17.7
Net profit margin	3.5	7.7	7.5	2.0
Return on equity	7.8	19.2	16.4	N/A
Return on total assets	5.5	12.9	12.7	N/A
	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>Times</i>	<i>Times</i>	<i>Times</i>	<i>Times</i>
Liquidity ratios				
Current ratio	2.0	3.1	4.0	3.5
Quick ratio	1.3	2.0	2.5	2.4
	%	%	%	%
Capital adequacy ratio				
Gearing ratio	12.8	Net cash	0.1	Net cash

The following table sets forth the breakdown of our revenue by products with sales volume and average selling price:

	Year ended 31 December									Four months ended 30 April					
	2015			2016			2017			2017			2018		
	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price
	<i>(metre)</i>	<i>(RM'000)</i>	<i>(RM)</i>	<i>(metre)</i>	<i>(RM'000)</i>	<i>(RM)</i>	<i>(metre)</i>	<i>(RM'000)</i>	<i>(RM)</i>	<i>(metre)</i>	<i>(RM'000)</i>	<i>(RM)</i>	<i>(metre)</i>	<i>(RM'000)</i>	<i>(RM)</i>
Low voltage power cable	35,060,873	132,555	3.8	46,768,267	142,592	3.1	37,479,823	143,557	3.8	12,584,401	45,540	3.6	12,666,243	45,141	3.6
Medium voltage power cable	614,549	35,303	57.4	1,085,040	68,596	63.2	1,213,570	79,437	65.5	490,599	27,806	56.7	243,273	19,199	78.9
Fire-resistant power cable	2,962,681	29,025	9.8	4,535,977	49,219	10.9	4,096,782	39,153	9.6	892,026	9,908	11.1	1,016,578	14,000	13.8
	38,638,103	196,883	5.1	52,389,284	260,407	5.0	42,790,175	262,147	6.1	13,967,026	83,254	6.0	13,926,094	78,340	5.6

Note:

- The measurement unit in metres does not take into account the width of the power cables, which may differ from product to product, and therefore contribute differently to the average selling price. In using the measurement unit of “metre” as the basis for comparing the sales performance of the Group during the Track Record Period, the Directors had also gave considerations to other factors such as the differences in diameter and constituents (i.e. cooper or aluminium) of the power cables manufactured by the Group. The Directors considered that the measurement unit of “metre” would be a more meaningful indicator on the sales performances of the Group as it is the most consistent and prevailing measurement unit of the power cables manufactured by the Group.

SUMMARY

Our revenue increased by RM63.5 million from RM196.9 million for the year ended 31 December 2015 to RM260.4 million for the year ended 31 December 2016 primarily due to the increase in revenue generated from the sale of low voltage, medium voltage and fire-resistant power cables because of the increase in demand in both public and private sectors in Malaysia. In particular, (i) our revenue generated from the sale of medium voltage power cable increased by RM33.3 million as a result of the strong infrastructure development and building construction in Malaysia; and (ii) our revenue generated from the sale of fire-resistant power cable increased by RM20.2 million because of the strong demand for high-rise residential projects and mixed development projects, the revenue generated from the sale of fire-resistant power cable contributed by Customer B, one of our top five customers from the construction industry, increased from RM4.5 million for the year ended 31 December 2015 to RM14.8 million for the year ended 31 December 2016. The total quantity of power cable sold increased from 38.6 million metres for the year ended 31 December 2015 to 52.4 million metres for the year ended 31 December 2016.

Our revenue increased by RM1.7 million from RM260.4 million for the year ended 31 December 2016 to RM262.1 million for the year ended 31 December 2017 primarily due to the increase in revenue generated from the sale of medium voltage power cable and low voltage power cable, partially off-set by the decrease in revenue generated from the sale of fire-resistant power cable. Our revenue generated from the sale of medium voltage power cable increased by RM10.8 million as a result of the implementation of infrastructure projects in Malaysia, which required medium voltage power cable. Our revenue generated from the sale of fire-resistant power cable decreased by RM10.0 million because of the slowdown in construction of high-rise buildings which result in the lower demand and higher price competition that decreased the orders for fire-resistant power cable. The total quantity of fire-resistant power cable sold decreased from 4.5 million metres for the year ended 31 December 2016 to 4.1 million metres for the year ended 31 December 2017, coupled with the decrease in the average selling price from RM10.9 per metre for the year ended 31 December 2016 to RM9.6 per metre for the year ended 31 December 2017. In particular, the total quantity of fire-resistant power cable sold to Customer B, one of our top five customers from the construction industry, decreased from 0.5 million metres for the year ended 31 December 2016 to 0.2 million metres for the year ended 31 December 2017. The total quantity of power cable sold decreased from 52.4 million metres for the year ended 31 December 2016 to 42.8 million metres for the year ended 31 December 2017, offset by the increase in average selling price from RM5.0 per metre for the year ended 31 December 2016 to RM6.1 per metre for the year ended 31 December 2017. Our revenue generated from the sale of low voltage power cable remained stable at RM142.6 million for the year ended 31 December 2016 and RM143.6 million for the year ended 31 December 2017. The total quantity of low voltage power cable sold decreased from 46.8 million metres for the year ended 31 December 2016 to 37.5 million metres for the year ended 31 December 2017, partially offset by the increase in average selling price from RM3.1 per metre for the year ended 31 December 2016 to RM3.8 per metre for the year ended 31 December 2017. Our revenue remained stable while the total quantity of low voltage power cable sold in metres decreased because the measurement unit in metres represents the length of the power cables sold and does not take into account the width of power cables, which may differ from product to product, and therefore contribute differently to the average selling price.

Our revenue decreased by RM5.0 million from RM83.3 million for the four months ended 30 April 2017 to RM78.3 million for the four months ended 30 April 2018, representing a decrease of 6.0%. The decrease in our revenue was primarily due to the decrease in revenue generated from the sale of medium voltage power cable of RM8.6 million as a result of the lower demand from two of our customers from the infrastructure industry in Malaysia from RM20.3 million for the four months ended 30 April 2017 to RM9.7 million for the four months ended 30 April 2018, partially off-set by the increase in revenue generated from the sale of fire-resistant power cable of RM4.1 million as a result of the increase in orders received from customers who mainly carry out building construction as a result of the increase of residential projects in Malaysia. The total quantity of power cable sold decreased from 14.0 million metres for the four months ended 30 April 2017 to 13.9 million metres for the four months ended 30 April 2018, represent a decrease of 0.7%.

For further details, please refer to the section headed “Financial Information — Results of our operation of our Group” in this Prospectus.

SUMMARY

The following table sets forth the breakdown of our cost of sales for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	RM'000	RM'000	RM'000	RM'000 (unaudited)	RM'000
Copper	111,144	113,916	119,311	39,562	31,162
Aluminium	17,024	27,231	36,852	11,633	11,538
PVC compound	5,308	7,866	6,792	2,477	1,528
XLPE compound	3,794	3,979	4,350	1,647	1,971
Other materials	18,088	48,435	37,974	12,419	13,072
Labour costs	4,422	5,079	5,692	1,704	1,701
Overhead costs	8,904	10,240	13,220	2,020	3,469
	<u>168,684</u>	<u>216,746</u>	<u>224,191</u>	<u>71,462</u>	<u>64,441</u>

During the Track Record Period, the increase in our cost of sales was primarily due to the increase in production, which is in line with the increase in revenue for the same period.

The following table sets forth the breakdown of our gross profit by products for the periods indicated:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	RM'000	Gross profit margin (%)	RM'000	Gross profit margin (%)	RM'000	Gross profit margin (%)	RM'000 (unaudited)	Gross profit margin (%)	RM'000	Gross profit margin (%)
Low voltage power cable	14,072	10.6	19,226	13.5	18,843	13.1	4,897	10.8	7,332	16.2
Medium voltage power cable	8,015	22.7	13,392	19.5	12,801	16.1	4,676	16.8	3,634	18.9
Fire-resistant power cable	6,112	21.1	11,043	22.4	6,312	16.1	2,219	22.4	2,933	21.0
	<u>28,199</u>	<u>14.3</u>	<u>43,661</u>	<u>16.8</u>	<u>37,956</u>	<u>14.5</u>	<u>11,792</u>	<u>14.2</u>	<u>13,899</u>	<u>17.7</u>

Our gross profit increased by RM15.5 million from RM28.2 million for the year ended 31 December 2015 to RM43.7 million for the year ended 31 December 2016, representing an increase of 55.0%. Our gross profit margin increased from 14.3% for the year ended 31 December 2015 to 16.8% for the year ended 31 December 2016. Our gross profit and gross profit margin increased because of (i) the increase in demand of our low and medium voltage products as a result of the strong infrastructure development and building construction in Malaysia; (ii) strong demand of fire-resistant power cable for high-rise residential projects and mixed development projects; (iii) the lower average purchase price of copper, one of the key components for the production of our products, from RM22.8 per kilogram for the year ended 31 December 2015 to RM21.4 per kilogram for the year ended 31 December 2016; and (iv) some fixed overhead costs were spread over higher production volume as the total quantity of power cable sold increased from 38.6 million metres for the year ended 31 December 2015 to 52.4 million metres for the year ended 31 December 2016.

Our gross profit decreased by RM5.7 million from RM43.7 million for the year ended 31 December 2016 to RM38.0 million for the year ended 31 December 2017, representing a decrease of 13.0%. Our gross profit margin decreased from 16.8% for the year ended 31 December 2016 to 14.5% for the year ended 31 December 2017. Our gross profit and gross profit margin decreased because of (i) the higher average purchase price of copper, one of the key components for the production of our products, from RM21.4 per kilogram for the year ended 31 December 2016 to RM27.7 per kilogram for the year ended 31 December 2017; (ii) the higher average purchase price of aluminium one of the key components for the production of our products, from RM7.9 per kilogram for the year ended 31 December 2016 to RM9.8 per kilogram for the year ended 31 December 2017; and (iii) a slow down in development projects.

SUMMARY

Our gross profit increased by RM2.1 million from RM11.8 million for the four months ended 30 April 2017 to RM13.9 million for the four months ended 30 April 2018, representing an increase of 17.8%. Our gross profit margin increased from 14.2% for the four months ended 30 April 2017 to 17.7% for the four months ended 30 April 2018. The increase in gross profit and gross profit margin was mainly contributed by the increase in gross profit of low voltage power cable from RM4.9 million for the four months ended 30 April 2017 to RM7.3 million for the four months ended 30 April 2018 as a result of the decrease in copper used for production of one of the main products, which dropped by 96,700 kilogram from 127,200 kilogram amounting to RM3.3 million for the four months ended 30 April 2017 to 30,500 kilogram amounting to RM0.9 million for the four months ended 30 April 2018, while our revenue remained relative stable at RM45.5 million for the four months ended 30 April 2017 and RM45.1 million for the four months ended 30 April 2018.

SHAREHOLDING STRUCTURE

Immediately following the completion of the Global Offering (without taking into account of the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme), PJDH will hold, through OSK Industries, 730,000,000 Shares, representing approximately 73% of the enlarged issued share capital of our Company.

PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. PJDH is held as to 96.9% by OSK. The remaining 3.1% of its total issued capital is held by individuals who were public shareholders before PJDH's delisting.

OSK is listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) and is held as to 59.6% by 15 Persons Acting in Concert, including our Directors, ONG Ju Yan, ONG Ju Xing and their family members or companies controlled by one or more of them.

OSK has on 24 May 2018 obtained its shareholders' approval on the Listing. As advised by our Malaysian Legal Advisers, the acquisition of OCC SB by OCC Malaysia is not subject to any regulatory precondition.

LISTING EXPENSES

Assuming the Offer Price of HK\$0.70 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the total amount of expenses in relation to the Listing are estimated to be approximately RM20.0 million including the underwriting commission and other listing expenses and fees (including SFC transaction levy and Stock Exchange trading fee). The expenses in relation to the Listing shall be borne by our Company, of which approximately RM13.0 million will be charged to the Group's profit and loss for the year ending 31 December 2018, and approximately RM7.0 million of its estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard after Listing. As such, our profit for the year ending 31 December 2018 is expected to be adversely affected by the incurrence of listing expenses during the period.

OFFERING STATISTICS

Offer size:	27% of the enlarged issued share capital of our Company (subject to Over-allotment Option)
Offering structure:	Initially 10% for the Public Offer (subject to reallocation) and 90% for the Placing (subject to reallocation and the Over-allotment Option)
Offer Price per Share:	HK\$0.60 to HK\$0.80 per Offer Share

All statistics in the following table are based on the assumptions that (i) the Global Offering have been completed and 270,000,000 Shares are newly issued in the Global Offering; (ii) no Shares have been issued pursuant to the Share Option Scheme; (iii) 1,000,000,000 Shares are issued and outstanding following the completion of the Global Offering; and (iv) the Over-allotment Option is not exercised.

SUMMARY

	Based on an Offer Price of HK\$0.60 per Offer Share	Based on an Offer Price of HK\$0.80 per Offer Share
Our Company's market capitalisation upon completion of the Global Offering	HK\$600 million	HK\$800 million
Unaudited pro forma adjusted net tangible asset per Share	HK\$0.39	HK\$0.44

FUTURE PLANS

Please refer to the section headed “Business — Our business strategies” for a detailed description of our business strategies and future plans.

USE OF PROCEEDS

Assuming the Over-allotment Option is not exercised, we estimate that we will receive net proceeds from the Global Offering of approximately HK\$149.0 million, after deducting the total estimated listing related expenses payable by us in the Global Offering, without taking into account any discretionary incentive fee, and assuming an Offer Price of HK\$0.70 per Share, being the mid-point of the Offer Price range stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 53.8% or approximately HK\$80.1 million of the net proceeds will be used for the expansion and enhancement of our Existing Malacca Plant.
- approximately 11.1% (approximately HK\$16.5 million) of the net proceeds will be used for replacing the existing enterprise resource planning system.
- approximately 25.1% (approximately HK\$37.4 million) of the net proceeds will be used for strategic acquisition or investment to enhance our services capabilities and expand our product coverage.
- approximately 10.0% (approximately HK\$15.0 million) of the net proceeds will be used for working capital and general corporate purposes.

For further details of our use of proceeds, please refer to the section headed “Future Plans and Use of Proceeds — Use of Proceeds”.

REASONS FOR THE LISTING IN HONG KONG

The Listing enables our Group to (i) gain direct access to the capital market in Hong Kong for cost effective capital raising for future expansion and corporate finance exercises, and (ii) gain recognition and corporate stature through the listing status and further enhance our corporate reputation which assist in expanding our customer base. Our Directors believe that Hong Kong is a major international financial centre comprising established infrastructure that attracts investors worldwide. The Stock Exchange is a suitable platform given its level of internationalism and maturity in the global financial world. According to the global ranking of stock exchanges by market capitalisation table available on the SFC website, the Stock Exchange ranked the seventh largest market of the world's leading stock exchanges in terms of market capitalisation as at the end of December 2017 with a total market capitalisation of approximately US\$4,350.5 billion. It was also the third largest stock market in Asia falling behind Japan and Shanghai as at the end of December 2017. Our Directors recognised that our Group's presence in Hong Kong capital markets could create a higher level of visibility for the Group among international investors, and hence gain better access to international funding. More importantly, our Directors believe that access to international funding will underpin our Group's future sustainable growth by providing us with diversified means to fund our future expansion plans. The sole reliance on internal funding will, in the view of our Directors, impose constraints on our business strategies, and therefore, the future expansion and potential growth of our business. For further information on our reasons for the Listing in Hong Kong, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial, operational or trading position since 30 April 2018, being the end of the period reported on in the Accountants' Report in Appendix I to this prospectus.

DIVIDEND

We declared dividend of nil, RM1.2 million, RM4.0 million and nil during the three years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018, respectively. After the Listing, declaration of dividends will be subject to recommendation of our Board after considering various factors including, among others, our results of operations, financial conditions, the payment by our subsidiaries of cash dividends to us, and other factors the Board may deem relevant. Subject to such factors, our Board intends to recommend dividends of no less than 40% pay out by way of interim and/or final dividend from our profit after tax for a particular year to be paid in the following year. Declaration and payment of any dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval, but no dividend shall be declared in excess of the amount recommended by the Board.

For further details relating to our dividend, please refer to the section headed "Financial Information — Dividend" in this prospectus.

RISK FACTORS

There are certain risks involved in our operations and in connection with the Global Offering, many of which are beyond our control. These risks can be categorised into (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to conducting business in Malaysia and in Vietnam, including currency conversion and exchange rate risks, and any applicable foreign investment restrictions; and (iv) risks relating to the Global Offering and our Shares. In addition, our future expansion plans are subject to uncertainties and risks which may materially and adversely affect our business, financial condition, results of operations and growth prospects.

A detailed discussion of the risk factors that we believe are particularly relevant to us is set out in the section headed "Risk Factors" in this prospectus. You should read the whole section carefully before you decide to invest in our Offer Shares.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed “Glossary” in this prospectus.

“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Application Form(s)”	WHITE application form(s), YELLOW application form(s) and GREEN application form(s), individually or collectively, as the context may require
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company, as conditionally adopted on 19 September 2018 and to become effective on the Listing Date, a summary of which is contained in Appendix IV to this prospectus, and as amended, supplemented or otherwise modified from time to time
“Board of Directors” or “Board”	our board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“CAGR”	compound annual growth rate
“Cayman”	the Cayman Islands
“Cayman Companies Law” or “Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant

DEFINITIONS

“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China”	the People’s Republic of China, save that, for the purpose of this prospectus and unless the context otherwise requires, references in this document to China do not include Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “Group”, “our Group”, “we” or “us”	OCC Cables Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability on 13 March 2018 and where the context so requires, (i) our subsidiaries and (ii) with respect to the period before our Company became the holding company of our present subsidiaries or the business operated by our present subsidiaries or (as the case may be) their predecessors

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to OSK Industries, PJDH, OSK and Persons Acting in Concert
“Countries subject to International Sanctions”	are countries regarding which governments such as the U.S. or Australia, or governmental organisations, such as the European Union or the United Nations, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries
“Deed of Indemnity”	the deed of indemnity dated 19 September 2018 entered into by our Controlling Shareholders as indemnifiers in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries)
“Deed of Non-competition”	the deed of non-competition dated 19 September 2018 entered into by our Controlling Shareholders as covenantors in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries)
“Director(s)”	the director(s) of our Company or any one of them
“East Malaysia”	the part of Malaysia located on the island of Borneo and consists of the Malaysian states of Sabah, Sarawak, and the Federal Territory of Labuan
“Existing Malacca Plant”	our existing production plant in Malacca, Malaysia located on Lot A and Lot B
“Existing Vietnam Plant”	our existing production plant in Vietnam located on Lot E-4A1-CN and Lot E-4B-CN, St. NA2, My Phouc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam
“F&S”	Frost & Sullivan GIC Malaysia Sdn. Bhd., an independent market research and consulting company

DEFINITIONS

“F&S Report”	an industry report commissioned by us and issued by F&S
“GDP”	gross domestic product
“Global Offering”	the Public Offer and the Placing
“ GREEN Application Form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider
“HK\$” or “Hong Kong dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“ HK eIPO White Form ”	the application for Public Offer Shares to be lodged in the applicant’s own name by submitting application online through the designated website of HK eIPO White Form service at www.hkeipo.hk
“ HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website of the HK eIPO White Form at www.hkeipo.hk
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Share Registrar”	Tricor Investor Services Limited, the Hong Kong share registrar of our Company
“IFRSs”	International Financial Reporting Standards
“Independent Third Party(ies)”	an entity or person who is not a connected person of our Company within the meaning ascribed under the Listing Rules

DEFINITIONS

“International Sanctions”	all applicable laws and regulations related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted, administered and enforced by the U.S. Government, the European Union and its member states, United Nations or the Government of Australia
“International Sanctions Legal Advisers”	Hogan Lovells, our legal advisers as to International Sanctions laws in connection with the Listing
“JKR”	Malaysian Public Works Department, the federal government department in Malaysia under ministry of works in Malaysia which is responsible for construction and maintenance of public infrastructure in West Malaysia and Labuan
“Joint Global Coordinators”	RHB Securities Hong Kong Limited and Fortune (HK) Securities Limited
“Joint Bookrunners”	RHB Securities Hong Kong Limited, Fortune (HK) Securities Limited, Mizuho Securities Asia Limited, SSIF Securities Limited and Yuanta Securities (Hong Kong) Company Limited
“Joint Lead Managers”	RHB Securities Hong Kong Limited, Fortune (HK) Securities Limited, Mizuho Securities Asia Limited, SSIF Securities Limited and Yuanta Securities (Hong Kong) Company Limited
“Latest Practicable Date”	26 September 2018, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange

DEFINITIONS

“Listing Date”	the date expected to be on or about Friday, 19 October 2018 on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Lot A”	six parcels of land held under title numbers GRN 30937, 30938, 30939, 30940, 30941 and 30942 with corresponding lot numbers 2923, 2924, 2925, 2926, 2927 and 2928, respectively, with total land area of approximately 52,594m ² , located at Nos. PT 2126-2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260, Melaka, Malaysia
“Lot B”	two parcels of land held under title numbers GRN 30935 and 30936 with corresponding lot numbers 2921 and 2922, respectively, with total land area of approximately 15,191m ² , located at Nos. PT 2126-2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260, Melaka, Malaysia
“Malaysia”	the Federation of Malaysia
“Malaysian Legal Advisers”	Mah-Kamariyah & Philip Koh, the Malaysian legal advisers of our Company
“Memorandum of Association” or “Memorandum”	the amended and restated memorandum of association of our Company, as conditionally adopted on 19 September 2018 and to become effective on the Listing Date, a summary of certain provisions of which is set out in Appendix IV to this prospectus, and as amended, supplemented or otherwise modified from time to time
“New Wing”	the proposed expansion of our production facilities located on Lot A, from a gross area of approximately 19,464m ² to a gross area of approximately 22,512m ² , representing an expansion of a total gross area of approximately 3,048m ² to our designated area used for the manufacturing of our power cable products

DEFINITIONS

“OCC BHD”	OCC Cables Berhad, a public limited liability company incorporated under the laws of Malaysia on 9 September 2009 and is wholly owned by PJDH, a Controlling Shareholders of our Company
“OCC SB”	Olympic Cable Company Sdn. Bhd., a limited liability company incorporated under the laws of Malaysia on 14 February 1968, our operating subsidiary in Malaysia, which is the wholly-owned subsidiary of our Company
“OCC Malaysia”	OCC Malaysia Sdn. Bhd., a limited liability company incorporated under the laws of Malaysia on 19 March 2018, which is the wholly-owned subsidiary of our Company
“OCS”	Olympic Cable (Singapore) Pte. Ltd., a limited liability company incorporated under the laws of Singapore on 23 May 1998, one of our then wholly-owned subsidiary which struck off on 7 April 2017
“OFAC”	the Office of Foreign Assets Control, a financial intelligence and enforcement agency of the U.S. Treasury Department
“Offer Price”	the final Hong Kong dollar price per Offer Share (before brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which Shares are to be subscribed or purchased pursuant to the Global Offering, which will be not more than HK\$0.80 per Offer Share and is expected to be not less than HK\$0.60 per Offer Share, to be determined as described in the section headed “Structure of the Global Offering — Pricing and Allocation — Determining the Offer Price”
“Offer Shares”	the Public Offer Shares and the Placing Shares
“OSK”	OSK Holdings Berhad, a limited liability company incorporated under the laws of Malaysia on 1 November 1990, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053), a Controlling Shareholder of our Company

DEFINITIONS

“OSK Industries”	OSK Industries Limited, an exempted company incorporated in the Cayman Island with limited liability on 9 March 2018, which is the sole Shareholder of our Company as at the date of this prospectus
“Over-allotment Option”	the option expected to be granted by the Company to the Placing Underwriters, exercisable by the Joint Global Coordinators (on behalf of the Placing Underwriters), to be exercised at any time from the date of the Placing Underwriting Agreement and will expire on the date which is 30th day after the last day for lodging of the Application Forms, to require the Company to allot and issue up to an aggregate of 40,500,000 additional Offer Shares, representing 15% of the initial number of the Offer Shares, at the Offer Price, to cover, among other things, over-allocations in the Placing, if any, and/or the obligations of the Stabilising Manager to return securities borrowed under the Stock Borrowing Agreement
“OVI”	OVI Cables (Vietnam) Co., Ltd, a limited liability company incorporated under the laws of Vietnam on 8 September 2006, which is the wholly-owned subsidiary of our Company
“Persons Acting in Concert”	Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For details, please refer to the section headed “Relationship with Controlling Shareholders”
“Peninsular Malaysia”	western part of Malaysia which lies on the Malay Peninsular and surrounding islands

DEFINITIONS

“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters for and on behalf of our Company, subject to reallocation as further described under the section headed “Structure of the Global Offering” in this prospectus
“Placing Agreement”	the conditional underwriting agreement expected to be entered into by, among others, our Company, the Joint Global Coordinators and the Placing Underwriters relating to the Placing, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“Placing Shares”	243,000,000 Shares, subject to reallocation and the Over-allotment Option, as described under the section headed “Structure of the Global Offering” in this prospectus
“Placing Underwriters”	the group of underwriters who are expected to enter into the Placing Agreement
“PJ Exim”	PJ Exim Sdn. Bhd., a limited liability company established under the laws of Malaysia on 27 November 1982, which is a wholly-owned subsidiary of OCC BHD
“PJDH”	PJ Development Holdings Berhad, a limited liability company incorporated under the laws of Malaysia on 13 April 1965, a Controlling Shareholder of our Company
“Price Determination Date”	the date, expected to be on or about Thursday, 11 October 2018 (Hong Kong time), when the Offer Price is determined and, in any event, no later than Tuesday, 16 October 2018
“Public Offer”	the issue and offer of the Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price on and subject to the terms and conditions described in this prospectus and the Application Forms

DEFINITIONS

“Public Offer Shares”	the 27,000,000 Shares (subject to reallocation) being initially offered by our Company for subscription in the Public Offer, as described under the section headed “Structure of the Global Offering” in this prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer, whose name is set out under the section headed “Underwriting — Public Offer Underwriters” in this prospectus
“Public Offer Underwriting Agreement”	the underwriting agreement dated 4 October 2018 entered into by, among others, our Company, the Controlling Shareholders, Mr. YEAT Siew Hong, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters relating to the Public Offer, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“QUACERT”	an inspection and product certification services provider in Vietnam
“Quality Assurance and Testing Centre 3”	an inspection and product certification services provider in Vietnam (also known as QUATEST 3)
“Regulation S”	Regulation S under the U.S. Securities Act
“related parties”	has the meaning as set out in the paragraph headed “Related parties” under Note 28 to the accountants’ report set out in Appendix I to this prospectus
“Reorganisation”	the reorganisation of our Group in anticipation of the Listing, the details of which are set out in the section headed “History, Reorganisation and Group Structure” in this prospectus
“RM”	Malaysian ringgit, the lawful currency of Malaysia

DEFINITIONS

“Sanctioned Person(s)”	certain person(s) and identity(ies) listed on OFAC’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., European Union, United Nations or Australia
“SDN List”	the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealing with U.S. persons
“SESCO”	Sarawak Energy Berhad, an energy development company and a vertically integrated electric utility company in Sarawak, Malaysia
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value HK\$0.1 each in the share capital of our Company
“Shareholder(s)”	holder(s) of our Shares
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 19 September 2018, the principal terms of which are summarised in “Appendix V — Statutory and General Information — Share Option Scheme”
“Singapore”	the Republic of Singapore
“Sole Sponsor”	Fortune Financial Capital Limited
“Stabilising Manager”	RHB Securities Hong Kong Limited

DEFINITIONS

“Stock Borrowing Agreement”	the stock borrowing agreement may be entered into between OSK Industries and the Stabilising Manager on or around the Price Determination Date, pursuant to which the Stabilising Manager may borrow up to 40,500,000 Shares from OSK Industries to cover any over-allocations under the Placing, if any
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules
“S\$”	Singapore dollars, the lawful currency of the Singapore
“Track Record Period”	the period consisting of the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018
“TNB”	Tenaga Nasional Berhad, the largest electric utility company in Peninsular Malaysia, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5347)
“Underwriters”	together, the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	together, the Public Offer Underwriting Agreement and the Placing Agreement
“United States” or “U.S.”	the United States of America, as defined in Regulation S
“U.S. Person”	has the meaning given to it in Regulation S
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“USD” or “US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States

DEFINITIONS

“Vietnam Legal Advisers”	RHTLaw Taylor Wessing Vietnam, the Vietnam legal advisers of our Company
“VND”	Vietnamese Dong, the lawful currency of Vietnam
“ WHITE Application Form(s)”	the application form(s) for use by the public who require such Public Offer Shares to be issued in the applicants’ own names
“WTO”	The World Trade Organization
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require such Public Offer Shares to be deposited directly in CCASS
“%”	per cent

“associate”, “close associate”, “connected person”, “core connected person” shall have the meanings given to them in the Listing Rules, unless the context otherwise requires.

Unless otherwise specified, statements contained in this prospectus assume no exercise of the Over-allotment Option.

All times refer to Hong Kong time.

Unless otherwise specified, references to years in this prospectus are to calendar years.

Translated English names of Malaysian natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides explanations of some of the technical terms and abbreviations commonly found in our industry. The terms and their meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms:

“annealing”	a heat treatment process to boost plasticity, eliminate hardness and preserve the optimum electrical characteristics and metallic performance of the copper
“armour”	a layer of galvanised steel wire or tape that is wrapped around a cable to provide a high level of protection against mechanical damage
“Bomba”	the federal fire and rescue services agency in Malaysia
“cabling”	a process whereby several insulated cores or other materials are wrapped together to form a cabled assembly
“conductors”	a wire or combination of wires not insulated from one another, suitable for carrying an electrical current
“core”	the portion of an insulated cable lying under the protective covering or coverings
“drawing”	a procedure that involves pulling the metal wire through a die or series of dies to reduce the size of the wire diameter
“EPR”	an abbreviation for ethylene propylene rubber, an insulation used for high-voltage cables that is suited for applications where regular cable movement is required such as in the mining industry

GLOSSARY OF TECHNICAL TERMS

“fire-resistant”	the ability of cables to continue to function at temperatures of up to 750 degrees Celsius and for a period of up to 90 minutes whilst under the influence of fire. The fire-resistant cable maintains circuit integrity even when burnt. Cables with enhanced fire-resistant attribute have the ability to continue to function at temperatures of 1,000 degrees Celsius and for a period of up to 180 minutes. Such cables are mainly used in petrochemicals and metallurgy industries, as well as in high-rise building
“IEC”	International Electrotechnical Commission, the world’s leading organisation that prepares and publishes International Standards for all electrical, electronic and related technologies
“insulation”	an outer coating for the conductor that helps resist the flow of electric charge
“ISO”	International Organisation of Standards, a world-wide federation of national standards bodies whose mission is to develop industrial standards that facilitate international trade
“KEMA”	Keuring van Elektrotechnische Materialen te Arnhem, a global energy consultancy company headquartered in Arnhem, Netherlands
“km”	kilometre
“kV”	kilovolt
“low voltage cables”	low voltage cables comprise cables of rated voltage of up to 1kV. Low voltage cables are mainly used in low voltage power transmission and distribution networks in commercial and residential buildings
“LPCB”	Loss Prevention Certification Board, a UKAS product certification

GLOSSARY OF TECHNICAL TERMS

“medium voltage cable”	medium voltage cables comprise cables of rated voltage ranging from 3.3 to 33kV. Due to the ability of mid voltage cables to transmit higher voltages of power, such cables are usually used in power plants for industrial uses
“mm ² ”	square millimetre
“PE”	an abbreviation for polyethylene, a general purpose thermoplastic generally used as insulations and sheaths for low voltage wire and cable
“PVC”	an abbreviation for polyvinyl chloride, a general purpose thermoplastic generally used as insulations and sheaths for low voltage wire and cable
“sheath”	a layer of material, usually being plastic or rubber, applied to a cable that protects the insulation from mechanical damage
“SIRIM QAS International”	SIRIM QAS International Sdn. Bhd., a leading certification, inspection and testing body in Malaysia
“stranding”	small wires are twisted together to produce a larger conductor size
“TUV”	Technischer Überwachungsverein, an inspection and product certification services provider in German
“XLPE”	an abbreviation for cross-linked polyethylene, a high-grade insulation material generally used for high voltage cables as it has good electrical performance and can endure higher temperatures of up to 90 degrees Celsius

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as “may”, “will”, “should”, “would”, “could”, “believe”, “consider”, “expect”, “anticipate”, “aim”, “intend”, “plan”, “continue”, “seek”, “estimate” or the negative of these terms or other similar terms. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political economic, business, competitive, market and regulatory conditions and the following:

- our business and operating strategies and the various measures to implement such strategies;
- our dividends;
- our operations and business prospects, including development plans for its existing and new businesses;
- the future competitive environment for the industries in which we operate;
- the regulatory environment as well as the general industries outlook for the industries in which we operate;
- future developments in the industries in which we operate;

FORWARD-LOOKING STATEMENTS

- the effects of the global financial markets and economic crisis; and
- other factors beyond our control.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

RISK FACTORS

An investment in our Shares involves risks. You should carefully consider the following information, together with the other information contained in this prospectus, including our consolidated financial statements and related notes, before you decide to subscribe for our Shares. If any of the circumstances or events described below actually arises or occurs, our business and financial conditions, operating results and business prospects could be adversely affected. In any such case, the market price of our Shares may decline, and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

We believe that there are certain risks involved in our business and operations. They can be classified into: (i) risks relating to our business; (ii) risks relating to the industry in which we operate; (iii) risks relating to conducting business in Malaysia; (iv) risks relating to conducting business in Vietnam; (v) risks relating to the Global Offering and our Shares; and (vi) risks relating to the statement made in this prospectus

RISK RELATING TO OUR BUSINESS

We may not achieve our future expansion plans in time, within budget, or at all

Our future success depends on our ability to expand production capacity and product range, and to increase our market share through organic growth as well as any mergers and acquisitions. Our future expansion plans require substantial capital expenditures and dedicated management attention. We cannot assure that these plans will be implemented in time, within budget, or at all, or may result in the anticipated benefits even if implemented successfully. If we fail to successfully expand our business or integrate any new businesses into our existing business or we are unable to identify suitable targets for mergers or acquisitions in line with our strategy, our business, financial condition and results of operations could be adversely affected. Details of our future expansion plans are set forth in the section headed “Future Plans and Use of Proceeds” of this prospectus.

We cannot assure that we will be able to successfully develop and launch new products as anticipated by our customers. In which case, our ability to maintain or expand our position in the market for such products could be adversely affected. A poor response from the market for our new products may not generate sufficient revenue to cover our costs for research and development, establishment of the New Wing and marketing.

Further, the new products may not achieve technological feasibility, meet prescribed national or industrial technical standards or gain market acceptance. Failure to successfully commercialise new products developed could have an adverse effect on our business operations and financial performance.

RISK FACTORS

Our proposed business strategies are subject to significant business, economic and competitive uncertainties and contingencies in the market, many of which are beyond our control and could delay or increase the costs of their implementation. Such uncertainties and contingencies include, but are not limited to, inability to finance our expansion plans, operational delays caused by faulty equipment, technology imperfections, lack of experience in new target markets, labour shortages and related issues.

Our future capital expenditure for the expansion may result in an increase in our depreciation expenses

For the three years ended 31 December 2017 and four months ended 30 April 2018 the utilisation rate of our Existing Malacca Plant has reached 92.2%, 103.0%, 105.9% and 86.8%, respectively. It is our strategic plan to further increase our production capacity in the Existing Malacca Plant by establishing the New Wing, acquiring additional units of machineries and equipment and relocating our storage yard to the adjacent Lot B. Upon completing the New Wing, our production capacity will increase by approximately 50.0%. The success of our expansion plan hinges on our ability to maintain or establish relationships with our existing or prospective customers or secure new purchase orders to utilise our increased production capacity. There are also other uncertainties and risks, such as delays, costs overrun, shortage of labour and/or shortage of key materials, which are beyond our control and would increase the costs of implementing our expansion plan. We may even encounter under-utilisation if demand for our power cable products does not increase at the same rate. In the event that we are unable to achieve a high utilisation rate of our production capacity as planned, there could be material adverse effect on our Group's future results of operations and financial performance.

The future capital expenditure of our Group for the construction of New Wing and the purchase of the required machineries and equipment for the Existing Malacca Plant may result in an increase in our depreciation expense. Our Group currently plans to use approximately 29.7% (approximately HK\$44.2 million) for the construction of the New Wing and the related upgrading of the facilities of our Existing Malacca Plant and approximately 24.1% (approximately HK\$35.9 million) of the net proceeds from the Global Offering (based on the mid-point of the indicative Offer Price and assuming that the Over-allotment Option is not exercised) to purchase additional machineries and equipment for the Existing Malacca Plant. For more details, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

Such additional facilities, machineries and equipment may increase our depreciation expenses, and may therefore adversely affect our Group's future results of operations and financial performance. Upon completion of our expansion plan, the estimated resulting depreciation from the expansion and enhancement of our Existing Malacca Plant is approximately HK\$4.5 million per year. Furthermore, any unexpected requirement for the acquisition of additional machineries and equipment would have a negative impact on the cash level of our Group and the additional depreciation expenses may adversely affect our Group's financial performance in the future.

RISK FACTORS

We may face price fluctuations or shortages of raw materials

Our products are made from raw materials including copper and aluminium. We usually maintain two to four weeks of inventory for raw materials frequently used in the production of our power cable products. During the Track Record Period, our costs of copper and aluminium accounted for approximately 76.0%, 65.1%, 69.7% and 66.3%, respectively, of our total costs of goods sold. Copper and aluminium are commodity metals and subject to market price fluctuations and significant price fluctuations could affect our financial performances. During the Track Record Period, based on the prices traded on the London Metal Exchange, the highest and lowest price of copper are US\$7,215.0 and US\$4,310.0, and the highest and lowest price of aluminium are US\$2,597.5 and US\$1,423.5.

Furthermore, as we have not entered into long contracts for purchase of raw materials with our suppliers, we cannot ensure that we are able to obtain sufficient raw materials from our suppliers for the manufacture of our power cable products. Any shortage of raw materials could cause a delay in our production and, in turn, have an adverse effect on our profitability.

Our revenue is mainly derived from manufacturing and selling of power cable products for power transmission and distribution, which are non-recurrent in nature and there is no guarantee that our customers will place new purchase orders with us

Our Group is principally engaged in the manufacturing and selling of power cable products for power transmission and distribution that are used in power industry and other industries, such as oil and gas, transportation, construction and others.

Our customers generally include infrastructure companies, construction companies, general contractors, mechanical or electrical contractors or sub-contractors of power cable products for power transmission and distribution. Our products are supplied to these companies and/or contractors on a project-by-project and non-recurring basis, and we have not entered into any long-term agreement with them. After placing a purchase order with us for a particular project, if our Group is unable to secure new purchase orders from our customers for new projects, our revenue and financial performances may be adversely affected. We cannot assure that our customers will continue to do business with us at the same level or at all.

Hence, our future growth and expansion depends on our ability to continue securing purchase orders from our potential customers and retain our current customers. We cannot guarantee that our existing customers will continue to provide us with new purchase orders. If any of the major customers substantially reduces the volume of its orders or ceases to conduct business with us, our business operation and financial performance would be materially and adversely affected. There is

RISK FACTORS

no assurance that (i) our Group will be able to secure new purchase orders to make up for such loss of sales; or (ii) even if we are able to secure other purchase orders, that they would be on commercially comparable terms.

We recorded net cash used in operating activities of approximately RM57.7 million for the year ended 31 December 2015 and RM11.0 million for the four months ended 30 April 2017. If we record net cash outflow from operating activities in the future, our liquidity and financial condition may be materially and adversely affected

We recorded net cash used in operating activities of approximately RM57.7 million for the year ended 31 December 2015 and RM11.0 million for the four months ended 30 April 2017. The amount recorded for the year ended 31 December 2015 represents profit before income tax expense of approximately RM10.2 million, adjusted for (i) certain non-cash gains and expenses, mainly included impairment loss on inventories of RM4.1 million, depreciation of property, plant and equipment of RM2.4 million and impairment loss on trade receivables of RM1.2 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the increase in trade and other payables of RM7.6 million offset by changes in certain working capital items that negatively affected operating cash flow, mainly include increase in inventories of RM18.8 million as a result of the increase in production to cater for increased purchase orders received from customers before year end and increase in trade receivables, other receivables, deposits and prepayments of RM64.9 million. The net cash used in operating activities of approximately RM11.0 million for the four months ended 30 April 2017 represents profit before income tax expense of approximately RM7.8 million, adjusted for (i) certain non-cash gains and expenses, mainly included impairment loss on inventories of RM1.1 million, depreciation of property, plant and equipment of RM1.0 million and finance costs of RM0.2 million, and (ii) for change in working capital item that positively affected operating cash flow, mainly included the increase in trade and other payables of RM0.3 million, offset by changes in certain working capital items that negatively affected operating cash flow, mainly include increase in inventories of RM6.3 million and increase in trade receivables, other receivables, deposits and prepayments of RM13.1 million. For further details, please refer to the paragraph headed “Financial Information — Liquidity and capital resources — Net cash used in/generated from operating activities” in this prospectus.

Our cash inflow from operating activities is principally derived from the receipts from the sale of power cables. Any net cash outflows from operating activities will adversely affect our liquidity and our ability to further develop our business. We may need to utilise external financing in case of net cash outflows from operating activities but we cannot ensure that we will be able to secure such alternative sources of funds at commercially reasonable terms or at all. If we cannot source sufficient financing to fund net cash outflows from operating activities, our business, liquidity, financial condition, results of operations and prospects may be adversely affected.

RISK FACTORS

We rely on our ability to manufacture high quality power cable products that meet our customers' requirements and specifications

Given that power cable products are relatively homogeneous in nature, our future growth and success will depend largely on our ability to manufacture high quality power cable products that meet our customers' requirements and specifications. We cannot assure you that we will be able to successfully meet all our customers' requirements and specifications on our power cable products in the future. Inability to meet our customers' changing requirements and specifications may cause our existing and/or prospective customers to approach other power cable products manufacturers, which could cause our market share to decline, and our sales and profitability to be adversely affected.

We rely on our major suppliers to provide us with raw materials for our production. Any discontinuation of the supply by such suppliers or any failure to source such raw materials and components on comparable prices or amounts on favourable terms from them could have an adverse effect on our profitability

During the Track Record Period, we relied on our suppliers to provide us with raw materials, mainly copper, used in the production of power cable products. During the Track Record Period, our top five suppliers accounted for approximately 82.7%, 66.1%, 67.4% and 59.8%, respectively, of our costs of sales, excluding direct labour costs, while our largest supplier accounted for approximately 25.9%, 24.6%, 21.8% and 26.8%, respectively, of our costs of sales, excluding direct labour costs.

Whilst we do not rely on a single source of supply for any of our raw materials or components, we cannot assure you that our suppliers will continue to supply raw materials and components to us in the future. In the event that these suppliers fail to supply raw materials and components to us and we fail to source such raw materials and components on comparable prices or amounts on favourable terms to us from other suppliers, our business, financial condition and results of operations could be adversely affected.

We are exposed to risks arising from credit terms extended to our customers

Our financial condition and profitability are dependent on the creditworthiness of our customers. If our customers encounter financial difficulties, cash flow problems, decreases in business revenue, or are subject to overall adverse economic condition, we could be exposed to defaults in payments by our customers to whom credit terms are granted. As at 30 April 2018, our trade receivables balance amounted to approximately RM65.2 million, representing 52.4% of our total current assets. Generally, credit terms extended to our customers range from 30 to 90 days. Our trade receivables turnover days during the Track Record Period were 69 days, 90 days, 90 days and 105 days, respectively. The amount of impairment loss on trade receivables (both individual and collective) during the Track Record Period was RM1.2 million, RM1.9 million, RM0.2 million and RM0.3 million, respectively. The amount of reversal of impairment loss on trade receivables during the Track Record Period was nil, RM0.3 million, RM0.5 million and RM0.2 million.

RISK FACTORS

We cannot assure you the timeliness of our customers' payments. If our customers are unable to fulfil their obligations to settle any amounts due to us promptly, our business, financial condition and results of operations may be adversely affected.

We are exposed to risk of inventories obsolescence

Our inventory comprises mainly of raw materials and finished products. Although we generally place orders with our suppliers after we received purchase orders from customers, our customers may cancel orders with us and we may not be able to resell or utilise those raw materials and/or finished products. For the three years ended 31 December 2017 and four months ended 30 April 2018, our inventories amounted to approximately RM43.4 million, RM39.8 million, RM42.4 million and RM39.1 million, respectively, representing approximately 35.6%, 34.2%, 36.4% and 31.4% of our total current assets, respectively. Our average inventories turnover days decreased from approximately 77 days for the year ended 31 December 2015 to approximately 67 days for the year ended 31 December 2017 but increased to 76 days for the four months ended 30 April 2018. For the three years ended 31 December 2017 and for the four months ended 30 April 2018, we recorded an impairment loss on inventories of approximately RM4.1 million, RM2.6 million, RM2.8 million and RM1.7 million, respectively. If we fail to manage our inventory effectively, we may be subject to a risk of inventory obsolescence. High inventory levels may also require us to commit substantial capital resources, preventing us from utilising our capital effectively. If we cannot manage our inventory level efficiently in the future, our liquidity and cash flow may be adversely affected.

We are exposed to potential product liability claims

We are subject to prescribed industry technical standards in relation to the manufacture and sale of our products. As our products are important components used in power and other industries such as oil and gas, infrastructure, construction and others, any defect or malfunction in our products or the failure of our products to meet our customers' specifications could lead to damages or losses to our customers. The possible consequences include widespread blackouts, or in cases of extreme overheating, fire breakouts that in turn could lead to damage and loss of property, as well as personal injuries or death. If such consequences result from defects in our products, we could be required to compensate our customers and victims for such losses, damages, personal injuries or death. We may also have to spend a significant amount of resources to defend ourselves in the event where claims or legal proceedings are instituted against us.

During the Track Record Period, we had not encountered any material product liability claim against us nor any material product recall. As at the Latest Practicable Date, we had not effected any product liability insurance for our products as it is neither an industry requirement nor general practice to do so. However, any successful product liability claim against us in the future could, nevertheless, have an adverse effect on our business, prospects, financial condition and results of operations.

RISK FACTORS

We may be unable to obtain sufficient compensation from suppliers for defective raw materials used in our products

Our power cable products come in various standard sizes and dimensions and we can also customise our power cable products to the specifications of our customers. The quality of our final products is highly dependent on the quality of the raw materials we purchase from third parties suppliers. Despite our effort to communicate with our suppliers and review their performance regularly, in the event that we become subject to product liability claims as a result of defective raw materials we purchased from third party suppliers, we may not be able to assert a claim against a supplier and we may be required to bear the damages to our customers or replace the products at our own costs and expenses. Our reputation, business and results of operations may be adversely affected.

We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Nations, Australia and other relevant sanctions authorities.

During the Track Record Period, we had leased a premise as our marketing office located in Myanmar and we had made sales of our power cable products to three Myanmar customers in the ordinary course of business. Myanmar is a jurisdiction that has historically been subject to a number of international sanctions programmes administered by the United States and other jurisdictions or organisations. While these programmes have been reduced considerably in recent years, there are a number of persons or organisations located in Myanmar that remain subject to targeted sanctions programmes, including being named on the Specially Designated Nationals and Blocked Persons List or the Sectoral Sanctions Identifications List maintained by OFAC.

We ceased business activities with Myanmar in August 2016. Our Directors confirm that we have not been notified of that any International Sanctions will be imposed on us for our sales and/or deliveries to the Countries subject to International Sanctions during the Track Record Period. None of the counterparties located in Myanmar are specifically identified on the Specially Designated Nationals and Blocked Persons by OFAC or other restricted parties lists maintained by the European Union, Australia and the United Nations and therefore would not be deemed as sanctioned targets. Our past sales and/or deliveries of our products in Myanmar do not involve industries or sectors that are currently subject to International Sanctions and therefore are not deemed to be prohibited activities under the relevant International Sanctions.

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As advised by our International Sanctions Legal Advisers, our activities during the Track Record Period do not appear to implicate restrictions under International Sanctions. Further, given the scope of the Global Offering and the expected use of proceeds as set out in this prospectus, our International Sanctions Legal Advisers are of the view that the involvement by parties in the Global Offering will not implicate any applicable International Sanctions on such parties, including our Company, our Company's investors, shareholders, the Stock Exchange and its listing committee and group companies, or any person involved in the Global Offering and accordingly, the sanction risk exposure to our Company, its investors and shareholders, and persons who might, directly or indirectly, be involved in permitting the listing, trading and clearing of our Company's Shares (including the Stock Exchange, its listing committee and related group companies) is very low.

We plan to implement "know your client" procedures and other means to assure that we do not engage in transactions that would subject us to any exposure under International Sanctions laws and regulations. However, we cannot predict the interpretation or implementation of government policy by the United States, or similar policies of other sanctions regulators in the European Union, the United Nations, Australia or by the governments or agencies of other applicable jurisdictions with respect to any current or future activities by us or our affiliates in Myanmar or any other countries that may be or become subject to International Sanctions. Therefore, our business and reputation could be adversely affected if the government of the United States, the European Union, the United Nations and Australia or any governmental entities were to determine that any of our activities constitutes violations of the sanctions they impose. In addition, because sanctions programmes evolve over time, new requirements or restrictions could come into effect which may increase scrutiny on our business activities or result in our business activities being deemed to have violated sanctions laws or being sanctionable. In the event our Group is deemed to violate sanctions laws in the future, our business operations and financial conditions may be adversely affected.

If we are unable to retain, recruit and hire skilled and experienced personnel, our ability to effectively manage our operations and meeting our strategic objectives could be harmed

Our future success depends, in large part, on the continued service of our executive Directors, in particular Mr. YEAT Siew Hong, who oversees our Malaysia and Vietnam business operations, Mr. LOW Fook Liang, our chief operating officer of our Malaysia's operations and Mr. TANG Cheng Leong, our chief operating officer of our Vietnam's operations, and other key managerial sales and technical personnel. Any loss or interruption of the services of any of our senior management or key personnel could significantly reduce our ability to effectively manage our operations and to meet our strategic objectives. In addition, we could incur additional expenses and devote significant time to recruit and train new personnel, which could disrupt our business and growth.

Furthermore, as we expect to continue to expand our operations and develop new products, we will need to attract, retain and motivate skilled and experienced personnel. We compete for such personnel with our competitors and we expect such competition to intensify as the wire and cable

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industry in Malaysia is growing. We may be unable to attract or retain the personnel required to achieve our business objectives and the failure to do so could adversely affect our competitiveness, and therefore affecting our business, financial condition and results of operations.

We may have difficulties in employing production workers

The wire and cable industry is considered to be labour-intensive in nature in Malaysia as it involves a series of labour-intensive processes. Although the advancement in industrial automation technology has eased the need for manual labour in many manufacturing industries, there is still a need for manual labour in many processes in the production of our power cable products.

According to the F&S Report, labour shortage in Malaysia's manufacturing sector is largely due to an ageing workforce, migration of young workers to urban areas, and a decline in the number of persons entering into the construction and manufacturing sectors.

As such, we have to maintain sufficient and regular production manpower to avoid any interruption to our business operation. However, the attrition rate involving relatively low-skilled production workers in Malaysia is considered to be relatively high particularly among local workers. As such, market players in the wire and cable industry in Malaysia face an uphill task in recruiting relatively low-skilled workers.

Though we have not experienced any significant shortage in production workers in the past, there is no assurance that we will not experience any shortage in production workers for our production or that the costs of employing workers in Malaysia will not continue to increase in the future. Furthermore, if the cost of employing workers continues to increase in Malaysia, our production costs may eventually increase and we may not be able to shift these extra costs to our customers due to competitive pricing pressures from our competitors. If we fail to retain our existing workers and/or recruit sufficient workers in a timely manner, we may not be able to accommodate any increase in demand for our products or smoothly implement our expansion plans. Hence, our business operations and financial conditions would be materially and adversely affected.

Our profit margin could be adversely affected if we are unable to continuously maintain high utilisation of our key manufacturing machineries for our power cable products in Malaysia

Our ability to maintain our profitability depends partly on our ability to maintain a high utilisation rate of our key manufacturing machineries and equipment in our Existing Malacca Plant in Malaysia. The level of utilisation rate of our key manufacturing machineries can impact on our operating results as a certain percentage of our costs of sales such as direct labour and production overhead are fixed in nature. A higher utilisation rate of our production machineries and equipment allow us to spread our fixed costs over a larger quantity of our power cable products, resulting in a

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higher profit margin. Hence, if we are unable to continuously maintain a high utilisation of our production machineries and equipment, our profit margin would be adversely affected. For details of our plants utilisation rate, please refer to the section headed “Business — Production capacity and utilisation rate” in this prospectus.

Our historical results may not be indicative of our future revenue and profit margin

Given that our profit margins in respect of our products are generally dependent on the price of our quotation provided to certain of our customers for inclusion in their tenders for a project, which may be affected by factors that are specific to the project, such as the length of the contract period, the time gap between the date of our quotation and the delivery of our products and the specifications provided by the customers, there is no assurance that we will always be able to maintain similar levels of profitability as those during the Track Record Period.

During the Track Record Period, our gross profit amounted to approximately RM28.2 million, RM43.7 million, RM38.0 million and RM13.9 million, respectively, and our gross profit margin amounted to approximately 14.3%, 16.8%, 14.5% and 17.7%, respectively. We may not be able to sustain our historical gross profit and gross profit margin for various reasons, including but not limited to, our Group’s ability to cope with the changing demand and requirements from customers and the cost of raw materials and trading products for production. For detailed analysis of our Group’s gross profit and gross profit margin, please refer to the section headed “Financial Information — Description of certain line items of the combined statements of profit or loss and other comprehensive income — Gross profit” of this prospectus.

Furthermore, during the Track Record Period, our revenue amounted to approximately RM196.9 million, RM260.4 million, RM262.1 million and RM78.3 million, respectively. For the three years ended 31 December 2017 and four months ended 30 April 2018, our net profit amounted to approximately RM7.0 million, RM20.0 million, RM19.8 million and RM1.6 million, respectively. Such trend of the historical financial information of our Group is only an analysis of our past performance. It does not have any positive implication, nor would it necessarily reflect our financial performance in the future, which will largely depend on our capability to secure new purchase orders, control our costs and expenditures. The profit margins and income of our Group’s projects may fluctuate from purchase orders to purchase orders, and the historical revenue from the provision of our products in the past may not be indicative of our future revenue or profitability. Prospective investors should be aware of the risk of our Group’s failure to secure future purchase orders when considering our Group’s financial results.

We may inadvertently infringe third party intellectual property rights

As we may not be aware of third party’s intellectual property rights that are involved in the techniques, designs and/or services that we use, we may inadvertently infringe the intellectual property rights of third parties. Others may assert infringement claims against us or claim that we

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have infringed their intellectual property rights. Any litigation regarding patents or other intellectual property rights could be costly and time consuming and could divert our management and key personnel from our business operations. In addition, we may be forced to enter into technology licencing agreements or to seek alternative designs or techniques when facing intellectual property infringement claims. If we are unable to enter into technology licencing agreements within acceptable terms or to find alternative designs or techniques, we may have to stop producing certain types of products or using certain techniques.

Any disruption of our production facilities could adversely affect our business, financial condition and results of operations

We rely heavily on the Existing Malacca Plant located at Malacca, Malaysia for the production of our products. During the Track Record Period, our key power cable product manufacturing machineries in the Existing Malacca Plant was close or exceeded its designed production capacity, significant damages to any parts of our production facilities from natural or other causes, such as extreme weather conditions, floods, fires, earthquakes, raw material and component supply disruptions, labour shortages, utility shortages, workforce actions and other disruptions such as system failures could disrupt our manufacturing activities. Any such disruption or delay in our manufacturing capacity could, in turn, stop, limit or delay our production, delay or obstruct the delivery of our products and, as such, rendering us to incur additional expenses in order to produce sufficient products or impairing our ability to meet customer demands and causing cancellation of customer orders, any of which could adversely affect our reputation, business, financial condition and results of operations.

Our insurance policies may not be sufficient to cover liabilities from claims and litigation and our insurance premium may increase from time to time

We have taken out insurance policies in line with industry practice. However, there are certain types of losses for which insurance coverage is not generally available on commercial terms acceptable to us, or at all. Examples of these include insurance against losses suffered due to business interruptions, earthquakes, floodings or other natural disasters, wars, terrorist attacks or civil disorders, or losses or damages caused by industrial actions.

If we suffer any losses, damages or liabilities in the course of our business operations arising from events for which we do not have any or adequate insurance covers, we may have to bear such losses, damages or liabilities by ourselves. In such case, our business operations and financial results may be adversely affected. Even if we have maintained relevant insurance policies, our insurers may not fully compensate us for all potential losses, damages or liabilities regarding our properties or business operations.

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Our Controlling Shareholders may extend their influence over our Company through their shareholding rights in our Company and their interests may not be aligned with the interests of the other Shareholders of our Company

Following the Global Offering, our Controlling Shareholders will have substantial control over our issued share capital. The interests of our Controlling Shareholders may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders will have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of our Directors and other significant corporate actions which requires our shareholders' approval. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders from an opportunity to receive a premium of their Shares in a sale of our Company or may reduce the market price of our Shares. In addition, without the consent of some or all of the Controlling Shareholders, our Company may be prevented from entering into transactions that could be beneficial to our Group. These actions may be taken even if they are opposed by the other Shareholders, including those who purchased the Shares in the Global Offering.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

Personal injuries, property damages or fatal accidents may occur at work sites

Although we generally supervise and monitor closely our employees in the implementation of all safety measures and procedures during the manufacturing process, we cannot guarantee that our employees will follow our safety measures and/or will not breach any applicable rules, laws or regulations. Any personal injuries and/or fatal accidents to the employees of our Group may lead to claims or other legal proceedings against our Group. As at the Latest Practicable Date, our Group was not subject to any claims from employees.

We are subject to risks associated with technological changes

We are engaged in an industry where technological changes play a critical role in determining the competitiveness of our products. In particular, our Director considers that increasing emphasis has been placed on the ability to effect high voltage electricity transmission, reduction of electricity loss, sustainability under extreme weather conditions, reduce effect on environment, as well as fulfil reliability and safety requirements. Our ability to anticipate such changes and develop new products with new technology on a timely basis will be instrumental for us to grow and to remain competitive within the industry.

Despite the fact that we commit time, effort and other resources to the research and development of new products, materials as well as technical know-how to meet the changing market demands, rapid changes in market demand could render our efforts obsolete as we may not be able to achieve

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the technological advances necessary to enable us to keep pace with the industrial development. Accordingly, we cannot assure you that the results of our research and development efforts will attain market acceptance or that such efforts will be commercially successful or that our products and processes will not become obsolete. In such event, our business, financial condition and results of operation could be adversely affected.

We operate in a competitive environment

According to F&S Report, the wire and cable industry in Malaysia is highly fragmented and saturated. Players typically compete in terms of pricing and, product and service offering provided to their customers. Our ability to compete also depends on a number of factors which may be beyond our control, including the prices of the comparable products offered by our competitors in the market and our responsiveness to changes in our customers' needs. Owing to the intense competition in the wire and cable industry in which we operate, we cannot assure you that we can maintain our current position in the industry at all times. In the event that our competitors lower their product prices, we might have to follow their act in order to maintain our market shares, competitiveness, or to lower our inventory level.

There is no assurance that our attempts to remain competitive in the market will succeed. If our attempts to remain competitive fails and our market share shrinks, our overall performance may be adversely affected.

We rely on the success of both the power industry and construction industry as the success of our business, which is highly correlated to the performance of our customers' industries

Our products are generally used for onward installation at construction sites and are used by our customers including, infrastructure companies, construction companies, general contractors, mechanical or electrical contractors or sub-contractors. According to the F&S Report, the cable manufacturing industry is reliant on the development of the power industry and the construction industry.

The demand from our customers is therefore dependent on the demand and supply dynamics of power industry and the construction industry. As such, the demand for our products may fluctuate according to the cycles of power infrastructure upgrade and expansion works, and the construction industry.

On the other hand, the demand for our products is also affected by the business performance of our customers and/or their ultimate employer in the power industry and the construction industry, which is beyond our control. Our customers' business could underperform due to a number of factors, such as changes in their business strategies, failure to develop successful marketing strategies,

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changes in the market demand for their services and adverse market or economic conditions in the markets in which our customers operate. If our customers experience underperformance or are under financial difficulties, they could reduce their purchases from our Group, which could have a material and adverse impact on our business, results of operations, financial conditions and prospects.

Failure to meet the prescribed industry technical standards of relevant authorities and specifications provided by our customers, or any failure to obtain or renew any or all certifications for quality control could adversely affect our business, financial condition and results of operations

We are required to manufacture our products in accordance with industrial technical standards set by various authorities and organisations in Malaysia, Vietnam and overseas, as well as the specifications required by our customers. Some of these industrial standards or customers' specifications are evolving as scientific progress continues to advance. If such technical standards or specifications are modified, or any compulsory technical standards are prescribed by the Malaysia or Vietnam authorities to require higher or more stringent technical requirements beyond our existing technical capacities, additional unexpected costs and investments in upgrading our business lines, enhancing our production facilities and recruiting more experienced technical expertise will be required in order to comply with the new product standards.

Our products have obtained certain certifications in Malaysia and Vietnam which are generally required by our customers. For further details on the certifications we have obtained, please refer to the section headed "Business — Licences, permits and approvals" in this prospectus. These certifications are often viewed by our customers as prerequisite in purchasing our products. Obtaining such certifications is important for us to attract new customers and strengthen our competitiveness in Malaysia, Vietnam and overseas market. Some of these certifications are subject to periodic renewal. We cannot assure you that such certifications will be renewed or will not be revoked by the relevant issuing organisations and authorities in the future.

Failure to meet prescribed technical standards set by the relevant authorities or specifications provided by our customers, or non-renewal, delay in renewal or revocation of any of these certifications could tarnish our reputation, which could, in turn, adversely affect our reputation, business, financial condition and/or results of operations.

RISK RELATING TO CONDUCTING BUSINESS IN MALAYSIA AND VIETNAM

As our Group's, business operations are in both Malaysia and Vietnam, its economic, political and legal developments would affect the results of our operations, financial position and prospects accordingly. The major risks that we are exposed to are as follows:

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Our business operations are subject to uncertainties with respect to the laws and regulations, social political and economic developments, and Malaysian government policies

Our Group's business, prospects, financial condition and results of operations may be adversely affected by any changes in the laws and regulations, social, political and economic developments and changes in Malaysian government policies.

The majority of our power cable products are sold in Malaysia, which will continue in the foreseeable future. Our operations will be subject to the risks of regional conflicts, terrorism, extremism, nationalism, changes in interest rates, imposition of capital controls, changes in government policies or introduction of new rules or regulations concerning power industry and construction industry, and methods of taxation in Malaysia. Any negative developments in the Malaysian economy may have a material adverse effect on our business operations. Although the overall Malaysian economic environment (in which our Group predominantly operates) appears to be positive, there can be no assurance that this will continue to prevail in the future.

Furthermore, the production of our power cable products involves using raw materials such as copper and aluminium, which affects the environment in the neighbourhood of our production facilities, and the Malaysian government may tighten regulations governing our industry to meet more stringent environmental requirements. It may expand the scope of existing regulations, tighten the rules governing the licence renewal process or even impose requirements to install certain equipment; these new measures may limit our Group's flexibility to operate and may increase our Group's costs of operations. Our Group's failure to comply with such laws and regulations could also result in reprimands, penalties, fines and legal proceedings against us.

Currency conversion and exchange rate risks

Since a substantial amount of income and profit of our Group is denominated in RM, any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable to the Shares in HK\$ to our Shareholders.

The Central Bank of Malaysia had, in the past, intervened in the foreign exchange market to stabilise the RM, and it pegged the RM to the US\$ in September 1998. On 21 July 2005, the Central Bank of Malaysia adopted a managed float system which benchmarked the RM to a currency market to ensure that the RM remains close to its fair value. Our Group cannot assure you that the Malaysian government will not impose more restrictive or additional foreign exchange controls. Any imposition, variation or removal of exchange controls may lead to less independence in the Malaysian government's conduct of its domestic monetary policy and increased exposure of the Malaysian economy to the potential risks and vulnerability of external developments in the international markets.

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Furthermore, fluctuations in the RM's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on our Group's business, financial condition and results of operations. We recorded foreign exchange differences on the translation of foreign operations recognised in other comprehensive income during the Track Record Period. For the three years ended 31 December 2017 and four months ended 30 April 2018, we recorded foreign exchange differences on translation of foreign operations with an approximate gain of RM3.3 million and RM0.7 million, and an approximate loss of RM1.1 million and RM 0.5 million, respectively. The exchange differences arising from the translation of foreign operations are primarily due to the fluctuation of VND, being the functional currency of OVI, against the presentation currency of RM adopted by the Group in its financial statements at each reporting date. If we do not change the functional currency of OVI, we may continue to record foreign exchange differences on the translation of foreign operations in our other comprehensive income.

In addition, we had net foreign exchange losses of RM3.5 million and RM0.3 million for the years ended 31 December 2015 and 2016, respectively, while we had net foreign exchange gains of RM0.6 million and RM0.2 million for the year ended 31 December 2017 and the four months ended 30 April 2018, respectively. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into HK\$, of our Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect our Group's ability to pay dividends or satisfy other foreign exchange requirements.

Further, we sold our power cable products to various locations and purchased raw materials from overseas suppliers even though the substantial amount of income and profit of our Group is denominated in RM. Foreign exchange fluctuations may have a significant positive or negative effect on our results of operations. We are exposed to foreign currency risk related to selling and purchasing in currencies other than the local currencies in which we or our subsidiaries operate, we face foreign currency transaction risk to the extent that the amounts and relative proportions of various currencies in which our costs and liabilities are denominated deviate from the amounts and relative proportions of the various currencies in which our sales and assets are denominated. The currency that gave rise to significant currency mismatch is USD. For the three years ended 31 December 2017 and four months ended 30 April 2018, 1.2%, 0.5%, 1.3% and 0.4% of our revenue was denominated in USD whereas 40.9%, 42.4%, 6.0% and 18.2% of our raw material purchases was denominated in USD respectively. The sensitivity analysis in relation to foreign currency risk of foreign currency denominated assets and liabilities is set out in "Foreign currency risk" in Note 32(a) to the Accountants' Report included in Appendix I in this prospectus.

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Our ability to receive dividends and other payments from our subsidiaries in Malaysia may be restricted

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered according to the Foreign Exchange Administration Rules as promulgated by the Central Bank of Malaysia. The foreign exchange policies apply to both residents and non-residents. Under the current Foreign Exchange Administration Rules issued by the Central Bank of Malaysia, non-residents are free, at any time, to repatriate any amount of investment proceeds, including capital, divestment proceeds, profits, dividends, or any income arising from investments in Malaysia, subject to the applicable reporting requirements and any withholding tax, provided that repatriation of funds must be made in a foreign currency.

If the Central Bank of Malaysia introduces any new foreign exchange policies which restrict such proceeds from being repatriated in the future, the ability to repatriate dividends or distributions to our Company could adversely affect our business, results of operations and financial condition.

Our Group's principal subsidiary OCC SB is incorporated in Malaysia and their main assets are located in Malaysia. It could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors and the management in Malaysia

Our Group's principal subsidiary, OCC SB, is incorporated under the laws of Malaysia. The majority of our Directors and members of management are residents of Malaysia and a substantial portion of the assets and the assets of our Directors and management are located in Malaysia. Enforceability of certain foreign judgment in Malaysia is by virtue of the Reciprocal Enforcement of Judgments Act 1958, in which a foreign judgment must be registered before it can be enforceable. The registration of such foreign judgments is only possible if the judgment is given by a superior court from a country listed in the First Schedule of the Reciprocal Enforcement of Judgment Act 1958, which includes United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei Darussalam. In the event the foreign judgment is not from a country listed in the First Schedule of the Reciprocal Enforcement of Judgements Act 1958, the only method of enforcement at common law is by securing a Malaysian judgment. As a result, it could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors or the management in Malaysia.

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Geopolitical risks, including risks arising from recent events in Vietnam, may have any adverse impact on our business, financial condition and results of operations

Apart from our operations in Malaysia, we also have operations in Vietnam whose economy and legal system remain susceptible to risks associated with an emerging economy and is subject to higher geopolitical risks than developed countries. Examples include the social unrests in Vietnam targeting Chinese-related businesses, and territorial and other disputes among neighbouring countries in Asia in 2014. Social and political unrests could give rise to various risks, such as loss of employment and safety and security risks to persons and properties. Any such event may in turn have an adverse impact on our businesses, financial condition and results of operations.

Changes in the economic, political and legal environment of Vietnam, and Vietnam's less developed legal system, may adversely affect our business, financial condition and results of our operations

We started our business operations in Vietnam in 2007. Our business operations are subject to the economic, political and legal environment in Vietnam. Vietnam's economy differs from the economies of many countries in such respects as government involvement, level of development, growth rate, allocation of resources and inflation rate. Prior to the 1990s, Vietnam's economy was largely a planned economy. Since about 1987, increasing emphasis has been placed on the utilisation of market forces in the development of the economy. In connection with the development of the economy, the Vietnamese Government has adopted a 10-year socio-economic development strategy for 2010 to 2020 and a five year state plan for the period from 2011 to 2015. Although state owned enterprises still account for a substantial portion of Vietnam's industrial output, the Vietnamese Government in general is reducing the level of direct control that it exercises over the economy through state plans and other measures. It is our understanding that there is an increasing level of freedom and autonomy in areas such as resource allocation, production and management and a gradual shift in emphasis to a market economy and enterprise reform.

The legal system of Vietnam also differs from most common law jurisdictions, in that it is a system in which decided legal cases have little precedential value. The laws and regulations are subject to broad and varying interpretations by government officials, courts and lawyers. The courts of Vietnam have the power to read implied terms into contracts, adding a further layer of uncertainty. As a result, government officials, courts and lawyers often express different views on the legality, validity and effect of a particular legal document. In addition, the views of governmental authority received on a particular issue have no binding effect or finality, so there is no guarantee that similar issues will be dealt with in a similar way by other governmental authorities. Furthermore, recognition and enforcement of legal rights through Vietnam courts, arbitration centres and administrative agencies in the event of a dispute is uncertain.

As part of its transition from a planned economy to a more market-oriented one, the Vietnamese Government has implemented a series of economic reforms, including lowering trade barriers and import quotas to encourage and promote foreign investment. In preparation for Vietnam's accession

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to the World Trade Organization in 2007, the Vietnamese Government has also promulgated a series of laws and regulations on local and foreign investment, including the Law on Investment, which regulates investments in Vietnam, and the Law on Enterprises, which sets out the types of corporate vehicle investors may establish to carry out their investment projects. However, conflicting interpretations between local regulators in different provinces and between different ministries, have created confusion over key issues. The Vietnam National Assembly issued new investment and enterprise laws in November 2014, which came into force on 1 July 2015, to improve the country's investment climate. In addition, in the context of pursuing and maintaining economic reforms, the Vietnamese Government has promulgated other laws and regulations in recent years designed to attract foreign investment and business development in Vietnam, which may intensify the competition in our industry.

Although the Vietnamese Government has made progress in economic reform and the development of laws and regulations, there remain inherent uncertainties and inconsistencies in the interpretation, implementation and enforcement of laws and government policies, including tax regulations. Many of the reforms are unprecedented or experimental and may be subject to revision, change or abolition, depending upon the outcome of these experiments. Furthermore, there can be no assurance that the Vietnamese Government will continue to pursue policies of economic reform or that any reforms will be successful or the impetus to reform will continue. If any of the changes adversely affect us or our business, or we are unable to capitalise on the economic reform measures of the Vietnamese Government, our business, financial condition and results of operations could be adversely affected.

The economy in Vietnam may be subject to period of high inflation which could materially and adversely affect our business operations, financial performances and growth prospects

Government anti-inflation policies and a decline in global commodity and petroleum prices have led to a decrease in Vietnam's inflation rate. While these inflation rates are lower than rates of earlier years, there can be no assurance that the Vietnamese economy will not be subject to future periods of high inflation. Should inflation in Vietnam increase significantly, our costs, including labour costs and transportation are expected to increase. Furthermore, high inflation rates could have an adverse effect on Vietnam's economic growth, business climate and dampen consumer purchasing power. As a result, a high inflation rate in Vietnam could materially and adversely affect our business, financial condition and results of operations and growth prospects.

RISK RELATING TO THE GLOBAL OFFERING AND OUR SHARES

There has been no prior public market for our shares and an active trading market for our shares may not develop

Prior to the Global Offering, there has been no public market for our Shares. The initial issue price range for our Shares was the result of negotiations among us and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for

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our Shares following the Global Offering. We have applied for the listing of and permission to deal in our Shares on the Stock Exchange. There is no assurance that the Global Offering will result in the development of an active, liquid public trading market for our Shares. Factors such as variations in our revenue, earnings and cash flows or any other developments may affect the volume and price at which our Shares will be traded.

The liquidity and market prices of our Shares following this Global Offering may be volatile. The price to which the Shares will trade after the Global Offering will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of and the prospects for us and the industry in which we compete;
- an assessment of our management, our past and present operations and the prospects for our business;
- timing of our future revenue and cost structures such as the views of independent research analysts, if any;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities similar to ours; and
- general market sentiment regarding the wire and cable industry.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies quoted on the Stock Exchange. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of their Shares regardless of our operating performance or prospects.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face future dilution as a result of future financings

Potential investors will pay a price per Share that substantially exceeds the per Share value of our net tangible assets and will therefore experience immediate dilution when potential investors

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purchase the Offer Shares in the Global Offering. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares.

We believe that our current cash and cash equivalents, anticipated cash flows from operations and the proceeds from this offering will be sufficient to meet our anticipated cash needs for the foreseeable future. We may, however, require additional cash resources due to changed business conditions or other future developments relating to our existing operations, acquisitions or strategic partnerships. If additional funds are raised through the issuance of new equity or equity-linked securities of our Group other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that take priority over those conferred by the Shares. Alternatively, if we meet such funding requirements by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consent prior to the payment of dividends;
- require us to dedicate a substantial portion of our cash flows from operations to service our debt, thereby reducing the availability of our cash flows to fund capital expenditures, working capital requirements and other general corporate needs; and
- limit our flexibility in planning for or reacting to changes in our business and our industry.

Dividends paid in the past may not be indicative of the amounts of future dividend payments or our future dividend policy

Historical dividend distributions by our subsidiaries are not indicative of our future distribution policy and we give no assurance that dividends of similar amounts or at similar rates will be paid in the future. Any future dividend declaration and distribution by us will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our constitutional documents and the Companies Law as well as (where required) the approval of Shareholders. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries in Malaysia and Vietnam as described in the section headed “Financial Information — Dividend” in this prospectus.

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Sales, or perceived sale, of substantial amount of our Shares in the public market after the Global Offering could adversely affect the prevailing market price of our Offer Shares

We and certain of our Shareholders, subject to certain exceptions, have agreed to a lock-up arrangement after the Listing Date, details of which are set out in the section headed “Underwriting” in this prospectus. After the restrictions of the lock-up arrangements expire, our Shareholders may dispose of our Shares. Sales of substantial amounts of Shares in the public market after the completion of the Global Offering or the perception that these sales could occur could adversely affect the market price of our Shares.

You may face difficulties in protecting your interests under the laws of the Cayman Islands

Our corporate affairs are governed by, among other things, our Memorandum of Association, Articles of Association, the Companies Law and common law of the Cayman Islands. The rights of Shareholders to take action against our Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions.

We cannot guarantee the accuracy of certain facts, forecasts, statistics and industry information that have come from various sources in this prospectus

Certain facts, forecasts, statistics and data presented in the section headed “Industry Overview” and elsewhere in this prospectus relating to the global and other markets of the apparel industries have been derived, in part, from various publications and industry-related sources prepared by government officials or Independent Third Parties. We believe that the sources of the information are appropriate sources for such information and the Sole Sponsor and our Directors have taken reasonable care to extract and reproduce the publications and industry-related sources in this prospectus, and we have no reason to believe that such information is false or misleading or that any fact that would render such information false or misleading has been omitted. However, neither we, our Directors, the Sole Sponsor nor any of the parties involved in the Global Offering have independently verified, or make any representation as to the accuracy of such information and statistics. It cannot be assured that statistics derived from such sources will be prepared on a comparable basis or that such information and statistics will be stated or prepared at the same standard or level of accuracy as, or consistent with, those in other publications produced for other economies. Accordingly, prospective investors should consider carefully how much weight or importance they should attach to or place on such facts or statistics.

WAIVER FROM STRICT COMPLIANCE WITH LISTING RULES

In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provision of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, except for an independent non-executive Director, none of our Directors is ordinarily resident in Hong Kong. Furthermore, the business operations of our Group are located in Malaysia and Vietnam. Due to the business requirements of our Group, our executive Director has not been, is not or will not be based in Hong Kong.

We have applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12 of the Listing Rules on the following grounds:

- (a) our Group's principal business operations are located in the Malaysia and Vietnam;
- (b) members of our Group's senior management are, and expect to continue to be, based primarily in Malaysia and Vietnam; and
- (c) for the purposes of the management and operations of our Group, the appointment of additional executive Directors who are ordinarily resident in Hong Kong would not only increase the administrative expenses of our Group, but would also reduce the effectiveness and responsiveness of the Board in making decisions for our Group, especially when business decisions are required to be made within a short period of time. In addition, by appointing new executive Directors, who may not be familiar with the operations of our Group, to the Board for the sole purpose of satisfying the requirement of Rule 8.12 of the Listing Rules may not be in the best interest of our Company and our shareholders as a whole.

We have received from the Stock Exchange a waiver from strict compliance with rule 8.12 of the Listing Rules subject to the following conditions:

- (a) We have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that we comply with the Listing Rules at all times. The two authorized representatives are Mr. YEAT Siew Hong, our executive Director and chief executive officer, and Ms. TSUI Sum Yi, our company secretary. Ms. TSUI Sum Yi is ordinarily

WAIVER FROM STRICT COMPLIANCE WITH LISTING RULES

resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile or e-mail;

- (b) Each of the authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times and as when the Stock Exchange wishes to contact the members of the Board for any matter. In addition, we have provided all of our Directors' mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Stock Exchange;
- (c) Each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong for business purpose and will be able to meet with the relevant members of the Stock Exchange in Hong Kong within reasonable notice; and
- (d) In compliance with Rule 3A.19 of the Listing Rules, we retained Fortune Financial Capital Limited as our compliance adviser, they will act as an additional channel of communication with the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) (as amended) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus. Our Directors confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Public Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer, which forms part of the Global Offering. For applicants under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer. Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for the Public Offer Shares" in this prospectus and on the Application Forms.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to us and the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The Global Offering is managed by the Joint Global Coordinators. Please refer to the section headed “Underwriting — Underwriting Arrangements” in this prospectus for further details of the Underwriters and the underwriting arrangements.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price, which is expected to be determined by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. If, for whatever reason, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on or before the Price Determination Date, the Global Offering will not become unconditional and will lapse immediately.

RESTRICTIONS ON OFFER OF THE OFFER SHARES

Each person acquiring the Public Offer Shares under the Public Offer will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers of the Offer Shares described in this prospectus and the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or Application Forms may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Listing is sponsored by the Sole Sponsor. We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and the Share Option Scheme).

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Save as disclosed in this prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on the Stock Exchange or any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, our Shares on the Stock Exchange is refused before the expiration of three weeks from the date of closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, 19 October 2018. The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares will be 1791.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares on the Stock Exchange and our Company's compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangements may affect their rights and interests.

HONG KONG SHARE REGISTRAR AND STAMP DUTY

Our Company's principal share registrar will be maintained by our Principal Share Registrar, Estera Trust (Cayman) Limited, in the Cayman Islands and our Company's Hong Kong Share Registrar will be maintained by our Hong Kong Share Registrar, Tricor Investor Services Limited, in Hong Kong.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

All Offer Shares will be registered on the Hong Kong register of members of our Company in Hong Kong. Dealings in the Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in our Shares (or exercising rights attached to them). None of us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our Shares.

OVER-ALLOTMENT AND STABILISATION

Details of arrangement relating to stabilisation and the Over-allotment Option are set out in the section headed “Structure of the Global Offering — Over-allotment Option and Stabilisation” in this prospectus.

EXCHANGE RATE CONVERSION

Unless the context requires otherwise, amounts in this prospectus denominated in Hong Kong dollars, RM, US\$ and VND have been translated into other currencies in this prospectus, for the purpose of illustration only, at the following rates:

US\$1.00 to HK\$7.8

RM1.00 to HK\$2.0

VND1,000 to HK\$0.3453

No representation is made that any amounts in Hong Kong dollars, RM, US\$ or VND can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. If there is any inconsistency between the names of any of the entities mentioned in this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Unless otherwise stated, all the numerical figures are rounded to one or two decimal places. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
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Executive Director

Mr. YEAT Siew Hong	129, Jalan SS21/13, Damansara Utama 47400 Petaling Jaya Selangor Malaysia	Malaysian
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Non-executive Directors

Mr. ONG Ju Yan	21, Persiaran Basong Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian
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Mr. ONG Ju Xing	21, Persiaran Basong Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian
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Independent non-executive Directors

Mr. QUAH Poh Keat	15 Jalan Jemerlang Kuning Sierra Mas 47000 Sungai Buloh Selangor Malaysia	Malaysian
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Dato' LIM Han Boon	C-6-1, Seni Mont Kiara 2A, Changkat Duta Kiara 50480 Kuala Lumpur Malaysia	Malaysian
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Mr. SHIU Siu Tao	Flat B, Block 20, 7/F Chi Fu Fa Yuen Pokfulam Hong Kong	Chinese
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor

Fortune Financial Capital Limited

A corporation licensed under the SFO and permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Units 4301–8 & 13, 43rd Floor, Cosco Tower
183 Queen's Road, Central
Hong Kong

Joint Global Coordinators

RHB Securities Hong Kong Limited

12/F World-Wide House,
19 Des Voeux Road Central,
Central, Hong Kong

Fortune (HK) Securities Limited

Units 4301–8 & 13, 43rd Floor, Cosco Tower,
183 Queen's Road Central,
Hong Kong

Joint Bookrunners & Joint Lead Manager

RHB Securities Hong Kong Limited

12/F World-Wide House,
19 Des Voeux Road Central,
Central, Hong Kong

Fortune (HK) Securities Limited

Units 4301–8 & 13, 43rd Floor, Cosco Tower,
183 Queen's Road Central,
Hong Kong

Mizuho Securities Asia Limited

14–15F, K11 Atelier,
18 Salisbury Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

SSIF Securities Limited

Unit A 29/F Admiralty Center Tower 1,
18 Harcourt Road,
Admiralty, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Yuanta Securities (Hong Kong) Company Limited
23/F, Tower 1,
Admiralty Centre,
18 Harcourt Road,
Admiralty, Hong Kong

Legal advisers to our Company

as to Hong Kong law:

Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place, Central
Hong Kong

as to Malaysian law:

Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Malaysia

as to Vietnamese law:

RHTLaw Taylor Wessing Vietnam
Suite 1101, 11th Floor, Sofitel Central Plaza
17 Le Duan Boulevard, District 1
Ho Chi Minh City
Vietnam

as to International Sanctions law:

Hogan Lovells
11/F, One Pacific Place
88 Queensway
Hong Kong

as to Cayman Islands law:

Appleby
2206-19, Jardine House
1 Connaught Place, Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal adviser to the Sole Sponsor and the Underwriters	<i>as to Hong Kong law:</i> King & Wood Mallesons 13/F, Gloucester Tower, The Landmark 15 Queen's Road Central, Central Hong Kong
Auditors and reporting accountants	BDO Limited 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Independent property valuer and consultant	Jones Lang LaSalle Corporate Appraisal and Advisory Limited 6/F, Three Pacific Place 1 Queen's Road East Hong Kong
Independent industry consultant	Frost & Sullivan GIC Malaysia Sdn. Bhd. Suite C-11-02, Block C, Plaza Mont' Kiara 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Malaysia
Receiving bank(s)	Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong

CORPORATE INFORMATION

Registered office	Clifton House 75 Fort Street P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Principal place of business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Headquarters and principal place of business in Malaysia	Level 20, Tower 2, Faber Towers Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia
Company secretary	Ms. TSUI Sum Yi 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Authorised representative(s)	Mr. YEAT Siew Hong 129, Jalan SS21/13, Damansara Utama 47400 Petaling Jaya Selangor Malaysia Ms. TSUI Sum Yi 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Audit committee	Mr. QUAH Poh Keat (<i>Chairman</i>) Dato' LIM Han Boon Mr. SHIU Siu Tao
Remuneration committee	Dato' LIM Han Boon (<i>Chairman</i>) Mr. ONG Ju Yan Mr. QUAH Poh Keat
Nomination committee	Mr. ONG Ju Yan (<i>Chairman</i>) Dato' LIM Han Boon Mr. QUAH Poh Keat

CORPORATE INFORMATION

Compliance adviser

Fortune Financial Capital Limited

Units 4301-8 & 13
43rd Floor, Cosco Tower
183 Queen's Road Central
Hong Kong

**Principal share registrar and
transfer office**

Estera Trust (Cayman) Limited

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Hong Kong Share Registrar

Tricor Investor Services Limited

Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal banker(s)

Malayan Banking Berhad

Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

Malayan Banking Berhad

Suite 906, 9th Floor, Sun Wah Tower
115 Nguyen Hue, Dist.1
Ho Chi Minh City

OCBC Bank (Malaysia) Berhad

Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur

Company website address

www.occ-cables.com

*(information on this website does not form part of
this prospectus)*

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS APPLICABLE TO OUR BUSINESS OPERATIONS

As at the Latest Practicable Date, our Group has business operations in Malaysia and Vietnam, which primarily focus of the manufacturing and sale of power cable products. A summary of salient Malaysian and Vietnamese legal and regulatory frameworks that are applicable to our business operations are laid out in this section.

OVERVIEW OF MALAYSIAN LAWS AND REGULATIONS

The following is an overview of the material laws and regulations that are relevant to our business operations in Malaysia:

1. Laws and regulations relating to manufacturing activities in Malaysia

(a) *Industrial Co-Ordination Act 1975*

The Industrial Co-Ordination Act 1975 (“ICA”) which applies throughout Malaysia, provide for the co-ordination and orderly development of manufacturing activities in Malaysia, for the establishment of an Industrial Advisory Council and for other matters connected therewith or incidental thereto.

Pursuant to Section 3(1) of the ICA, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Any person who fails to comply with Section 3(1) is guilty of an offence and is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

For the purpose of ICA —

- (a) “manufacturing activity” means the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade;
- (b) “manufacturer” means a person who is engaged in any manufacturing activity; and
- (c) “product” means any article, thing, substance or service produced as a result of any manufacturing activity and includes a range of products.

Pursuant to Section 6(1) of the ICA, the licensing officer may in his discretion revoke a licence if the manufacturer to whom a licence is issued —

- (a) has not complied with any condition imposed in the licence;
- (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued;
or
- (c) has made a false statement in his application for the licence.

Under Section 7A(1) of the ICA, a manufacturer shall not manufacture any product other than those specified in a licence without the prior approval of the licensing officer.

Pursuant to the Guide for Malaysian Manufacturers (“**MIDA Guide Book**”) issued by Malaysian Industrial Development Authority (“**MIDA**”), being the government’s principal agency for

REGULATORY OVERVIEW

the promotion and coordination of industrial development in Malaysia, a manufacturing company with shareholders' fund of RM2.5 million and above or engaging 75 or more full-time paid employees to apply for a manufacturing licence for approval by the Ministry of International Trade and Industry, Malaysia ("MITI").

For the purpose of the MIDA Guide Book —

- (a) "Shareholders' funds" refers to the aggregate amount of a company's paid-up capital, reserves, balance of share premium account and balance of profit and loss appropriation account, where:
- Paid-up capital shall be in respect of preference shares and ordinary shares and not including any amount in respect of bonus shares to the extent they were issued out of capital reserve created by revaluation of fixed assets.
 - Reserves shall be reserves other than any capital reserve created by revaluation of fixed assets and provisions for depreciation, renewals or replacements and diminution in value of assets.
 - Balance of share premium account shall not include any amount credited therein at the instance of issuing bonus shares at premium out of capital reserve by revaluation of fixed assets; and
- (b) "full-time paid employees" refers to all persons normally working in the establishment for at least 6 hours a day and at least 20 days a month for 12 months during the year and who receive a salary.

Since 31 July 1998, the Malaysian government had relaxed the equity policy guidelines for all applications for investments in new as well as expansion/diversification projects in the manufacturing sector. Under this relaxation, foreign investors could hold 100% of the equity irrespective of the level of exports. However, this relaxation in 1998 did not apply to specific activities and products where Malaysian companies had the capabilities and expertise.

To further enhance Malaysia's investment climate, equity holdings in all manufacturing projects were fully liberalised effective from 17 June 2003. Foreign investors can now hold 100% of the equity in all investments in new projects, as well as investments in expansion/diversification projects by existing companies, irrespective of the level of exports and without any product/activity being excluded.

(b) Electricity Supply Act 1990

Electricity Supply Act 1990 ("ESA") provides for the regulation of electricity supply industry, the supply of electricity at a reasonable price, the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

"Equipment" is defined in Section 2 to include any item for such purposes as generation, conversion, transmission, distribution or utilisation of electrical energy, such as machines, transformers, apparatus, measuring instruments, protective devices, wiring materials, accessories and appliances.

REGULATORY OVERVIEW

Section 23c of the ESA provides that no person shall manufacture, import, sell or offer for sale or lease any equipment unless the equipment meets such requirements as may be prescribed in respect of the efficient use of electricity.

Section 37(1) of the ESA provides that any person who tampers with or adjusts any installation or part thereof or manufactures or imports or sells any equipment so as to cause or to be likely to cause danger to human life or limb or injury to any equipment or other property shall be guilty of an offence and for each offence shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 10 years or to both. Section 37(2) of the ESA provides that any person who by any rash or negligent act or omission causes damage to any person or property in respect of any installation or equipment or part thereof shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or to both.

In exercise of the powers conferred by Section 53 of the ESA, the Minister makes Electricity Regulations 1994 (“**1994 Regulation**”).

Regulation 97 of the 1994 Regulation provides that no person shall manufacture, import, display, sell or advertise —

- (a) any domestic equipment;
- (b) any equipment which is usually sold direct to the general public; or
- (c) any equipment which does not require special skills in its operation,

unless the equipment is approved by the Energy Commission.

Regulation 97C(1) of the 1994 Regulation states that any person who manufactures or imports any equipment under Regulation 97 shall apply to be registered with the Energy Commission, in a manner that may be determined by the Energy Commission.

For the purposes of certifying any equipment under Regulation 97, the Energy Commission shall give a recognition to a foreign conformity assessment body in a manner that may be determined by the Energy Commission provided that, the foreign conformity assessment body shall be recognised, registered or licensed by the relevant authority in the country in which the foreign conformity assessment body carries on its business as provided in Regulation 97A of the 1994 Regulation.

Regulation 97B of the 1994 Regulation stipulates that for the purposes of certifying any equipment under Regulation 97, a local conformity assessment body shall apply to be registered with the Energy Commission, in a manner that may be determined by the Energy Commission provided that the local conformity assessment body has been accredited by the accreditation authority.

Regulation 122 of the 1994 Regulation provides that unless otherwise made an offence under the ESA, a person who contravenes or fails to comply with any of the provisions of the 1994 Regulation shall be guilty of an offence and shall on conviction, be liable, to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one year or both.

(c) *Factories And Machinery Act 1967*

Factories And Machinery Act 1967 (“**FAMA**”) provides for the control of factories with respect to matters relating to safety, health and welfare of person therein, the registration and inspection of machinery and for matters connected therewith.

REGULATORY OVERVIEW

Section 19(1) of the FAMA states that no person shall operate or cause or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FAMA. Any person who contravene such section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 3 years or to both.

Section 21 of the FAMA states further that the occupier shall at all times maintain all safety appliances and machinery.

Pursuant to Section 31 of the FAMA, whenever any accident which causes (a) loss of life to any person, (b) serious bodily injury to any person, (c) bodily injury to any person so that the person is prevented from following his normal occupation for more than 3 clear days excluding the day of the accident or (d) serious damage to machinery or other property, or any dangerous occurrence takes place in any factory or in connection with any machinery, the occupier shall report the accident or dangerous occurrence to the inspector having jurisdiction for the area in which the accident or dangerous occurrence has taken place by the quickest means available and subsequently with the least possible delay report in writing to the inspector in the prescribed form the facts of the matter so far as they are known to him.

Section 34(1) of the FAMA prescribes that every person who at the commencement of the FAMA occupies or uses any premises as a factory shall —

- (a) within 3 months of the date submit to the chief inspector such particulars as may be prescribed; and thereafter
- (b) within 6 months of being required so to do by the chief inspector submit such further particulars as may be prescribed.

Any person who contravenes Section 34(1), shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both.

Section 34(2)(a) of the FAMA states that no person shall except with the written permission of the inspector begin to use any premises as a factory until one month after he has served on the inspector a written notice in the prescribed form.

For the purpose of the FAMA —

- (1) unless the context otherwise requires, “factory” means any premise or part of a premise where —
 - (a) within the close or curtilage or precincts of the premises or part thereof persons are employed in manual labour in any process for or connected with or incidental to the making, altering, repairing, ornamenting, sorting, finishing, cleaning, washing, breaking, demolishing, constructing, reconstructing, fitting, refitting, adjusting or adapting of any article or part thereof; and
 - (b) the said work is carried on by way of trade for the purposes of gain or incidentally to any business so carried on.
- (2) “machinery” includes steam boilers, unfired pressure vessels, fired pressure vessels, pipelines, prime movers, gas cylinders, gas holders, hoisting machines and tackle, transmission machinery, driven machinery, materials handling equipment, amusement

REGULATORY OVERVIEW

device or any other similar machinery and any equipment for the casting, cutting, welding or electro-deposition of materials and for the spraying by means of compressed gas or air of materials or other materials, but does not include —

- (a) any machinery used for the propulsion of vehicles other than steam boilers or steam engines;
- (b) any machinery driven by manual power other than hoisting machines;
- (c) any machinery used solely for private and domestic purposes; or
- (d) office machines.

(d) Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 (“**OSHA**”) provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA.

Employers and every self-employed person must as far as is practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation):

- (i) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (ii) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (iii) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of their employees;
- (iv) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (v) the provision and maintenance of a working environment for their employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

For the purposes of this paragraph —

- (a) “employee” includes an independent contractor engaged by an employer or a self-employed person and any employee of the independent contractor; and
- (b) the duties of an employer or a self-employed person extend to such an independent contractor and the independent contractor’s employees in relation to matters over which the employer or self-employed person —
 - (i) has control; or

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- (ii) would have had control but for any agreement between the employer or self-employed person and the independent contractor to the contrary.

Failure to comply with any of the above provisions constitutes an offence and on conviction the employer or the self-employed person is liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 2 years or to both.

The Department of Occupational Safety and Health (“**DOSH**”) officer may also issue (i) an improvement notice against any non-compliance of the OSHA; or (ii) a prohibition notice against an employer if in general an activity is undertaken at the workplace may create an immediate danger to life or property. Failure to comply with such notice without reasonable excuse constitutes an offence and the employer is liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 5 years or to both, and to a further fine of RM500.00 for each day during which the offence continues.

The DOSH is responsible for ensuring that companies have taken proper steps to provide a safe and healthy working environment for their employees.

(e) Environmental Quality Act 1974

The Environmental Quality Act 1974 (“**EQA**”) relates to the prevention, abatement, control of pollution and enhancement of the environment and shall apply to the whole of Malaysia.

Pursuant to Section 22(1) of the EQA, unless licensed, no person shall emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere in contravention of the acceptable conditions specified under Section 21 of the EQA. Any person who contravenes Section 22(1) of the EQA shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality (“**Director General of Environmental Quality**”) requiring him to cease the act specified therein has been served upon him.

Pursuant to Section 23(1) of the EQA, unless licensed, no person shall emit or cause or permit to be emitted any noise greater in volume, intensity or quality in contravention of the acceptable conditions specified under Section 21 of the EQA. Any person who contravenes Section 23(1) of the EQA shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM500.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

Pursuant to Section 24(1) of the EQA, unless licensed, no person shall pollute or cause or permit to be polluted any soil or surface of any land in contravention of the acceptable conditions specified under Section 21 of the EQA. Any person who contravenes Section 24(1) of the EQA shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

Pursuant to Section 25(1) of the EQA, unless licensed, no person shall emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters in contravention of the acceptable conditions specified under Section 21 of the EQA. Any person who contravenes Section 25(1) of the EQA shall be guilty of an offence and shall be liable to a fine not

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exceeding RM100,000.00 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

The Department of Environment (“**DOE**”) is established to prevent, eliminate, control pollution and improve the environment which is consistent with the purposes of the EQA. The DOE is also responsible for the implementation of Malaysia’s environmental regulations and policies.

In exercise of the powers conferred by sections 21 and 51 of EQA, the Environmental Quality (Scheduled Wastes) Regulations 2005 (“**EQSWR**”) was passed and came into operation on 15 August 2005.

Pursuant to Regulation 2(1) of the EQSWR, “scheduled waste” is defined as any waste falling within the categories of waste listed in the First Schedule which includes wastes containing principally organic constituents which may contain metals and inorganic materials.

Regulation 4(1) of the EQSWR states that scheduled wastes shall be disposed at prescribed premises and “prescribed premises” is defined by Order 3 of the Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) Order 1989 to include the following premises:

- (a) off-site storage facilities;
- (b) off-site treatment facilities;
- (c) off-site recovery facilities;
- (d) scheduled waste incinerators;
- (e) land treatment facilities; and
- (f) secure landfills.

Such prescribed premises shall only be occupied or used by any person which is the holder of a licence issued in respect of those premises.

Every waste generator shall ensure that the scheduled wastes generated by him are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for treatment, disposal or recovery of material or product from scheduled wastes as provided in Regulation 8 of the EQSWR.

Regulation 16 of the EQSWR states that every offence which consists of any omission or neglect to comply with, or any act done or attempted to be done contrary to the EQSWR may be compounded under Section 45 of the EQA, which provides that the Director General or any Deputy Director General, or any other public officer or any local authority to whom the Director General has delegated such power in writing, may compound any offence under the EQA or the regulations made thereunder which is prescribed by the Minister to be a compoundable offence by accepting from the person reasonably suspected of having committed the offence a sum of money not exceeding RM2,000.

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2. Laws and regulations relating to immigration

(a) *Immigration Act 1959/63*

Immigration Act 1959/63 (“**Immigration Act**”) regulates various aspects of immigration into Malaysia, including the entry of foreign employees or students into Malaysia.

Regulation 8(1) of the Immigration Regulations 1963 (“**Immigration Regulations**”) states that amongst others an Employment Pass (issued pursuant to Regulation 9) or, for work or employment in Sabah, Work Pass (issued pursuant to Regulation 16) may be issued under the Immigration Regulations for the purpose of entitling a person to enter and remain temporarily within the Federation or within Sabah or Sarawak.

Pursuant to Regulation 9(1) of the Immigration Regulations, an Employment Pass may be issued by the Controller (as defined in the Immigration Regulations) to any person other than a prohibited immigrant who satisfies the Controller that he wishes to enter the Federation (otherwise than as a visitor, tourist, transit passenger or student) in order to take up employment under a contract of service with the Government of the Federation or of any State in the Federation or of any City Council or Municipality in the Federation or to take up employment in the Federation under a contract —

- (a) for a minimum period of 2 years employment in the Federation with a company or firm approved for the purposes of this sub-paragraph; and
- (b) under which such person is entitled to a salary of not less than RM1,200 per month.

Regulation 9(2) of the Immigration Regulations states that where an Employment Pass has been granted, the holder is authorised enter the Federation on or before the date stated in such Pass and to remain therein for such period as may be so stated, but not exceeding 5 years from the date of such entry.

According to Regulation 9(3) of the Immigration Regulations, every Employment Pass issued to any person under Regulation 9(1) shall be subject to the condition that during the validity of the Pass the holder shall not without the consent in writing of the Controller engage in any form of paid employment or in any business or professional occupation in the Federation, other than such particular employment, business or professional occupation as shall be specified in such pass.

Section 55A(1) of the Immigration Act states that any person involved (directly or indirectly) in conveying to Malaysia any person contrary to this act shall be guilty of an offence and on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 and to imprisonment for a term of not less than 2 years but not more than 5 years and shall also be liable to whipping of not more than 6 strokes. Where the offence under Section 55A(1) has been committed by a body corporate, the body corporate shall be guilty of that offence and shall, on conviction, be liable to a fine of not less than RM30,000 but not more than RM100,000.

Section 55B of the Immigration Act further states that any person who employs one or more persons, other than a citizen or a holder or a holder of an Entry Permit, who is not in possession of a valid Pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but no more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each such employee. Where, in the case of an offence under Section 55B(1) above, it is proved to the satisfaction of the court that the person has at the same time employed more than five such employees that person shall, on conviction be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

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Section 55E(1) of the Immigration Act stipulates that no occupier shall permit any illegal immigrant to enter or remain at any premises. An occupier who contravenes Section 55E(1) above shall be guilty of an offence and shall upon conviction, be liable to a fine of not less than RM5,000 and not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each illegal immigrant found at the premises and, in the case of a second or subsequent conviction, to a fine of not less than RM10,000 and not more than RM60,000 or to imprisonment for a term not exceeding 2 years or to both for each illegal immigrant found at the premises.

3. Laws and regulations relating to human resources development fund

(a) Pembangunan Sumber Manusia Berhad Act 2001

Pembangunan Sumber Manusia Berhad Act 2001 (“**PSMBA**”) regulates the imposition and collection of a human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees, the establishment and the administration of the Human Resources Development Fund under Section 22 of the PSMBA (“**HRD Fund**”) by the Pembangunan Sumber Manusia Berhad (“**PSMB**”) and for matters connected therewith. PSMBA applies to the classes of employers in the industries specified in Part I of the First Schedule of the PSMBA, which includes, employers with 10 or more employees in manufacturing, that is, the making or processing of an article by labour or machine or both, including the transformation of parts or components into another article of a different nature or character by way of altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal, including the building of a ship or the assembly of parts of a ship.

The main objective of the PSMB shall be the imposition and collection of a human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees and the establishment and administration of the HRD Fund. The functions of the PSMB are —

- (a) to assess and determine the types and extent of employees’, apprentices’ and trainees’ training and retraining in keeping with the human resources needs of industries;
- (b) to promote and stimulate manpower training; and
- (c) to determine the terms and conditions under which any financial assistance or other benefits are to be given.

Section 13(1) of the PSMBA states that every employer to whom the PSMBA applies shall register with the PSMB. Any employer who contravenes the foregoing provisions commits an offence and shall on conviction be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding one year or to both.

The regulations governing the registration of employers and payment of levy under the PSMBA is Pembangunan Sumber Manusia Berhad (Registration of Employers and Payment of Levy) Regulations 2001.

Section 14(1) of the PSMBA provides that, subject to an exemption from levy being given by the Minister pursuant to Section 19 of the PSMBA, there shall be paid by every employer to whom the PSMBA applies a human resources development levy in respect of each of his employees at the

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rate of 1% of the monthly wages of the employee. Any employer who fails to pay any levy due under Section 14(1) within such period as may be prescribed commits an offence and shall on conviction be liable to a fine not exceeding RM20,000 or to imprisonment for a term not exceeding 2 years or to both.

4. Laws and regulations relating to taxation

(a) *Dividends and distributions*

All dividends and other distributions payable on the shares of Malaysian Subsidiary may under the current laws and regulations of Malaysia be converted and paid in any other foreign currency and be remitted out of Malaysia without the necessity of obtaining any authorisation, approval, consent or licence of any governmental or regulatory body or authority in Malaysia.

All such dividends payable to its shareholders will not be subject to withholding or other taxes under the laws and regulations of Malaysia.

(b) *Corporate income tax*

The standard corporate tax rate is 24%, whilst the rate for resident small and medium sized companies (i.e. companies incorporated in Malaysia with paid-up capital of RM2.5 million or less and that are not part of a group containing a company exceeding this capitalisation threshold) is 18% on the first RM500,000.00, with the balance being taxed at the 24% rate with effect from year of assessment 2017.

(c) *Withholding Tax*

Pursuant to Section 107A(1) of the Income Tax Act 1967 (“**ITA**”), where any person (“**payer**”) is liable to make contract payment to a non-resident contractor in respect of services under a contract, he shall upon paying or crediting such contract payment deduct therefrom tax at the rate stated below:

- (i) 10% of the contract payment on account of tax which is or may be payable by that non-resident contractor for any year of assessment; and
- (ii) 3% of the contract payment on account of tax which is or may be payable by employees of that non-resident contractor for any year of assessment,

and (whether or not that tax is so deducted) shall within one month after paying or crediting such contract payment render an account and pay the amount of that tax to the Director General of Inland Revenue (“**Director General of Inland Revenue**”).

Pursuant to Section 107A(2) of the ITA, where the payer fails to pay any amount due from him under subsection (1) above, the amount which he fails to pay shall be increased by a sum equal to 10% of the amount which he fails to pay, and that amount and the increased sum shall be a debt due from him to the Government and shall be payable forthwith to the Director General of Inland Revenue.

(d) *Sales and Service Tax*

With effect from 1 April 2015, the Goods and Services Tax (“**GST**”) was implemented in Malaysia at a rate of 6% pursuant to the Goods and Services Tax Act 2014. GST was chargeable on all taxable supply of goods or services made by a taxable person in the course or furtherance of a business in Malaysia, and also charged on the importation of goods or services into Malaysia.

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The Goods and Services Tax (Rate of Tax) Order 2014 was amended under P.U. (A) 118 so that the applicable GST rate was revised from “6%” to “0%” effective from 1 June 2018.

With effect from 1 September 2018, the Sales Tax Act 2018 and Service Tax Act 2018 came into operation in Malaysia, in substitution for the GST. Accordingly, the Goods and Services Tax Act 2014 was repealed by the Goods and Service Tax (Repeal) Act 2018.

The Sales Tax Act 2018 introduced a single-stage tax (i.e. a tax which is only imposed at one stage in the supply chain at the import or manufacturer level) charged and levied on (i) taxable goods manufactured in Malaysia by a taxable person and sold by such taxable person (including used or disposed off); and (ii) taxable goods imported into Malaysia. Manufactured goods exported are not subject to sales tax.

A “taxable person” (being a person who manufactures taxable goods) is liable to be registered if its annual turnover exceeds RM500,000. Sales tax is charged and levied at fixed rates of 5% or 10% or at a specific rate, depending on the type of taxable goods. Certain goods which are listed under the Sales Tax (Goods Exempted From Tax) Order 2018 are exempt from sales tax.

The Service Tax Act 2018 is a form of indirect tax imposed on the provision of specific prescribed taxable services provided in Malaysia by a registered person in carrying on business. Service providers who provide taxable services in excess of RM500,000 per annum are liable to be registered. Service tax is charged and levied at a fixed rate of 6%.

“Taxable persons” and “taxable services” are provided in the Service Tax Regulations 2018 to include persons operating business in the industry of (i) accommodation; (ii) food and beverage; (iii) night-clubs, dance halls, cabarets, health and wellness centres, massage parlours, public houses and beer houses; (iv) private club; (v) golf club and golf driving range; (vi) betting and gaming; (vii) professional services; (viii) credit card and charge card; and (ix) other service providers.

5. Selling restrictions in respect of the Global Offering and Listing

No action has been taken or will be taken to register the Prospectus (in whole or in part) or any offering material, circular or document in connection with the Global Offering and the Listing with the Securities Commission Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007 (“**CMSA**”). Accordingly, the Prospectus and any offering material, circular or document in connection with the Global Offering and the Listing will not be circulated or distributed, nor will the Offer Shares under the Global Offering be offered for subscribe or purchase, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than —

- (i) a unit trust scheme, prescribed investment scheme or private retirement scheme;
- (ii) Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;
- (iii) a holder of a Capital Markets Services Licence granted pursuant to Section 61 of the CMSA;
- (iv) an executive director or a chief executive officer of a holder of a Capital Markets Services Licence;
- (v) a closed end fund approved by the Commission;

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- (vi) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
- (vii) an Islamic bank licensee or takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010;
- (viii) a licensed institution as defined in the Financial Services Act 2013 or an Islamic bank as defined in the Islamic Financial Services Act 2013;
- (ix) an insurance company registered under the Financial Services Act 2013 or a takaful operator registered under the Islamic Financial Services Act 2013;
- (x) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (xi) a corporation that is a public company under the Companies Act which is approved by the Commission to be a trustee under the CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies.
- (xii) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (xiii) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (xiv) a statutory body established by an Act of Parliament or an enactment of any State;
- (xv) a pension fund approved by the Director General of Inland Revenue under Section 150 of the Income Tax Act 1967;
- (xvi) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the primary residence of the individual;
- (xvii) an individual who has a gross annual income exceeding RM300,000.00 or its equivalent in foreign currencies per annum in the preceding 12 months;
- (xviii) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000.00 or its equivalent in foreign currencies per annum in the preceding 12 months; and
- (xix) any other person as may be specified by the Commission,

in accordance with Section 229 of the CMSA provided that, in each of the preceding categories (i) to (xix), the distribution or circulation of the Prospectus or any offering material, circular or document in connection with the Global Offering and the Listing or the offer for subscribe or purchase of, or invitation to subscribe for or purchase of the Offer Shares under the Global Offering is made through a holder of a Capital Markets Services Licence (as defined in the CMSA) who carries on the business of dealing in securities. The distribution in Malaysia of the Prospectus is subject to Malaysian laws. Under no circumstance shall the Prospectus constitute and be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of the Prospectus with the Commission under the CMSA.

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OVERVIEW OF VIETNAMESE LAWS AND REGULATIONS

The following is an overview of the material laws and regulations that are relevant to our business operations in Vietnam:

1. Foreign Investment

The principal statutes currently governing the incorporation and operation of a foreign owned enterprise in Vietnam are (i) Law No. 67/2014/QH13 on Investment (“**LOI 2014**”); and (ii) Law No. 68/2014/QH13 on Enterprise (“**LOE 2014**”) coming into effect from 1 July 2015 and replacing Law No. 59/2005/QH11 on Investment and Law No. 60/2005/QH11 on Enterprises, respectively.

A foreign investor may invest under LOI 2014 and LOE 2014 by way of (i) setting up a new company or (ii) contributing capital to or buying shares in an existing company (iii) through BCC contract with domestic investors. The following licensing procedures are applicable: (i) capital registration; (ii) obtaining/amending an enterprise registration certificate; and/or (iii) obtaining/amending an investment registration certificate.

During the operation term, any changes to the contents of the investment registration certificate or enterprise registration certificate of the enterprise must be registered with the licensing authorities. The amended certificate(s) will be issued accordingly.

2. Land Law

Law No. 45/2013/QH13 on Land which took effect from 1 July 2014 sets out, among others, the regime for land management and usage, as well as the rights and obligations of land users.

Private ownership of land is not permitted in Vietnam and the people hold all ownership rights with the State as the administrator. However, the laws of Vietnam allow ownership of a right to use land, which is determined by reference to the category of land use purposes and the type of land user. This right is called land use right. Land users are issued with land use right certificates.

A foreign owned enterprise may obtain land use rights by way of (i) leasing from certain permitted lessors such as the State or an industrial zone developer; or (ii) entering into a joint venture company with a Vietnamese party, who contributes land use rights as its capital contribution.

3. Environmental Protection

Law No. 55/2014/QH13 on Environment Protection came into effect from 1 January 2015 and replaced Law No. 52/2005/QH11 on Environment Protection. Certificates and licenses issued under Law No. 52/2005/QH11 on Environment Protection remain effective until their expiry.

(a) Environmental impact assessment report/environmental protection plan

An enterprise’s operation may be subject to (i) an “environmental impact assessment report” or an “environmental protection plan” subject to its investment project.

The environmental impact assessment report/environmental protection plan shall be approved/certified by the authorities before commencement of the investment project.

Any changes to, among others, the scale and scope of operations under the approved environmental impact assessment report or environmental protection plan shall be reported in writing to the authority or reflected in a new report/plan.

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(b) Waste Management

Enterprises shall collect, classify, manage and treat waste derived from its operations.

Hazardous Waste Management. If an enterprise regularly generates certain hazardous waste with quantities reaching regulatory thresholds, it shall (i) obtain a registration book of hazardous waste generator from the local Department of Natural Resources and Environment; and (ii) engage a licensed service provider to perform the necessary treatment of hazardous waste.

Normal solid waste. Enterprises shall collect and classify normal solid waste for treatment and recycling.

Waste water. Enterprises shall ensure the satisfaction of technical standards as treatment of waste water.

Dust, gases, noise, vibration, light. Enterprises shall monitor and ensure the satisfaction of applicable technical standards during its operations.

4. Fire Prevention

The statute currently governing the fire prevention is Law No. 27/2001/QH10 on Fire Prevention and Fighting coming into effect from 4 October 2001 (as amended by Law No. 40/2013/QH13 coming into effect from 1 July 2014).

Designs of the fire prevention and fighting systems of certain establishments falling into the mandatory list of projects and constructions of which fire prevention and firefighting systems must be approved shall be examined and approved by the local fire prevention and fighting public security before commencement of construction or renovation.

Upon completing construction and before putting the construction works into use, the enterprise shall have such fire prevention and fighting systems examined and accepted by the authority.

The authority may carry out inspections (periodic or ad hoc) on fire prevention and firefighting systems.

Organisations considered as prone to fire and explosion are required to take out compulsory fire and explosion insurance for, among other things, their construction works and equipment.

5. Employment

The principal statute currently governing the employment is Labour Code No. 10/2012/QH13 which came into effect from 1 May 2013.

(a) Labour Contract

Employment relationship is governed by the contractual agreement entered into between employer and employee. Labour contracts may take one of the following forms: (i) indefinite-term labour contract; (ii) definite-term labour contract the term of which is from 12 to 36 months; (iii) temporary labour contract for a specific project or seasonal work the term of which is less than 12 months.

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A labour contract shall have mandatory contents such as the particulars of employer, particulars of employees, details of job, employment term, wage/salary, working and resting time and social insurance.

The signed labour contract may be terminated under circumstances specified under the laws. In the event of unilateral termination, the terminating party shall comply with the procedures and conditions required by laws.

(b) Salary

Salary includes wage rates for the work or position plus allowances and other additional benefits. The wage rate of an employee shall not be lower than the minimum wage rate stipulated by the Government from time to time. Enterprises shall prepare and register its payroll with the authority.

(c) Working Hours

Normal working hours shall not exceed eight hours per day and 48 hours per week. Employer may request employees to work overtime provided that the employer has obtained the employee's consent. The number of overtime working hours shall not exceed 50% of the normal working hours per day (i.e. four hours per day), or 30 hours per month or 200 hours per year. In some special cases, the Government allows the overtime working hours go up to 300 hours per year. Employees who work overtime are entitled to additional wages.

Employees are entitled to at least one rest day per week. Employees who have been employed for 12 months are entitled to a minimum of 12 days of paid annual leave (vacation) per year. Furthermore, employees are generally entitled to an extra day of holiday for each five years of service with a company.

(d) Labour Discipline

Internal Labour Rules. An employer employing 10 or more employees shall have internal labour rules. The internal labour regulations must be registered with the local labour authority at the provincial level. The internal labour rules govern matters such as working time, resting time, order in work place, labour safety and hygiene, protection of employer's properties, trade secret, technology and intellectual properties; and labour discipline.

Labour discipline. Employees who violate the internal labour rules, subject to nature and seriousness of breach, may be subject to disciplinary sanctions such as warning, deferment of salary increase for six months, demotion and dismissal.

Compensation. Employees may be required to compensate their employer for loss caused by them.

(e) Labour Safety and Hygiene

Employers and employees are subject to various requirements on labour safety and hygiene at the work place such as periodically testing machinery, equipment and materials with strict requirements on labour safety; securing personal protective facilities for employees; training classes on labour safety and hygiene; and periodic health checks.

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(f) Foreign Employees

Foreigners who work in Vietnam are required to obtain a work permit or a confirmation from the local labour department that he/she is exempted from work permits. A work permit will be issued for the same duration as the term of the labour contract but not exceeding two years.

(g) Statutory Insurance

Employers and employees shall contribute compulsory social insurance, health insurance and unemployment insurance on a monthly basis to the social insurance fund. The contribution is calculated based on salary at the following mandatory rates.

	<u>Social Insurance</u>	<u>Health Insurance</u>	<u>Employment accident insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
Employer	17.0%	3%	0.5%	1%	21.5%
Employee	8%	1.5%	0	1%	10.5%

(h) Trade Union

Employers are required to facilitate the establishment of a trade union organisation within their company. The main function of a trade union is to represent and protect employees' legal rights and interests.

6. Taxation

The principal statutes currently governing taxation in Vietnam are:

- (1) Law No. 14/2008/QH12 on corporate income tax which has come into effect since 1 January 2009 (as amended by Law No. 32/2013/QH13 which has come into effect since 1 January 2014 and Law No. 71/2014/QH13 which has come into effect since 1 January 2015);
- (2) Law No. 13/2008/QH12 on value added tax which has come into effect since 1 January 2009 (as amended by Law No. 31/2013/QH13 which has come into effect since 1 January 2014, Law No. 71/2014/QH13 which has come into effect since 1 January 2015, and Law No. 106/2016/QH13 which has come into effect since 1 July 2016);
- (3) Circular No. 103/2014/TT-BTC regarding withholding taxes which has come into effect since 1 October 2014; and
- (4) Decree No. 139/2016/ND-CP regarding business registration tax which has come into effect since 1 January 2017.

(a) Corporate income tax

Enterprises established under the laws of Vietnam are subject to corporate income tax.

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The standard corporate income tax rate is 20%. However, preferential tax rates, tax exemptions or tax reductions may be available to eligible projects in certain industries (e.g. manufacturing of high quality steel, energy saving products; manufacturing of machineries, equipment to be used in agriculture, forestry, fishery, salt production; manufacturing of animal, poultry and aquatic feeds; and development of traditional crafts) or locations (i.e. poor and remote areas) that are encouraged by the government.

(b) Value added tax

Organisations and individuals who produce and trade in taxable goods and services in Vietnam or who import taxable goods and services from overseas are liable to pay value added tax.

Zero rate applies to goods and services such as exported goods and services and international transportation services.

Reduced rate of 5% applies to the supply of essential goods and services such as clean water, fertiliser production, medicine and medical equipment, various agricultural products and services, teaching tools and products and social housing.

Standard rate of 10% applies to goods and services, except for those specifically named items which are subject to 0% or 5% tax rates.

(c) Withholding tax

Withholding tax applies to certain payments to foreign parties such as interest, service fees and leases. This comprises a combination of corporate income tax and value added tax at varying rates. For example:

	<u>Value added tax rate</u>	<u>Corporate income tax rate</u>
General services	5%	5%
Construction, installation without supply of materials, machinery or equipment	5%	2%
Construction, installation with supply of materials, machinery or equipment	3%	2%
Leasing of machinery and equipment	5%	5%
Interest on foreign borrowings	Exempted	5%

(d) Business license tax

Business license tax is payable by foreign owned enterprise on an annual basis. The rate depends on the registered charter capital with a maximum amount currently set at VND3 million.

(e) Dividends and distributions

All dividends payable to the foreign corporate shareholder of a foreign owned enterprise will not be subject to withholding or other taxes under the laws and regulations of Vietnam.

REGULATORY OVERVIEW

There are no restrictions on the repatriation of profits by the foreign corporate shareholder of the foreign owned enterprise so long as all financial obligations owed to the government of Vietnam have been satisfied.

The foreign corporate shareholder is permitted to use revenue in Vietnam Dong from its direct investment in Vietnam to buy foreign currency and to remit it overseas.

7. Foreign Exchange Control

The legislation regulating the foreign exchange market in Vietnam is Ordinance No. 28/2005/PL-UBTVQH11 on Foreign Exchange as amended by Ordinance No. 06/2013/UBTVQH13 and its guidance instruments (“**Foreign Exchange Regulations**”). A company incorporated under the laws of Vietnam is designated as a resident for exchange control purposes in Vietnam. This includes foreign owned enterprises.

(a) Foreign currency payment

Foreign currency payments within the territory of Vietnam are strictly prohibited under the Foreign Exchange Regulations and are subject to the strict control of the State Bank of Vietnam. The law provides the following exceptions: (i) resident organisations may internally transfer capital in foreign currencies via bank transfer (as between an entity with legal status and a dependent accounting entity or vice versa); (ii) residents may contribute capital in foreign currencies in order to implement foreign investment projects in Vietnam; and/or (iii) residents are entitled to receive payments in foreign currencies made via bank transfers in accordance with import or export contracts.

(b) Foreign currency conversion and remittance

A resident company incorporated under the laws of Vietnam is allowed to remit overseas foreign currency to meet their payment requirements for permitted transactions, subject to the selling bank’s verification. This includes (i) payments and remittance in relation to import and export of goods and services; (ii) payments and remittance in relation to revenues from direct and indirect investment; (iii) remittance in relation to a reduction and subsequent repayment of direct investment capital; and/or (iv) payments for principal and interest under foreign loans.

(c) Foreign currency bank account

A resident foreign owned enterprise shall open a direct investment capital account in foreign currency with an authorised bank in Vietnam for its direct investment in Vietnam for the following purposes: (i) receipt of charter capital contributions and receipt of medium and long-term foreign loan capital; (ii) disbursement outside Vietnam of principal, interest and fees on a foreign medium or long-term loan; (iii) disbursement outside Vietnam of capital, profit and other legal revenue of a foreign investor; and/or (iv) other revenue and disbursement transactions relating to direct foreign investment activities.

8. Trademark

The principal statute currently governing trademarks registered in Vietnam is Law No. 50/2005/QH11 on Intellectual Properties which has come into effect since 1 July 2006 (as amended by Law No. 36/2009/QH12 which has come into effect since 1 January 2010).

An enterprise may register its trademark(s) in relation to its products. A registration certificate is effective from the date of issuance and expires 10 years from the application date. The registration can be renewed.

INDUSTRY OVERVIEW

The information that appears in this section has been prepared by Frost & Sullivan and reflects the estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to Frost & Sullivan should not be considered as the opinion of Frost & Sullivan as to the value of any security or the advisability of investing in the Company. Our Directors believe that the sources of information contained in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

The information prepared by Frost & Sullivan and set out in this section has not been independently verified by our Group, the Sole Sponsor, the Joint Bookrunners, the Joint lead Managers, the Underwriters or any other party involved in the Share Offer (which, for the purpose of this paragraph, excludes Frost & Sullivan) and no representations is given as to its accuracy and correctness and accordingly it should not be relied upon in making, or refraining from making, any investment decisions.

SOURCE OF INFORMATION

Our Group had commissioned Frost & Sullivan to provide industry information on the wire and cable industry in Malaysia and Vietnam. Our Group agreed to pay Frost & Sullivan a fee of RM190,800 which we believe does not affect the fairness of the views and conclusions presented in the Frost & Sullivan Report.

In compiling and preparing the research, Frost & Sullivan conducted primary research including interviews with industry experts and participants, and secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database. Projected data were obtained from historical data analysis plotted assumed that the social, economic and political environments in the relevant markets are likely to remain stable in the forecast period from 2017 to 2022, which ensures the stable and healthy development of the wire and cable industry in Malaysia and Vietnam. On this basis, our Directors are satisfied that the disclosure of future projections and industry data in this section is not biased or misleading.

Our Directors, after due and reasonable consideration, are of the view that there has been no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information therein.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan's services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy. The Frost & Sullivan Report includes information on the wire and cable industry in Malaysia and Vietnam as well as other economic data, which have been quoted in this prospectus.

1 OVERVIEW OF MALAYSIA MACRO-ECONOMY

Economic Outlook

After surpassing analysts' expectations in 2017 with a GDP growth of 5.9%, as reported by Bank Negara Malaysia, Malaysia is also on its path towards becoming a high income nation by 2020. To achieve high-income status, Malaysia has to focus efforts on improving current infrastructure

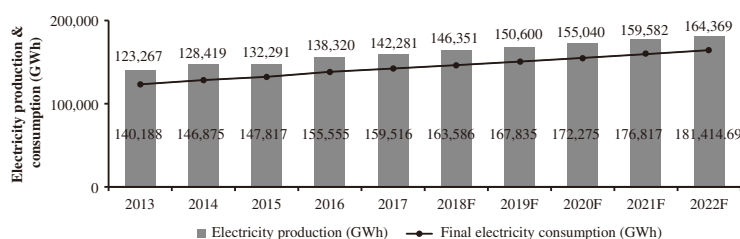
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nationwide. Notable projects in the Klang Valley include the MRT Line 2 and LRT 3, while in the south, there is a high anticipation for the Gemas-Johor Bahru double-tracking and electrification project and the Pengerang Integrated Petroleum Complex. In the northern region, the Northern Corridor Economic Region (NCER) Development Blueprint 2016–2025 was unveiled to further develop components of liveability in the country’s four north states. Meanwhile, rural communities in East Malaysia also have yet to achieve full electricity coverage as there are some 250,000 of Sarawak’s population without access to a 24-hour electricity supply as of 2016³. The amount of power required to effectively to construct and operate these infrastructures are likely to drive the cable manufacturing industry.

Electricity Production and Consumption Trends in Malaysia

Final electric consumption in Malaysia maintained a steady positive growth at a CAGR of approximately 3.7% from 2013 to 2017. In the future, Malaysia’s plan to become a high-income nation by 2020 indicates that a higher power generation adequacy target may be required to prevent insufficient electricity supply that may deter its economic progress.

Chart 1-1: Total electricity production and final electricity consumption in Malaysia, 2013–2022F



Note: ktoe = kilo tonne of oil equivalent

Source: Energy Commission of Malaysia, forecast by Frost & Sullivan

Table 1-1: Length of transmission and distribution cables by kilometres in Malaysia, 2013–2017

	2013	2014	2015	2016	2017E
Transmission	24,472	24,891	24,260	24,606	24,956
Distribution	1,081,609	1,235,231	1,271,395	1,378,433	1,494,482

Note: Tenaga Nasional Berhad (TNB), Sabah Electricity Sendirian Berhad (SESAB), and Sarawak Energy Berhad (SEB) make up the total length of transmission cables in Malaysia

Source: Malaysia Energy Statistics Handbook 2013-2016, Frost & Sullivan analysis

³ Sarawak Energy Bhd, “Rural Electrification in Sarawak, Malaysia”, September 2016

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2 ANALYSIS OF THE WIRE AND CABLE INDUSTRY IN MALAYSIA

2.1 Definitions and industry segmentation

The wire and cable industry includes the sourcing of raw materials (copper and/or aluminium), manufacturing of power cable products, sales and distribution of products as well as trading (import and export) of power cable products. OCC SB is involved in the manufacturing of power cable products in Malaysia.

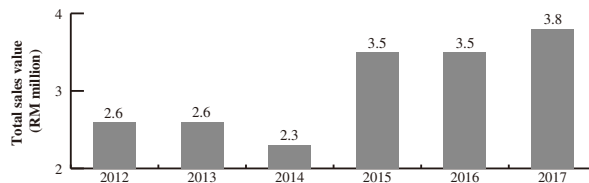
Cables in Malaysia can generally be segmented into power and telecommunications cables. The power segment can be further classified into Transmission and Distribution cables whereby Transmission cables refer to high-voltage categories of Extra High Voltage (above 275 kV) and High Voltage (66 kV to 275 kV). Distribution cables cover medium to lower voltage categories and are below 66 kV. Tenaga Nasional Berhad (“TNB”), which is the national utility company, is responsible for investment and development in the transmission and distribution networks in the country.

2.2 Demand Conditions

2.2.1 Industry Size

The size of wire and cable manufacturing industry is estimated by the revenue of manufacturers. Frost & Sullivan estimates that the industry grew at a CAGR of approximately 7.9% from RM2.6 billion in 2012 to an RM3.8 billion in 2017. In 2014, global and China economic slowdown resulted in the influx of lower priced cables in low voltage and distribution wires due to oversupply of cables in China. From 2015 onwards, the wire and cable manufacturing industry were supported by the recovery in global economy as well as strong infrastructure development in the Malaysia. The industry is also supported by the Malaysia Cable Manufacturers Association (being an association comprising manufacturers of power and telecommunication cables and conductors). Frost & Sullivan estimates that transmission cables constitute about 60-70% of the total industry size, with the remaining demand arising from distribution.

Chart 2-1: Total sales value of cables in Malaysia, 2012–2017



Source: Monthly Manufacturing Statistics, December 2017. Department of Statistics Malaysia, Frost & Sullivan

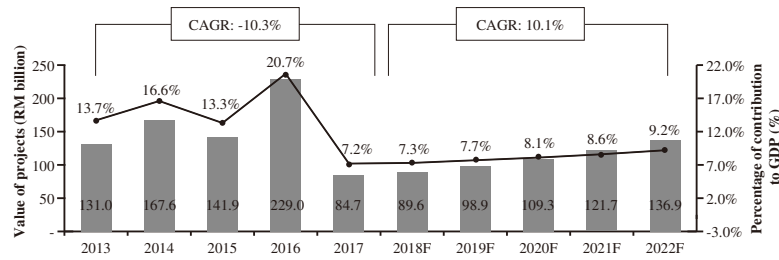
2.2.2 Industry Drivers

Strong pipeline of infrastructure projects to drive demand for wires and cables

Between 2013 and 2016, the Government of Malaysia invested heavily on infrastructure development. Majority of these infrastructure projects are completed or close to completion by 2017, which resulted in a drop in value of construction projects in the year. Nonetheless, the trend in expanding infrastructure is expected to continue in the 11th Malaysia Plan (2016-2020) with several major infrastructures to be developed during this period, such as Tun Razak Exchange, the MRT Sungai Buloh-Serdang-Putrajaya line, LRT 3 as well as several other major highways. As such, Frost & Sullivan estimates that total value of construction projects to grow at a CAGR of approximately 10.1% between 2017 and 2022.

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Chart 2-2: Total value of construction projects and percentage of GDP contribution of the construction sector, 2013–2022F



Source: CIDB, DOSM

Proposed power-intensive industrial projects in economic corridors will drive the demand for cables

One of the key focus areas in the 11th Malaysia Plan is to energise manufacturing capabilities in identified cities. Continued investments are expected in Malaysia’s major manufacturing sectors such as chemicals, E&E and machinery & equipment. In East Malaysia, one of the major industrial developments is the Samalaju Industrial Park, which attracts energy-intensive heavy industries such as the aluminium, oil & gas, glass and steel industries, among others. In addition, Malaysia is also looking into developing its capability in manufacturing high value added products, such as medical devices and aerospace products. For instance, UMW Aerospace, currently manufacturing Rolls-Royce engine fan case, operates in the UMW high-value manufacturing park. Rapid development in the industrial sector is expected to increase the demand for power cable products from major development in transmission and distribution network.

The need for replacement and upgrade of old cables

Known as the replacement market in the industry, this is the process of replacing old cables to new cables. The National Grid was first fully installed in the 1980s and power cables usually have a life span of approximately 40 years, the National Grid is due for cable replacements. The power transmission and distribution lines will have to be strengthened in order to accommodate new infrastructure projects and township developments. In addition, Sarawak is planning to convert underground cables to overhead lines for theft and vandalism prevention. These activities are expected to spur demand for new power cables and thus increasing the demand for power cables in the future.

Rapid urbanisation and new township developments are increasing the demand for power cable products

Rapid urbanisation of the Malaysian population drives up electricity consumption in residential area. As of 2017, Malaysia’s urban population makes up 76.0% of the total population⁴ and is expected to keep increasing annually by 2.2%. In the 11th Malaysia Plan⁵, there was a call for more rural electrification programmes to be established in East Malaysia to increase the national electricity

⁴ CIA World Factbook

⁵ Eleventh Malaysia Plan 2016 2020: Anchoring Growth on People. Economic Planning Unit, Prime Minister’s Department.

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coverage to 99% by 2020⁶. Future township developments would also require new electric grids installed and according to a report by Knight Frank, Chinese developers are looking to further their One Belt One Road (OBOR) initiative by exploring industrial township developments in Malaysia⁷.

Upcoming ASEAN Power Grid and cross-border power supply

Among the strategic measures proposed in the ASEAN Economic Community Blueprint 2025, includes the promotion of multilateral electric trade through the ASEAN Power Grid. The proposed integrated ASEAN Power Grid will seek to enhance electricity trade with and meet the rising electricity demand while improving access to energy services⁸. The construction of ASEAN Power Grid is expected to be first done on a cross-border bilateral term, expanded to a sub-regional basis before finally developed into an integrated regional system. The ASEAN members expect an investment of USD690 billion in the transmission and distribution infrastructure, including power cable products, would be required to help materialise the initiative, while the development for sub-regional grid system is expected to take place between 2018 and 2020.

2.3 Supply Conditions

The total production of insulated power cable products manufactured locally in Malaysia grew at a CAGR of approximately 7.2% from 69,610 tonnes in 2012 to 98,756 tonnes in 2017⁹.

2.3.1 Cost Factor Analysis

The main component of raw materials for power cables are copper and aluminium. Copper price has been volatile over past few years with significant decline in price following the impact of the 2008–2009 global financial crisis. In early 2016, price of copper declined due to slow down of China's economy, of which the country consumes 40% of copper supply globally for industrial infrastructure activities. Towards the end of 2016, copper prices show increasing trends driven by improving global economic demand and increased in infrastructure spending especially from US and China to sustain copper demand.

On the other hand, aluminium exhibits relatively stable price movements throughout the years. The upward price movement is driven by supply reforms arising from China as well as the shift in US policy focus on infrastructure and high coal prices. The Government of China has announced reduction in coal electricity generation from 2016–2020 by ceasing production of 150GW new coal-fired power plants. Most aluminium factories in China utilises power via coal, thus reduction of coal-fired plants will increase supply disruptions causing aluminium price to increase.

⁶ As of 2016, rural electrification stood at 94%.

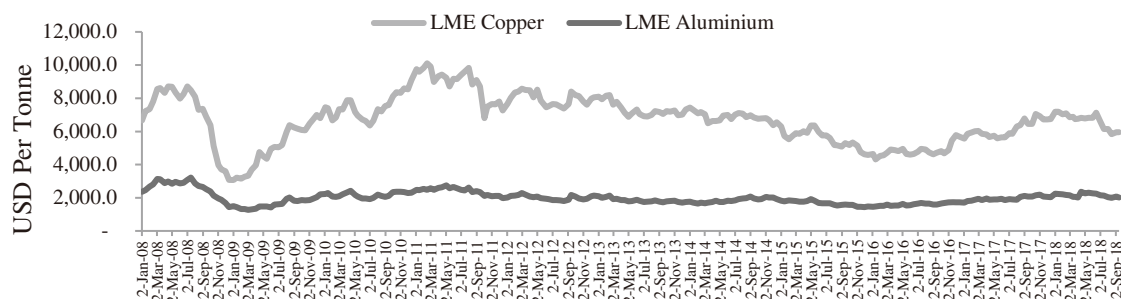
⁷ New Frontiers: The 2018 Report. Knight Frank.

⁸ ASEAN Power Grid: Enhancing Electricity Interconnectedness.

⁹ DOSM, Monthly Manufacturing Statistics Malaysia

INDUSTRY OVERVIEW

Chart 2-3: Price of Global Aluminium and Copper, USD per Tonne, January 2008–September 2018



Source: London Metal Exchange (“LME”)

2.3.2 Average Selling Price of Cables

In power cables industry, the prices of cables vary based on pre-requisites and specifications by clients. The key pre-requisites are commonly the type of conductor, voltage ratings and short-circuit ratings.

Table 2-1: Average Selling Price⁽¹⁾ of Cables (ex-factory), per metre in RM, 2013–2017

Voltages	Conductor	2013	2014	2015	2016	2017
1kV⁽²⁾	AL	47.0	47.3	47.8	47.7	54.8
	CU	187.9	189.4	191.2	190.6	219.2
11kV⁽³⁾	AL	71.7	71.9	72.1	71.6	80.8
	CU	286.9	287.6	288.4	286.5	323.2
22kV⁽⁴⁾	AL	41.6	41.8	41.6	41.4	47.0
	CU	124.9	125.4	124.7	124.1	140.9
33kV⁽⁵⁾	AL	131.3	130.3	128.5	125.4	149.8
	CU	393.8	390.8	385.6	376.2	449.5
132kV⁽⁶⁾	AL	316.0	319.0	284.0	275.0	342.0
	CU	627.0	584.0	467.0	414.0	560.0
275kV⁽⁷⁾	AL/CU	NA	NA	NA	NA	NA

Notes:

- (1) The prices indicated in the table refer to complete cables (including aluminium, jacketing, drum and batten).
- (2) For 1kV, cable with 4 cores 185 square millimetres (“sqmm”) is used as the basis for price averaging.
- (3) For 11kV, cable with 3 cores 240 sqmm is used as the basis for price averaging.
- (4) For 22kV, cable with 1 core 500 sqmm is used as the basis for price averaging.
- (5) For 33kV, cable with 1 core 630 sqmm is used as the basis for price averaging.
- (6) For 132kV, cable with 1 core 800 sqmm is used as the basis for price averaging.
- (7) For 275kV, no data is available.

Source: Frost & Sullivan analysis

INDUSTRY OVERVIEW

2.3.3 Competitive Analysis

Ranking by revenue

OCC is ranked fourth based on revenue in 2017 among the key players in the wire and cable manufacturing industry in Malaysia.

Table 2-2: Comparison of Revenue and Key Descriptions of Key Players in the Malaysia Wire and Cable Manufacturing Industry, Financial Year (“FY”) 2017

<u>Ranking</u>	<u>Market Share by revenue</u>	<u>Listing Status</u>	<u>Description</u>
1. Company A	23.6%	Listed	Company A is the largest cable manufacturer in Malaysia and one of the largest in Southeast Asia. The company’s product range covers power cables from low voltage to high voltage. As at April 2018, the company owns 7 factories in Malaysia.
2. Company B	15.8%	Private	Established in 1993, Company B is one of the leading manufacturers of cables in Malaysia. It covers wires and cables products such as low voltage cables, medium voltage cables, fire-resistant cables, telecommunication system cables, among others.
3. Company C	11.6%	Private	Incorporated in 1989, Company C is involved in cables manufacturing, distribution and other cables related services. The company manufactures low voltage and medium voltage cables, as well as special cables such as low loss conductors and aluminium conductor composite core.
4. OCC SB	7.0%	Private	OCC SB, a subsidiary of the Company, produces both aluminium and copper cables, ranging from low voltage to medium voltage (up to 33kV). The company also owns a factory in Vietnam.
5. Company D	6.9%	Private	Company D is a one of the leading manufacturer of power cables, telecommunication cables, instrumental cables and special cables in Malaysia. The company was established since 1987.
6. Company E	6.7%	Private	Company E offers various product range including housing wires, low voltage cables, medium voltage cables and aluminium conductor steel reinforce, among others. Established in 1967, it is one of the oldest cables manufacturers in Malaysia.

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Notes:

- (1) The market share data reported above is derived from the revenue of respective companies based on their financial statements lodged with the Companies' Commission of Malaysia. Companies are required to lodge their financial statements with the Companies' Commission of Malaysia within six months from the financial year end. Financial statements lodged are available to the public at a nominal fee.
- (2) Financials for Company A, B, D and OCC SB are based on financial year ended 31 December 2017, Company C is based on financial year ended 31 August 2017 and Company E is based on financial year ended 30 June 2017.

Source: *Companies' Financial Statement from Companies Commission of Malaysia ("SSM"), Frost & Sullivan*

Net Profit Margin

The industry players revealed a wide range of net profit margin between -3.1% and 7.5% in 2017.

Among the six key players with the largest revenue, OCC has the most resilient performances from 2015 to 2017, as indicated by its small volatility of its net profit margin between 2015 and 2017.

2.3.4 Factors of Competition

High Price Sensitivity of Customers

Pricing is a key determinant competitive factor for power cable manufacturers in Malaysia. This is due to the homogenous product nature, which enable consumers to switch among suppliers. Hence, it is vital for manufacturers to offer good pricing strategy, including competitive pricing, attractive payment terms and timeliness in production and delivery of cables. This trend is likely to continue for the next three years and could potentially restraint the growth of manufacturers. Nonetheless, to align with Malaysia's aim to become a high-income nation by 2020, increasing focus on quality will reduce price sensitivity in the long run to promote stronger growth of the overall market.

Strong Business Relationship & Portfolio

The strong branding and relationship with key clients as well as diverse product portfolio of market participants would allow market players to establish good business relationships. Furthermore, international participants with local presence such as FFC succeeded in choosing established local partners that allow them access to vast sales and distribution network. Leading local manufacturers such as SCable Group, Power Cables and Southern Cables possess aluminium and copper rod product lines, which allows them to have cost advantage in the market. With this cost advantage, these players are able to compete in the regional market and thus able to exporting their cable regionally.

2.3.5 Entry Barrier Analysis

A Highly Fragmented and Saturated Market

The overall wire and cable industry in Malaysia market is considered highly fragmented as there are approximately 50 cable manufacturers, which includes several foreign players with local presence, major local players as well as small and medium enterprises which focus on very niche segment of the market. The top 20 key cable manufacturers are registered with the Malaysian Cable

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Manufacturers Association and approximately 11 companies under the TNB preferential list¹¹. Most of the smaller companies are competing based on their involvement in TNB projects whereby 90%–100% of their revenue is generated from TNB projects.

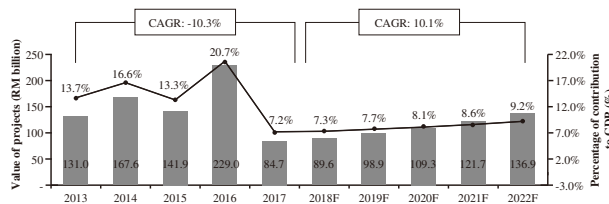
Customer Preference for Local Suppliers

In Malaysia, in order for manufacturers to compete in TNB tenders, they are required to be registered as TNB supplier. Tenders are opened to local participants, which may be sub-contracted to other local players or foreign companies. Currently, the tender competition is segmented to 30% of the tender being open to TNB preferred vendors and TCI, whereas the remaining 70% are open to the overall market. This is likely to restrict the entry of multinational companies.

2.4 Industry Outlook and Prospects

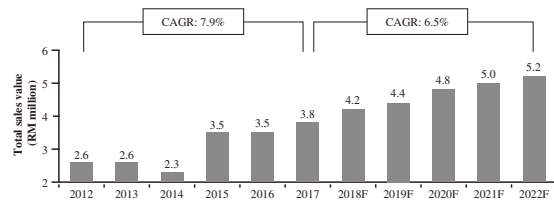
Malaysia targets to achieve a high income status by 2020. With this, the Government of Malaysia have focused on improving the country's infrastructure. Frost & Sullivan estimates that the total value of construction projects to keep growing in the forecast period at a CAGR of approximately 10.1% from RM84.7 billion in 2017 to RM136.9 billion in 2022, which in turn will increase the demand for power cable products. Furthermore, the demand for power cable products is expected to be driven by rapid urbanisation, the need to replace and upgrade outdated power cables, as well as the ASEAN Power Grid initiative which will drive connection of power lines between Malaysia and other ASEAN nations. Frost & Sullivan estimates the total revenue of the power cable products manufacturing industry is expected to continue to grow at a CAGR of approximately 6.5% between 2017 and 2022 from approximately RM3.8 billion to RM5.2 billion.

Chart 2-2: Total value of construction projects and percentage of GDP contribution of the construction sector



Source: CIDB, DOSM

Chart 2-3: Total sales value of cables in Malaysia, 2012–2022F



Source: Frost & Sullivan

3 OVERVIEW OF THE WIRE AND CABLE INDUSTRY IN VIETNAM

3.1 Macro-economic Overview of Vietnam

Economic Outlook

Based on IMF forecast, Vietnam's economy is expected to continue to enjoy higher growth rate than most of the ASEAN-5 countries (except for the Philippines) of 6.2% from 2019 to 2022, as Vietnam continues to experience robust performance of exports in manufacturing products and attracts FDIs inflow into the region. To prepare for future growth, the government of Vietnam is committed in creating a better business environment including improving its transportation, connectivity and energy infrastructure such as the urban railway projects — expected for completion in 2020, the Long Thanh International Airport —

¹¹ This refer to companies preferred by TNB should they compete for TNB tenders due to their good reputation and strong production capabilities.

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expected for completion in 2025 and to increase the country's installed capacity from 42,135 MW in 2016 to 129,500 MW in 2030 as outlined in the revised National Power Development Plan VII ("PDP 7"). The wire and cable industry in Vietnam is poised with growth due to these infrastructure projects, especially the power sector as the total investment in power sources and grid expansion is approximately VND3,206.7 trillion from 2016 to 2030.

3.2 Industry Trends

Value Chain of the Wire and Cable Industry in Vietnam

The power cable product manufacturers in Vietnam generally import the raw materials, such as copper and aluminium to produce the end product. The manufacturers then distribute the products through four channels, namely power projects, industrial, household and exports.

- **Power projects:** Vietnam Electricity ("EVN") is a state-owned power utility company under the Ministry of Energy responsible for the country's electrical power generation, transmission, and distribution business. All 500 kV, 220 kV and 100 kV power projects are owned by EVN. Power cable product manufacturers have to go through bidding process to be selected as the vendor for power projects.
- **Industrial:** Power cable product manufacturers sell their products to other manufacturing plants that require underground or hanging cables for the production facilities.
- **Household:** Power cable product manufacturers have sales agents to do the marketing activities for the household segment and to distribute the products to the end users.
- **Exports:** The exports of power cable products from Vietnam were approximately USD1.0 billion in 2017. 90% of the exported products were from FDI companies and usually for specialised products such as cable for automobile or bike.

In Vietnam, the power transmission consists of 500 kV, 220 kV and 110 kV lines while the power distribution consists of medium and low voltage lines such as the 35 kV, 22 kV, 10 kV, and 6 kV networks. As of 31 December 2016, there are 7,446 km, 16,179 km and 19,335 km of 500 kV, 220 kV and 110 kV respectively, and 495,688 km for the medium and low voltage lines used in the country¹². The sales volume for the wire and cable industry in Vietnam is approximately 1,000,000 tonnes in 2017.

Revision of National PDP 7 to Ensure Adequate Power Supply Nationwide

In March 2016, the Government of Vietnam approved the revision of National PDP 7 for the period 2011 to 2020 with the vision to 2030. Under the revised PDP 7, the Government of Vietnam has established a plan for the expansion of transmission network, which is expected to add additional 76,650 MVA of capacity at 500 kV substations and 101,604 MVA of capacity at 220 kV substations between 2016 and 2030. The total investment in the grid expansion plan is expected to be approximately VND825.1 billion. These market expansion activities are likely to drive the wire and cable industry in Vietnam as the expansion plan requires 10,052 km of 500 kV and 14,999 km of 220 kV transmission lines. This is expected to more than double the current length of 500 kV transmission lines, from 7,446 km as at 31 December 2017 to 17,498 by 2030.

¹² EVN: Annual Report 2017

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Replacements of Power Lines from Overhead to Underground in Hanoi and Ho Chi Minh City (“HCMC”)

Vietnam is replacing the power cables from overhead to underground in two of its major cities, Hanoi and HCMC. Besides implementing underground cables in major roads, the exercise has also been extended to alleys within the cities. It is expected that the undergrounding¹³ activities will take place between 2020 and 2025. As Hanoi and HCMC are the two largest cities in Vietnam, this will drive the demand for the wire and cable industry in Vietnam, especially the insulated cable segment as the underground cables have to be electrically insulated to protect the cables against moisture, corrosion and other environmental impacts from the soil.

3.3 Entry Barrier Analysis

Difficulty in doing business can hinder FDI inflows

Vietnam’s lack of transparency, uniformity and consistency in government policies, ineffective investors protection and under-developed infrastructure, caused the country to lag behind its peers (except for the Philippines) in the World Bank’s Ease of Doing Business (“EODB”) ranking and investors protection ranking. Nonetheless, Vietnam has progressed significantly in regulating its economy as its position in the ease of doing business ranking for 2018 has climbed 14 places to 68 (out of 190 countries) from its previous rank of 82 in 2017.

3.4 Industry Outlook and Prospects

Vietnam is undergoing rapid economic growth, with key upcoming infrastructure projects in rail, airport and expressway to boost the connectivity in the country. These mega projects, coupled with the country’s urbanisation and industrialisation have led to increased energy consumption at a rapid pace (estimated at 10% annual growth), surpassing the GDP growth rate over the same period (estimated at 6.2% annual growth). Vietnam’s increasing demand for electricity consumption is expected to drive the demand for power cable products in the country. The other factors expected to drive the growth potential of power cable products include young Vietnamese workforce, low labour cost, increasing participation to FTAs, rising FDI inflows and export market expansion.

4 PROSPECTS AND OUTLOOK FOR OCC

The power cable products manufacturing industry faced challenges in 2014 due to slower economic growth as well as influx of cheaper cables from other countries causing a dip in the market. However, the industry is expected to be driven by strong pipeline of infrastructure projects in the country, continued urbanisation as well as development of industrial and power intensive projects in the country. This, coupled with expected strong macroeconomic growth in Malaysia is expected to result in the cables and manufacturing industry to grow at a CAGR of approximately 6.5% from RM3.8 billion in 2017 to reach RM5.2 billion in 2022. The estimated growth of the market bodes well for OCC, which is one of the 5 largest non-Bumiputera manufacturers within the industry. Over the years, OCC has also proven to be one of the most resilient, driven by its strong experience in the country as well as effective cost control within the company.

Meanwhile, OCC’s manufacturing capability in Vietnam is also expected to be positive over the forecast period. Vietnam is under-going rapid economic development with key infrastructure projects being undertaken to boost the connectivity within the country. In addition, large population, increasing urbanisation rate as well as the focus by the Government of Vietnam to open special economic zones are going to increase the need for stronger and more accomplished power connection within the country, which in turn will drive the demand for power cable products manufacturing.

¹³ Undergrounding refers to the replacement of overhead cables with underground cables.

HISTORY, REORGANISATION AND GROUP STRUCTURE

OVERVIEW

Our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on 13 March 2018. Upon the completion of the Reorganisation as more particularly described in the paragraph headed “Reorganisation” in this section, our Company became the holding company of our Group for the purpose of the Listing.

OUR BUSINESS MILESTONES

We are a manufacturer of power cable products in Malaysia and Vietnam. Set forth below are the key milestones in our history:

- *February 1968.* OCC SB, our first operating subsidiary, was incorporated in Malaysia and began operations in Johor Bahru as a producer of housing wires and low voltage electric cables
- *April 1990.* PJDH became a shareholder of OCC SB
- *March 1998.* Relocated to a new factory in Malacca and started to produce low voltage and medium voltage cables up to 33kV
- *December 1998.* OCC SB was accredited ISO 9001
- *May 2000.* Meeting the requirement of TNB Technical Specification and start supplying to TNB in January 2001
- *December 2007.* Opened a new factory in Vietnam producing low voltage and fire-resistant cables
- *September 2011.* OVI was accredited ISO 9001
- *May 2012.* Obtained LPCB certification for fire-resistant cables
- *January 2013.* Provided power cable products for the Kuala Lumpur International Airport 2
- *June 2015.* Provided power cable products for the Singapore Changi Airport Terminal 4
- *August 2015 .* Obtained SIRIM QAS International Certification for armoured cables

HISTORY, REORGANISATION AND GROUP STRUCTURE

- *January 2016.* Licensed by Petroliam Nasional Berhad for supply to oil & gas industry in Malaysia
- *June 2017.* OVI was accredited ISO 14001

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY AND ITS MAJOR SUBSIDIARIES

As at the Latest Practicable Date, our Group comprises our Company, OCC Malaysia, OCC SB and OVI. Set out below is the brief corporate history of our Company and its subsidiaries.

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 March 2018. As at the date of incorporation, the authorised share capital of our Company was HK\$380,000 divided into 3,800,000 Shares of par value HK\$0.1 each, and on the date of incorporation, 1 Share was allotted and issued to an Independent Third Party as subscriber at par value and subsequently transferred to OSK Industries, the wholly-owned subsidiary of PJDH, one of our Controlling Shareholders, at par value on 27 March 2018. On the same date, 1,199,999 Shares, credited as fully paid, were allotted and issued to OSK Industries. After the Reorganisation, OSK Industries continues to be the holding company of our Company with our business being conducted through our operating subsidiaries in Malaysia and Vietnam. The principal business of our Company is investment holding.

OCC Malaysia

OCC Malaysia is a company incorporated in Malaysia with limited liability on 19 March 2018 and its issued and paid-up share capital as at the date of incorporation was RM10,000 divided into 10,000 ordinary shares. On the same date, all shares of OCC Malaysia were allotted and issued, credited as fully paid, to our Company. The principal business of OCC Malaysia is investment holding.

OCC SB

On 14 February 1968, OCC SB was incorporated in Malaysia under the Companies Act 1965 with an issued capital of RM200 divided into 2 shares of RM100 each and both shares were allotted and issued at par to two Independent Third Parties.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Immediately before 25 April 1990, the issued capital of OCC SB was RM1,546,500 divided into 15,465 shares of RM100 each. On 25 April 1990, PJDH acquired 7,133 shares of OCC SB from Independent Third Parties for an aggregate consideration of RM2,032,905, after arm's length negotiations between the parties. The abovementioned consideration has been fully settled. As a result, OCC SB was held as to 46.1% by PJDH.

Subsequent to a series of share allotments and equity shares transfers, OCC SB became wholly owned by PJDH on 28 December 1994. On 30 September 2009, as part of PJDH's group restructuring, OCC BHD, being a wholly-owned subsidiary of PJDH, acquired the entire issued and paid up shares of OCC SB from PJDH for an aggregate consideration of RM55,400,380. The abovementioned consideration has been fully settled. Immediately after the above share transfer, OCC SB was held as to 100% by OCC BHD, which in turn is wholly owned by PJDH.

OCS

OCS was incorporated under the laws of Singapore with limited liability on 23 May 1998 as an investment holding company. At incorporation, OCS had an issued share capital of S\$2 divided in 2 ordinary shares, held as to 100% by OCC SB.

As OCS has been dormant since its incorporation and has no intention to carry out any operation in the future, on 7 April 2017, OCS was approved by the Accounting and Corporate Regulatory Authority of Singapore for striking off.

OVI

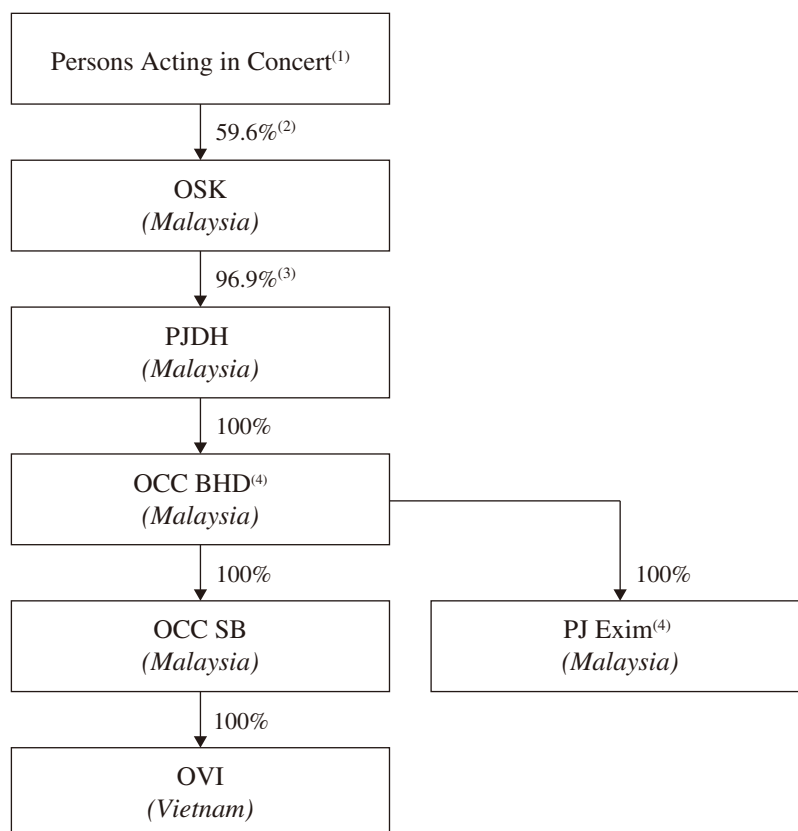
On 8 September 2006, OVI was incorporated in Vietnam with an initial charter capital of US\$828,000 and wholly owned by OCS as at the date of its establishment. In May 2011, the charter capital of OVI was increased to US\$1,500,000. On 26 March 2014, the charter capital of OVI was increased to US\$3,000,000. On 14 September 2015, in order to simplify the Group's structure, OCC SB acquired US\$3,000,000 charter capital, representing all charter capital of OVI, from OCS for an aggregate consideration of US\$1,000. The abovementioned consideration has been fully settled.

HISTORY, REORGANISATION AND GROUP STRUCTURE

CORPORATE STRUCTURE OF OUR GROUP

Reorganisation

The following diagrams set out the corporate structure of our Group immediately before the Reorganisation:



Notes:

- (1) Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For further details on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting In Concert” in this prospectus.
- (2) OSK has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) since May 1991. As at the Latest Practicable Date, apart from the Persons Acting in Concert, there are 24,179 individuals, funds and corporations, being the shareholders of OSK and none of them holds more than 5% of the total issued capital of OSK.
- (3) PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. As at the Latest Practicable Date, the remaining 3.0% of its total issued capital is held by 3,578 individuals who were public shareholders before PJDH’s delisting.

HISTORY, REORGANISATION AND GROUP STRUCTURE

- (4) OCC BHD is a wholly-owned subsidiary of PJDH as an investment holding company without any business operation. PJ Exim used to be a trading and marketing arm of our Group and has been dormant since 2016. For further details, please refer to the paragraph headed “Reorganisation — (c) Acquisition of OCC SB by OCC Malaysia” of this section.

Reorganisation

Beginning in March 2018, we had undertaken the Reorganisation in anticipation of the Global Offering. The Reorganisation consisted of the following principal steps, which were primarily designed to establish the offshore listing structure.

(a) The incorporation of our Company

On 13 March 2018, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. For details of our Company, please refer to the paragraph headed “Establishment and development of our Company and its major subsidiaries — Our Company” of this section.

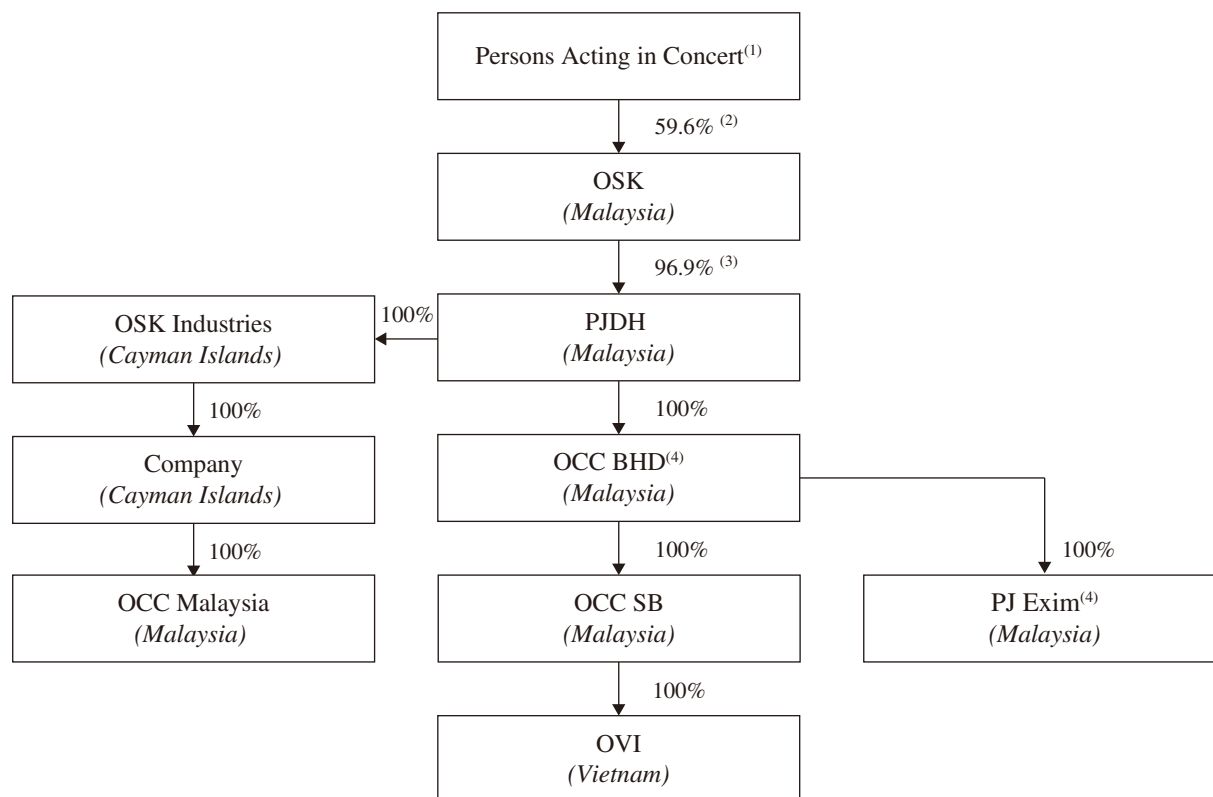
(b) The incorporation of OSK Industries and OCC Malaysia

OSK Industries was incorporated in the Cayman Islands as an exempted company with limited liability on 9 March 2018. As at the date of incorporation, the authorised share capital of OSK Industries was HK\$380,000 divided into 38,000,000 ordinary shares of par value HK\$0.01 each. On the date of incorporation, 1 ordinary share was allotted and issued to an Independent Third Party as subscriber at par value and subsequently transferred to PJDH, one of our Controlling Shareholders, at par value on 27 March 2018. On 27 March 2018, 19,999,999 ordinary shares, credited as fully paid, were allotted and issued to PJDH.

OCC Malaysia is a company incorporated in Malaysia on 19 March 2018. For details of OCC Malaysia, please refer to the paragraph headed “Establishment and development of our Company and its major subsidiaries — OCC Malaysia” of this section.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The chart below illustrates the shareholding structure of our Group immediately after the incorporation of Our Company and OCC Malaysia:



Notes:

- (1) Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For further details on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting In Concert” in this prospectus.
- (2) OSK has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) since May 1991. As at the Latest Practicable Date, apart from the Persons Acting in Concert, there are 24,179 individuals, funds and corporations, being the shareholders of OSK and none of them holds more than 5% of the total issued capital of OSK.
- (3) PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. As at the Latest Practicable Date the remaining 3.0% of its total issued capital is held by 3,578 individuals who were public shareholders before PJDH’s delisting.
- (4) OCC BHD is a wholly-owned subsidiary of PJDH as an investment holding company without any business operation. PJ Exim used to be a trading and marketing arm of our Group and has been dormant since 2016. For further details, please refer to the paragraph headed “Reorganisation — (c) Acquisition of OCC SB by OCC Malaysia” of this section.

HISTORY, REORGANISATION AND GROUP STRUCTURE

(c) Acquisition of OCC SB by OCC Malaysia

On 28 March 2018, OCC Malaysia entered into a share sale agreement with OCC BHD, pursuant to which OCC Malaysia has agreed to acquire the entire issued and paid up share capital of OCC SB at a cash consideration (“**Cash Consideration**”) of RM128,213,000, having regard to the net asset value of OCC SB and OVI as at 31 December 2017.

The share sale agreement was completed on 12 September 2018. Where the Cash Consideration has been settled by way of a promissory note of RM128,213,000 (“**Promissory Note**”) dated 12 September 2018 issued by OCC Malaysia and accepted by OCC BHD.

On 18 September 2018, our Company entered into a letter agreement with OCC Malaysia (“**First Letter**”) under which our Company agreed to assume the entire debt obligation (“**Debt Obligation**”) under the Promissory Note.

Pursuant to the First Letter, 1,000,000 new ordinary shares of OCC Malaysia, credited as fully paid, were allotted to the Company.

On 18 September 2018, our Company entered into a letter agreement with OSK Industries (“**Second Letter**”) under which OSK Industries agreed to assume the entire Debt Obligation from the Company.

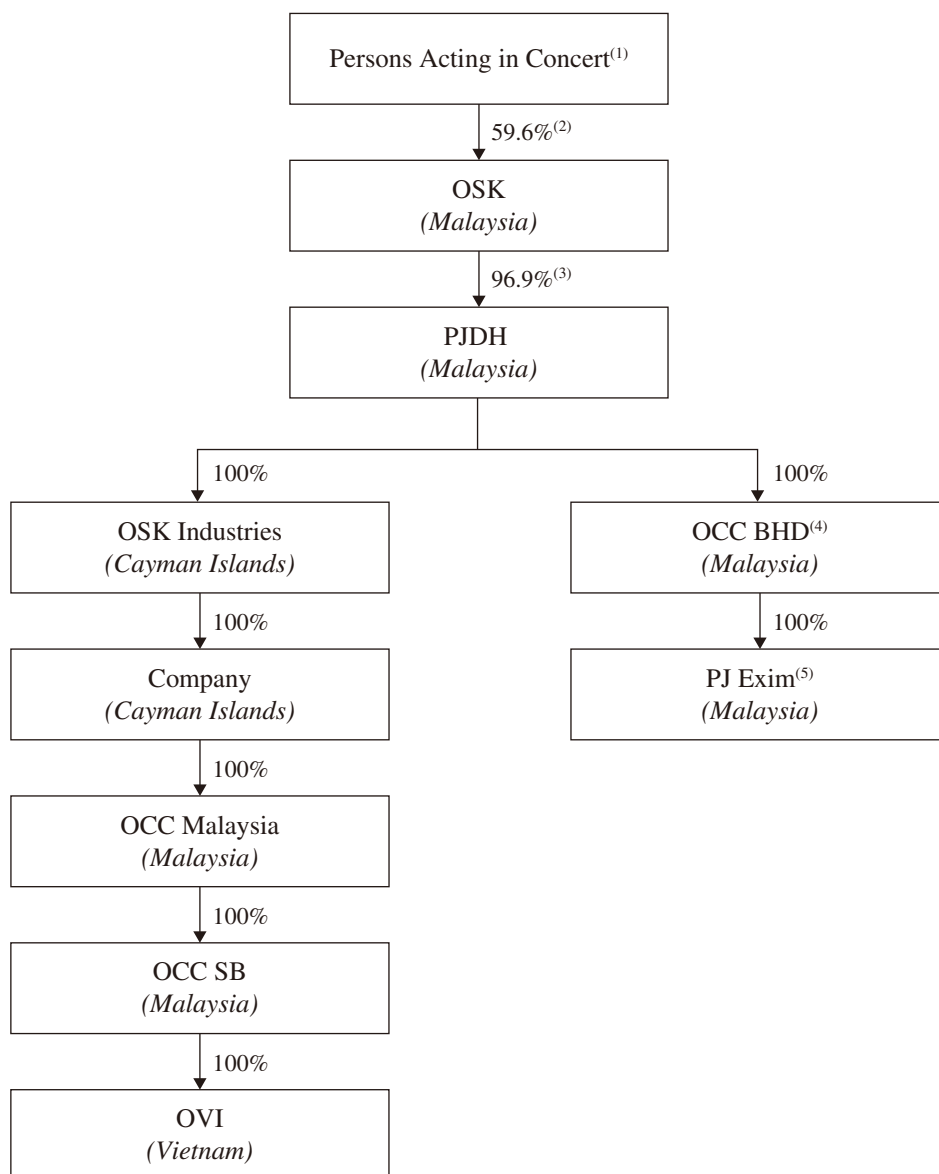
Pursuant to the Second Letter, 728,800,000 new Shares, credited as fully paid, were allotted to OSK Industries.

On 18 September 2018, PJDH agreed to assume the Debt Obligation from OSK Industries. Such Debt Obligation was fully settled by PJDH on 28 September 2018.

Pursuant to the Reorganisation, our Company became the holding company of the companies now comprising our Group on 18 September 2018.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The chart below illustrates the shareholding structure of our Group immediately after the acquisition of OCC SB by OCC Malaysia.



HISTORY, REORGANISATION AND GROUP STRUCTURE

Notes:

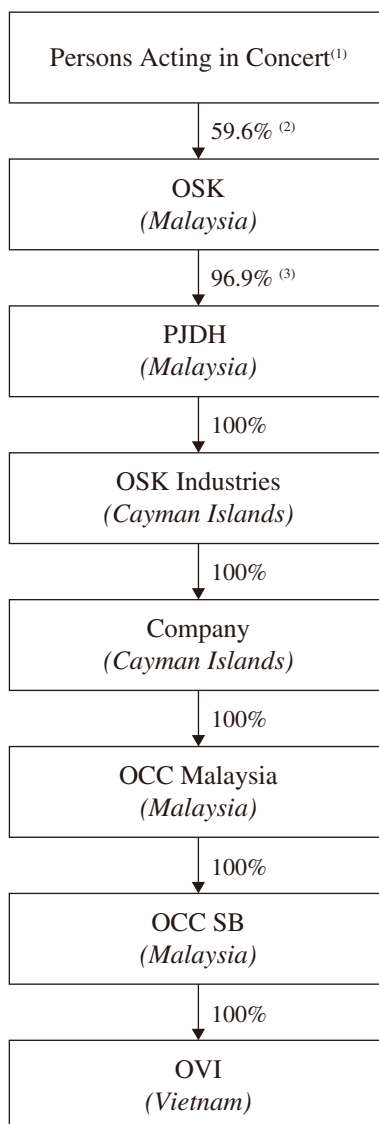
- (1) Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For further details on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting In Concert”.
- (2) OSK has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) since May 1991. As at the Latest Practicable Date, apart from the Persons Acting in Concert, there are 24,179 individuals, funds and corporations, being the shareholders of OSK and none of them holds more than 5% of the total issued capital of OSK.
- (3) PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. As at the Latest Practicable Date, the remaining 3.0% of its total issued capital is held by 3,578 individuals who were public shareholders before PJDH’s delisting.
- (4) OCC BHD is a public limited liability company incorporated under the laws of Malaysia on 9 September 2009 as an investment holding company without any business operation.
- (5) PJ Exim is a limited liability company incorporated under the laws of Malaysia on 27 November 1982 and a wholly-owned subsidiary of OCC BHD. PJ Exim was a trading and marketing arm to our Group’s business operations and was therefore one of our top five customers for the year ended 31 December 2015. For details, please refer to the section headed “Business — Customers”. With the implementation of the Goods and Services Tax in Malaysia on 1 April 2015, if PJ Exim remained as part of our Group, for the purpose of relevant tax computation on the transactions between OCC SB and PJ Exim, we would be required to provide additional tax invoices, and include complicated GST treatment, tracking, and reporting within our Group. Our management team therefore considered that the continuation of PJ Exim as our trading and marketing arm would mean additional reporting and administrative works, and would in the process incur higher administrative costs and experience operational inefficiencies for our Group. As such, our management decided to have OCC SB take over the trading and marketing roles previously assumed by PJ Exim to reduce the related costs and inefficiencies that may be experienced by our Group with the implementation of the Goods and Service Tax in Malaysia on 1 April 2015. Given that (i) PJ Exim has been inactive since July 2015; and (ii) the trading and marketing roles have been assumed by OCC SB, the management of our Group has decided not to include PJ Exim as part of our Group. Since its incorporation, apart from the provision of trading and marketing services to our Group, PJ Exim did not carry out any other business operations.

As advised by our Malaysian Legal Advisers, our transactions with PJ Exim during the Track Record Period are in compliance with applicable laws and regulations in Malaysia. Further, as advised by our auditors and reporting accountants, BDO Limited, our transactions with PJ Exim during the Track Record Period are in compliance with all tax reporting and documentation requirements under the applicable laws and regulations in Malaysia.

HISTORY, REORGANISATION AND GROUP STRUCTURE

OUR CORPORATE STRUCTURE

The following chart shows the shareholding and corporate structure of our Group immediately after the completion of the Reorganisation but before completion of the Global Offering:



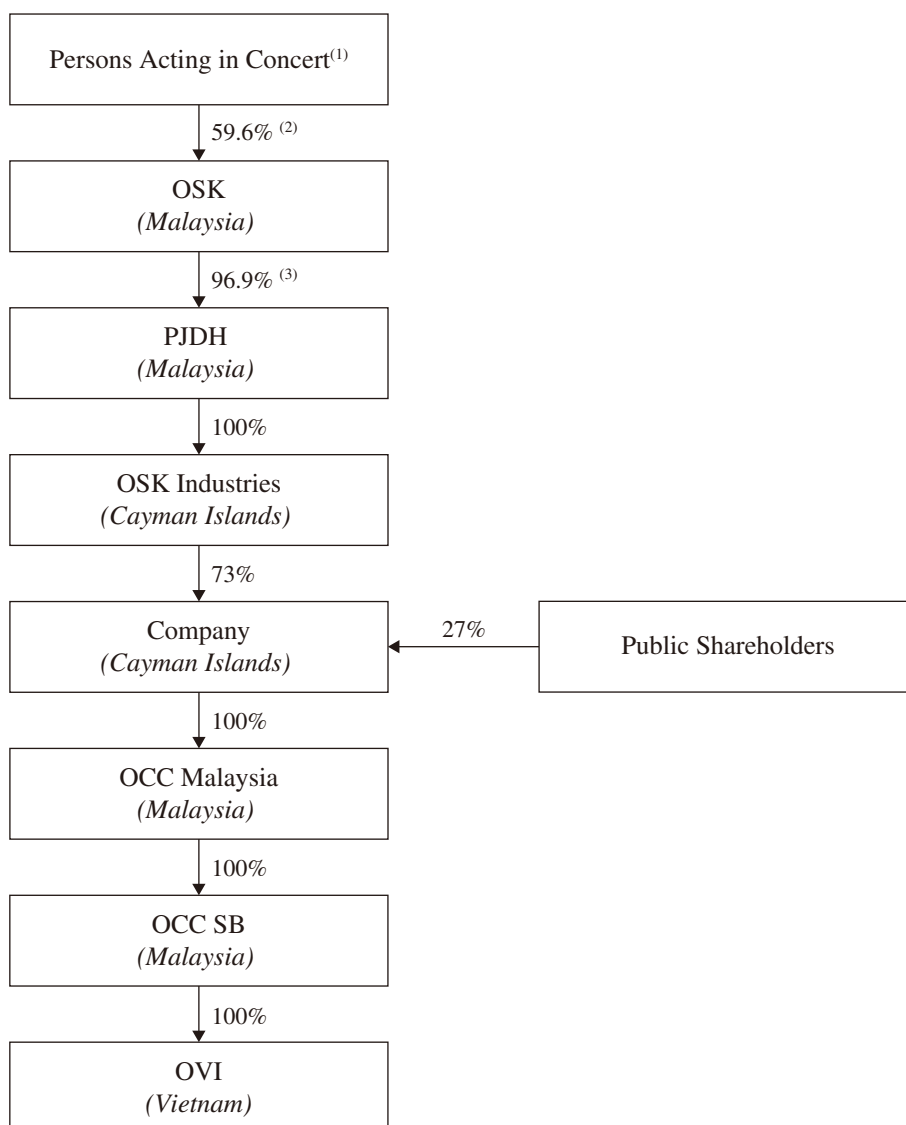
Notes:

- (1) Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For further details on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting In Concert” in this prospectus.

HISTORY, REORGANISATION AND GROUP STRUCTURE

- (2) OSK has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) since May 1991. As at the Latest Practicable Date, apart from the Persons Acting in Concert, there are 24,179 individuals, funds and corporations, being the shareholders of OSK and none of them holds more than 5% of the total issued capital of OSK.
- (3) PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. As at the Latest Practicable Date, the remaining 3.0% of its total issued capital is held by 3,578 individuals who were public shareholders before PJDH's delisting.

The following diagram illustrates our corporate and shareholding structure immediately after the Global Offering without taking into account of the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme:



HISTORY, REORGANISATION AND GROUP STRUCTURE

Notes:

- (1) Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yin Suen, Eliza, ONG Ju Yan, ONG Ju Xing, ONG Yee Ching, Cheryl, ONG Yee Min, Amelia, OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., LAI Han Luong, Robert Angelo Hendro Santoso Huray, Melissa TAN Hui-Ping and CHEW Sue Synn. For further details on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting In Concert” in this prospectus.
- (2) OSK has been listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053) since May 1991. As at the Latest Practicable Date, apart from the Persons Acting in Concert, there are 24,179 individuals, funds and corporations, being the shareholders of OSK and none of them holds more than 5% of the total issued capital of OSK.
- (3) PJDH was listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1945) on 17 June 1974 and delisted on 13 December 2016. As at the Latest Practicable Date, the remaining 3.0% of its total issued capital is held by 3,578 individuals who were public shareholders before PJDH’s delisting.

BUSINESS

OVERVIEW

We are a manufacturer of power cable products for power transmission and distribution systems in Malaysia and Vietnam. Our power cable products have been used in power and other general industries, such as oil and gas, infrastructure, construction and others. According to the F&S Report, we ranked fourth based on revenue in the wire and cable manufacturing industry in Malaysia in 2017 with market share of 7.0%.

Manufacture and sale of power cable products. The power cable products that our Group manufacture and sell are categorised into three types, name (i) low voltage power cables; (ii) medium voltage power cables and (iii) fire-resistant power cables.

Our power cables. A power cable is typically an assembly of one or more electrically insulated conductors, which are usually held together within an outer sheath. Power cables are principally used for power transmission and distribution in the power and other general industries. They are generally available in a variety of sizes, materials and features. Our power cable products come in a variety of standard sizes and dimensions. We have the capability to customise our power cable products to the performance specifications of our customers.

Our production facilities and production capacity. During the Track Record Period and up to the Latest Practicable Date, we generally produced our power cable products in our Existing Malacca Plant for our customers in Malaysia and in our Existing Vietnam Plant for our customers in Vietnam. Owing to the diversity of our downstream industries and the different technical and performance requirements of our customers, our production machineries are readily switched between different processes to manufacture power cable products of different characteristics and features. Our Directors consider that the most meaningful way to measure our production capacity and utilisation rate is through the production time of key machineries used in our power cable products manufacturing process rather than by units or volume of production output. The actual production capacity of our Existing Malacca Plant for the three years ended 31 December 2017 and four months ended 30 April 2018 was approximately 22,005.0 hours, 24,592.6 hours, 25,278.4 hours and 6,873.0 hours, respectively, and the utilisation rate of our Existing Malacca Plant has reached 92.2%, 103.0%, 105.9% and 86.8% for the same period, respectively. Whereas the actual production capacity of our Existing Vietnam Plant for the three years ended 31 December 2017 and four months ended 30 April 2018 was approximately 4,069.9 hours, 5,479.7 hours, 5,732.8 hours and 1,413.5 hours, respectively, and the utilisation rate of our Existing Vietnam Plant has reached 33.5%, 45.5%, 47.5% and 36.4% for the same period, respectively. As a result of the high utilisation rate of our Existing Malacca Plant during the Track Record Period, the Directors confirmed that we had to turn down verbal requests for quotations from both new and existing customers when we were unable to satisfy our customers' demands due to limitations on our Company's manufacturing capacity. We plan to further increase our production capacity in the Existing Malacca Plant by establishing the New Wing and reallocating our storage yard to the adjacent Lot B. For further details on the setting up of the New Wing and the reallocation of our storage yard, please refer to the paragraph headed "Expansion of Existing Malacca Plant" in this section.

BUSINESS

Our growth

We experience continued growth during the Track Record Period. For the three years ended 31 December 2017, our revenue increased from approximately RM196.9 million to RM262.1 million, representing a CAGR of approximately 15.4%. For the three years ended 31 December 2017, our profit after tax increased from approximately RM7.0 million to RM19.8 million, representing a CAGR of approximately 68.2%. The following table sets forth the breakdown of our revenue by product categories during the Track Record Period.

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	(unaudited)									
Low voltage power										
cable	132,555	67.3	142,592	54.8	143,557	54.8	45,540	54.7	45,141	57.6
Medium voltage power										
cable	35,303	17.9	68,596	26.3	79,437	30.3	27,806	33.4	19,199	24.5
Fire-resistant power										
cable	29,025	14.8	49,219	18.9	39,153	14.9	9,908	11.9	14,000	17.9
Total	<u>196,883</u>	<u>100.0</u>	<u>260,407</u>	<u>100.0</u>	<u>262,147</u>	<u>100.0</u>	<u>83,254</u>	<u>100.0</u>	<u>78,340</u>	<u>100.0</u>

Our customers. As we are a registered supplier of certain power cable products for TNB, the largest electric utility company in Peninsular Malaysia, our products can be used and applied to TNB's power and electrical infrastructure expansion works and construction projects. Our power cable products are widely used in the power and other industries such as oil and gas, transportation, infrastructure, construction and others. For the three years ended 31 December 2017 and four months ended 30 April 2018, our five largest customers accounted for approximately 38.1%, 47.6%, 39.8% and 43.1% of our total revenue, respectively.

Major raw materials and our suppliers

The major raw materials used in the production of our power cable products are primarily copper, aluminium, insulating materials and sheath materials (such as XLPE and PVC). For the three years ended 31 December 2017 and four months ended 30 April 2018, our total cost of raw materials accounted for approximately 92.1%, 92.9%, 91.6% and 92.0% of our total cost of goods sold, respectively. Copper and aluminium are the major raw materials used for the conductors of our power cable products, and the total cost of copper and aluminium accounted for approximately 76.0%, 65.1%, 69.7% and 66.3% of our total costs of goods sold during the three years ended 31 December 2017 and four months ended 30 April 2018, respectively.

Outlook of our Group. Looking forward, we plan to expand our production capacity to meet the expected increase in the future demand for our power cable products within Malaysia and regionally.

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We also aim to place more emphasis in developing power cable products according to the demands in our target markets and customising to our customers' requirements. Our Directors believe that our future plans will help us sustain and capitalise on the growth opportunities available to our Group in the wire and cable industry in both Malaysia and Vietnam. For further details on our business strategies, please refer to the paragraph headed "Our business strategy" in this section.

OUR COMPETITIVE STRENGTHS

Our Directors believe our Group possesses the following competitive strengths:

We have an established operating history and proven track record

Our history can be traced back to the establishment of OCC SB, our operating subsidiary in Malaysia in 1968. Our initial production facility in Johor Bahru, Malaysia focused on the manufacturing of low voltage power cable products to capitalise on the demand of local market. In 1998, we relocated and expanded our operations to the Existing Malacca Plant to include the manufacturing of medium voltage power cable products. In view of the rising demand for power cable products, we established OVI in 2006 and set up the Existing Vietnam Plant in early 2007 to manufacture and market low voltage and fire-resistant power cable products. We believe that our long-term presence in the wire and cable industry gives our customers confidence in the quality of our products and services.

We also provided our power cable products to many of Malaysian and overseas' prominent projects that require stringent quality assurance for their power supply and distribution systems. In particular, in Malaysia, we provided our power cable products for the Kuala Lumpur International Airport 2 in 2013, Malaysia International Trade and Exhibition Centre in 2015 and Mass Rapid Transit Corporation Sdn Bhd between 2015 and 2017. In Singapore we provided our power cable products for Singapore Changi Airport Terminal 4 in 2015 and 2016, and SMRT Corporation Ltd in 2016. Further, in Vietnam we provided our power cable products for the Times City in 2013, Vinpearl Phy Quoc 2 in 2015, New Horizon City in 2016, Landmark 81 in 2017 and Sheraton Resort Danang in 2017.

According to the F&S Report, our Group has a market share of approximately 7.0% in 2017, and is ranked fourth among the key players in 2017. Our Directors believe that we have a good reputation in the industry as well as the ability to provide timely service satisfying our customers' requirements and to provide timely service that give us a competitive edge when attracting future business opportunities.

We are a registered or approved supplier of power cable products to certain utility companies in Malaysia

We have adopted a stringent internal quality management policy to ensure that the power cable products manufactured by our Group are of high quality and meet the specifications and requirements of our customers. As at the Latest Practicable Date, our power cable products manufactured in

BUSINESS

Malaysia have obtained certifications and/or registrations from certification bodies and/or authorities such as LPCB, TUV, SIRIM QAS International and Bomba. Similarly, our power cable products manufactured in Vietnam have obtained Quality Assurance and Testing Centre 3 certification, which signifies that our product quality is in accordance with the standards as well as the stringent design, manufacturing, testing and performance requirements of these certification bodies and/or authorities.

We are a registered supplier to utility companies in Malaysia such as TNB, the largest electric utility company in Peninsular Malaysia, SESCO, an energy development and electric utility company in Sarawak, Malaysia, and JKR, the Administration of the Public Works Department in Malaysia which is responsible for construction and maintenance of public infrastructure in Peninsular Malaysia and Labuan.

In order to become qualified supplier of TNB, our products will need to obtain a certificate of product acceptance through the product certification scheme under TNB. Certain of our low voltage and medium voltage power cable products have met the specific requirements for TNB technical specifications and requirements, and we have been a qualified supplier for some of these power cable products to TNB as early as 2001. During the three years ended 31 December 2017 and four months ended 30 April 2018, our sales to TNB accounted for approximately 1.1%, 20.0%, 19.4% and 20.7% of our total revenue, respectively.

Our Directors believe that, the above registrations and qualifications give us a competitive edge and an advantage in securing major projects for our power cable products, as our products can be used and applied to the construction and infrastructure projects involving companies across various industries.

We offer high quality and a wide range of power cable products to meet our customers' needs and maintain customer loyalty

Our Directors believe that the quality of our products is essential to maintaining the reputation of our Group. In both Malaysia and Vietnam, we have established a comprehensive QMS that has been accredited with ISO 9001 since December 1998, demonstrating our ability to consistently provide products that meet customer and applicable statutory and regulatory requirements.

Our Directors believe that we are able to provide a wide variety of quality power cable products to meet our customers' diverse needs and specifications. We can customise our power cable products to provide different features that are specified by our customers, such as flame retardant, fire-resistant, water-blocking, low smoke zero halogen, anti-rodent, anti-termite, etc. As at the Latest Practicable Date, we offer various type of power cable products that can be categorised into three major types, (i) low voltage; (ii) medium voltage; and (iii) fire-resistant.

Further, the quality of our power cable products is also well-reflected by our registrations and certifications obtained from notable and large-scale wire and cable industry authorities such as LPCB in UK, and SIRIM QAS International in Malaysia, and Quality Assurance and Testing Centre 3 in

BUSINESS

Vietnam. Further, our power cable products are manufactured in accordance with IEC standards or with other specifications requirements from our customers. Our Directors believe that our power cable products quality and close relationship with our customers will enable us to remain competitive in the wire and cable industry.

We have an experienced and professional management team

Mr. YEAT Siew Hong, our executive Director, has over 26 years of experience in the wire and cable industry. Mr. YEAT's experience within the wire and cable industry has allowed our Group to gain a better understanding and insight into the development and manufacturing of power cable products. Mr. YEAT oversees our overall business and strategic planning of our Group, his leadership will continue to play a key role in the future growth of our Group. Based on the experience of Mr. YEAT and the members of our senior management, we are able to plan our production schedule in respect of our power cable products to satisfy our customers' purchase orders for our power cable products on a timely basis.

In addition, our Group has a dedicated and experienced senior management team. In particular Mr. LOW Fook Liang, our chief operating officer of OCC SB, oversees the overall management and administration of our Existing Malacca Plant. Mr. LOW has over 17 years of experience in the heavy construction facilities and electronic production manufacturing industry. In Vietnam, we have Mr. TANG Cheng Leong, our chief operating officer of OVI, oversees the operations of our business in Vietnam. Mr. TANG is primarily responsible for the operations, business development and sales and marketing of our operations in Vietnam. The above senior management team has a thorough understanding and knowledge in respect of production and sales of our power cable products. Please refer to the section headed "Directors, Senior Management and Employees" of this prospectus for the biographical details of our executive Directors and senior management.

Over the years, our management team has accumulated in-depth knowledge of the wire and cable industry and developed strong relationship with key market participants. Further, attributed to the experience and technical knowledge of our executive Directors and senior management team, our Directors believe that we are able to remain competitive and well-positioned in competing for and securing purchase orders.

We have in-house capabilities to design and develop customised power cable products

Our research and development team for products design and customisation is located in the Existing Malacca Plant. We believe that our capabilities in product design and customisation to keep up with our customer performance requirements are crucial to our success in the wire and cable industry. We also believe that our Group's ability to provide such services is attributed to our experience in the wire and cable industry and our skilled workforce. We conduct various in-house

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training programmes and on the job trainings to enhance the knowledge, skills and capabilities of our sales and production team. Further, our Directors believe that the range of our machineries and equipment also provided our Group with a strong foundation to carry out the development and manufacturing of customised power cable products.

We place great emphasis on our research and development capabilities, which our Directors believe is crucial to keep us ahead of our competitors. As at 30 April 2018, we had three technicians in our research and development department. Each of them held either a college degree or diploma and have accumulated between one and ten year of experience in the wire and cable industry. In addition to their education qualifications and work experience, our technicians are required to attend technical trainings before they start to work on our research and development projects.

We have strong operational efficiency and economies of scale in the production of our power cable products

Notwithstanding that we produce our power cable products in both Malaysia and Vietnam at the Existing Malacca Plant and Existing Vietnam Plant, we have a centralised headquarter in Malaysia. As such, we are able to achieve substantial administrative cost savings and operational efficiency. During the Track Record Period, our administrative expenses amounted to approximately RM10.3 million, RM7.7 million, RM7.7 million and RM2.5 million, respectively, representing approximately 5.2%, 3.0%, 2.9% and 3.2% of our total revenue during the corresponding year.

OUR BUSINESS STRATEGIES

Our principal objectives are to achieve sustainable growth, further strengthen our position in the wire and cable industry in Malaysia and Vietnam, and create long-term value for our Shareholders by executing the following key strategies:

Continue to expand our product offerings to meet our customers' needs

We will continue to observe our customers' demand and product requirements in the power and other industries, such as oil and gas, infrastructure and construction, to determine the type of power cable product to develop. In view of the potential growth in the wire and cable industry and infrastructure projects in Malaysia, and certain favourable regional trade plans according to the F&S Report, we will continue to expand the range of our power cable products offering to meet our prospective customers' specifications and requirements.

Expansion and enhancement our Existing Malacca Plant

According to the F&S Report, the total production of power cable products manufactured locally in Malaysia grew at a CAGR of approximately 7.2% from 69,610 tonnes in 2012 to 98,756 tonnes in 2017. The power industry in Malaysia is directly affected by the performance of

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construction sector, in 2017 the total GDP contribution of the construction sector grew by 5.8% as compared to 2016 and it is expected that for the GDP figures to rise further in 2018 due to upcoming infrastructure projects in Malaysia. Further, the continued urbanisation and townships development in Malaysia will be expected to drive the cable manufacturing industry. Based on the expected growth of the wire and cable industry in Malaysia, the growth of our revenue during the Track Record Period, our existing stable customer base, coupled with the approaching full capacity for the year ended 31 December 2017. Therefore, it is imperative for us to enhance our production capacity in order to stay competitive in the wire and cable industry, capture business opportunities and maximise our profitability. Furthermore, our Directors believe that we are well-positioned to implement the expansion plan of our production capacity, which in the opinion of our Directors, would be able to accommodate the estimated increase in demands of our existing and new customers in the future.

During the Track Record Period, our Group did not record any sale of power cable products manufactured in our Existing Vietnam Plant to our customers in Malaysia. For the three years ended 31 December 2017 and four months ended 30 April 2018, we recorded sales of approximately RM0.4 million, RM0.2 million, RM0.1 million and nil of our medium voltage power cables manufactured in our Existing Malacca Plant to our Vietnam customers, respectively. During the Track Record Period, we did not record any sales of low voltage and fire-resistant power cables manufactured in our Existing Malacca Plant to our customers in Vietnam.

Further, as advised by our Malaysian Legal Advisers, the importation of power cable product(s) by the Company will require approval (i.e. a no-objection letter (the “**No-objection Letter**”)) by the Malaysia Cable Manufacturers Association (being an association comprising manufacturers of power and telecommunication cables and conductors) and the No-objection Letter is then required to be submitted to the Malaysian Ministry of International Trade and Industry (a ministry of the government of Malaysia that is responsible for amongst others international trade, industry, investment, productivity, small and medium enterprise) for the issuance of an import permit licence in respect of the importation of power cable product(s). The No-objection Letter will generally be given if (i) the power cable product(s) cannot be obtained in Malaysia; or (ii) it is not cost effective to manufacture the power cable product(s) in Malaysia due to the quantity required.

The actual production capacity of our Existing Malacca Plant for the three years ended 31 December 2017 and the four months ended 30 April 2018 was approximately 22,005.0 hours, 24,592.6 hours, 25,278.4 hours and 6,873.0 hours, respectively, and the utilisation rate of our Existing Malacca Plant has reached 92.2%, 103.0%, 105.9% and 86.8% for the same period, respectively. As a result of the high utilisation rate of our Existing Malacca Plant during the Track Record Period the Directors confirmed that we had to turn down verbal requests for quotations from both new and existing customers when we were unable to satisfy our customers’ demands due to limitations on our Company’s manufacturing capacity. Even though the actual production capacity of our Existing Vietnam Plant for the three years ended 31 December 2017 and the four months ended

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30 April 2018 was approximately 4,069.9 hours, 5,479.7 hours, 5,732.8 hours and 1,413.5 hours, respectively, and the utilisation rate of our Existing Vietnam Plant has reached 33.5%, 45.5%, 47.5% and 36.4% for the same period, respectively. In consideration of the above, even though there is excess capacity at our Existing Vietnam Plant, our Directors consider that it is not practical for our Existing Vietnam Plant to manufacture low voltage and fire-resistant power cables for our Malaysia customers (our Existing Vietnam Plant is unable to produce medium voltage power cables as at the Latest Practicable Date) as (i) we are generally not allowed to import power cable products to Malaysia if the power cable products could be locally sourced in Malaysia; and (ii) it is not cost effective for us to have the required power cable products manufactured in the Existing Vietnam Plant and have it transported to our customers in Malaysia and considering that in general, costs, including material, labour and electricity to manufacture the same low voltage power cable products are higher in the Existing Vietnam Plant than in the Existing Malacca Plant and that extra export expenses and insurance expenses will be incurred.

Furthermore, the Existing Vietnam Plant is not capable of manufacturing medium voltage products, it is unable to replace the full range of products to be manufactured by the Existing Malaysia Plant and the New Wing in Malaysia.

In light of the above, we plan to expand our production capacity by (i) upgrading and maintaining our existing plant facilities; (ii) acquiring additional machineries and equipment; and (iii) the establishment of the New Wing in Malaysia.

Upgrading and maintaining our existing production facilities. Our Existing Malacca Plant has been established since 1998 and we will need to upgrade and maintain several aspects of the plant facilities to maintain their functionality and optimise their useful life.

Acquisition of new machineries and equipment. In view of our expansion plan, we will be acquiring new machineries and equipment to support such expansion and enhance our production capability.

Establishment of the New Wing. Up to the Latest Practicable Date, the Existing Malacca Plant is our only production facility located in Malaysia. Our Directors believe that with the establishment of the New Wing, we will be able to increase our production capacity and take advantage of the potential growth in the wire and cable industry and infrastructure projects in Malaysia, and certain favourable regional trade plans according to the F&S Report.

Construction of the New Wing. As at the Latest Practicable Date, we owned eight parcels of land situated at Nos. PT 2126-2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260, Melaka, Malaysia with a total land area of 67,785m² for the purpose of manufacturing our power cable products in Malaysia. Lot A, which consists of six parcels of land held under title numbers from GRN

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30937 to 30942 with corresponding Lot numbers from 2923 to 2928, respectively, with a total land area of approximately 52,594m², were used for the purpose of manufacturing our power cable products in Malaysia. In 2017, we acquired Lot B, that consists of two parcels of land held under title number GRN 30935, Lot 2921 and title number GRN30936, Lot 2922, with a total land area of approximately 15,191m², for a total consideration of RM8,180,000 with the view of expanding our production capacity in the future. For further details of our owned properties, please refer to the paragraph headed “Properties” in this section.

Recruitment of staff. In view of the enlarged production capacity with the establishment of the New Wing, we will be recruiting more staff to support the operations of the New Wing and expected increase in workload.

Continue to expand our Group’s sales and marketing team

According to the F&S Report, the total revenue of wire and cable industry in Malaysia is expected to continue to grow at a CAGR of approximately 6.5% between 2017 and 2022 from approximately RM3.8 billion in 2017 to approximately RM5.2 billion in 2022. This is expected to be driven by certain upcoming intensive developments and construction projects, replacement of old power cables, urbanisation and township development as well as the development of ASEAN Power Grid.

In order to capture the business opportunities arising from the developments within power and other industries, such as oil and gas, transportation, construction and others, in Malaysia, we plan to expand our sales and marketing team. The sales and marketing team will directly approach leading consultants in order to obtain updates on the sizeable construction projects to be carried out within the region and promote our power cable products. Our sales team will visit potential customers in different regions of Malaysia to promote the quality and strength of our power cable products.

Pursue strategic acquisition or investment to enhance our service capabilities and expand our product coverage

We have, as at the Latest Practicable Date, built our power cable business primarily through organic growth. There are still significant acquisition or investment opportunities available in the wire and cable market in Malaysia, Vietnam and within the region. Among these opportunities, we are focused on quality power cable products or coverage that would enhance or complement our power cable product offerings. The key criteria we apply in selecting prospective acquisition or investment targets include primarily their market size, customer base, technical capabilities and management team. We believe that strategic acquisition or investment could potentially allow us to enhance our sales and marketing effort, product coverage, research and development and human resources capabilities, and possibly extend our reach further into the region. We had not identified any target for acquisition or investment as of the Latest Practicable Date.

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PRINCIPAL PRODUCTS

We principally engaged in the production and sales of power cable products which include, (i) low voltage power cable; (ii) medium voltage power cable; and (iii) fire-resistant power cable. Our power cable products have been used by power utility companies, infrastructure companies, construction companies, general contractors, mechanical or electrical contractors and/or sub-contractors.

The following table sets forth the breakdown of our revenue by business segment during the Track Record Period:

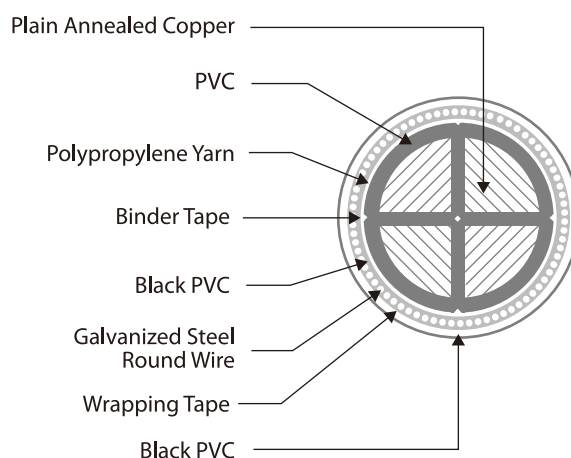
	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%
Low voltage power cable	132,555	67.3	142,592	54.8	143,557	54.8	45,540	54.7	45,141	57.6
Medium voltage power cable	35,303	17.9	68,596	26.3	79,437	30.3	27,806	33.4	19,199	24.5
Fire-resistant power cable	29,025	14.8	49,219	18.9	39,153	14.9	9,908	11.9	14,000	17.9
Total	196,883	100.0	260,407	100.0	262,147	100.0	83,254	100.0	78,340	100.0

(unaudited)

Power Cables

Power cables are principally used for power transmission and distribution. We manufacture a wide range of power cables with medium to low voltage and are available in a variety of sizes, materials and features.

The main structural components of our power cable product are depicted in the diagram below:



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The table below sets forth information on our principal power cable categories including (i) low voltage power cable; (ii) medium voltage power cable and (iii) fire-resistant power cable.

Type of products	Conductor	Insulation	Core	Size range (mm ²)	Rated voltage	Applications
Low voltage power cable ¹	Copper and aluminium	XLPE or PVC	Single to multiple	1.5 to 1,000	0.75 - 1kV	Electricity supply in buildings, infrastructure, utilities, etc.
Medium voltage power cable ¹	Copper and aluminium	XLPE	Single to multiple	35 to 630	3.3 - 33kV	Electricity supply in buildings, infrastructure, utilities, etc.
Fire-resistant power cable ²	Copper	Fire-resistant, low-smoke and halogen-free or fire-retardant, low smoke and low-halogen	Single to multiple cores	1.5 to 630	0.75 - 1kV	Used in critical fire protection applications such as emergency power systems, emergency lighting system, critical process valves in the petrochemical industry, fire alarm systems as well as in tunnels and mines.

Low voltage and medium voltage power cables

Our low voltage and medium voltage power cables uses aluminium or copper as its conductors and each conductor is either single-core or multi-core, depending on its application or specification requirements of our customers. During the Track Record Period, our Group manufactures low voltage power cables between 1.5mm² and 1,000 mm² and medium voltage power cables between 35 mm² and 630 mm². The insulation materials used for our low voltage and medium voltage power cables varies, depending on the type of power cables that are required to be produced. For low voltage power cables we use either XLPE or PVC as the insulation, whereas medium voltage cables use XLPE as the insulation only.

Further, the low voltage and medium voltage power cables which are manufactured by us can also be in the form of armoured cables. An armoured cable has galvanised steel tapes or galvanised steel wires wound over the inner sheath (also known as bedding) for a multi-core power cable. For single-core cable, aluminium or copper wires are used for the armour. The inner sheath, which is made up of either PE or PVC lies over the insulation. On top of the armour is a protective jacket, also known as an outer sheath, which is generally made up of extruded polymeric material which can be PE, PVC, medium density PE or high density PE.

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The main structural components of our low voltage single-core and multi-core power cables are depicted in the diagram below:

low voltage single-core power cable



low voltage multi-core power cable



The main structural components of our medium voltage power cable products:



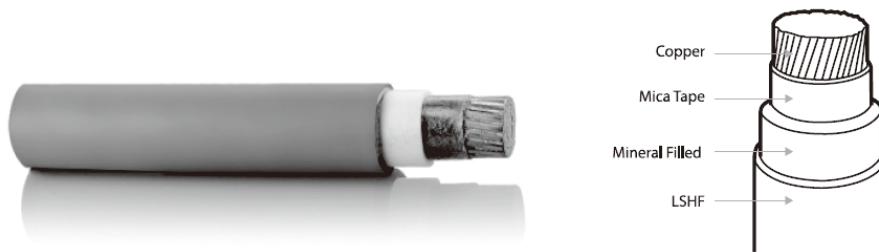
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Fire-resistant power cables

The fire-resistant power cables manufactured by our Group are low voltage power cables that are certified by SIRIM QAS International, Bomba, TUV and LPCB. Our Directors consider that such certifications instill confidence with our customers and major mechanical and electrical consultants that our power cable products meet stringent manufacturing standards when considering the inclusion of our power cable products in their projects. Our fire-resistant power cables are considered low voltage power cables that uses copper as its conductors and each conductor is either single-core or multi-core depending on its application or specification requirements of our customers. During the Track Record Period our Group manufactures fire-resistant power cables with sizes that range between 1.5 to 630mm². The insulation materials used for our fire-resistant power cables varies depending on our customers' specifications but are generally of fire-resistant, low-smoke and halogen-free, fire-retardant, or low-smoke and low-halogen materials.

Fire-resistant power cables ideally ensure the operability of critical electrical circuits in the event of fire. In order to ensure the operability of our fire-resistant power cables, we conduct fire testing; we require these power cables to maintain circuit integrity for up to three hours when fire is applied to them. These power cables are generally used in critical fire protection applications such as emergency power systems, emergency lighting system, critical process valves in the petrochemical industry, fire alarm systems as well as in tunnels and mines.

The main structural components of our fire-resistant power cable products are depicted in the diagram below:

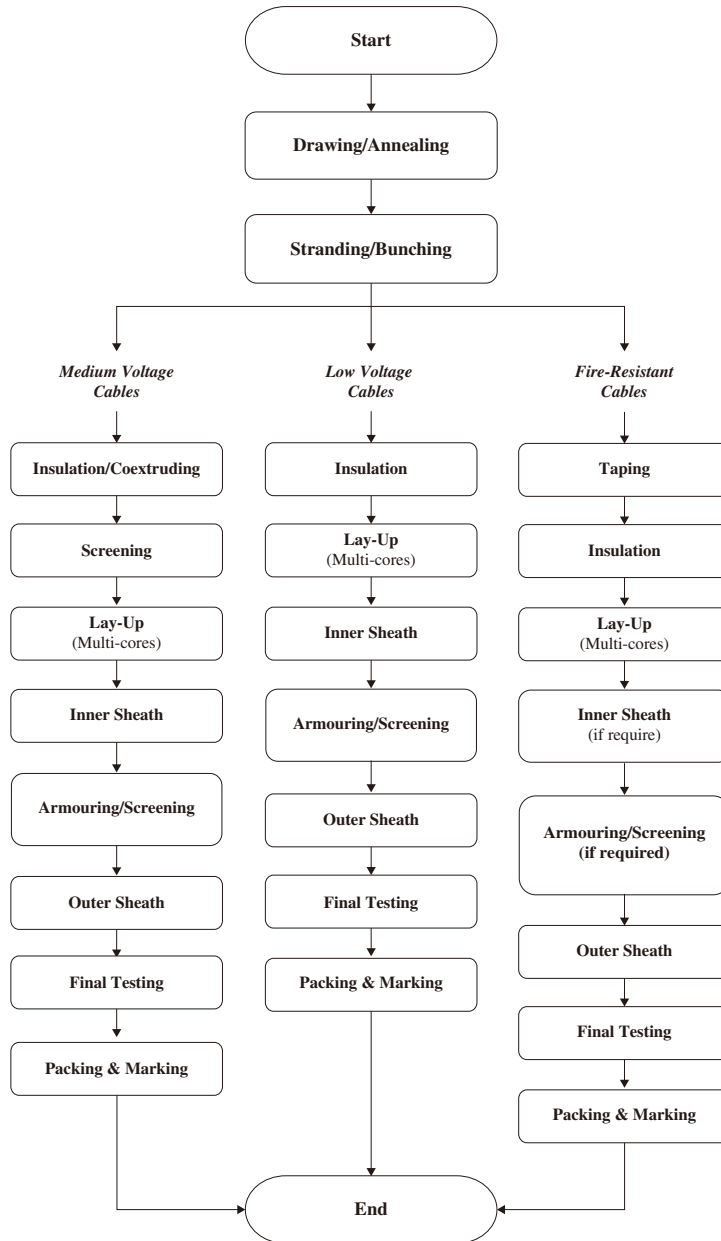


PRODUCTION PROCESS

Prior to the production process, our production team will not only be required to ensure a sufficient amount of raw materials in our inventory, but plan, prepare, acquire and assign the necessary resources, both human and machinery, for the production process.

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The production process of our power cable products including (i) low voltage power cable; (ii) medium voltage power cable; and (iii) fire-resistant power cable is generally set out below:



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Our power cable products follow a similar manufacturing process as described below:

Drawing

The drawing process is for the purpose of producing wires of various sizes. Aluminium or copper rods are first pulled through drawing machines and stretched into wires during the drawing process. When the rods are forced through a series of dies, the metal cross-section is also compressed in order to meet size and shape requirements set forth by our customers.

Annealing

Due to the difference in their metallurgical properties, the annealing process is only required for the copper wires and not for aluminium wires. During the drawing process, the wires are simultaneously heated and subsequently crystallised by cool water so as to soften the wires and increase their flexibility in accordance with our customers' specifications.

Stranding/bunching

Stranding (or bunching) is the process of producing either (i) shaped cross-section conductor; or (ii) compacted circular conductor. The wires produced after the drawing process are first laid in layers over a single centre wire and then subsequently over succeeding layers. Our conductor is constructed under IEC standards and it utilises compacting stranding dies or rollers for each succeeding layers. The typical conductor size for our power cable product ranges from 16 sq. mm to 1,000 sq. mm depending on the required current and voltage rating specification.

Insulation

The insulation process is the application of electrical insulating material, such as thermoplastic or thermosetting layers, to conductors after the stranding process. Typical thermoplastic materials include PVC and PE, and thermosetting materials include XLPE and EPR.

Coextruding (only for our medium voltage power cable products)

The insulating materials and polymeric materials are extruded onto stranded wires under specified temperature, pressure and speed. A medium voltage power cable would require a three-layer extruding process. The coextruding process also includes a step where a shield is added in order to isolate the electromagnetic field of the cable itself from the electromagnetic field existing in its surroundings. The resulting product of this process is a "core" cable.

Lay-up (only for multi-cores)

The lay-up process is used for the production of our multi-cores power cable products. The lay-up process is the laying and twisting of insulated cores to form a single cable.

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Inner Sheath (if required)

Inner sheathing, or the bedding process, is where a layer of plastic or polymeric material, such as PE or PVC, is wrapped onto the cable assembly to hold the insulated cores together to prepare the cable for the armouring process. The inner sheath functions as a protective layer for the lay-up cores and also for the armour wires or tapes to sit on.

Taping

This step of the process allows our employees to add special characteristics to the cable such as fire-resistant qualities. Mica taping is used for the production of our fire-resistant power cables where a layer(s) of mica tape is taped on to the bare copper conductor; the mica tapes layer(s) act as an electrical insulator that enable continuous functioning of the power cable during a fire breakout.

Armouring/screening

The armouring process is the application of a metallic layer in the form of wires or tapes over the inner-sheath cable assemblies, which allows cables to withstand certain pressure and tension during use. The armouring process allows for mechanical protection as well as carrying fault current in the event of a short circuit or cable damage. Screening process allows electrical suppression or shielding of electromagnetic field emitted from the core of power cables which might cause interference to telecommunication devices.

Outer Sheath

The outer sheath is the final step in the manufacturing of our power cable products which involves extruding a layer of polymeric material on to the cable using thermoplastic materials such as PVC or PE as an outer sheath to protect the finished products from chemical erosion. The details of the cable such as the voltage rating, manufacturers' name and year of manufacture will be embossed on the outer sheath. At times, our customer would also request for their particulars to be embossed on the cable for future reference.

Final Testing

In addition to the in-process tests which we conducted during various juncture of the production process, a final electrical and mechanical testing is carried out on each and every drum of cables produced by us with an aim to ensure that they conform to the relevant customers' specifications and performance requirements.

Packing and Marking

Our power cable products are wound into coils, wooden or steel drums before they are being despatched according to our customers' instructions. The cable's details and classification are marked on the flange of the cable drum or coil for ease of identification.

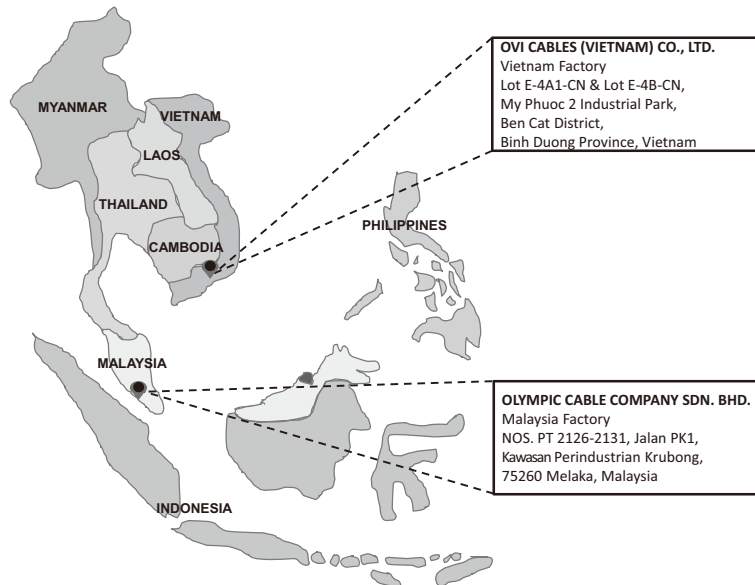
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Subject to the type of power cable products, the performance specification of our customers and/or the volume required, the typical production cycle for our (i) low voltage power cables will be approximately seven days; (ii) medium voltage power cables will be approximately 14 days; and (iii) fire-resistant power cables will be approximately seven days.

PRODUCTION FACILITIES

Our manufacturing facilities

The following map sets forth the locations of our existing production facilities as of the Latest Practicable Date:



Existing Malacca Plant

We produce the wide range of power cable products in our Existing Malacca Plant, including (i) low voltage power cables; (ii) medium voltage power cables; and (iii) fire-resistant cables. During the Track Record Period, we operated our Existing Malacca Plant in Malacca, Malaysia on Lot A with a total gross area of approximately 52,594m² for production activities, storage, warehousing, ancillary office and parking, of which an area of approximately 19,464m² has been designated for the production of our power cable products. Our Existing Malacca Plant was located on a piece of acquired land in NOS. PT 2126-2131, Jalan PK1, Kawasan Perindustrian Krubong, 75260, Melaka, Malaysia.

Our Directors confirm, upon seeking legal advice from our Malaysian Legal Advisers, that we have obtained all the major licences and permits for the operation of our Existing Malacca Plant. We have also developed quality assurance and safety control processes for the production of our products and we have not experienced any suspension or termination of any licence, permit or certificate necessary for the operation of our production plants during the Track Record Period.

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Existing Vietnam Plant

In our Existing Vietnam Plant, we produce (i) low voltage power cables; and (ii) fire-resistant cables. During the Track Record Period, we operated our Existing Vietnam Plant in Binh Duong, Vietnam with a total gross area of approximately 39,993m² for production activities, storage, warehousing, ancillary office and parking, of which an area of approximately 4,380m² has been designated for the production of our power cable products. Our Existing Vietnam Plant was located on a piece of acquired land in Lot E-4A1-CN and Lot E-4B-CN, St. NA2, My Phuoc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam.

Our Directors confirm, upon seeking legal advice from our Vietnam Legal Advisers, that we have obtained all the relevant licences and permits for the operation of our Existing Vietnam Plant. We have also developed our quality assurance and safety control processes for the production of our products and we have not experienced any suspension or termination of any licence, permit or certificate necessary for the operation of our production plants during the Track Record Period.

Expansion of Existing Malacca Plant

In order to expand our production capacity and facilitate our long term business development, we decided to expand our Existing Malacca Plant onto Lot B, Malacca, Malaysia with a total gross area of 15,191m². We will be reallocating our storage yard currently located at Lot A, to Lot B. Once the reallocation is completed, our new storage yard would have a total gross area of approximately 15,191m². With the freed up area from the reallocation of our current storage yard, we will be expanding our current production facilities at the Existing Malacca Plant from its current total gross area of approximately 19,464m² to a total gross area of 22,512m² with the construction of the New Wing, representing an expansion of a total gross area of approximately 3,048m² to our production facilities at the Existing Malacca Plant. We entered into a sale and purchase agreement on 30 August 2016 to acquire Lot B from Olympic Properties Sdn. Bhd., a wholly-owned subsidiary of PJDH, one of our controlling shareholder, for the purpose of future expansion whilst simultaneously studying the feasibility of constructing the New Wing. For further details on the expansion of our Existing Malacca plant, please refer to the paragraph headed “Existing Malacca Plant” in this section, please refer to the paragraph headed “Our Business Strategies” in this section and the section headed “Future Plans and Use of Proceeds” in this prospectus.

Production capacity and utilisation rate

Owing to the diversity of our downstream industries and the different technical and performance requirements of our customers, our production machineries are readily switched between different processes to manufacture power cable products of different characteristics and features. Our Directors consider that the most meaningful way to measure our production capacity and utilisation

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rate is through the production time of key machineries used in our power cable products manufacturing process rather than by units or volume of production output because the Company customises and produces products which have different features and with varying degree of complexity. With the differing features and degree of complexity, common measurement units for a manufacturing environment such as weight or length cannot be applied to clearly determine the Company's production capacity. As such, the production time of key machineries is used as the basis to measure production capacity and utilisation rate. In addition, before we submit quotation or accept new purchase order, it is the practice of our Group to consider factors such as (i) the production time required based on the complexity of the manufacturing process; and (ii) the availability of the production time of our key machineries.

Existing Malacca Plant

Our production activities in Malaysia are primarily carried out in our Existing Malacca Plant. As at the Latest Practicable Date, our production facilities occupied a site area of approximately 19,464m².

As at 30 April 2018, we produce the full range of our power cable products in our Existing Malacca Plant, including (i) low voltage power cables; (ii) medium voltage power cables; and (iii) fire-resistant cables.

The following table sets out the total number of our key extruding machines, designed production capacity, actual production capacity and estimated average utilisation rate of our power cable products manufacturing process in Malaysia during the Track Record Period:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
Number of key power cable product manufacturing machineries ¹	4	4	4	4	4
Designed production capacity (hours) ² .	23,680.0	23,680.0	23,680.0	7,920.0	7,920.0
Actual production capacity (hours) ³ . . .	22,005.0	24,592.6	25,278.4	8,117.2	6,873.0
Approximate average utilisation rate ⁴ . .	92.2%	103.0% ⁵	105.9% ⁵	102.5%	86.8%

Notes:

- (1) Based on the number of extruding machines for the periods indicated, these machines are used for our power cable product production process of (i) inner-sheathing; (ii) insulation; and (iii) outer-sheathing. Generally, the manufacturing of our power cable products will require us to utilise these processes. However, the utilisation rate of our extruding machines for each type of power cable product may vary widely depending on the performance specifications and requirements of our customers.

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- (2) The designed production capacity is an estimation of the production time for the relevant production processes for our extruding machine based on the management's assessment of the amount of load that the extruding machine is capable of processing on an annual basis, which is based on the amount of time needed for its intended process that the extruding machinery is designed for. The designed production capacity is derived from the assumption that we are in production for 20 hours per day with 296 available working days per year taking into account Sundays and public holidays in Malaysia. We may receive orders from customers at times when our key manufacturing machineries are operating at close to their designed production capacity. During such times, we may have to operate during Sundays and public holidays to meet our production commitments.
- (3) Total actual time spend in production by the machines.
- (4) Equals approximately the total actual time spent in production by the machines divided by the estimated annual production capacity.
- (5) At times, we may receive more orders which requires our machines to work beyond its designed production capacity, resulting in a utilisation rate above 100%.

The approximate average utilisation rate of our key power cable product manufacturing machineries in the Existing Malacca Plant are above 90% for the three years ended 31 December 2017. However, for the four months ended 30 April 2018, the approximate average utilisation rate of our key power cable product manufacturing machineries in the Existing Malacca Plant are 86.8%. Our Directors believe that this decrease in the average utilisation rate is primarily due to a slowdown in business activities prior to the Malaysian general election in early May 2018 as there were much uncertainties as to how the outcome of the Malaysian general election would affect the business environment and economy of Malaysia as a whole. The Directors consider that it is due to such uncertainties that business operators in Malaysia were less willing to make sizeable commitments during the run-up to the Malaysian general election, causing business activities to slowdown in general. The Directors are of the opinion that since the Malaysian general election in early May 2018, business environment and economy of Malaysia have generally stabilised.

During the Track Record Period, all of our power cable products manufacturing operations in Malaysia were in the Existing Malacca Plant. As such, the utilisation rate of our key power cable product manufacturing machineries is equivalent to the Existing Malacca Plant's utilisation rate.

Existing Vietnam Plant

Our production activities in Vietnam are primarily carried out in our Existing Vietnam Plant. As at the Latest Practicable Date, our production facilities occupied a site area of approximately 4,380m².

As at 30 April 2018, the Existing Vietnam Plant produced (i) low voltage power cables; and (ii) fire-resistant cables.

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The following table sets out the total number of our key extruding machines, designed production capacity, actual production capacity and estimated average utilisation rate of our power cable products manufacturing process in Vietnam during the Track Record Period:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
Number of key power cable product manufacturing machineries ¹	2	2	2	2	2
Designed production capacity (hours) ² .	12,080.0	12,080.0	12,080.0	3,840.0	3,880.0
Actual production capacity (hours) ³ . . .	4,069.9	5,479.7	5,732.8	1,882.5	1,413.5
Approximate average utilisation rate ⁴ . .	33.5%	45.5%	47.5%	49.0%	36.4%

Notes:

- (1) Based on the number of extruding machines for the periods indicated. These machines are used for our power cable product production process of (i) inner-sheathing; (ii) insulation; and (iii) outer-sheathing. Generally, the manufacturing of our power cable products will require us to utilise these processes. However, the utilisation rate of our extruding machines for each type of power cable product may vary widely depending on the performance specifications and requirements of our customers.
- (2) The designed production capacity is an estimation of the production time for the relevant production processes for our extruding machine based on the management's assessment of the amount of load that the extruding machine is capable of processing on an annual basis, which is based on the amount of time needed for its intended process that the extruding machinery is designed for. The designed production capacity is derived from the assumption that we are in production for 20 hours per day with 302 available working days per year taking into account Sundays and public holidays in Vietnam.
- (3) Total actual time spend in production by the machines.
- (4) Equals approximately the total actual time spent in production by the machines divided by the estimated annual production capacity.

The approximate average utilisation rate of our power cable product manufacturing machineries in the Existing Vietnam Plant are 33.5%, 45.5%, 47.5% and 36.4% for the three years ended 31 December 2017 and four months ended 30 April 2018, respectively.

During the Track Record Period, all of our power cable products manufacturing operations in Vietnam were in the Existing Vietnam Plant. As such, the utilisation rate of our key power cable product manufacturing machineries is equivalent to the Existing Vietnam Plant's utilisation rate.

BUSINESS

Machineries and equipment

As at 30 April 2018, the aggregate net carrying value of our machineries and equipment amounted to approximately RM11.1 million. For the three years ended 31 December 2017 and four months ended 30 April 2018, our historical capital expenditure in acquiring machineries and equipment was approximately RM0.4 million, RM2.1 million, RM0.6 million and RM0.6 million, respectively.

Existing Malacca Plant

The following sets forth the major machineries and equipment that are material to the production of our power cable products as at 30 April 2018:

Function of machinery	No. of machineries with same function	Year of acquisition	Cost of acquisition (RM'000)	Carrying value as at 30 April 2018 (RM'000)	Average remaining useful life (years)
Braiding	2	2008-2016	263	136	1-9
Bunching	6	1995-1997	1,841	<1	0
CV Line	2	1996-2011	9,875	863	0-4
Drawing	4	1997-2016	5,547	2,149	0-9
Drum Twister	2	1996-2016	7,824	2,094	0-9
Extruder	8	1996-2017	6,892	1,113	0-9
Rewinding	10	1997-2014	184	4	0-7
Single Twist	1	2010	270	68	3
Stranding	3	1996-2011	6,625	742	0-6
Stripping	1	2003	6	<1	0
Taping	7	1996-2010	3,009	5	0-3
Twister	1	2016	205	172	9
QC Testing	3	1997-1998	1,575	<1	0-1

Note: As per the accounting policies adopted by our Group, depreciation of our machineries and equipment is calculated using straight-line method.

During the Track Record Period, we did not experience any significant interruptions in our business and operations nor any prolonged suspension of manufacturing operations arising from failure or breakdowns of machineries or equipment, which may significantly affect our financial position.

BUSINESS

Existing Vietnam Plant

The following sets forth the major machineries and equipment that are material to the production of our power cable products as at 30 April 2018:

Function of machinery	No. of machineries with same function	Year of acquisition	Cost of acquisition (VND'000)	Carrying value as at 30 April 2018 (VND'000)	Average remaining useful life (years)
					<i>(Note)</i>
Drawing	1	2007	1,143,895	0	0
Bunching	2	2007	1,079,483	0	0
Stranding	1	2009	1,079,426	232,339	2
Cabling	1	2009	884,924	132,739	2
Taping	3	2009	1,703,855	251,873	2
Extruding	2	2007 & 2009	6,276,527	524,522	0-2
Coiling	1	2007	126,817	0	0
Re-drumming	1	2007	229,899	0	0
QC Testing	8	2007-2015	2,131,680	99,699	0-4

Note: As per the accounting policies adopted by our Group, depreciation of our machineries and equipment is calculated using straight-line method.

During the Track Record Period, we did not experience any significant interruptions in our business and operations nor any prolonged suspension of manufacturing operations arising from failure or breakdowns of machineries or equipment, which may significantly affect our financial position.

BUSINESS

CUSTOMERS

We sell our power cable products to the power industry and other industries, such as oil and gas, transportation, infrastructure construction and others.

The following table sets out a breakdown of our revenue derived from (i) Malaysia; (ii) Vietnam; and (iii) other markets as a percentage of our total revenue during the Track Record Period:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%
	(unaudited)									
Malaysia	159,953	81.2	225,683	86.7	228,224	87.1	71,038	85.3	69,085	88.2
Vietnam	31,209	15.9	28,858	11.1	29,116	11.1	8,728	10.5	8,543	10.9
Singapore	3,333	1.7	4,461	1.7	1,389	0.5	978	1.2	424	0.5
Cambodia	1,804	0.9	1,130	0.4	3,418	1.3	2,510	3.0	288	0.4
Asia Pacific (excluding Malaysia, Vietnam, Singapore and Cambodia)	584	0.3	275	0.1	—	—	—	—	—	—
Total	196,883	100.0	260,407	100.0	262,147	100.0	83,254	100.0	78,340	100.0

As at the Latest Practicable Date, our power cable products in Malaysia have obtained certifications and/or registrations from certification bodies and/or authorities such as LPCB, KEMA, TUV, SIRIM QAS International and Bomba. Similarly in Vietnam, our power cable products have obtained, which signifies that our product quality is in accordance with the standards of these certification bodies and/or authorities as we meet their stringent design, manufacturing, testing and performance requirements.

In order to become qualified supplier of TNB, our products will need to obtain a certificate of product acceptance through the product certification scheme under TNB. Certain of our low voltage and medium voltage power cable products have met the specific requirements for TNB technical specifications and requirements, and we have been a qualified supplier for some of these power cable products to TNB as early as 2001. During the three years ended 31 December 2017 and four months ended 30 April 2018, our sales to TNB accounted for approximately 1.1%, 20.0%, 19.4% and 20.7% of our total revenue, respectively.

Although Malaysia and Vietnam remain our two largest markets (representing approximately 88.2% and 10.9% of our revenue for the four months ended 30 April 2018, respectively), our products have been exported to countries including Singapore and Cambodia.

BUSINESS

The following table set forth details of our five largest customers for each of the three years ended 31 December 2017 and four months ended 30 April 2018, respectively:

For the year ended 31 December 2015

Ranking	Customer	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of power cable product(s) provided by our Group	Payment and credit terms	Aggregate amount	% of revenue of our Group
						<i>RM'000</i>	
1	PJ Exim ⁽¹⁾	12 years	A private company whose major business activity involves trading of Cables	low voltage, medium voltage and fire-resistant	60 days	32,143	16.3%
2	Customer B	Three years	A private company whose major business activities involve general electrical and mechanical contract works	low voltage, medium voltage and fire-resistant	60 days	18,924	9.6%
3	Customer C	Three years	A private company whose major business activities involve trading of industrial batteries and electrical products and investment holding	low voltage and medium voltage	60 days	8,598	4.4%
4	Customer H	12 years	A public company whose major business activities involve in manufacturing of power and general cables	low voltage and medium voltage	30 days	8,141	4.1%
5	Customer E	Seven years	A private company whose major business activity involves electrical and mechanical engineering services	low voltage and fire-resistant	60 days	7,114	3.6%
Subtotal:						74,920	38.1%

(1) During the Track Record Period, PJ Exim was our fellow subsidiary. PJ Exim has been inactive since July 2015. For further details on our relationship with PJ Exim, please refer to the section headed “History, reorganisation and group structure — Reorganisation” in this prospectus.

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For the year ended 31 December 2016

Ranking	Customer	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of power cable product(s) provided by our Group	Payment and credit terms	Aggregate amount	% of revenue of our Group
						<i>RM'000</i>	
1	Customer D	12 years	A public company whose major business activities involve in power generation and transmission	low voltage and medium voltage	30 days	52,045	20.0%
2	Customer B	Three years	A private company whose major business activities involve general electrical and mechanical contract works	low voltage, medium voltage and fire-resistant	60 days	34,366	13.2%
3	Customer F	Three years	An exempted private company whose major business activities involve provision of electrical and mechanical engineering services for building and infrastructure projects	low voltage, medium voltage and fire-resistant	90 days	14,833	5.7%
4	Customer E	Seven years	A private company whose major business activity involves electrical and mechanical engineering services	low voltage and fire-resistant	60 days	14,234	5.5%
5	Customer C	Three years	A private company whose major business activities involve trading of industrial batteries and electrical products and investment holding	low voltage and medium voltage	60 days	8,389	3.2%
					Subtotal:	123,867	47.6%

BUSINESS

For the year ended 31 December 2017

Ranking	Customer	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of power cable product(s) provided by our Group	Payment and credit terms	Aggregate amount	% of revenue of our Group
						<i>RM'000</i>	
1	Customer D	12 years	A public company whose major business activities involve in power generation and transmission	low voltage and medium voltage	30 days	50,841	19.4%
2	Customer B	Three years	A private company whose major business activities involve general electrical and mechanical contract works	low voltage, medium voltage and fire-resistant	60 days	16,495	6.3%
3	Customer F	Three years	An exempted private company whose major business activities involve provision of electrical and mechanical engineering services for building and infrastructure projects	low voltage, medium voltage and fire-resistant	90 days	15,776	6.0%
4	Customer E	Seven years	A private company whose major business activity involves electrical and mechanical engineering services	low voltage and fire-resistant	60 days	10,690	4.1%
5	Customer G	Three years	A exempted private company whose major business activities involve electrical, mechanical and associated engineering services	low voltage, medium voltage and fire-resistant	90 days	10,575	4.0%
					Subtotal:	104,377	39.8%

BUSINESS

For the four months ended 30 April 2018

Ranking	Customer	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of power cable product(s) provided by our Group	Payment and credit terms	Aggregate amount	% of revenue of our Group
						<i>RM'000</i>	
1	Customer D	12 years	A public company whose major business activities involve in power generation and transmission	low voltage and medium voltage	30 days	16,224	20.7%
2	Customer B	Three years	A private company whose major business activities involve general electrical and mechanical contract works	low voltage, medium voltage and fire-resistant	60 days	5,618	7.2%
3	Customer I	Eight years	A private company whose major business activity involves electrical contract works	low voltage and fire-resistant	90 days	4,335	5.5%
4	Customer J	12 years	A private company whose major business activity involves electrical products trading	low voltage, medium voltage and fire-resistant	90 days	4,279	5.5%
5	Customer K	12 years	A private company whose major business activity involves electrical contract works	low voltage and medium voltage	90 days	3,309	4.2%
					Subtotal:	33,765	43.1%

We generally extend credit terms of 30 to 90 days to our customers, and accept payment from customer by cheque, letter of credit or bank transfer. We maintained business relationships for more than five years on average with our top five customers during the Track Record Period. Other than Customer E who is located in Vietnam, our five largest customers during the Track Record Period are all located in Malaysia and they come from diverse industries, backgrounds and businesses, including, power utility enterprises, engineering enterprises, and power project contractors.

For the three years ended 31 December 2017 and four months ended 30 April 2018, revenue from our top five customers amounted to approximately RM74.9 million, RM123.9 million, RM104.4 million and RM33.8 million, representing approximately 38.1%, 47.6%, 39.8% and 43.1% of our total revenue, respectively. Revenue from our largest customer for the same period accounted for approximately RM32.1 million, RM52.0 million, RM50.8 million and RM16.2 million, representing approximately 16.3%, 20.0%, 19.4% and 20.7% of our total revenue, respectively.

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During the year ended 31 December 2015, our largest customer from which we derived 16.3% of our total revenue was PJ Exim, an indirect wholly-owned subsidiary of PJDH, our Controlling Shareholder, and a wholly-owned subsidiary of OCC BHD. Before the Reorganisation, PJ Exim used to be a marketing and trading arm of our Group and has been inactive since July 2015. During the Track Record Period, our transactions with PJ Exim were conducted on normal commercial terms no less favourable than those offered to independent third party. To the best knowledge of our Directors, PJ Exim was not involved in any material non-compliance, disputes or litigations during the Track Record Period. For further details on PJ Exim, please refer to the section headed “History, reorganisation and group structure — Reorganisation”.

Save for the foregoing, during the Track Record Period, none of our Directors, their respective close associates, or any Shareholders who or which, own more than 5% of the issued share capital of our Company as at the Latest Practicable Date, any interest in any of the five largest customers of our Group during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, our Group did not experience any major disruption in business due to materials delays or defaulting payments by our customers due to their financial difficulties. Our Directors further confirm that they are not aware of any of our major customers having experienced material financial difficulties that may adversely affect our Group’s business operations.

KEY TERMS WITH OUR CUSTOMERS

Our Group does not enter into any long-term agreement with our customers. The terms and conditions are set out in our quotation and/or purchase orders placed by our customers with us. Once the customers have accepted our quotation and submitted the purchase orders, the terms and conditions will become binding contracts with our customers.

The terms and conditions of sales with different customers may be different subject to various factors, such as the historical business relationship, purchase amount, specification of products, etc. Set out below is a summary of the typical key terms and conditions with our customers:

Key terms	Description
Product type	The contract or purchase order specifies the type of products to be purchased by our customer.
Quantity	There is no minimum quantity per contract or per purchase order.

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Key terms	Description
Contract price	Most of our contracts are lump sum fixed price contracts. The total amount of contract sum is the product of the total quantity of each type of power cable product and the unit price plus the applicable goods and services tax.
Payment terms	<p>Our credit periods generally range from 30 to 90 days for customers with existing credit facilities. For customers outside the credit terms, we may request our customers to provide for letters of credit or guarantee. For further details of our credit policy, please refer to the paragraph headed “Credit policy” in this section.</p> <p>The payments made by domestic customers are mainly settled by way of direct bank transfers, letter of credit or cheques, while the payments made by other overseas customers are mainly settled in their respective local currency by way of direct payments into our bank account. In Vietnam, we generally require our customers to pay in cash in its local currency VND if the amount is below VND20 million, which is the limit allowed under the laws and regulations of Vietnam.</p>
Delivery	Depending on the quantity of orders, the delivery period of our products generally ranges from two to six weeks upon receiving purchase orders from customers.

Pricing policy

Our pricing policy aims to facilitate a profitable and sustainable growth of our business. We generally determine the prices of our power cable products traded by us on a cost-plus basis. Since each product has its own specifications or requirements, the pricing of each product is negotiated and determined on a case by case basis with individual customers in order to balance the profitability between our customers and our Group. In general, we determine the price of our products with reference to the following factors (i) product specifications, functional and quality requirements, complexity of the manufacturing process, sales volume, lead time and delivery schedules required by our customers; (ii) the competitive landscape of the products; (iii) production costs, especially the prevailing costs of the raw materials; and (iv) payment terms.

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As a result of the “cost-plus” pricing strategy, our Directors believe that our Group can generally pass the risks arising from any fluctuation in the costs of the raw materials to our customers during the Track Record Period.

Credit policy

Our credit period generally ranges from 30 to 90 days. However, variation from this period may occur due to the following reasons: (i) our relationship with the individual customer; (ii) individual customer’s financial standing; and (iii) contract sum.

In order to collect overdue trade receivables, our Group’s finance department monitors overdue payments closely and prepares a monthly ageing report showing the customers’ overdue amounts. In the event of overdue, we will take follow-up actions to collect the overdue trade receivables, such as communication with the relevant department of the customer responsible for processing payments.

Our customers usually settle payments by way of bank transfer, letter of credit or cheques. During the Track Record Period, our Group did not experience material difficulty in collecting payments which caused a significant adverse impact on our business operation.

PROCUREMENT AND SUPPLIERS

Raw Materials

Raw materials for our production are primarily copper, aluminium, insulating materials and sheath materials (such as XLPE and PVC). During the Track Record Period, our total cost of raw materials accounted for approximately 92.1%, 92.9%, 91.6% and 92.0% of our total cost of goods sold, respectively. Copper and aluminium are the major raw materials we use for the conductors of our power cable products. Our total cost of copper and aluminium accounted for approximately 76.0%, 65.1%, 69.7% and 66.3% of our total cost of goods sold during the Track Record Period, respectively.

In both Malaysia and Vietnam, we have access to different raw material suppliers that allows us to meet our production needs on a timely basis and at market prices. When selecting suppliers, we take into consideration their reputation, product quality, price, reliability, delivery time and credit terms. During the Track Record Period, we primarily sourced copper used in the production of our power cables in Malaysia from suppliers locally in Malaysia and China, and aluminium from suppliers in Malaysia. For the same period, we primarily sourced copper used in the production of our power cables in Vietnam from suppliers locally in Vietnam.

We generally purchase raw materials based on confirmed purchase orders from customers. We will seek price quotations from our approved suppliers and we choose one of them to place our purchase order with after comparing their terms and offers. Such practice allows us to enhance our

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bargaining power on price and to avoid over-reliance on a single supplier. With the assistance of our production team, our procurement team will receive a daily report from our accounts department for checking the availability of our existing inventory and lead time of raw material, and proceed to plan and order the required raw materials from the suppliers as chosen from our approved list of suppliers. After our quality control team has completed the inspection of the incoming raw materials, they will be stored at our production plant, in which we will perform categorisation and inventory tracking.

During the Track Record Period, we have from time to time experienced cost fluctuations of raw materials, particularly in copper and aluminium due to volatility in the commodity markets. Since the selling prices of our products in Malaysia and Vietnam are generally determined based on the spot price of copper and aluminium on the London Metal Exchange, strong and rapid fluctuations in copper and aluminium price could negatively affect our operating results. In order to manage the risk of raw material price fluctuations, we generally: (i) purchase our raw materials upon entering into sales contracts with our customers; (ii) set out a price adjustment mechanism in some of our contracts with more than three months delivery period from confirmation date so that such increase in cost could be reflected in the price; (iii) adjust our mark-up after considering various factors, such as the prevailing market rate, the demand and supply situation of the product in the market, the quantity of the order and the specification of the products; or (iv) find alternative sources of supply on commercially acceptable terms on a timely basis. Although we believe that we were generally able to reduce the adverse effect on our results from fluctuations of raw material prices, in the event that raw material prices fluctuate significantly, our financial performance could be adversely affected. For details on risk faced by us in relation to the fluctuation of raw material prices, please refer to the section “Risk Factors — We may face price fluctuations or shortages of raw materials” in this prospectus.

Our Group does not engage in any hedging activity nor do we enter into any future contract or price lock-up arrangement with our suppliers in order to manage the price fluctuation of copper or aluminium during the Track Record Period and we do not plan to engage in any hedging activity in the foreseeable future. Our procurement department will closely monitor the price of the raw materials and will adjust its procurement plans accordingly in order to minimise the exposure to fluctuations in prices and supply.

BUSINESS

The table below sets forth a breakdown of our cost of raw materials during the Track Record Period:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>
	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>	<i>cost of</i>
	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>	<i>raw</i>
	<i>RM'000</i>	<i>materials</i>	<i>RM'000</i>	<i>materials</i>	<i>RM'000</i>	<i>materials</i>	<i>RM'000</i>	<i>materials</i>	<i>RM'000</i>	<i>materials</i>
	(unaudited)									
Copper	111,144	71.6	113,916	56.6	119,311	58.1	39,562	58.4	31,162	52.6
Aluminium	17,024	11.0	27,231	13.5	36,852	18.0	11,633	17.2	11,538	19.5
PVC compound	5,308	3.4	7,866	3.9	6,792	3.3	2,477	3.7	1,528	2.6
XLPE compound	3,794	2.4	3,979	2.0	4,350	2.1	1,647	2.4	1,971	3.3
Other materials	18,088	11.6	48,435	24.0	37,974	18.5	12,419	18.3	13,072	22.0
Total cost of raw materials: . . .	155,358	100.0	201,427	100.0	205,279	100.0	67,738	100.0	59,271	100.0

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not encountered quality issues, significant delays or shortages of the raw materials we use for production, which would otherwise adversely affect our manufacturing process.

Suppliers

During the Track Record Period, we did not enter into any long term contracts with any of our suppliers and have not experienced any significant shortage of raw materials and accessories causing material disruption to our operations; the risk of our over-reliance on a single supplier is low. Our Directors are of the opinion that the supply of raw materials and accessories that we usually use in manufacturing our power cable products is relatively stable and sufficient in the market which, allows our Group to better control the costs in relation to raw materials and accessories.

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The following table set forth details of our five largest suppliers for each of the three years ended 31 December 2017 and four months ended 30 April 2018, respectively:

For the year ended 31 December 2015

Ranking	Supplier	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of product(s) provided by our suppliers	Payment and credit terms	Aggregate amount	% of costs of sales for the year (excluding direct labour cost)
						<i>RM'000</i>	
1	Supplier A	Four years	A private company whose major business activity involves production of copper rod	Copper rod	cash on delivery	42,593	25.9%
2	Supplier B	14 years	A private company whose major business activity involves manufacturing of electrical conductor grade copper and wires	Copper rod	14 days	28,296	17.2%
3	Supplier C	14 years	A private company whose major business activity involves manufacturing of copper strips	Copper rod	14 days	27,888	17.0%
4	Supplier D	Seven years	A private company whose major business activities involve manufacturing and sale of aluminium rods	Aluminium rod	14 days	20,630	12.6%
5	Supplier E	Six years	A joint stock company whose major business activities involve in manufacturing and trading non-ferrous metal material (such as copper, aluminium and PVC compound)	Copper wire	15 days	16,405	10.0%
					Subtotal:	135,812	82.7%

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For the year ended 31 December 2016

Ranking	Supplier	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of product(s) provided by our suppliers	Payment and credit terms	Aggregate amount	% of costs of sales for the year (excluding direct labour cost)
						<i>RM'000</i>	
1	Supplier A	Four years	A private company whose major business activity involves production of copper rod	Copper rod	cash on delivery	52,135	24.6%
2	Supplier D	Seven years	A private company whose major business activities involve manufacturing and sale of aluminium rods	Aluminium rod	14 days	30,468	14.4%
3	Supplier B	14 years	A private company whose major business activity involves manufacturing of electrical conductor grade copper and wires	Copper rod	14 days	24,404	11.5%
4	Supplier C	14 years	A private company whose major business activity involves manufacturing of copper strips	Copper rod	14 days	21,066	10.0%
5	Supplier E	Six years	A joint stock company whose major business activities involve in manufacturing and trading non-ferrous metal material (such as copper, aluminium and PVC compound)	Copper wire	15 days	11,779	5.6%
					Subtotal:	<u>139,852</u>	<u>66.1%</u>

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For the year ended 31 December 2017

Ranking	Supplier	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of product(s) provided by our suppliers	Payment and credit terms	Aggregate amount	% of costs of sales for the year (excluding direct labour cost)
						<i>RM'000</i>	
1	Supplier C	14 years	A private company whose major business activity involves manufacturing of copper strips	Copper rod	14 days	47,566	21.8%
2	Supplier D	Seven years	A private company whose major business activities involve manufacturing and sale of aluminium rods	Aluminium rod	14 days	38,229	17.5%
3	Supplier A	Four years	A private company whose major business activity involves production of copper rod	Copper rod	cash on delivery	30,322	13.9%
4	Supplier B	14 years	A private company whose major business activity involves manufacturing of electrical conductor grade copper and wires	Copper rod	14 days	18,843	8.6%
5	Supplier F	Seven years	A private company whose major business activity involves manufacturing of copper tapes, metal pipes, ultra-thin copper tapes, white copper tapes and plastic pipes	Copper tape	cash on delivery	12,175	5.6%
					Subtotal:	147,135	67.4%

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For four months ended 30 April 2018

Ranking	Supplier	Approximate years of relationship with our Group (as at Latest Practicable Date)	Principal business	Types of product(s) provided by our suppliers	Payment and credit terms	Aggregate amount	% of costs of sales for the period (excluding direct labour cost)
						<i>RM'000</i>	
1	Supplier C	14 years	A private company whose major business activity involves manufacturing of copper strips	Copper rod	14 days	16,826	26.8%
2	Supplier D	Seven years	A private company whose major business activities involve manufacturing and sale of aluminium rods	Aluminium rods	14 days	9,660	15.4%
3	Supplier B	14 years	A private company whose major business activity involves manufacturing of electrical conductor grade copper and wires	Copper rod	14 days	4,891	7.8%
4	Supplier G	Four years	A private company whose major business involves manufacturing of copper wires and cables	Copper rod	30 days	3,745	6.0%
5	Supplier H	12 years	A private company whose line of business includes manufacturing noncurrent-carrying wiring devices	Jacketing compound	60 days	2,402	3.8%
					Subtotal:	<u>37,524</u>	<u>59.8%</u>

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Relationship with our five largest suppliers during the Track Record Period:

During the Track Record Period, our purchases from our five largest suppliers amounted to approximately RM135.8 million, RM139.9 million, RM147.1 million and RM37.5 million, respectively, representing approximately 82.7%, 66.1%, 67.4% and 59.8% of our costs of sales, excluding direct labour costs, respectively, while our purchases from our largest supplier amounted to approximately RM42.6 million, RM52.1 million, RM47.6 million and RM16.8 million, respectively, representing approximately 25.9%, 24.6%, 21.8% and 26.8% of our costs of sales, excluding direct labour costs, respectively. Our Group regards the suppliers that have a common controlling shareholder or are within the same group of companies as a single supplier group.

None of our Directors, their respective close associates or any Shareholder (who, to the best knowledge of our Directors, owns more than 5% of the issued share capital of our Company as at the Latest Practicable Date) had any interest in any of our five largest suppliers during the Track Record Period. All of our five largest suppliers are Independent Third Parties. During the Track Record Period, we did not experience any material shortage or delay in the supply of materials and equipment to our projects that significantly affected our business.

KEY CONTRACT TERMS WITH OUR SUPPLIERS

Selection of suppliers

Our Group selects suppliers based on a number of criteria including but not limited to their product quality, pricing, supply capability and business track record with our Group. Our Group regularly communicates with our suppliers, and reviews their performance and background information. Based on our review, our Group has compiled and maintained a list of approved suppliers. The performance of suppliers is evaluated on a continuous basis, based on criteria such as quality of goods, pricing, reliability, response to enquiries and complaints, and ease of contacting.

We aim to maintain stable relationships with our suppliers to ensure that no disruption is caused to our operation as a result of any change in supplier. Our business relationship with our five largest suppliers ranged from approximately four years to more than ten years as at the Latest Practicable Date.

Currency used

For the three years ended 31 December 2017, approximately RM68.0 million, RM83.1 million and RM12.3 million of our purchases were settled in USD, representing 40.9%, 42.4% and 6.0% of our total amount of material purchased for the same period. Our purchases settled in USD decreased for the year ended 31 December 2017 due to our strategy of minimising our exposure to foreign exchange fluctuation by purchasing raw materials including copper from local suppliers with settlement in local currencies instead of overseas suppliers.

For the four months ended 30 April 2017 and 2018, approximately RM3.8 million and RM9.8 million were settled in USD, representing 4.8% and 18.2% of our total amount of material purchased for the same period. Our purchases settled in USD increased for the four months ended 30 April 2018

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compared to the four months ended 30 April 2017 primarily due to the strengthening of RM against USD for the four months ended 30 April 2018 as compared to the four months ended 30 April 2017. For further details on our foreign currency risk, please refer to Note 32 to the Accountants' Report included in Appendix I to this prospectus.

Key contract terms with our suppliers

We typically enter yearly contract with our suppliers as and when required and we place purchase orders with our suppliers. The key contract terms with our suppliers generally include, amongst other, the following:

Key terms	Description
Specifications and quantities of materials to be purchased	The contract or purchase order generally specifies the type of material to be purchased and the price per unit.
Delivery	<p>The ordered materials are usually directly delivered to our production facilities for processing.</p> <p>For overseas suppliers, the costs of transportation, including freight charges, international handling fees and insurance costs (where applicable), are generally borne by the supplier. If the materials are damaged during delivery, liability will generally rest with the relevant supplier and is covered by insurance.</p> <p>Our local supplier generally grants us a credit period from 14 days to 60 days.</p>
Payment terms	Our overseas suppliers generally require us to pay upon presentation of the invoice or upon collection of the materials or goods supplied to us from their designated collection point.
Materials return	<p>Upon the arrival of the raw materials and accessories at our indicated location, we will examine the same and proceed with the required work or storage on the raw materials and accessories.</p> <p>Any defective raw materials and accessories is then delivered back to the relevant suppliers and they will bear the costs of delivered incurred in the product return.</p>

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INVENTORY MANAGEMENT

Our inventory is comprised mainly of raw materials and finished products. Our production planning and control manager in Malaysia and our senior planner and logistic executive in Vietnam is responsible for monitoring the inventory level to meet the production requirements and minimise any waste on inventory or obsolete inventory for our Malaysia and Vietnam production facilities, respectively. As at 31 December 2015, 2016 and 2017 and 30 April 2018, our inventories amounted to approximately RM43.4 million, RM39.8 million, RM42.4 million and RM39.1 million, respectively, representing approximately 35.6%, 34.2%, 36.4% and 31.4% of our total current assets, respectively.

Raw materials

We formulate our procurement plan and budget for purchases of the raw materials that we frequently use in the production of our power cable products, based on our projected production plans for the next two to four weeks. This is to avoid accumulation of excessive inventories and to meet our continuous production needs. During the Track Record Period, we have not experienced any material delay in the delivery of our raw material.

Finished products

Our Group closely monitors the inventory level of our finished goods to minimise the inventory level. Our sales and administration departments in Malaysia and sales and administration departments Vietnam will determine the minimum inventory level of our products based on our customers' past orders and current demand. We normally accumulate finished products that are in high demand for a period of around four to eight weeks.

Our accounts and operation departments in Malaysia and Vietnam perform a full inventory take on a monthly basis to ensure the accuracy of inventory-in and inventory-out information on record. Throughout the year, our Group reviews the inventory taking records and performs inventory ageing analysis to ensure that inventories are properly used and that there is no unnecessary accumulation of aged inventories.

SALES AND MARKETING

Our Directors believe that our continuous efforts to maintain high quality products, competitive prices and on-time delivery are the key to strengthening our customer base.

As at the Latest Practicable Date, we had 12 full-time employees in our sales and marketing team in Malaysia, which is led by our sales senior general manager, and nine full-time employees in our sales and marketing team in Vietnam, which is led by our chief operating officer, Mr. TANG Cheng Leong.

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Our sales and marketing team in Malaysia is responsible for overseeing the sales and marketing strategies of our Group and is responsible for our business development activities. Our sales and marketing strategies include the following:

Customer loyalty, retention and pricing

Our Group values the long and strong working relationships that we have established with our customers. Keeping close and frequent contact with them gives us the opportunity to serve them whenever our products are needed. Further, our sales and marketing team periodically visits and communicates with the mechanical or electrical contractors and consultants who are engaged in the construction industry to collect up-to-date information on projects which may need our power cable products. They also communicate with our customers to collect and understand their feedback on quality, preferences, improvements and market demand of our products.

We price our products based on a “cost-plus” strategy. The mark-up is, in general, determined after considering various factors, such as (i) product specifications, complexity of the manufacturing process, sales volume, delivery schedules required by our customers; (ii) the prevailing costs of the raw materials; and (iii) payment terms. For further details on our pricing policy, please refer to the heading “— Key terms with our customers — pricing policy” in this section.

Creating strong presence

Our sales and marketing teams in Malaysia and Vietnam are responsible for exploring new business opportunities in Malaysia and Vietnam, respectively. We also participate in trade exhibitions in Malaysia and Vietnam such as power cable products exhibition in Malaysia, Ecobuild and Vietbuild in Vietnam and Cambodia construction summit and expo in Cambodia, respectively to increase our Group’s presence, brand awareness and the publicity of our products.

Our Directors believe that our track record in the industry for providing power cable products to a range of construction and infrastructure projects in Malaysia, Vietnam, Singapore and Cambodia will offer us a higher chance of success due to our familiarity in collaborating with customers.

We have a dedicated sales and marketing team in Malaysia headed by our senior general manager, Mr. WEI, Chee Cheen, who manages our sales and marketing staff who works together with contractors or sub-contractors and in some cases, project managers and engineers as part of our pre-sales and marketing activities. Our sales and marketing team in Malaysia will look out for project information in various channels such as newspapers, websites of relevant government authorities or agencies. We will also keep in contact with our customers and/or the relevant industry consultants to obtain information on prospective and new projects that are available in the market. As of the Latest Practicable date, we sold our products in Malaysia directly, and have not appointed any sales agent.

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For our Vietnam operations, we have a dedicated sales team headed by our chief operating officer of OVI, Mr. TANG Cheng Leong, together with his nine sales and marketing staff, who works together with contractors or sub-contractors and in some cases, project managers and engineers as part of our pre-sales and marketing activities. Our sales team in Vietnam will also look out for project information in channels like newspapers, websites of relevant government authorities or agencies. As of the Latest Practicable Date, we sold our products in Vietnam directly, and have not appointed any sales agent.

QUALITY CONTROL

We have developed an effective quality control system in Malaysia and Vietnam with an aim to demonstrate our ability to provide products that meets customer, regulatory and statutory requirements. Our quality control system has been ISO 9001 certified. We are constantly improving our quality control system in order to meet industry standards and to satisfy or exceed our customers' expectations. As at 30 April 2018, we had a team of 33 quality management personnel in Malaysia and a team of five quality management personnel in Vietnam with an average of three years of experience in the wire and cable industry.

We conduct our quality testing and inspections during each step of the production process. All finished products have to pass our internal inspections prior to transportation. We have adopted the following quality control measures to ensure we produce quality products:

(a) Supplier qualification

Raw materials are purchased only from qualified suppliers after evaluation of their track record, pricing, timely delivery, financial condition, after-sales services and market reputation. We review the performance of our suppliers annually to ensure that they maintain a high standard.

(b) Raw material inspection and testing

We inspect and test raw materials from our suppliers in accordance with our internal policies, the "inspection and testing" quality procedures, which is formulated in accordance with the ISO 9001 standards. The objective for such inspections and testing is to verify that the purchased raw materials, technical requirements, exterior conditions and other requirements suitable for the production process. Such inspections and testing are conducted through a sampling process by our quality control personnel.

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Our “incoming inspection” quality procedures require tests on mechanical and physical features (such as, the elongation test and tensile-strength), electrical features (such as, conductivity, resistance and resistivity tests), exterior conditions and other quality control requirements for raw materials. During the Track Record Period, the average passing rate of our sampling tests for copper in our Malaysia and Vietnam operations is approximately 100.0% and 98.1%, respectively.

(c) Production quality control

We conduct quality control tests at each stage of the production process, namely, the “in-process inspection”. The objective is to ensure that the products meet the quality requirements (including cable diameter, thickness, voltage testing and insulation), and that quality issues can be identified and resolved in time.

Our “in-process inspection” requires that we test samples of unfinished products visually with devices (such as micrometres and overhead projector). In each sampling test, we would conduct sampling test on the unfinished products of such production process. Our average passing rate during the Track Record Period was approximately 99.8%. Unfinished products will flow to the next stage of the manufacturing process after they pass the inspection.

(d) Final inspection and testing

We conduct quality testing on all finished products to ensure that they comply with our customers’ specifications and the required standards. We have implemented our “inspection and testing” quality procedures.

Based on the finished products specifications, we take samples from the finished products for tests on the cable thickness, diameter, density, voltage, insulation and other quality requirements. The sampling size for testing is approximately 10% mechanical (i.e. hot-set test on the insulating properties) and 100% electrical of all finished products and the average passing rate during the Track Record Period was approximately 99.5%.

Additionally, regular meetings are held to discuss quality control process. If we encounter a problem with our quality control system, a dedicated team will be assembled to solve the problem.

SEASONALITY

Our Directors believe that the industry in which we operate does not exhibit any significant seasonality. As such, our business is not tied to any seasonal factors.

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ACCREDITATIONS

As a testimony to our commitment to a quality management system and quality products, we have obtained the following certifications in Malaysia:

Relevant authority/organisation	Relevant list/category	Qualification/Licence/Grading	Obtained by	Date of registration	Date of expiry
JKR	Registered manufacturer (XLPE-insulated PVC sheathed power cables armoured & non-armoured)	(9)dIm.JKR(PM) 5/1/4-1 Jld.7	OCC SB	21 May 2018	15 June 2021
	Registered manufacturer (medium voltage)	(62)dIm.JKR(PM) 5/1/4-1 Jld.6	OCC SB	13 March 2017	15 February 2020
	Registered manufacturer (medium voltage)	(63)dIm.JKR(PM) 5/1/4-1 Jld.6	OCC SB	13 March 2017	15 February 2020
	Registered manufacturer (PVC insulated cable (non-sheathed & sheathed))	(64)dIm.JKR(PM) 5/1/4-1 Jld.6	OCC SB	13 March 2017	15 February 2020
	Registered manufacturer (fire-resistant cable)	(75)dIm.JKR(PM) 5/1/4-1 Jld.6	OCC SB	1 June 2017	15 June 2019
TNB	Certificate of registration as supplier and service contractor	3005316	OCC SB	16 October 2015	7 October 2018
Bomba	Certification that the "fire-resistant cable" complies with BS 6387:1994, IEC 60331-21:1999, IEC 60332-3-22:2000 & IEC 60332-3-22 (CAT. A)	JBPM/IP/BKK: 700-7/2/16-112 (20)	OCC SB	17 April 2018 Date of Commencement: 5 April 2018	4 April 2019
	Certification that the "fire-resistant cable" complies with IEC 60332-3-22:2009; IEC 60332-3-23:2009; BS 6387 CWZ	JBPM/IP/BKK: 700-7/2/16-157(3)	OCC SB	1 August 2018 Date of Commencement: 2 August 2018	1 August 2019
LPCB	Authorised to use the LPCB mark in association with products	1122a (Issue No. 01)	OCC SB	14 May 2012	N/A

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Relevant authority/organisation	Relevant list/category	Qualification/Licence/Grading	Obtained by	Date of registration	Date of expiry
SIRIM QAS International	Product certification licence to use the certification mark on “power cables with extruded solid insulation” as complying with MS IEC 60502-2:1998	PO000305	OCC SB	25 July 2018	26 July 2019
	Product certification licence to use the certification mark on “power cables with extruded solid insulation” as complying with IEC 60502-1:2004.	PO000304	OCC SB	13 March 2018	3 March 2019
	Product certification licence to use the certification mark on “fire resisting cables” as complying with IEC 60331-21:1999 and IEC 60332-3-22:2000.	PO000306	OCC SB	2 January 2018	28 November 2018
	Product certification licence to use the certification mark on “fire-resistant cables” as complying with BS 6387:1994.	PO000307	OCC SB	5 May 2018	4 April 2019
	Product certification licence to use the certification mark on “electric cables with thermosetting insulation” as complying with BS 6622:2007.	PO000308	OCC SB	2 January 2018	24 February 2019
	Product certification licence to use the certification mark on “PVC-insulated cables (non-sheathed) for fixed wiring” as complying with MS 2112-3:2009.	PC000118	OCC SB	27 April 2018	6 April 2019
	Product certification licence to use the certification mark on “PVC-insulated cables (sheathed) for fixed wiring” as complying with MS 2112-4:2009.	PC000120	OCC SB	27 April 2018	6 April 2019
	Product certification licence to use the certification mark on “armoured 600/1000V multi core XLPE insulated cable” as complying with MS 2107:2007.	PC001915	OCC SB	7 August 2018	21 August 2019

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Relevant authority/organisation	Relevant list/category	Qualification/Licence/Grading	Obtained by	Date of registration	Date of expiry
	Product certification licence to use the certification mark on “armoured 600/1000V multi core PVC insulated, PVC sheathed cables” as complying with MS 2103:2007.	PC001916	OCC SB	7 August 2018	21 August 2019
	Product certification licence to use the certification mark on “armoured 600/1000V single core PVC insulated, PVC sheathed cables” as complying with MS 2101:2007.	PC002040	OCC SB	16 January 2018	27 November 2018
	Product certification licence to use the certification mark on “non-armoured 600/1000V multi core PVC insulated, PVC sheathed cables” as complying with MS 2102:2007.	PC002041	OCC SB	2 January 2018	27 November 2018
	Product certification licence to use the certification mark on “non-armoured 600/1000V single core PVC sheathed cables” as complying with MS 2100:2007.	PC002042	OCC SB	2 January 2018	27 November 2018
	Product certification licence to use the certification mark on “non-armoured 600/1000V single core XLPE insulated cables” as complying with MS 2104:2007.	PC002053	OCC SB	2 January 2018	4 December 2018
	Implementation of quality management system which fulfils the requirement of ISO 9001:2015 for design and manufacture of low and medium voltage power cables.	QMS 00629	OCC SB	10 August 2018 Date of Commencement: 7 December 2016	6 December 2019
TNBR QATS Sdn. Bhd.	Compliance with TNBD Technical Specification (approved dated: 17 September 2002) and accepted for use in the TNB system	D2015-0060	OCC SB	27 June 2015	26 June 2018*

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Relevant authority/organisation	Relevant list/category	Qualification/Licence/Grading	Obtained by	Date of registration	Date of expiry
	Compliance with TNBD Technical Specification (approved dated: 30 August 2001) and accepted for use in the TNB system	D2015-0061	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification: KEJ01201 (approved dated: 23 December 1999) and accepted for use in the TNB system	D2015-0062	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification: KEJ01206:2000 (approved dated: 29 June 2000) and accepted for use in the TNB system	D2015-0063	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification (approved dated: 7 April 2000) and accepted for use in the TNB system	D2015-0064	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification: KEJ01214 (approved dated: 10 May 2007) and accepted for use in the TNB system	D2015-0065	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification: KEJ02106 (approved dated: 7 April 2000) and accepted for use in the TNB system	D2015-0066	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification:KEJ02228 (approved dated: 17 September 2002) and accepted for use in the TNB system	D2015-0067	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification (approved dated: 13 June 1996) and accepted for use in the TNB system	D2015-0068	OCC SB	27 June 2015	26 June 2018*
	Compliance with TNBD Technical Specification (approved dated: 22 March 2001) and accepted for use in the TNB system	D2015-0069	OCC SB	27 June 2015	26 June 2018*

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Relevant authority/organisation	Relevant list/category	Qualification/Licence/Grading	Obtained by	Date of registration	Date of expiry
International Certification Network	Implementation of quality management system which fulfils the requirements of ISO 9001:2015 for design and manufacture of low and medium voltage power cables	MY-QMS 00629	OCC SB	10 August 2018	6 December 2019
TUV SUD PSB Pte. Ltd.	Right and licence to use the TUV SUD PSB PLS Mark on “fire-resistant cable”	00066	OCC SB	22 August 2017	7 November 2022
	Certificate of conformity for “fire-resistant cables”	CLS1A 17 08 80652 009	OCC SB	22 August 2017	18 August 2022
	Certificate of conformity for “fire-resistant cables”	CLS1A 17 08 80652 008	OCC SB	22 August 2017	18 August 2022
	Certificate of conformity for “fire-resistant cables”	CLS1A 17 08 80652 007	OCC SB	22 August 2017	18 August 2022
	Certificate of conformity for “fire-resistant cables”	CLS10A 17 08 80652 010	OCC SB	22 August 2017	18 August 2022

Note:

- * This certificate is in the process of renewal and is pending issuance of new certificate. As advised by our Malaysian Legal Advisers, the Company does not foresee any legal impediment to obtain the renewed certificate from TNBR QATS Sdn. Bhd.

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As a testimony to our commitment to a quality management system and quality products, we have obtained the following certifications in Vietnam:

Relevant authority/ organisation	Relevant list/category	Qualification/Licence/ Grading	Obtained by	Date of first grant/ registration	Date of expiry
QUACERT	Quality Management System	TCVN ISO 9001:2015/ ISO 9001:2015	OVI	22 September 2011	21 September 2020
	Environmental Management System	TCVN ISO 14001:2015/ ISO 14001:2015	OVI	9 June 2017	8 June 2020
Quality Assurance and Testing Centre 3	Power cables with extruded insulation for rated voltages of 0,6/1 (1,2) kV	TCVN 5935- 1:2013 (IEC 60502-1:2009)	OVI	23 January 2017	22 January 2020
	Fire resistant cables for rated voltages up to 0,6/1kV	IEC 60331-21:1999	OVI	23 January 2017	22 January 2020
	Fire resistant cables for rated voltages up to 0,6/1 kV	BS 6387:2013	OVI	23 January 2017	22 January 2020
	Polyvinyl clorua insulated cables for rated voltages up to 450/750 kV	QCVN 4:2009/BKHCHN & Amendment 1:2016 QCVN 4:2009/BKHCHN	OVI	1 November 2017	31 October 2020

According to our Malaysian Legal Advisers and our Vietnam Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, our Group has obtained all necessary and material approvals, permits, licences and registration required for its principal business activities.

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LICENCES, PERMITS AND APPROVALS

As at the Latest Practicable Date, our Group has the following registrations and/or licences that are material to the business operations of our Group in Malaysia:

Granting authority/ body	Registration/ Licence	Registration/ Licence Number	Granted to	Date of registration	Expiry date
Ministry of International Trade and Industry of Malaysia	Manufacturing licence for the manufacture of flame retardant cables and instrumentation cables	Licence No. A011156, Serial No. A031165	OCC SB	24 October 2011	N/A
	Manufacturing licence for the manufacture of low voltage armoured cables and non-armoured cables, medium voltage power cables, aerial bundle cables and fire-resistant cables	Licence No. A011156, Serial No. A031906	OCC SB	13 September 2012	N/A
Energy Commission of Malaysia	Certificate of registration for installation	ST(MLK)P/S/MLK/00592	OCC SB	18 December 2017	17 December 2018
	Certificate of registration as registered manufacturer	JKKE/KK/16/00143	OCC SB	20 March 2018	20 March 2019
Malacca City Council	Business and advertisement license	4099249050198/L4.04905	OCC SB	11 December 2017	31 December 2018
Ministry of Finance Malaysia	Certificate of registration as manufacturer of electric cable	K19732836871517953	OCC SB	2 October 2015	7 October 2018
Bomba	Certification that OCC SB's premises located at Lot PT 2126-2131, Jalan PK1, Taman Perindustrian Krubong, 75250, Malacca, complies with the life safety, fire prevention, fire protection and fire fighting requirements of the Fire Services Act 1988	JBPM: MK/7/068/2018	OCC SB	4 May 2018 Date of Commencement: 25 April 2018	24 April 2019

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As at the Latest Practicable Date, our Group has the following registrations and licences that are material to the business operations of our Group in Vietnam:

Granting authority/ body	Registration/ Licence	Registration/ Licence Number	Granted to	Date of current registration	Expiry date
Department of Planning and Investment of Binh Duong Province	Enterprise registration certificate	Code 3700755594	OVI	8 September 2006	N/A
Binh Duong Industrial Zones Authority	Investment Registration Certificate	No. 5406850622	OVI	8 September 2006	20 January 2055
	Certificate of ownership of construction works	No. 74721258 1300156	OVI	27 February 2009	N/A
	Certificate of ownership of construction works	No. 74721258 1300244	OVI	23 November 2009	N/A
Department of Natural Resources and Environment of Binh Duong Province	Certificate of land use right and ownership of houses and other land-attached assets	No. BK075233	OVI	1 February 2013	N/A
National Office of Intellectual Property Vietnam	Trademark Registration Certificate	Registration number 4-2014-09850 Certificate No. 252265	OVI	2 October 2015	7 May 2024

In order to become qualified supplier of TNB our products will need to obtain a certificate of product acceptance through the product certification scheme under TNB. Certain of our low voltage and medium voltage power cable products have met the specific requirements for TNB technical specifications and requirements, and we have been a qualified supplier for some of these power cable products to TNB as early as 2001. During the three years ended 31 December 2017 and four months ended 30 April 2018, our sales to TNB accounted for approximately 1.1%, 20.0%, 19.4% and 20.7% of our total revenue, respectively.

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We had not experienced any complaint or regulatory action brought by the grantor of the registrations/permits against us during the Track Record Period and up to the Latest Practicable Date, our Directors believe that we should not encounter any difficulties in renewing any of the registrations in the future.

RESEARCH AND DEVELOPMENT

Our Directors believe that the research and development function is to keep us ahead of our competitors; our Group's research and development are carried out in Malaysia. As at 30 April 2018, we had three technicians working on research and development projects. Each of them held either a college degree or diploma and have accumulated between one and ten years of experience in the cable and wire industry. In addition to educational qualifications and work experience, our technicians are required to attend technical trainings before they can start to work on our research and development projects.

INTERNAL CONTROL

With a view to strengthen the internal control procedures of our Group, we have engaged an independent business consulting and internal audit firm, (the “**Internal Control Consultant**”), to perform a review over selected areas (the “**Internal Control Review**”). The Internal Control Consultant had been engaged in numerous pre-IPO internal control reviews for companies listed on the Stock Exchange. The Internal Control Consultant has more than 10 years of experience in internal control review. Following this review, we have taken some remedial measures to improve our internal control system.

Based on the Internal Control Consultant's review and recommendations, our Group has duly adopted the measures and policies in order to improve our internal control systems and to ensure our compliance with the relevant Listing Rules and Hong Kong laws. Based on the results of the internal control reviews, our Directors are of the view that adequate and effective internal control procedure and policies have been put in place by our Group.

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EMPLOYEES

As at 30 April 2018, we had a total of 300 employees, of whom 230 were located in Malaysia and 70 were located in Vietnam.

The following table sets out a breakdown of the number of our employees by function as at 30 April 2018:

Function	Number of employees
Management and administration	22
Accounting and finance	8
Research and development	3
Quality control	38
Sales and marketing	22
Logistics and purchasing	17
Production and services	190

Relationship with our staff

Our Directors consider that we have maintained good relationships with our employees. We have not experienced any significant problems with our employees or any disruptions to our operations due to labour disputes nor have we experienced any difficulties in the recruitment or retention of experienced staff or skilled personnel during the Track Record Period and up to the Latest Practicable Date.

Training and recruitment policies

We believe our working environment and employee development opportunities have contributed to good employee relations and overall employee retention. We recruit our employees based on factors such as their competencies work experience, educational background and our needs. We typically hire through online advertisements, internal referrals, headhunters and campus recruitments.

We believe that the quality of our employees, existing or future, is of essence to our business and operation and hence, a crucial asset of our Group. Therefore, we are committed to providing all employees a safe, healthy and pleasant working environment within our organisation.

We are also committed to encouraging our staff to enhance their skills and knowledge by offering reimbursements to our employees after they have received relevant training and attended development programs in relation to their respective work positions and skills. Training programmes may cover occupational health and safety and/or technical and functional courses.

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Remuneration policy

We entered into individual labour contracts with each of our employees in accordance with the applicable labour laws of Malaysia and Vietnam, which cover matters such as wages, employee benefits and grounds for termination. The remuneration package our Group offers to our employees includes salary, bonuses, allowances and medical benefits. In general, we determine an employee's salary based on each employee's qualifications, experience and capability and the prevailing market remuneration rate.

For the three years ended 31 December 2017 and four months ended 30 April 2018, our employee remuneration expenses and Directors' emolument (including salaries, other benefits and retirement benefit costs) amounted to approximately RM8.6 million, RM11.2 million, RM11.5 million and RM3.6 million, respectively.

During the Track Record Period and up to the Latest Practicable Date, none of our employees in Vietnam has negotiated with us on the employment terms through the labour unions or in a way of collective bargaining and we had not experienced any major labour disputes or labour strikes that have interfered with our operations in any material respect.

Collective agreement

As confirmed by our Malaysian Legal Advisers, it is common for companies in Malaysia to enter into collective agreements with trade unions, for employees who are member to these trade unions, rather than negotiating each contract individually. OCC SB and the Electrical Industry Workers Union in Malaysia have entered into a collective agreement for the period commencing from 1 January 2018 to 31 December 2020 ("**Collective Agreement**"). The Collective Agreement applies to all employees eligible for the union membership excluding (i) all managerial, executive and confidential staff; and (ii) all employees engaged in security work. The Collective Agreement is required to be complied with the relevant labour legislation. The Collective Agreement stipulates the minimum terms of employment to which members of the trade union are entitled to.

After seeking legal advice from our Malaysian Legal Advisers and Vietnam Legal Advisers, our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with all employee benefits fund obligations applicable to us under the applicable Malaysia and Vietnam's laws and regulations in all material aspects.

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OCCUPATIONAL HEALTH AND SAFETY

Pursuant to OSHA 1994, an employer has a duty to ensure, so far as practicable, the safety, health and welfare of its employees at work. It is the duty of an employer to provide its employees with the relevant training, knowledge, information and supervision in order to maintain a safe working environment without causing any risks to their health, safety and welfare. Furthermore, every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work. Accordingly, our Group has established a committee to review our safety and health measures and investigate any safety and health matters at the place of work of our employees. The committee consists of the employee representatives.

Our safety plan includes the following areas:

Safety training

In order to minimise job hazard, our Group organises an orientation programme on safety and health to new employees including our production workers. Each employee will be given training before using any equipment and machinery. Owing to the orientation programme, the risk or probability of occurrence of accidents can be mitigated. Our Group also provides ongoing safety trainings to our employees.

Safety and health inspection

For our Malaysia operations, we provide insurances for our foreign production workers which is compulsory under the Workmen's Compensation Act 1952. In Vietnam, we provide regular body checks to our foreign production workers in accordance to the Labour Code No. 10/2012/QH13. Our management teams in Malaysia and Vietnam are responsible for overseeing our production activities at our Existing Malacca Plant and Existing Vietnam Plant, respectively, to ensure that our safety and health measures are duly implemented.

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Job hazard analysis

We identify and assess the hazards and inherent risks to the safety and health of our production workers on an ongoing basis. The aim of job hazard analysis is to identify the hazard severity, likelihood of harm and the degree of risk involved for all critical work activities for implementing adequate risk control. Potential hazards and consequences of each workplace are set out in our occupational health and safety management policy where we will provide preventive measures to our employees to follow.

Personal protection equipment

Our Group provides a safe working environment based on the OSHA 1994 and the Labour Code No. 10/2012/QH13 in Malaysia and Vietnam, respectively. We require our workers to wear personal protection equipment provided by us on a mandatory basis. This equipment includes but not limited to safety shoes, where required, ear plugs, protective goggles and gloves.

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not received any significant claims for damages or compensation in relation to any material industrial accident of our employees, and we did not experience any material disputes with our employees that had a material adverse effect on our operation.

ENVIRONMENT COMPLIANCE

Our Existing Malacca Plant

Our production process generates noise, waste water and other industrial waste including oil sludge which are deemed as scheduled waste pursuant to the Environmental Quality (Scheduled Wastes) Regulations 2005 and we are subject to a number of environmental laws and regulations in Malaysia. For further details, please refer to “Regulatory Overview — Overview of Malaysian laws and regulations” in this prospectus. We have devised a series of procedures in relation to handling waste materials in order to ensure that our operation will not cause any material damage to the environment. We have established and implemented various internal control rules and guidelines regarding environmental compliance and pollution controls, such as the guidelines on control and management of waste water and the guidelines on the management of the operation of pollution control system.

For the three years ended 31 December 2017 and four months ended 30 April 2018, the aggregate annual costs incurred by our Group for complying with the applicable environmental laws and regulations in Malaysia were approximately nil, RM9,260, RM9,000 and RM7,576, respectively,

BUSINESS

and was mainly attributable to the disposal of industrial waste. Our Directors confirmed that our Group has complied in all material respects with the relevant environmental laws, regulations and administrative rules during the Track Record Period. As confirmed by our Directors, our Group has not been prosecuted by any Malaysian governmental authority for breaching any applicable environmental laws and regulations in Malaysia relating to environmental protection during the Track Record Period.

Our Existing Vietnam Plant

Manufacturing enterprises in Vietnam are mainly subject to the Law on Investment, the Law on Enterprise, the Law on Environmental Protection, the Law on Fire Prevention and Fighting. For further details, please refer to the section headed “Regulatory Overview — Vietnam Regulatory Overview — Environmental protection” in this prospectus.

We are committed to operating in compliance with applicable environmental laws and regulations and have taken steps to ensure that any waste and by-products produced as a result of our operations are properly treated and discharged so as to minimise adverse effects on the environment. We have on-site wastewater treatment facilities at our Existing Vietnam Plant that treat wastewater generated from our production processes. In order to ensure employee awareness of the importance of compliance with such requirements, we have established guidelines that set out the relevant pollutant emission and discharge limits and our internal environmental protection management procedures. During the Track Record and up to the Latest Practicable Date, we had not been subject to any material penalty or fines imposed by the relevant environmental protection authorities.

For the three years ended 31 December 2017 and four months ended 30 April 2018, the aggregate annual costs incurred by our Group for complying with the applicable environmental laws and regulations in Vietnam were approximately RM3,000, RM2,500, RM3,300 and RM651, respectively, and was mainly attributable to the disposal of industrial waste. Our Directors confirmed that our Group has complied in all material respects with the relevant environmental laws, regulations and administrative rules during the Track Record Period. As confirmed by our Directors, our Group has not been prosecuted by any Vietnamese governmental authority for breaching any applicable environmental laws and regulations in Vietnam relating to environmental protection during the Track Record Period.

INSURANCE

During the Track Record Period, we maintained insurance policies set out in the following paragraphs.

BUSINESS

Employee's compensation

Pursuant to the Workmen's Compensation Act 1952 of Malaysia, all employers shall insure and keep himself insured with an insurer within the meaning of the Insurance Act 1996 in respect of every liability which he may incur to any workman employed by him. Further, under the Workmen's Compensation Act 1952, it is mandatory for every employer to insure all foreign workers employed by him under an approved insurance scheme in respect of any liability that he may incur. In this connection, we have taken out insurance policies in accordance with such requirements.

Labour Code No. 10/2012/QH13 of Vietnam requires both employers and employees to participate in the statutory insurance schemes on social, health, and unemployment insurance. Employers and employees are also encouraged to take out other forms of insurance cover for employees. During the Track Record Period, we have fulfilled all financial obligations as regards the mandatory statutory insurance schemes. In addition, we have taken out additional insurances policies for the employees.

Other insurance coverage

We currently maintain all risks insurance policies for our office and production facilities, which covers all office equipment, computer, printers, servers, accessories, forklifts and other goods related to our Group's business. Furthermore, we maintain public liability insurance which covers legal liabilities due to personal injury and/or property damage to third parties arising from any event in relation to business operation. In particular, we have maintained insurance coverage against, among other matters, (i) electric cables and/or other declared goods which are specified in each unit of shipment insurance (during import, export and inland transit); and (ii) loss or damage to our automobiles. Certain types of risks, such as the risks in relation to the collectability of our trade and retention money receivables and liabilities arising from events such as epidemics, natural disasters, adverse weather conditions, political unrest and terrorist attacks, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks.

For the three years ended 31 December 2017 and four months ended 30 April 2018, our total insurance premiums amounted to approximately RM545,000, RM561,000, RM577,000 and RM183,685, respectively in Malaysia, and approximately RM26,000, RM28,000, RM33,000 and RM6,274 in Vietnam for the same period, respectively. Our Directors consider that our insurance coverage is adequate and consistent with the industry norm regarding our current scope of operations in both Malaysia and Vietnam. During the Track Record and up to the Latest Practicable Date, we had not made, and had not been the subject of, any material insurance claim.

BUSINESS



INTELLECTUAL PROPERTY

Trademark

As at the Latest Practicable Date, our Group is the registered owner of the following trademarks, which we believe are material to our business:

Mark	Registered owner	Date of registration	Expiry date	Place of registration	Trademark number	Class
1. 	OVI	2 October 2015	7 May 2024	Vietnam	4-2014-09850	9 and 35

As at the Latest Practicable Date, our Group has applied for the registration of the following trademarks which we believe are material to our business:

Trademark	Applicant	Application number	Class	Status
1. OLYMPIC ELECTRIC CABLE	OCC SB	2013001156	16	Pending registration
2. 	OCC SB	2018067844	16	Pending registration
3. 	OCC SB	2018067846	9	Pending registration

Domain name

As at the Latest Practicable Date, our Group is the owner of the following domain name which is considered by our Directors as material to the business of our Group:

Registered owner	Domain name	Registration date	Expiry date
1. OCC SB	www.occ-cables.com	13 February 2018	13 February 2022
2. OCC SB	www.olympic-cable.com.my	30 September 1998	30 September 2021
3. OCC SB	www.ovicables.com	3 October 2008	3 October 2021

BUSINESS

Save as the above, as at the Latest Practicable Date, we did not have any material intellectual property rights (whether registered or pending registrations) that are significant to our business operations or financial positions. As at the Latest Practicable Date, we had not engaged in, and were not aware of, any litigation or legal proceedings for the violation of intellectual property rights or any material violation.

PROPERTIES

Owned properties

The following table summarises information regarding our owned property as at 31 August 2018:

Address	Gross floor area	Usage	Market Value	Country
Nos. PT 2126-2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260 Krubong, Malacca, Malaysia	22,172.52m ²	Factory	US\$15,900,000	Malaysia
Lot E-4A1-CN & Lot E-4B-CN, St. NA2, My Phuoc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam	5,004.00m ²	Factory	US\$2,900,000	Vietnam

Leased properties

The following table summarises the information regarding our leased property as at 31 August 2018:

Address	Gross floor area	Usage	Expiry date	Number of years for which the existing term can be renewed	Country
Lot 2008, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia	2,540.00 sq.ft.	Office	28 February 2019	3	Malaysia

BUSINESS

Address	Gross floor area	Usage	Expiry date	Number of years for which the existing term can be renewed	Country
Lot E-4A1-CN and Lot E-4B-CN, My Phuoc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam	39,993m ²	Factory	14 January 2055	The renewal will be at the licensing authority's discretion subject to (1) its review of the business results and the compliance with the Vietnamese laws by OVI; and (2) the renewal of the term of the lease between landlord and the state.	Vietnam

MARKET AND COMPETITION

Malaysia

According to the F&S Report, the overall wire and cable industry in Malaysia market is considered to be highly fragmented as there are approximately 50 power cable products manufacturers in Malaysia, ranging from several foreign players with local presence, major local players to small and medium enterprises which focuses on niche segments of the market. The top 20 key power cable products manufacturers are registered with the Malaysia Cable Manufacturers Association and approximately 11 companies under the TNB preferential list. Most of the smaller companies compete based on their involvement in TNB projects where, according to F&S Report, approximately 90% to 100% of their revenues are generated from TNB's project.

Vietnam

According to the F&S Report, language barrier is the most common problem experienced by foreign companies when setting up their businesses in Vietnam. It is also considered that Vietnam's lack of transparency, uniformity and consistency in government policies, ineffective investors' protection and under-developed infrastructure caused the country to lag behind its peers in the World Bank's Ease of Doing Business ("EODB") ranking and investors' protection ranking. Nonetheless, Vietnam has progressed significantly in regulating economy as its EODB ranking for 2018 has become 68 (out of 190 countries) from its previous rank of 82 in 2017.

However, in accordance with F&S Report, Vietnam is undergoing rapid economic growth, coupled with the country's urbanisation and industrialisation. Vietnam's increasing demand for electricity consumption is expected to drive the demand for power cable products in the country.

BUSINESS

Our Directors believe that potential new entrants into Malaysia and Vietnam will face a number of barriers, including (i) difficulty in obtaining power cable products manufacturing licences and the relevant qualifications; (ii) stringent product certifications which are prerequisites to entering certain markets; (iii) substantial capital requirements; (iv) limited supply of experienced management and skilled technical staff in the industry; and (v) substantial investment and time required for building reputation and brand recognition in the industry.

COMPLIANCE AND LITIGATION

During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws or regulations, and we did not experience any systemic non-compliance incident which in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. During the same periods, we did not experience any non-compliance of the laws or regulations, which in the opinion of our Directors, reflects negatively on the ability or tendency of our Company, our Directors or our senior management, to operate our business in a compliant manner.

Litigation

We are subject to prescribed industry technical standards in relation to the manufacture and sale of our products. As our products are important components used in power and other industries such as oil and gas, infrastructure, construction and others, any defect or malfunction in our products or the failure of our products to meet our customers' specifications could lead to damages or losses to our customers. The possible consequences include widespread blackouts, or in cases of extreme overheating, fire breakouts that in turn could lead to damage and loss of property, as well as personal injuries or death. If such consequences result from defects in our products, we could be required to compensate our customers and victims for such losses, damages, personal injuries or death. We may also have to spend a significant amount of resources to defend ourselves in the event where claims or legal proceedings are instituted against us.

During the Track Record Period, we had not encountered any material product liability claim against us nor any material product recall. As at the Latest Practicable Date, we had not effected any product liability insurance for our products as it is neither an industry requirement nor general practice to do so. However, any successful product liability claim against us in the future could, nevertheless, have an adverse effect on our business, prospects, financial condition and results of operations.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration, claim of material importance, and no litigation, arbitration or claim is known to our Directors to be pending or threatened by or against us that would have a material and adverse effect on our results of operations or financial condition.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Our Company is a wholly-owned subsidiary of OSK Industries, which in turn wholly owned by PJDH. PJDH is owned by OSK, a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053), as to approximately 96.9%.

Immediately following the completion of the Global Offering (but excluding any option which may be granted under the Share Option Scheme), PJDH will be interested in, through OSK Industries, approximately 73% of the enlarged issued share capital of our Company. Hence, OSK, PJDH and OSK Industries will continue to be our Controlling Shareholders

OSK has on 24 May 2018 obtained its shareholders' approval on the Listing. As advised by our Malaysian Legal Advisers, the acquisition of OCC SB by OCC Malaysia is not subject to any regulatory precondition.

PERSONS ACTING IN CONCERT

Persons Acting in Concert, by which OSK is held directly or indirectly as to approximately 59.6%, being the ultimately shareholders of our Group, confirms that they have been acting in concert since 9 July 2013, throughout the Track Record Period and up to the Latest Practicable Date; and will continue to act in concert in the control and management of our Group, including in the exercise of their voting rights, through their holding companies, namely OSK, PJDH and OSK Industries, in general meetings of our Company. Such acting in concert arrangement will continue to be in effect after the Listing.

The table below illustrates the information of the Persons Acting in Concert and their percentage of shareholding in OSK:

	<u>Name</u>	<u>Nature of relationship</u>	<u>Approximate direct percentage of shareholding in OSK (%)</u>
1.	Tan Sri ONG Leong Huat . .	Spouse of Puan Sri KHOR Chai Moi	6.53
2.	Puan Sri KHOR Chai Moi .	Spouse of Tan Sri ONG Leong Huat	1.41
3.	ONG Yin Suen, Eliza.	Daughter of Tan Sri ONG Leong Huat	0.75
4.	ONG Ju Yan	Chairman and non-executive Director of our Group, son of Tan Sri ONG Leong Huat	1.19

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Name	Nature of relationship	Approximate direct percentage of shareholding in OSK (%)
5. ONG Ju Xing	Non-executive Director of our Group, son of Tan Sri ONG Leong Huat	1.06
6. ONG Yee Ching, Cheryl . . .	Daughter of Tan Sri ONG Leong Huat	0.61
7. ONG Yee Min, Amelia	Daughter of Tan Sri ONG Leong Huat	0.53
8. OSK Equity Holdings Sdn. Bhd.	Held by Tan Sri ONG Leong Huat and Puan Sri KHOR Chai Moi as to 99.99% and 0.01%	27.13
9. Land Management Sdn. Bhd.	Held by Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Ju Yan, ONG Yin Suen, Eliza, ONG Ju Xing, ONG Yee Ching, Cheryl and ONG Yee Min, Amelia as to 62.5%, 30%, 1.5%, 1.5%, 1.5%, 1.5% and 1.5%	12.16
10. Dindings Consolidated Sdn. Bhd.	Held by Tan Sri ONG Leong Huat, Puan Sri KHOR Chai Moi, ONG Yee Min, Amelia and ONG Ju Xing as to 44.51%, 48.9%, 1.7% and 4.89%	7.87
11. Ladang Setia Sdn. Bhd. . . .	Held by ONG Ju Xing and Puan Sri KHOR Chai Moi as to 35% and 65%	0.19
12. LAI Han Luong.	Spouse of ONG Yin Suen, Eliza	0.02
13. Robert Angelo Hendro Santoso Huray	Spouse of ONG Yee Ching, Cheryl	0.01
14. Melissa TAN Hui-Ping	Spouse of ONG Ju Yan	0.12
15. CHEW Sue Synn.	Spouse of ONG Ju Xing	0.04
Total		59.62

By virtue of such arrangement, OSK, PJDH, OSK Industries and Persons Acting in Concert are collectively considered as our Controlling Shareholders for the purpose of the Listing Rules. As at the Latest Practicable Date, none of OSK, PJDH, OSK Industries and the Persons Acting in Concert had interest in or act as a director of any other company or business which competes with that of our Group's Core Business.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

RETAINED BUSINESS OF OUR CONTROLLING SHAREHOLDERS

Business of our Group

We manufacture power cable products for power transmission and distribution systems in Malaysia and Vietnam (the “**Core Business**”). For further details, please refer to the section headed “Business” in this prospectus.

Retained business of our Controlling Shareholders

As at the Latest Practicable Date, our Controlling Shareholders which include PJDH, OSK Industries, OSK and Persons Acting in Concert, were engaged in the businesses including property development and investment, construction, manufacturing of wall panels, hospitality and financial services and investment holding (the “**Retained Business**”), which by its nature is a separate and distinct business that does not compete with the Core Business of our Group. For the year ended 31 December 2017, the consolidated revenue and profit after tax of OSK were RM1,169.3 million and RM403.6 million, respectively, and the consolidated total assets and net assets of OSK were RM7,902.7 million and RM4,606.9 million, respectively. OSK, being the holding company of PJDH and OSK Industries, is involved in the Retained Business and Core Business of (i) property development and investment; (ii) construction; (iii) industries (consisting of Core Business and manufacturing of wall panels); (iv) hospitality; and (v) financial services and investment holding, which represents approximately 44.4%, 1.0%, 2.8%, 6.5% and 45.3% of OSK’s total assets (excluding deferred tax and tax recoverable of RM128.2 million) as at 31 December 2017, respectively. The Core Business represents approximately 2.0% of OSK’s total assets (excluding deferred tax and tax recoverable of RM128.2 million) as at 31 December 2017. Given the fundamental differences in the nature of the Retained Business and the Core Business, and having considered the independence in management, business operations, financing and administration between our Group and our Controlling Shareholders, it is the view of our Directors that there is a clear delineation between the Retained Business and the Core Business of our Group and there is no competition between them.

Each of our Controlling Shareholder and our Directors confirmed that none of them has any direct or indirect interest in any businesses or companies that engaged in any business activities that compete or may compete with our Group’s business activities.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Reasons for exclusion of the Retained Business

Having considered the following factors, our Directors are of the view that it is not in the interests of the Company and our Shareholders to include the Retained Business into our Group at this juncture:

- as at the Latest Practicable Date, the Retained Business does not constitute our Core Business and there is a clear delineation between such business and our Core Business; and
- the Retained Business would not compete, directly or indirectly, with our Core Business.

Rationale for selecting a spin-off of the Company from OSK instead of dual listing of OSK in Hong Kong

Even though OSK, one of our Controlling Shareholders, is a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053), the management of OSK have not considered a dual listing of OSK in Hong Kong as the other business divisions of OSK are driven by different business models, strategies and objectives. Further, it is the strategic plan of OSK for the different business divisions under OSK to be able to have financial and operations independence from each other. Our Directors are of the view that the spin-off of our Group could enable our Shareholders to unlock the value of OSK's cable manufacturing business for the following reasons: (i) the spin-off would allow the Group to be valued on a standalone basis, as a publicly listed entity, which would allow investors to assess the performance of our Group separately, distinct from that of OSK and that there is a more transparent market value to our Shares which can be freely traded on the stock market; (ii) the spin-off would create a new investor base by attracting new investors who are strategically focused on the cable manufacturing business; and (iii) the spin-off would enable our Group to raise additional funds for expansion which would otherwise be limited by our Group's capacity for debt financing. In view of the above, the management of OSK believe that it is not appropriate and currently has no intention to seek a dual listing of OSK in Hong Kong at this juncture.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders after the Global Offering.

Management Independence

Our management and operational decisions are made by our Board and senior management. Our Board comprises one executive Director, two non-executive Directors and three independent non-executive Directors. Each of our Directors is aware of his fiduciary duties as a Director which require, among others, that he must act for the benefit of and in the best interests of our Company

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

and not allow any conflict between his duties as a Director and his personal interests. Our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest.

Although Mr. ONG Ju Xing and Mr. ONG Ju Yan, being our Controlling Shareholders and non-executive Directors, also hold directorships in the boards of directors of OSK, PJDH and OSK Industries, our Controlling Shareholders, our Board functions independently of OSK, PJDH and OSK Industries and other companies involved in the private investments which Mr. ONG Ju Xing and Mr. ONG Ju Yan may have apart from the investment in our Company. Since Mr. ONG Ju Xing and Mr. ONG Ju Yan are not involved in any other business that is in competition with our business and they do not hold any executive positions in our Group, our Directors believe that the independence of management of our Group will not be affected or compromised by the dual roles of Mr. ONG Ju Xing and Mr. ONG Ju Yan on our Board and their interests in OSK, PJDH, OSK Industries and their other private investments. In the circumstances where our non-executive Directors are required to abstain from voting due to potential conflict of interest, our executive Director and independent non-executive Directors will together employ their business judgment to make decisions in our Board. Given the experience of our executive Director and independent non-executive Directors, we believe that the remaining Board can still function independently in the event that our non-executive Directors are required to abstain from voting.

All our senior management members are independent from our ultimate Controlling Shareholders. They have substantial experience in the industry which we are engaged in and the majority of them have served our Group for a sufficient length of time during which period they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders. Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the management role in our Group independently.

Operational Independence

All our operating subsidiaries hold all relevant licences that are material in relation to our business operations in their own names. We have sufficient operational capacity in terms of capital, plants and machinery equipment, facilities, premises and employees to operate our business independently. We also have independent access to suppliers and customers and an independent management team to handle our day-to-day operations.

We are led by a management team with extensive experience and technical expertise in the industry that we are engaged in. Please refer to “Directors and Senior Management” for further details.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

On 1 July 2014, each of OCC SB and OVI entered into a management services agreement with PJDH, one of our Controlling Shareholders, where PJDH agreed to provide supplemental management and administrative support services to OCC SB and OVI. On 28 March 2018, each of OCC SB and OVI served a termination notice to PJDH and the two management service agreements were terminated before Listing. Our Directors confirmed that after the termination of the two management service agreements with PJDH, our independent management team will be capable to handle our day-to-day operations in Malaysia and Vietnam, and the termination will not affect our business and financial performance.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders during the Track Record Period and will continue to operate independently.

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. As of the Latest Practicable Date, we did not have any outstanding loans or borrowings from our Controlling Shareholders. During the Track Record Period, our Group had certain banking facilities which are secured by the corporate guarantees from PJDH, one of our Controlling Shareholders. The corporate guarantees provided by PJDH will be replaced by the corporate guarantees provided by our Company before or upon Listing. Our Directors confirm that we will not rely on our Controlling Shareholders for financing after the Global Offering as we expect that our working capital will be funded by our operating income and bank borrowings.

We have our own financial management system and ability to operate independently of our Controlling Shareholders from a financial perspective.

Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders (the “**Covenanters**”) have entered into a deed of non-competition (the “**Non-competition Deed**”) in favour of us, pursuant to which each of the Covenanters has irrevocably, jointly and severally undertaken to us that he/it would not, and that any entity controlled by him/it (except any member of our Group) would not, during the restricted period set out below, directly or indirectly, either body corporate, partnership, joint venture on him or its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business (the “**Restricted Business**”).

Such non-competition undertaking does not apply in relation to:

- (a) any opportunity to invest, participate, be engaged in and/or operate any Restricted Business which has first been offered or made available to our Company, and our Company, after review and approval by our Directors or shareholders as required under the relevant laws and regulations, has declined such opportunity to invest, participate, be engaged in or operate the Restricted Business, provided that the principal terms by which the Covenanter (or his relevant associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favourable than those made available to our Company; or
- (b) any interests in the shares or equity interests of any member of our Group; or
- (c) interests in the shares of a company whose shares are listed on a recognised stock exchange, provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company’s consolidated turnover or consolidated assets, as shown in that company’s latest audited accounts; or
 - (ii) the total number of the shares held by the Covenanter and any entity controlled by him in aggregate does not exceed 5% of the issued shares of that class of the company in question and such Covenanter together with any entity controlled by him are not entitled to appoint a majority of the directors of that company.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The “restricted period” stated in the Non-competition Deed refers to the period during which (i) our Shares remain listed on the Stock Exchange; (ii) the Covenanter and any entity controlled by him, individually or jointly, are entitled to exercise or control the exercise of no less than 30% of the voting power at general meetings of our Company; and (iii) the Covenanter is a director of any member of our Group.

The Covenanter has further undertaken to procure that, during the restricted period, any business investment or other commercial opportunity (the “**New Opportunity**”) in Malaysia relating to the Restricted Business identified by or offered to him/it or any entity controlled by him/it, is first referred to us in the following manner:

- (a) the Covenanter is required to refer, or to procure the referral of, the New Opportunity to us, and shall give written notice (the “**Offer Notice**”) to us of any New Opportunity containing all information reasonably necessary for us to consider whether (i) such New Opportunity would constitute competition with our core business, and (ii) it is in the interest of our Company and our Shareholders as a whole to pursue such New Opportunity, including but not limited to the nature of the New Opportunity and the details of the investment or acquisition costs; and
- (b) the Covenanter will be entitled to pursue the New Opportunity only if (i) he has received a notice from us declining the New Opportunity, or (ii) he has not received such notice from us within fifteen (15) Business Days (which may be extended for a reasonable period of time as and if requested by our Board committee comprising only independent non-executive Directors (the “**Independent Board Committee**”)) from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunity pursued by the Covenanter, he/it will refer the New Opportunity as so revised to us in the manner set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from our Independent Board Committee as to whether (i) such New Opportunity would constitute competition with our core business, (ii) it is in the interest of our Company and our Shareholders as a whole to pursue the New Opportunity, and (iii) to pursue or decline the New Opportunity. Such opinions and decisions (together with their bases) from our Independent Board Committee will be disclosed in our annual reports.

Our Directors consider that our independent non-executive Directors have sufficient experience in assessing whether or not to take up any New Opportunity. Our Board committee comprising only independent non-executive Directors will also review, on an annual basis, the compliance with the Non-competition Deed by the Covenanter, the results of which will be disclosed in our annual reports.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In any event, the committee formed by our independent non-executive Directors may appoint financial advisors or professional experts to provide advice, at the cost of our Company, in connection with whether to take up any New Opportunity.

The Covenanter has further undertaken to:

- (a) procure that all relevant information relating to the implementation of the Non-competition Deed in his/its possession and/or the possession of any of his/its associates be provided to us;
- (b) allow, subject to confidentiality restrictions imposed by any third party, our representatives and those of our advisers to have access to his financial and corporate records as may be necessary for us to determine whether the non-competition undertakings in the Non-competition Deed have been complied with by the Covenanter and his associates;
- (c) provide us, within twenty (20) Business Days from the receipt of our written request, with a written confirmation in respect of his compliance and that of his associates with the non-competition undertakings in the Non-competition Deed and consent to the inclusion of such confirmation in our annual reports; and
- (d) provide all information necessary for the annual review by our Board committee comprising only independent non-executive Directors, and the enforcement of the Non-competition Deed.

The Covenanter (for himself and on behalf of the entities controlled by him/it (except for any member of our Group)) (i) has further acknowledged that we may be required by applicable laws, regulations, rules of stock exchange(s) on which we may be listed and relevant regulatory bodies, to disclose, from time to time, information on any New Opportunity, including but not limited to the disclosure in public announcements or our annual reports of decisions made by us to pursue or decline such New Opportunity and basis for such decisions; and (ii) has agreed to such disclosure to the extent necessary to comply with any such requirement.

Each of our Directors has confirmed that he is not engaged in any business which competes or is likely to compete, either directly or indirectly, with our business.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

GENERAL UNDERTAKINGS

To ensure the performance of the above non-competition undertakings given under the Deed of Non-competition, each of the Covenantors shall, among others:

- (a) when required by our Company, provide all information necessary for the Independent Board Committee to conduct annual examination with regard to the compliance of the terms of the Deed of Non-competition and the enforcement thereof;
- (b) where the Independent Board Committee shall deem fit, make a declaration in relation to the compliance of the terms of the Deed of Non-competition in the annual report of our Company, and ensure that the disclosure of information relating to compliance with the terms of the Deed of Non-competition and the enforcement of it are in accordance with the requirements of the Listing Rules; and
- (c) where the Independent Board Committee has rejected the New Opportunity referred to by the Offeror as stipulated above regardless of whether the Offeror would thereafter invest or participate in such New Opportunity, procure our Company to disclose to the public either in the annual or interim report of our Company or an announcement the decision of the Independent Board Committee regarding the decision on the New Opportunity and the basis thereof.

In respect of the above undertakings, our Company confirms that, if the Independent Board Committee has rejected the New Opportunity referred to by the Offeror as stipulated above regardless of whether the Offeror would thereafter invest or participate in such New Business Opportunity, it will disclose to the public either in the annual or interim report of our Company or an announcement the decision of the Independent Board Committee regarding the decision on the New Opportunity and the basis thereof.

CORPORATE GOVERNANCE

The following corporate governance measures are expected to be adopted by our Company:

- (a) our Directors will comply with our Articles of Association which require the interested Director to absent themselves from any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is interested. Any such resolution shall only be passed by the affirmative votes of at least half of the total number of the voting Directors who are not associated with any counterparty of the transactions or have any interest therein;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (b) we have appointed three independent non-executive Directors to ensure the effective exercise of independent judgment on its decision making process and provide independent advice to our Board and Shareholders. Our independent non-executive Directors will, on an annual basis, review the compliance and enforcement of the Deed of Non-competition executed by our Controlling Shareholders. Our Controlling Shareholders have undertaken that they will and will procure the entities controlled by them and their close associates to provide all information reasonably required by our independent non-executive Directors to assist them in the assessment. We will disclose the review in our annual report or by way of announcement to the public. Our Controlling Shareholders have also undertaken that they will make an annual declaration on the compliance with the Deed of Non-competition and other connected transaction agreements in our annual report;
- (c) our independent non-executive Directors will also review, on an annual basis, all decisions made in relation to any business opportunities which is referred to by our Controlling Shareholders or any of their respective associates (other than our Group) during the year. We will disclose such decisions and basis for them in our annual report or by way of announcement to the public;
- (d) we have appointed Fortune Financial Capital Limited as our compliance adviser upon Listing to advise our Group on matters relating to compliance with Listing Rules and various requirements relating to directors' duties and internal controls; and
- (e) any transaction (if any) between (or proposed to be made between) our Group and connected persons will be required to comply with Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review, circular and independent shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with the relevant requirements under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions with our connected persons which will continue following the Listing and which will constitute our continuing connected transactions within the meaning of the Listing Rules.

CONNECTED PERSONS

The table below sets forth the information of connected persons in continuing connected transactions following the Listing and the nature of their connection with our Group:

Name	Connected Relationship
Canggih Pesaka Sdn. Bhd. (“ Canggih SB ”)	a company incorporated under the laws of Malaysia, which is indirectly 50% owned by PJDH
DC Services Sdn. Bhd. (“ DC Services ”)	a company incorporated under the laws of Malaysia, which is indirectly wholly owned by Mr. ONG Ju Xing and his family members
Dindings Risks Management Service Sdn. Bhd. (“ Dindings Risks ”)	a company incorporated under the laws of Malaysia, which is indirectly wholly owned by Mr. ONG Ju Xing and his family members
Dindings Life Agency Sdn. Bhd. (“ Dindings Life ”)	a company incorporated under the laws of Malaysia, which is indirectly wholly owned by Mr. ONG Ju Xing and his family members
Sincere Source Sdn. Bhd. (“ Sincere Source ”)	a company incorporated under the laws of Malaysia, which is indirectly wholly owned by Mr. ONG Ju Xing and his family members

CONTINUING CONNECTED TRANSACTIONS

EXEMPTED CONTINUING CONNECTED TRANSACTION

We set out below the summary of all continuing connected transactions for our Group following the Listing, which are all exempt from the reporting, annual review, announcement and independent shareholders' approvals requirements under Chapter 14A of the Listing Rules.

1. Tenancy Agreement with Canggih SB

On 28 March 2016, OCC SB and Canggih SB entered into a tenancy agreement (“**Tenancy Agreement**”), details of which are set out below:

Date of Agreement	:	28 March 2016
Parties	:	Canggih SB as landlord OCC SB as tenant
Premises	:	Lot 2008, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur
Terms	:	Three (3) years commencing on 1 March 2016 and ending on 28 February 2019
Rental and payment terms	:	RM7,112 per month
Security deposit	:	RM21,336
Option to renew	:	Three (3) years; the rent upon renewal to be based upon the prevailing market rent

The Tenancy Agreement was agreed upon following arm's length negotiations on the then prevailing market rates and on normal commercial terms.

As the applicable percentage ratios under Chapter 14 of the Listing Rules for the transaction under the Tenancy Agreement are on an annual basis less than 5% and the annual total consideration is less than HK\$3 million, by virtue of the Rule 14A.76(1)(c) of the Listing Rules, such transactions constitute *de minimis* continuing connected transaction and are exempt from independent shareholders' approval, reporting, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

2. Insurance Premium Payable to Dindings Risks, DC Services, Dindings Life and Sincere Source (together, “Dindings Companies”)

During the Track Record Period, Dindings Companies have been acting as brokers between our Group and insurance companies. According to the payment term on insurance policies issued to our Group, our Group pays insurance premiums initially to Dindings Companies for them to remit to insurance companies ultimately. The total amounts of insurance premium paid by our Group to Dindings Companies for the three years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018 were approximately RM414,000, RM615,000, RM591,000 and RM132,000.

Based on the current effective insurance policies, our Group estimates that the aggregate amount payable by our Group to Dindings Companies would be no more than HK\$3 million for each of the three years ending 31 December 2020. The aforementioned annual caps were determined on the following basis: (i) current insurance premium stipulated in the insurance policies; and (ii) insurance premium under insurance policies is not expected to face significant fluctuations.

As the applicable percentage ratios under Chapter 14 of the Listing Rules for the transaction under the insurance policies are on an annual basis less than 5% and the annual total consideration is less than HK\$3 million, by virtue of the Rule 14A.76(1)(c) of the Listing Rules, such transactions constitute *de minimis* continuing connected transaction and are exempt from independent shareholders’ approval, reporting, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board of Directors currently consists of 6 Directors, comprised of 1 executive Director, 2 non-executive Directors and 3 independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of Appointment as a Director	Relationship with other Director(s)
Mr. YEAT Siew Hong	62	Chief Executive Officer, Executive Director	13 March 2018	—
Mr. ONG Ju Yan	38	Chairman, Non-executive Director	13 March 2018	Brother of Mr. ONG Ju Xing
Mr. ONG Ju Xing	33	Non-executive Director	13 March 2018	Brother of Mr. ONG Ju Yan
Mr. QUAH Poh Keat	66	Independent non-executive Director	19 September 2018	—
Dato' LIM Han Boon	61	Independent non-executive Director	19 September 2018	—
Mr. SHIU Siu Tao	54	Independent non-executive Director	27 September 2018	—

Save as disclosed below, there are no other matters concerning each of the Directors' appointment that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Director

Mr. YEAT Siew Hong, aged 62, was appointed as a Director on 13 March 2018, and appointed as our chief executive officer and re-designated as our executive Director on 16 March 2018 and is responsible for the overall business management and day-to-day operation of our Group.

Mr. YEAT has over 26 years of work experience in the wire and cable industry. He joined our Group as the head of plantation and manufacturing in April 1991 and has been employed by us since then. Mr. YEAT has witnessed and contributed to the growth and continuing success of our Group. He has also served as a director at OCC SB and OVI since August 1999 and October 2006,

DIRECTORS AND SENIOR MANAGEMENT

respectively. Prior to joining our Group, Mr. YEAT also worked in various manufacturing companies in Malaysia. Mr. YEAT obtained a bachelor's degree of science from University of Malaya in June 1980.

Non-executive Directors

Mr. ONG Ju Yan, aged 38, was appointed as a Director on 13 March 2018, and was re-designated as our non-executive Director and appointed as our Chairman on 13 March 2018 and is responsible for overseeing the strategic direction of our Group. He is also appointed as a chairman of our nomination committee and a member of our remuneration committee on the same date.

Mr. ONG has over 17 years of work experience in banking and financial services. Prior to joining our Group, Mr. ONG worked in Morgan Stanley & Co. from July 2001 to March 2004. From May 2004 to October 2012, Mr. ONG worked in OSK Investment Bank Berhad, a Malaysia-based investment bank with a regional network across Southeast Asia, and have assumed various positions including special assistant to managing director and chief executive officer, director of investment banking and chief operating officer. Following a merger between OSK Investment Bank Berhad and RHB Investment Bank Berhad, he was appointed in November 2012 as the regional & Malaysia head of corporate and investment banking services for RHB Investment Bank Berhad. In June 2015, Mr. ONG was appointed as the deputy managing director of OSK, one of our Controlling Shareholders, and was redesignated as the group managing director of OSK in April 2017. Mr. ONG obtained a bachelor's degree of arts in economics from Yale University in June 2001.

Mr. ONG Ju Xing, aged 33, was appointed as a Director on 13 March 2018, and was re-designated as our non-executive Director on 13 March 2018 is responsible for providing advice on the strategic development of our Group.

Mr. ONG has around 10 years of work experience in business management. Prior to joining our Group, Mr. ONG started his career in June 2008 as an analyst at Accenture Solutions Sdn. Bhd., a business consultancy company listed in the New York Stock Exchange (NYSE: ACN), where he was responsible for advising business strategy and providing trainings to clients. In October 2009, he was then appointed as a special assistant to managing director and in September 2011, he was appointed as an executive director of PJDH, one of our Controlling Shareholders, where he was responsible for all aspects of day-to-day business activities. In October 2013, Mr. ONG was appointed as executive director of OSK Holdings Berhad and responsible for providing opinion on its strategic development. From January 2016, he worked as an executive director at OSK Property Holdings Berhad, where he is responsible for the management of all aspects of day-to-day business activities. Mr. ONG is also a deputy group managing director at OSK, one of our Controlling Shareholders, since April 2017, where he provides strategic leadership and responsible for the management of OSK's property and construction business. Mr. ONG obtained a bachelor's degree of social science in business management in Queen Mary, University of London and a master's degree of philosophy from University of Cambridge in July 2007.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. QUAH Poh Keat, aged 66, was appointed as our independent non-executive Director on 19 September 2018 and a chairman of our audit committee and a member of our nomination committee and remuneration committee. He is primarily responsible for providing independent advice to our Board.

Mr. QUAH has extensive experience in finance and accounting. He became a partner of KPMG Malaysia in October 1982 and served as its managing partner from October 2000 to September 2007. Mr. QUAH retired as partner of KPMG in December 2007. Mr. QUAH was appointed as deputy chief executive officer of Public Bank Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1295) from October 2013 to December 2015. Mr. QUAH served as a director of the following listed companies in the last three years preceding the Latest Practicable Date:

- a non-executive director of Public Financial Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 626) since July 2008;
- a non-independent non-executive director of LPI Capital Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 8621) since January 2009;
- an independent non-executive director of Kuala Lumpur Kepong Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 2445) since February 2016;
- an independent non-executive director of Paramount Corporation Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 1724) since June 2016; and
- an independent non-executive director of Malayan Flour Mills Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 3662) since May 2017.

Mr. QUAH obtained his Higher School Certificate at Bukit Bintang Boys' Secondary School, Petaling Jaya, Malaysia in December 1971. Mr. QUAH was certified as a member of the Malaysian Institute of Certified Public Accountants, Association of Chartered Certified Accountants, Malaysian Institute of Accountants, Chartered Institute of Management Accountants and Malaysian Institute of Taxation on June 1976, July 1978, January 1981, August 1984 and March 1992, respectively.

Dato' LIM Han Boon, aged 61, was appointed as our independent non-executive Director on 19 September 2018 and the chairman of our remuneration committee and a member of our audit committee and nomination committee. He is primarily responsible for providing independent advice to our Board.

DIRECTORS AND SENIOR MANAGEMENT

Dato' LIM has extensive experience in finance and accounting. He has been serving as an independent non-executive director of Top Glove Corporation Berhad, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 7113) since February 2011. Dato' LIM Han Boon has previously served as the chief executive officer at Kannaltec Berhad from April 2005 to June 2009. From 1986 to 2005, he served as the company secretary at NCB Holdings Berhad. Dato' LIM was the treasurer of Outsourcing Malaysia, a National Information and Communications Technology Industry Association in Malaysia, from 2014 to 2017 and is currently the advisor to Outsourcing Malaysia.

Dato' LIM Han Boon received a diploma in commerce from Tunku Abdul Rahman College in June 1981. He also obtained a master's degree of business administration from University of South Australia in April 2000. He is certified as a member of the Association of Chartered Certified Accountants, Malaysian Institute of Accountants, Fellow of the Association of Kuala Lumpur in Chartered Certified Accountants and Chartered Management Institute since August 1984, May 1985, September 1989 and July 1990, respectively.

Mr. SHIU Siu Tao (蕭少滔), aged 54, was appointed as our independent non-executive Director on 27 September 2018 and a member of our audit committee. He is primarily responsible for providing independent advice to our Board.

Mr. SHIU has more than 15 years of experience in corporate finance. Mr. Shiu worked or assumed office (as the case may be) in various companies or entities as follows:

Name of entity/group	Principal business activities	Period of service	Major Office
Ernst & Young	Providing various professional services including but not limited to assurance, tax, transactions and advisory	August 1992 to August 1994	Research analyst in corporate advisory services department
Worldpearl Financial Consultant Company Limited	Providing corporate finance and advisory services	April 1995 to March 1996	Project manager
Yue Xiu Finance Company Limited	Providing corporate finance and securities services	March 1996 to February 2000	Project finance manager
Yue Xiu Securities Company Limited	Providing corporate finance and securities services	March 1996 to February 2000	Investment representative
EuroMandarin Limited	Portfolio management of aerospace related investment in China	February 2000 to December 2000	Director of business development

DIRECTORS AND SENIOR MANAGEMENT

Name of entity/group	Principal business activities	Period of service	Major Office
Young Brothers Aviation Ltd.	Aviation related business investments and management	January 2001 to September 2002	Business development director
Yue Xiu Finance Company Limited	Providing corporate finance and securities services	March 2003 to February 2008	Director
Yue Xiu Securities Company Limited	Providing corporate finance and securities services	March 2003 to February 2008	Director
		December 2003 to February 2008	Responsible officer for type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO (“Regulated Activities”)
China Merchants Securities (HK) Co., Limited	Securities and corporate finance advisory	April 2009 to June 2011	Managing director of the equity capital market department
		November 2009 to July 2011	Responsible officer for type 1 (dealing in securities) Regulated Activity
DBS Asia Capital Limited	Providing corporate finance and securities services	July 2011 to July 2014	Senior vice president of capital markets, Hong Kong
		September 2011 to July 2014	Responsible officer for type 1 (dealing in securities), type 4 (Advising on securities) and type 6 (advising on corporate finance) Regulated Activities
First Capital International Finance Limited	Business advisory	January 2016 to June 2017	Managing director of investment banking division
		October 2016 to June 2017	Responsible officer for type 6 (advising on corporate finance) Regulated Activity

DIRECTORS AND SENIOR MANAGEMENT

Mr. SHIU served as a director of the following listed companies in the last three years preceding the Latest Practicable Date, (i) an independent non-executive director of Star Properties Group (Cayman Islands) Limited (stock code: 1560), a company listed on the Main Board of the Stock Exchange, since June 2016; and (ii) an independent non-executive director of Capital VC Limited (previously known as Sino Katalytics Investment Corporation) (stock code: 2324), a company listed on the Main Board of the Stock Exchange, from September 2004 to December 2011.

Mr. SHIU graduated from the Chinese University of Hong Kong with a bachelor's degree in business administration in July 1990. He obtained a diploma certificate from the HEC Paris School of Management (Ecole des Hautes Etudes Commerciales) in Paris, France in July 1992.

Mr. SHIU was a director of the following company which was incorporated in Hong Kong and was dissolved. The relevant details are as follows:

<u>Name of company</u>	<u>Date of dissolution</u>	<u>Means of dissolution</u>
iD Innovation Limited (得意科技有限公司) ("iD Innovation")	1 March 2007	Creditors' voluntary winding up

Mr. SHIU confirmed that no liability or obligation was imposed against him in respect of the dissolution of iD Innovation. Further, Mr. SHIU confirmed that iD Innovation was solvent prior to its cessation of business and was voluntarily wound up on 1 March 2007.

SENIOR MANAGEMENT

The following table presents certain information concerning the senior management personnel of our Group:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr. LOW Fook Liang	58	Chief operating officer of OCC SB
Mr. WEI Chee Cheen	53	Senior general manager of OCC SB
Mr. TAN Chau Chiang	50	Finance manager of OCC SB
Mr. TANG Cheng Leong	47	Chief operating officer of OVI
Mr. TAN Kian Chai	46	General manager of OVI
Mr. LAM Poh Wah	51	General manager of OVI

Mr. LOW Fook Liang, aged 58, is the chief operating officer of OCC SB. He joined our Group in November 2011 and is primarily responsible for overall management and administration.

Mr. LOW has more than 17 years of work experience in heavy construction facilities and electronic production manufacturing industry. Prior to joining our Group, he has assumed various managerial roles during his career in different manufacturing companies such as Thomas Airpax

DIRECTORS AND SENIOR MANAGEMENT

Mechatronics (M) Sdn bhd (Manager), Portescap Malaysia Sdn Bhd (Plant Manager) and Sumber Amantech (General Manager (Projects)) between 2000 to 2010. Mr. LOW obtained a bachelor's degree of applied science mechanical engineering from University of Ottawa in May 1983.

Mr. WEI Chee Cheen, aged 53, is the senior general manager of OCC SB. He joined our Group in July 2004 and is primarily responsible for the sales and marketing of our products.

He has over 25 years of work experience in sales and marketing. Prior to joining our Group, Mr. WEI had worked as sales manager in various companies in Malaysia since July 1990, including some notable brands such as Kodak (Malaysia) Sdn. Bhd. (a photographic equipment and supplies wholesale company) and Hunter Douglas Manufacturing (M) Sdn. Bhd. (a window coverings and architectural products manufacturing company), assuming the responsibilities of sales and marketing. Mr. WEI obtained a bachelor's degree of science from the National University of Malaysia in August 1990 and a master's degree of business administration from University of Wales in July 2001 through part-time study.

Mr. TAN Chau Chiang, aged 50, is the finance manager of OCC SB. He joined our Group in December 2015 and is primarily responsible for finance, accounting, human resource, administration and purchasing functions.

Mr. TAN has more than 12 years of work experience in finance, accounts and administration. Prior joining our Group, Mr. TAN worked as the Finance Manager (Regional) of Numoni Malaysia Sdn. Bhd. starting from 1 October 2015, as the Accountant of Poh Kong Jewellery Manufacturing Sdn. Bhd starting from December 2010 and as Accountant of Kah Bintang Auto Sdn. Bhd. starting from July 2014 assuming various accounting functions. Mr. TAN completed his Association of Chartered Certified Accountants Examination in February 2014 and is an affiliate of the Association.

Mr. TANG Cheng Leong, aged 47, is the chief operating officer of OVI. He is primarily responsible for the operation, business development and sales and marketing. Mr. TANG worked at OVI from July 2008 to December 2012 and rejoined our Group in January 2014.

Mr. TANG has over 10 years of experience in business development and sales and marketing. He first joined our Group in July 2008 and had worked at OVI as a finance and administration manager. He had been responsible for overall financial and management accounting, purchasing and administration until December 2012. Before he rejoined our Group as the chief operating officer in January 2014, he relocated in China and worked as a finance and administration manager at KNM Special Process Equipment (Changshu) Co., Ltd., where he was responsible for formulating and implementing administration policies and procedures. Mr. TANG completed the examination of the Chartered Institute of Management Accountants in November 1996. He also obtained a master's degree of Business Administration from University of Southern Queensland in March 2006 through part-time study.

DIRECTORS AND SENIOR MANAGEMENT

Mr TAN Kian Chai, aged 47, is the Factory General Manager of OVI. He is primarily responsible for factory management including production planning and control, quality control, engineering, manpower planning, plant layout and facilities design and maintenance of the factory.

Mr. TAN has over 15 years of experience in technical field. He started his employment with OCC SB in February 2003 as Quality Assurance/Quality Control Engineer at our Existing Malacca Plant. From May to September 2004, he was assigned as Head of the Extruder & Main Wiring Section. In January 2005, he was promoted to Quality Assurance/Quality Control Manager and re-designated in July 2006 as Research & Development Manager. His role was to lead our research & development team in developing new products and improving existing products, as well as responsible for cable quality and ensuring quality specifications of the company's products.

From September 2007 to March 2010, Mr. TAN was seconded to OVI primarily responsible for trial run of machines and commercial production, organised the factory workforce and establish operational procedure on production, quality control and maintenance and to recruit and train suitable personnel. In July 2011, he returned to Malaysia and resumed his role as Quality Assurance/Quality Control Manager in OCC SB and subsequently promoted to Factory Manager at our Existing Malacca Plant. Mr. TAN was posted to OVI again in February 2013 and was promoted to Factory General Manager in January 2014

Mr. TAN obtained a diploma in mechanical engineering from Institute of Teknologi Pertama in Malaysia in September 1994.

Mr. LAM Poh Wah, aged 51, is the general manager of OVI. He is primarily responsible for the finance, accounting, human resource, administration and purchasing functions. He joined our Group in March 2005.

Mr. LAM has over 20 years of work experience in finance, accounts and administration. Prior to joining our Group, he had been worked with accounting firms and industrial companies in Malaysia, such as an auditor at PricewaterhouseCoopers from July 1989 to November 1990, an accountant at Ipoh Pipe Industries Sdn. Bhd. from January 1994 to January 1995 and a chief executive at the finance department of Techsu Steel Corporation Sdn. Bhd. assuming various auditing, accounting and internal auditing functions. Mr. LAM obtained his bachelor's degree of Business Administration from Fu Jen Catholic University in Taiwan in June 1989.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. TSUI Sum Yi was appointed as our company secretary on 16 March 2018. Ms. TSUI is currently a senior associate at Vistra Corporate Services (HK) Limited, where she is responsible for providing a full range of company secretarial and compliance services to listed and private companies. Ms. TSUI has over ten years of company secretarial experience.

Prior to joining Vistra Corporate Services (HK) Limited, she served as an assistant in the secretarial division of Kingston C.P.A. Limited from June 2007 to May 2010, a company secretary in Gary Cheng Secretaries Limited from May 2010 to October 2011, a secretarial officer in KCS Hong Kong Limited from November 2011 to October 2014 and a company secretarial officer in Country Garden Group from January 2015 to September 2015. Since April 2017, Ms. TSUI has been the company secretary of Icicle Group Holdings Limited (stock code: 8429), a company listed on the Growth Enterprise Market of the Stock Exchange. Since August 2017, she has been the company secretary of Pentamaster International Limited (stock code: 1665), a company listed on the Main Board of the Stock Exchange.

Ms. TSUI obtained a bachelor's degree in business administration and a master's degree of corporate governance from the Open University of Hong Kong in June 2010 and June 2013, respectively. Ms. TSUI was admitted as an associate of The Institute of Chartered Secretaries and Administrators and an associate of The Hong Kong Institute of Chartered Secretaries in October 2013.

BOARD COMMITTEES

Audit committee

We established an audit committee on 19 September 2018 with written terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of our Group.

The audit committee comprises Mr. QUAH Poh Keat, Dato' LIM Han Boon and Mr. SHIU Siu Tao, and is chaired by Mr. QUAH Poh Keat.

Remuneration committee

We established a remuneration committee on 19 September 2018 with written terms of reference as suggested under the Code of Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The primary functions of the remuneration committee include determining the policies in relation to human resources management, reviewing the Company's remuneration policies and determining remuneration packages for our Directors and senior management members.

DIRECTORS AND SENIOR MANAGEMENT

The remuneration committee comprises Mr. QUAH Poh Keat, Dato' LIM Han Boon and Mr. ONG Ju Yan, and is chaired by Dato' LIM Han Boon.

Nomination committee

We established a nomination committee on 19 September 2018 with written terms of reference as suggested under the Code of Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board.

The nomination committee comprises Mr. ONG Ju Yan, Dato' LIM Han Boon and Mr. QUAH Poh Keat, and is chaired by Mr. ONG Ju Yan.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses relating to the performance of our Group. We also reimburse them for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations.

In each of 2015, 2016 and 2017 and four months ended 30 April 2018, the aggregate amount of salaries and other allowances and benefits in kind paid by our Group to our Directors was RM0.7 million, RM1.0 million, RM0.9 million and RM0.5 million, respectively. The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid or payable by our Group to our five highest paid individuals for 2015, 2016 and 2017 and four months ended 30 April 2018 was approximately RM1.2 million, RM1.4 million, RM1.7 million and RM0.7 million, respectively.

No remuneration was paid to our Directors or the five highest paid individuals of our Group as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of 2015, 2016 and 2017 and four months ended 30 April 2018. Further, none of our Directors had waived any remuneration during the same period.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors for the year ending 31 December 2018 is estimated to be approximately RM1.0 million.

Our executive Director has entered into a service contract with our Group dated 19 September 2018 and our Group has also entered into letters of appointment with each of our non-executive Directors and independent non-executive Directors. Further details of the terms of the above service contracts and letters of appointment are set out in "Statutory and General Information — Further Information about Our Directors and Substantial Shareholders" in Appendix V to this prospectus.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Fortune Financial Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the net proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the paragraph headed “Statutory and General Information — Share Option Scheme” in Appendix V to this prospectus.

SHARE CAPITAL

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and after completion of the Global Offering (without taking into account the exercise of the options granted under the Share Option Scheme).

<i>Authorised share capital</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares of HK\$0.10 each	<u>200,000,000</u>
<i>Issued share capital</i>	
730,000,000 Shares in issue as at the date of this prospectus	73,000,000
<i>Shares to be issued</i>	
Shares to be issued pursuant to the Global Offering assuming no exercise of the Over-allotment Option and any option under the Share Option Scheme	
<u>270,000,000</u>	<u>27,000,000</u>
<i>Total issued share capital upon completion of the Global Offering and assuming no exercise of the Over-allotment Option and any Option under the Share Option Scheme:</i>	
<u>1,000,000,000</u> Shares	<u>100,000,000</u>
<i>Shares to be issued:</i>	
Shares to be issued upon full exercise of the Over-allotment Option	
<u>40,500,000</u>	<u>4,050,000</u>
<i>Total issued share capital upon completion of the Global Offering and assuming full exercise of the Over-allotment Option but no exercise of the Share Option Scheme</i>	
<u>1,040,500,000</u>	<u>104,055,000</u>

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the Shares are issued pursuant to the Global Offering. It does not take into account any Shares which may be allotted and issued or repurchased pursuant to the general mandate given to the Directors for allotment and issuance of Shares referred to in Appendix V to this prospectus or the repurchase mandate referred to in Appendix V to this prospectus, as the case may be.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will rank pari passu in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO ISSUE SHARES

Assuming the Global Offering becomes unconditional, our Directors will be granted a general mandate to allot, issue and deal with Shares with a total nominal value of not more than the sum of:

- 20% of the total nominal amount of our share capital in issue immediately following completion of the Global Offering but excluding any shares which may be granted under the Over-allotment Option or any options which may be granted under the Share Option Scheme; and
- the total nominal amount of our share capital repurchased by us under the mandate as mentioned in the paragraph entitled “General Mandate to Repurchase Shares” below.

The general mandate is in addition to the powers of our Directors to allot, issue or deal with Shares under any rights issue, scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend in accordance with our Articles of Association, or pursuant to the exercise of options which may be granted under the Share Option Scheme or under the Global Offering or upon the exercise of the Over-allotment Option.

This general mandate to issue Shares will remain in effect until the earliest of:

- the conclusion of our Company’s next annual general meeting;
- the expiration of the period within which our Company is required by any applicable laws of the Cayman Islands or the Articles of Association to hold its next annual general meeting; or
- when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Particulars of this general mandate to allot, issue and deal with Shares are set forth in the paragraph headed “Statutory and General Information — Further Information about our Group — Written resolutions of our Sole Shareholder dated 19 September 2018” in Appendix V to this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions stated in the section headed “Structure of the Global Offering — Conditions of the Global Offering” in this prospectus, our Directors will be granted a general mandate to exercise all our powers to repurchase Shares with a total nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering excluding Shares which may be allotted and issued upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme.

This general mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed “Statutory and General Information — Further information about our Group — Buy-Back by our Company of its own securities” in Appendix V to this prospectus.

The general mandate to repurchase Shares will remain in effect until the earliest of:

- the conclusion of our Company’s next annual general meeting;
- the expiration of the period within which our Company is required by any applicable laws of the Cayman Islands or the Articles of Association to hold its next annual general meeting; or
- when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering (assuming the Over-allotment Option and the option which may be granted under the Share Option Scheme are not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, the following persons will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company and are therefore regarded as substantial shareholders of our Company under the Listing Rules:

Name of shareholder	Capacity/Nature of interest	Immediately following the completion of the Global Offering	
		Number of Shares directly/indirectly held	Approximate percentage of shareholding
OSK Industries ⁽¹⁾	Beneficial owner	730,000,000	73%
PJDH	Interest of controlled corporation	730,000,000	73%
OSK ⁽²⁾	Interest of controlled corporation	707,000,000	70.7%
Tan Sri ONG Leong Huat ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Puan Sri KHOR Chai Moi ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yin Suen, Eliza ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Ju Yan ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Ju Xing ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yee Ching, Cheryl ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yee Min, Amelia ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
OSK Equity Holdings Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Land Management Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%

SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Capacity/Nature of interest	Immediately following the completion of the Global Offering	
		Number of Shares directly/indirectly held	Approximate percentage of shareholding
Dindings Consolidated Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Ladang Setia Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
LAI Han Luong ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Robert Angelo Hendro Santoso Huray ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Melissa TAN Hui-Ping ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
CHEW Sue Synn ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%

Notes:

- (1) Our Company is a wholly-owned subsidiary of OSK Industries, which in turn wholly owned by PJDH.
- (2) PJDH is owned by OSK, a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053), as to approximately 96.9%.
- (3) Persons Acting in Concert, being the ultimately shareholders of our Group, confirms that they have been acting in concert since 9 July 2013, throughout the Track Record Period and up to the Latest Practicable Date and will continue to act in concert in the control and management of our Group, including in the exercise of their voting rights, through their holding companies, namely OSK, PJDH and OSK Industries, in general meetings of our Company. Such acting in concert arrangement will continue to be in effect after the Listing. For details information on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting in Concert” in this prospectus.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option and the option which may be granted under the Share Option Scheme are not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

FINANCIAL INFORMATION

You should read this section in conjunction with our audited combined financial statements, including the notes thereto, as set out in the Accountants' Report set out in Appendix I to this prospectus. Our Group's combined financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"). You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contains certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depends on a number of risks and uncertainties over which our Group does not have control. For further information, you should refer to the section "Risk Factors" of this prospectus.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

We are a manufacturer of power cable products for power transmission, distribution systems and electrical equipment in Malaysia and Vietnam. Our power cable products have been used in power and other general industries, such as oil and gas, infrastructure, construction and others. According to the F&S Report, we ranked fourth based on revenue in the wire and cable manufacturing industry in Malaysia in 2017, and has a market share of approximately 7.0% in 2017.

Our revenue for the three years ended 31 December 2017 increased from RM196.9 million to RM262.1 million, representing a CAGR of 15.4%. For the same period, our profit for the year increased from RM7.0 million to RM19.8 million, representing a CAGR of 68.5%.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with IFRSs issued by the International Accounting Standards Board (the "IASB") and the underlying financial statements were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. For the purpose of preparing and presenting the historical financial information for the Track Record Period, our Group has consistently applied all

FINANCIAL INFORMATION

IFRSs, International Accounting Standards, amendments and interpretations (hereinafter collectively referred to as the “IFRSs”), issued by the IASB which are effective for the annual periods beginning on 1 January 2018. The historical financial information has been prepared in accordance with the accounting policies set out in Note 4 to the accountants’ report included in Appendix I to this prospectus. In addition, the historical financial information includes applicable disclosures required by the Listing Rules.

Pursuant to the Reorganisation, our Company became the holding company of the companies now comprising our Group on 18 September 2018.

All significant intergroup transactions and balances have been eliminated on consolidation.

FACTORS AFFECTING OUR FINANCIAL RESULTS

Our results of operations and financial performance have been and will continue to be affected by a number of factors, many of which may be beyond our control, including those factors set out in “Risk Factors” in this prospectus and those set out below.

Pricing of our products

According to the F&S Report, pricing is a key determinant competitive factor for power cable manufacturers in Malaysia due to the homogenous product nature, which enable customers to switch among suppliers. Therefore, it is vital for manufacturer to offer good pricing strategy, including competitive pricing, attractive payment terms and timeliness in production and delivery of cables. We generally determine the prices of our products on cost-plus basis. Since each product has its own specifications or requirements, the pricing of each product is negotiated and determined on a case by case basis with individual customers in order to balance the profitability between our customers and our Group. Failure to remain price competitive may affect our financial performance.

Our client relationships

Our Group values the long and strong working relationships that we have established with our customers. Keeping close and frequent contact with them gives us the opportunity to serve them whenever our products are needed. During the Track Record Period, we have established business relationships with our top five customers for a period ranging from three to 12 years. As a result of these stable relationships, we are able to receive recurring businesses from our existing clients. However, our Group did not enter into any long term agreement with our customer, changes in relationships with our major customers may affect our financial performance.

Demand for power cables in Malaysia

According to the F&S Report, the power cable industry is expected to be driven by strong pipeline of infrastructure projects in Malaysia as well as continued urbanisation and development of industrial activities and power intensive projects in Malaysia. This, coupled with expected strong

FINANCIAL INFORMATION

macroeconomic growth in Malaysia is expected to result in the cables and manufacturing industry to grow at a CAGR of 6.5% from RM3.8 billion in 2017 to reach RM5.2 billion in 2022. However, any unexpected changes in the financial and economic conditions in Malaysia may slow down the infrastructure projects in Malaysia as well as continued urbanisation and development of industrial activities and power intensive projects in Malaysia and thereby reduce demand for our products, which may affect our results of operations. A reduced demand could adversely affect our profit and negatively impact our cash flow.

Fluctuation in cost of copper

For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, our cost of copper amounted to RM111.1 million, RM113.9 million, RM119.3 million and RM31.2 million, respectively, representing 65.9%, 52.6%, 53.2% and 48.4% of our cost of sales for the same period, respectively. Cost of copper was the largest component of our costs of sales during the Track Record Period.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our cost of copper on our profit before income tax expense during the Track Record Period, assuming the fluctuation of materials cost to be 5% and 10% during the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018 with other variables remained constant:

	5%	-5%	10%	-10%
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Changes in profit before income tax expenses				
For the year ended 31 December 2015	(5,555)	5,555	(11,110)	11,110
For the year ended 31 December 2016	(5,695)	5,695	(11,390)	11,390
For the year ended 31 December 2017	(5,965)	5,965	(11,930)	11,930
For the four months ended 30 April 2018	(1,558)	1,558	(3,116)	3,116

FINANCIAL INFORMATION

CRITICAL ACCOUNTING POLICIES, ESTIMATE AND JUDGMENTS

Our Directors have identified certain accounting policies that are significant to the preparation of our combined financial statements. The significant accounting policies which are important for an understanding of our financial condition and results of operation are set forth in detail in Note 4 to the accountants' report included in Appendix I to this prospectus. Some of the accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items, the critical accounting estimates and judgments are set forth in detail in Note 5 to the accountants' report included in Appendix I to this prospectus. The determination of these items requires management judgments based on information and financial data that may change in future periods.

ADOPTION OF IFRS 15 AND IFRS 9

IFRS 15 Revenue from Contracts with Customers replaces the previous revenue standards IAS 18 Revenue and IAS 11 Construction Contracts and the related interpretations. IFRS 9 Financial Instruments replaces the provisions of IAS 39 Financial Instruments: Recognition and Measurement. The standards are effective for annual periods beginning on or after 1 January 2018 and early adoption is permitted.

We have adopted IFRS 15 and IFRS 9 consistently during the Track Record Period. The adoption of IFRS 15 has no material impact on the Group's financial position and financial performance during the Track Record Period.

The table below shows the effect of adoption of IFRS 9 on line items on combined statement of financial position and combined statement of profit or loss and other comprehensive income:

	As at 1 January 2015		
	Amounts under IAS 39	Effects of the adoption of IFRS 9	Amounts under IFRS 9
	RM'000	RM'000	RM'000
Combined statement of financial position			
Trade receivables, other receivables, deposits and prepayments	9,053	(64)	8,989
Retained profits (included in reserves)	68,670	(64)	68,606

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As at 31 December 2015

	Amounts under IAS 39	Effects of the adoption of IFRS 9	Amounts under IFRS 9
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Combined statement of financial position			
Trade receivables, other receivables, deposits and prepayments	74,548	(1,222)	73,326
Retained profits (included in reserves)	76,788	(1,222)	75,566

Year ended 31 December 2015

	Amounts under IAS 39	Effects of the adoption of IFRS 9	Amounts under IFRS 9
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Combined statement of profit or loss and other comprehensive income			
Impairment loss on trade receivables	—	(1,158) ^(Note 1)	(1,158)

As at 31 December 2016

	Amounts under IAS 39	Effects of the adoption of IFRS 9	Amounts under IFRS 9
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Combined statement of financial position			
Trade receivables, other receivables, deposits and prepayments	60,731	(897)	59,834
Retained profits (included in reserves)	95,217	(897)	94,320

Note 1:

As IFRS 9 requires the provision of impairment loss based on the expected credit loss model for all financial assets at amortised cost, the higher weighted average lifetime expected credit loss rate and higher amount of trade receivables led to the higher recognition of collective impairment loss on trade receivables for the year ended 31 December 2015.

The significant increase in impairment loss on trade receivables by RM1.2 million for the year ended 31 December 2015 upon adoption of IFRS 9 was mainly due to a higher weighted average lifetime expected credit loss rate was applied for collective assessment on loss allowance for trade receivables; and the balance of trade receivables as at 31 December 2015 increased by RM63.2 million compared to the balance of prior year as a result of (i) OCC SB took over the trading and marketing roles previously assumed by PJ Exim since the implementation of the Goods and Services Tax in Malaysia with effect from 1 April 2015 and OCC SB granted normal credit terms of 30 days to 90 days for external customers; and (ii) sales in the fourth quarter of 2015 increased by RM25.0 million as compared with the fourth quarter of 2014 because of the increase in revenue generated from four of the Group's top customers of RM15.5 million with aggregate quantity sold to these customers increased from approximately 2.1 million metres in the fourth quarter of 2014 to 3.0 million metres in the fourth quarter of 2015.

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COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Revenue	196,883	260,407	262,147	83,254	78,340
Cost of sales	(168,684)	(216,746)	(224,191)	(71,462)	(64,441)
Gross profit	28,199	43,661	37,956	11,792	13,899
Other income and other gains . .	1,023	386	885	364	287
Selling expenses	(2,831)	(4,651)	(3,942)	(1,146)	(1,494)
Administrative expenses	(10,250)	(7,692)	(7,650)	(2,289)	(2,498)
Other operating expenses	(3,866)	(1,835)	(1,951)	(660)	(1,154)
Impairment (loss)/gain on trade receivables, net	(1,158)	(1,589)	322	(25)	(130)
Finance costs	(869)	(1,322)	(740)	(232)	(105)
Listing expenses	—	—	—	—	(5,604)
Profit before income tax expense	10,248	26,958	24,880	7,804	3,201
Income tax expense	(3,288)	(7,004)	(5,113)	(1,532)	(1,643)
Profit for the year/period	6,960	19,954	19,767	6,272	1,558
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	3,331	743	(1,109)	(444)	(485)
Other comprehensive income for the year/period, net of tax . . .	3,331	743	(1,109)	(444)	(485)
Total comprehensive income for the year/period	10,291	20,697	18,658	5,828	1,073

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DESCRIPTION OF CERTAIN LINE ITEMS OF THE COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Our Group manufactures and sells power cables to the wholesale market and directly to customers. Our revenue is measured based on the consideration specified in a contract with our customers, which is recognised when control of the goods has transferred. Control of a product is transferred to our customers when the goods have been delivered to the location specified by our customers. Our revenue for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018 was RM196.9 million, RM260.4 million, RM262.1 million and RM78.3 million, respectively.

The following table sets forth our revenue by region for the periods indicated:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%
	(unaudited)									
Malaysia	159,953	81.2	225,683	86.7	228,224	87.1	71,038	85.3	69,085	88.2
Vietnam	31,209	15.9	28,858	11.1	29,116	11.1	8,728	10.5	8,543	10.9
Singapore	3,333	1.7	4,461	1.7	1,389	0.5	978	1.2	424	0.5
Cambodia	1,804	0.9	1,130	0.4	3,418	1.3	2,510	3.0	288	0.4
Asia Pacific (excluding Malaysia, Vietnam, Singapore and Cambodia)	584	0.3	275	0.1	—	—	—	—	—	—
	<u>196,883</u>	<u>100.0</u>	<u>260,407</u>	<u>100.0</u>	<u>262,147</u>	<u>100.0</u>	<u>83,254</u>	<u>100.0</u>	<u>78,340</u>	<u>100.0</u>

During the Track Record Period, revenue generated from Malaysia accounted for 81.2%, 86.7%, 87.1% and 88.2% of our revenue for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively. For the same period, revenue generated from Vietnam accounted for 15.9%, 11.1%, 11.1% and 10.9% of our revenue, respectively.

FINANCIAL INFORMATION

The following table sets forth the breakdown of our revenue by products for the periods indicated:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%
Low voltage power cable	132,555	67.3	142,592	54.8	143,557	54.8	45,540	54.7	45,141	57.6
Medium voltage power cable	35,303	17.9	68,596	26.3	79,437	30.3	27,806	33.4	19,199	24.5
Fire-resistant power cable	29,025	14.8	49,219	18.9	39,153	14.9	9,908	11.9	14,000	17.9
	<u>196,883</u>	<u>100.0</u>	<u>260,407</u>	<u>100.0</u>	<u>262,147</u>	<u>100.0</u>	<u>83,254</u>	<u>100.0</u>	<u>78,340</u>	<u>100.0</u>

We generated revenue principally from the sale of three major products, including (i) low voltage power cable, (ii) medium voltage power cable and (iii) fire-resistant power cable.

Low voltage power cable

Our revenue from the sale of low voltage power cable was RM132.6 million, RM142.6 million, RM143.6 million and RM45.1 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively, representing 67.3%, 54.8%, 54.8% and 57.6% of our total revenue for the same period, respectively.

Medium voltage power cable

Our revenue from the sale of medium voltage power cable was RM35.3 million, RM68.6 million, RM79.4 million and RM19.2 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively, representing 17.9%, 26.3%, 30.3% and 24.5% of our total revenue for the same period, respectively.

Fire-resistant power cable

Our revenue from the sale of fire-resistant power cable was RM29.0 million, RM49.2 million, RM39.2 million and RM14.0 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively, representing 14.8%, 18.9%, 14.9% and 17.9% of our total revenue for the same period, respectively.

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The following table sets forth the breakdown of our revenue by products with sales volume and average selling price:

	Year ended 31 December									Four months ended 30 April					
	2015			2016			2017			2017			2018		
	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price	Total quantity ⁽¹⁾	Revenue	Average selling price
(metre)	(RM'000)	(RM)	(metre)	(RM'000)	(RM)	(metre)	(RM'000)	(RM)	(metre)	(RM'000)	(RM)	(metre)	(RM'000)	(RM)	
Low voltage power cable	35,060,873	132,555	3.8	46,768,267	142,592	3.1	37,479,823	143,557	3.8	12,584,401	45,540	3.6	12,666,243	45,141	3.6
Medium voltage power cable	614,549	35,303	57.4	1,085,040	68,596	63.2	1,213,570	79,437	65.5	490,599	27,806	56.7	243,273	19,199	78.9
Fire-resistant power cable	2,962,681	29,025	9.8	4,535,977	49,219	10.9	4,096,782	39,153	9.6	892,026	9,908	11.1	1,016,578	14,000	13.8
	38,638,103	196,883	5.1	52,389,284	260,407	5.0	42,790,175	262,147	6.1	13,967,026	83,254	6.0	13,926,094	78,340	5.6

Note:

- The measurement unit in metres does not take into account the width of the power cables, which may differ from product to product, and therefore contribute differently to the average selling price. In using the measurement unit of “metre” as the basis for comparing the sales performance of the Group during the Track Record Period, the Directors had also gave considerations to other factors such as the differences in diameter and constituents (i.e. cooper or aluminium) of the power cables manufactured by the Group. The Directors considered that the measurement unit of “metre” would be a more meaningful indicator on the sales performances of the Group as it is the most consistent and prevailing measurement unit of the power cables manufactured by the Group.

Cost of sales

Our cost of sales primarily consists of material costs such as copper, aluminium, PVC compound, XLPE compound and other materials, labour costs and overhead costs. Our overhead costs comprise electricity and factory overheads such as repairs and maintenances directly attributable to production, fixed factory overhead expenses including depreciation of property, plant and equipment. Cost of sales was the largest component of our expenses during the Track Record Period. For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, our cost of sales amounted to RM168.7 million, RM216.7 million, RM224.2 million and RM64.4 million, respectively, representing 85.7%, 83.2%, 85.5% and 82.3% of our revenue for the same period, respectively.

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The following table sets forth the breakdown of our cost of sales for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Copper	111,144	113,916	119,311	39,562	31,162
Aluminium	17,024	27,231	36,852	11,633	11,538
PVC compound	5,308	7,866	6,792	2,477	1,528
XLPE compound	3,794	3,979	4,350	1,647	1,971
Other materials	18,088	48,435	37,974	12,419	13,072
Labour costs	4,422	5,079	5,692	1,704	1,701
Overhead costs	8,904	10,240	13,220	2,020	3,469
	168,684	216,746	224,191	71,462	64,441

The following table sets forth the breakdown of our cost of sales by products for the periods indicated:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%	<i>RM'000</i>	%
Low voltage power cable	118,483	70.2	123,366	56.9	124,714	55.6	40,643	56.9	37,809	58.7
Medium voltage power cable	27,288	16.2	55,204	25.5	66,636	29.7	23,130	32.4	15,565	24.1
Fire-resistant power cable	22,913	13.6	38,176	17.6	32,841	14.7	7,689	10.7	11,067	17.2
	168,684	100.0	216,746	100.0	224,191	100.0	71,462	100.0	64,441	100.0

Gross profit

Our gross profit consists of our revenue less cost of sales and reflects the direct profit made from the sale of our products. Our gross profit was RM28.2 million, RM43.7 million, RM38.0 million and RM13.9 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively, representing gross profit margin of 14.3%, 16.8%, 14.5% and 17.7% for the same period, respectively.

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The following table sets forth the breakdown of our gross profit by products for the periods indicated:

	Year ended 31 December						Four months ended 30 April			
	2015		2016		2017		2017		2018	
	<i>RM'000</i>	<i>Gross profit margin (%)</i>	<i>RM'000</i>	<i>Gross profit margin (%)</i>	<i>RM'000</i>	<i>Gross profit margin (%)</i>	<i>RM'000</i>	<i>Gross profit margin (%)</i>	<i>RM'000</i>	<i>Gross profit margin (%)</i>
Low voltage power cable	14,072	10.6	19,226	13.5	18,843	13.1	4,897	10.8	7,332	16.2
Medium voltage power cable	8,015	22.7	13,392	19.5	12,801	16.1	4,676	16.8	3,634	18.9
Fire-resistant power cable	6,112	21.1	11,043	22.4	6,312	16.1	2,219	22.4	2,933	21.0
	<u>28,199</u>	<u>14.3</u>	<u>43,661</u>	<u>16.8</u>	<u>37,956</u>	<u>14.5</u>	<u>11,792</u>	<u>14.2</u>	<u>13,899</u>	<u>17.7</u>

Other income and other gains

Our other income and other gains primarily consist of interest income, gain on disposal of plant and equipment, foreign exchange gains and sundry income. For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, we had other income and other gains of RM1.0 million, RM0.4 million, RM0.9 million and RM0.3 million, respectively.

The following table sets forth the breakdown of our other income and other gains for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	841	175	110	64	11
Gain on disposal of plant and equipment	9	—	—	—	—
Foreign exchange gains	—	—	695	294	210
Sundry income	173	211	80	6	66
	<u>1,023</u>	<u>386</u>	<u>885</u>	<u>364</u>	<u>287</u>

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Selling expenses

Our selling expenses primarily consist of advertisement and promotion expenses, salaries expenses, transportation expenses, travelling expenses, rental expenses and other selling expenses. For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, our selling expenses amounted to RM2.8 million, RM4.7 million, RM3.9 million and RM1.5 million, respectively, representing 1.4%, 1.8%, 1.5% and 1.9% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our selling expenses for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Salaries expenses	1,532	3,308	2,647	702	1,072
Advertisement and promotion expenses	15	33	15	15	34
Transportation expenses	443	465	470	150	134
Travelling expenses	151	199	238	82	87
Rental expenses	83	93	96	33	29
Other selling expenses	607	553	476	164	138
	<u>2,831</u>	<u>4,651</u>	<u>3,942</u>	<u>1,146</u>	<u>1,494</u>

Administrative expenses

Our administrative expenses primarily consist of depreciation, foreign exchange losses, management fee and professional fees, insurance, printing and stationery, staff costs and other administrative expenses. For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, our administrative expenses amounted to RM10.3 million, RM7.7 million, RM7.7 million and RM2.5 million, respectively, representing 5.2%, 3.0%, 2.9% and 3.2% of our revenue for the same period, respectively.

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The following table sets forth the breakdown of our administrative expenses for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Depreciation	246	193	289	96	101
Foreign exchange losses	3,540	275	121	74	32
Management fee and professional fees	2,228	2,525	2,512	509	781
Insurance	324	202	233	85	79
Printing and stationery	343	102	114	37	31
Staff costs	2,130	3,022	2,931	928	1,074
Other administrative expenses . . .	1,439	1,373	1,450	560	400
	<u>10,250</u>	<u>7,692</u>	<u>7,650</u>	<u>2,289</u>	<u>2,498</u>

Other operating expenses

Our other operating expenses primarily consist of compensation to customers, product development expenses, bank charges, and others. For the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, our other operating expenses amounted to RM3.9 million, RM1.8 million, RM2.0 million and RM1.2 million, respectively, representing 2.0%, 0.7%, 0.8% and 1.5% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our other operating expenses for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Compensation to customers	45	9	298	249	639
Product development expenses . .	3,539	1,518	1,224	299	414
Bank charges	150	238	265	60	58
Others	132	70	164	52	43
	<u>3,866</u>	<u>1,835</u>	<u>1,951</u>	<u>660</u>	<u>1,154</u>

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Impairment loss/(gain) on trade receivables, net

Our net impairment loss/(gain) on trade receivables represents impairment loss on trade receivables net of reversal of impairment loss on trade receivables. We had net impairment loss on trade receivables of RM1.2 million and RM1.6 million for the years ended 31 December 2015 and 2016 respectively, while we had net impairment gain of RM0.3 million and net impairment loss of RM0.1 million for the year ended 31 December 2017 and four months ended 30 April 2018, respectively, representing 0.6%, 0.6%, 0.1% and 0.1% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our net impairment loss/(gain) for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Impairment loss on trade receivables	1,158	1,914	163	137	310
Reversal of impairment loss on trade receivables	—	(325)	(485)	(112)	(180)
	<u>1,158</u>	<u>1,589</u>	<u>(322)</u>	<u>25</u>	<u>130</u>

The reversal of impairment loss on trade receivables of approximately RM0.3 million for the year ended 31 December 2016 was primarily due to (i) the decrease in trade receivables which led to lower collective impairment of approximately RM0.1 million was required to be recognised pursuant to IFRS 9 requirement; and (ii) the fully impaired trade receivables under individual assessment of approximately RM0.2 million has been recovered due to subsequent settlement by respective customers during the year ended 31 December 2016.

The reversal of impairment loss on trade receivables of approximately RM0.5 million and RM0.2 million for the year ended 31 December 2017 and for the four months ended 30 April 2018, respectively, was primarily due to the fully impaired trade receivables under individual assessment has been recovered due to subsequent settlement by respective customers during the year ended 31 December 2017 and the four months ended 30 April 2018.

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Finance costs

Our finance costs consist of interest on bank borrowings and overdraft, interest on amount due to the then immediate holding company and interest on amount due to a fellow subsidiary. Our finance costs amounted to RM0.9 million, RM1.3 million, RM0.7 million and RM0.1 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

The following table sets forth the breakdown of our finance costs for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i>
Interest on bank borrowings and overdraft	305	542	620	149	105
Interest on amount due to the then immediate holding company	242	382	55	18	—
Interest on amount due to a fellow subsidiary	322	398	65	65	—
	<u>869</u>	<u>1,322</u>	<u>740</u>	<u>232</u>	<u>105</u>

Income tax expense

Malaysian corporate income tax is calculated at the statutory tax rate of 25% of the estimated taxable profits for the year ended 31 December 2015 and 24% for each of the two years ended 31 December 2016 and 2017 and the four months ended 30 April 2018.

During the Track Record Period, OVI and OCS had no liability to corporate income tax in Vietnam and Singapore as they sustained losses for corporate income tax purpose.

During the Track Record Period, the effective tax rate of our Group were 32.1%, 26.0%, 20.6% and 51.3% for years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

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The following table sets forth the breakdown of our income tax expense:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(unaudited)	
Malaysian corporate income tax:					
— provision for the year/period .	3,147	7,249	6,304	1,950	2,001
— over provision in prior years .	(8)	(119)	(759)	—	—
	3,139	7,130	5,545	1,950	2,001
Deferred tax	149	(126)	(432)	(418)	(358)
Income tax expense.	<u>3,288</u>	<u>7,004</u>	<u>5,113</u>	<u>1,532</u>	<u>1,643</u>

For details of our income tax expense, see Note 13 to the accountants' report included in Appendix I to this prospectus.

Profit for the year/period

Our profit for the year/period consists of our gross profit plus other income and other gains, less selling expenses, administrative expenses, other operating expenses, finance costs, Listing expenses and income tax expense. Our profit for the year/period was RM7.0 million, RM20.0 million, RM19.8 million and RM1.6 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively, representing net profit margin of 3.5%, 7.7%, 7.5% and 2.0% for the same period, respectively.

Foreign exchange differences on translation of foreign operations

Our foreign exchange differences on translation of foreign operations represent the foreign exchange gain or loss arising from the translation of the financial statements of our subsidiary in Vietnam into the presentation currency of our Group, RM. These foreign exchange gain or loss is recognised in accordance with the accounting policy set forth in detail in Note 4(k) to the accountants' report included in Appendix I to this prospectus.

We recorded foreign exchange differences on the translation of foreign operations recognised in other comprehensive income during the Track Record Period. For the three years ended 31 December 2017 and four months ended 30 April 2018, we recorded foreign exchange differences on translation of foreign operations with an approximate gain of RM3.3 million and RM0.7 million, and an approximate loss of RM1.1 million and RM0.5 million, respectively. The exchange differences

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arising from the translation of foreign operations are primarily due to the fluctuation of VND, being the functional currency of OVI against the presentation currency of RM adopted by the Group in its financial statements at each reporting date. If we do not change the functional currency of OVI, we may continue to record foreign exchange differences on the translation of foreign operations in our other comprehensive income.

Total comprehensive income for the year/period

Our total comprehensive income for the year/period consists of our profit for the year/period plus/less foreign exchange differences on translation of foreign operations. Our total comprehensive income for the year/period was RM10.3 million, RM20.7 million, RM18.7 million and RM1.1 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

RESULTS OF OPERATION OF OUR GROUP

Comparison of the four months ended 30 April 2017 to the four months ended 30 April 2018

Revenue

Our revenue decreased by RM5.0 million from RM83.3 million for the four months ended 30 April 2017 to RM78.3 million for the four months ended 30 April 2018, representing a decrease of 6.0%. The decrease in our revenue was primarily due to the decrease in revenue generated from the sale of medium voltage power cable of RM8.6 million, partially off-set by the increase in revenue generated from the sale of fire-resistant power cable of RM4.1 million. The total quantity of power cable sold decreased from 14.0 million metres for the four months ended 30 April 2017 to 13.9 million metres for the four months ended 30 April 2018, representing a decrease of 0.7%.

Low voltage power cable

Our revenue generated from the sale of low voltage power cable remained stable at RM45.5 million for the four months ended 30 April 2017 and RM45.1 million for the four months ended 30 April 2018. The total quantity of low voltage power cable sold remained stable at 12.6 million metres for the four months ended 30 April 2017 and 12.7 million metres for the four months ended 30 April 2018 and the average selling price remained stable at RM3.6 per metre for the four months ended 30 April 2017 and 2018.

Medium voltage power cable

Our revenue generated from the sale of medium voltage power cable decreased by RM8.6 million from RM27.8 million for the four months ended 30 April 2017 to RM19.2 million for the four months ended 30 April 2018, representing a decrease of 30.9%. The decrease in revenue generated

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from the sale of medium voltage power cable was primarily due to lower demand from two of our customers from the infrastructure industry in Malaysia from RM20.3 million for the four months ended 30 April 2017 to RM9.7 million for the four months ended 30 April 2018. The total quantity of medium voltage power cable sold also decreased from 0.5 million metres for the four months ended 30 April 2017 to 0.2 million metres for the four months ended 30 April 2018, partially offset by the increase in the average selling price from RM56.7 per metre for the four months ended 30 April 2017 to RM78.9 per metre for the four months ended 30 April 2018.

Fire-resistant power cable

Our revenue generated from the sale of fire-resistant power cable increased by RM4.1 million from RM9.9 million for the four months ended 30 April 2017 to RM14.0 million for the four months ended 30 April 2018, representing an increase of 41.4%. The increase in revenue generated from the sale of fire-resistant power cable was primarily due to the increase in orders received from customers who mainly carry out building construction as a result of the increase of residential projects in Malaysia. The total quantity of fire-resistant power cable sold increased from 0.9 million metres for the four months ended 30 April 2017 to 1.0 million metres for the four months ended 30 April 2018, coupled with the increase in the average selling price from RM11.1 per metre for the four months ended 30 April 2017 to RM13.8 per metre for the four months ended 30 April 2018.

Cost of sales

Our cost of sales decreased by RM7.1 million from RM71.5 million for the four months ended 30 April 2017 to RM64.4 million for the four months ended 30 April 2018, representing a decrease of 9.9%. The decrease in our cost of sales was in tandem with the decrease in revenue where the decrease in cost of sales was comparatively higher than the decrease in revenue because of the decrease in cost of materials purchased in general.

Low voltage power cable

Our cost of sales from the sale of low voltage power cable decreased by RM2.8 million from RM40.6 million for the four months ended 30 April 2017 to RM37.8 million for the four months ended 30 April 2018, representing a decrease of 6.9%. The decrease in cost of sales from sale of low voltage power was mainly due to the decrease in copper used for production of one of the main products, which dropped by 96,700 kilogram from 127,200 kilogram amounting to RM3.3 million for the four months ended 30 April 2017 to 30,500 kilogram amounting to RM0.9 million for the four months ended 30 April 2018, despite of slight increase in average purchase price of copper from RM26.8 per kilogram for the four months ended 30 April 2017 to RM28.0 per kilogram for the four months ended 30 April 2018.

Medium voltage power cable

Our cost of sales from the sale of medium voltage power cable decreased by RM7.5 million from RM23.1 million for the four months ended 30 April 2017 to RM15.6 million for the four months

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ended 30 April 2018, representing a decrease of 32.5%. The decrease in cost of sales from the sale of medium voltage power cable of 32.5% was in line with the decrease in revenue generated from the sale of medium voltage power cable of 30.9%.

Fire-resistant power cable

Our cost of sales from the sale of fire-resistant power cable increased by RM3.4 million from RM7.7 million for the four months ended 30 April 2017 to RM11.1 million for the four months ended 30 April 2018, representing an increase of 44.2%. The increase in cost of sales of 44.2% was higher than the increase in revenue of 41.4% primarily due to the increase in costs of materials, such as copper, a key component for the production of fire-resistant power cable. The average purchase price of copper increased from RM26.8 per kilogram for the four months ended 30 April 2017 to RM28.0 per kilogram for the four months ended 30 April 2018.

Gross profit

Our gross profit increased by RM2.1 million from RM11.8 million for the four months ended 30 April 2017 to RM13.9 million for the four months ended 30 April 2018, representing an increase of 17.8%. Our gross profit margin increased from 14.2% for the four months ended 30 April 2017 to 17.7% for the four months ended 30 April 2018. The increase in gross profit and gross profit margin was primarily due to the increase in gross profit of low voltage power cable from RM4.9 million for the four months ended 30 April 2017 to RM7.3 million for the four months ended 30 April 2018.

Low voltage power cable

As a result of the foregoing discussion on revenue generated from low voltage power cable and the corresponding cost of sales, our gross profit of low voltage power cable increased by RM2.4 million from RM4.9 million for the four months ended 30 April 2017 to RM7.3 million for the four months ended 30 April 2018, representing an increase of 49.0%. Our gross profit margin increased from 10.8% for the four months ended 30 April 2017 to 16.2% for the four months ended 30 April 2018. Our gross profit and gross profit margin increase primarily due to the decrease in copper used for production of one of the main products, which dropped by 96,700 kilogram from 127,200 kilogram amounting to RM3.3 million for the four months ended 30 April 2017 to 30,500 kilogram amounting to RM0.9 million for the four months ended 30 April 2018, while our revenue remained relatively stable at RM45.5 million for the four months ended 30 April 2017 and RM45.1 million for the four months ended 30 April 2018.

Medium voltage power cable

As a result of the foregoing discussion on revenue generated from medium voltage power cable and the corresponding cost of sales, our gross profit decreased by RM1.1 million from RM4.7 million for the four months ended 30 April 2017 to RM3.6 million for the four months ended 30 April 2018,

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representing a decrease of 23.4%. Our gross profit margin increased from 16.8% for the four months ended 30 April 2017 to 18.9% for the four months ended 30 April 2018. Our gross profit margin increase primarily due to the increase in average selling price from RM56.7 per metre for the four months ended 30 April 2017 to RM78.9 per metre for the four months ended 30 April 2018. The increase in average selling price was primarily due to the prices of different products manufactured and sold for the four months ended 30 April 2017 and 2018. During the four months ended 30 April 2018, higher margin products were manufactured as per customers' specification comparing with the four months ended 30 April 2017. And also, width of the power cable contributed to the higher average selling price for the four months ended 30 April 2018.

Fire-resistant power cable

As a result of the foregoing discussion on revenue generated from fire-resistant power cable and the corresponding cost of sales, our gross profit increased by RM0.7 million from RM2.2 million for the four months ended 30 April 2017 to RM2.9 million for the four months ended 30 April 2018, representing an increase of 31.8%. The increase in gross profit was principally due to (i) increase in average selling price of fire-resistant power cable from RM11.1 per metre for the four months ended 30 April 2017 to RM13.8 per metre for the four months ended 30 April 2018; and (ii) increase in total sale quantity of fire-resistant power cable from 0.9 million metres for the four months ended 30 April 2017 to 1.0 million metres for the four months ended 30 April 2018.

Nevertheless, our gross profit margin decreased from 22.4% for the four months ended 30 April 2017 to 21.0% for the four months ended 30 April 2018, where the increase in cost of sales of 44.2% was higher than the increase in revenue of 41.4% because of the increase in costs of materials, such as copper, a key component for the production of fire-resistant power cable. The average purchase price of copper increased from RM26.8 per kilogram for the four months ended 30 April 2017 to RM28.0 per kilogram for the four months ended 30 April 2018.

Other income and other gains

Our other income and other gains remained stable at RM0.4 million for the four months ended 30 April 2017 and RM0.3 million for the four months ended 30 April 2018.

Selling expenses

Our selling expenses increased by RM0.4 million from RM1.1 million for the four months ended 30 April 2017 to RM1.5 million for the four months ended 30 April 2018, representing an increase of 36.4%. The increase in our selling expenses was primarily due to the increase in sales staff costs from RM0.7 million for the four months ended 30 April 2017 to RM1.1 million for the four months ended 30 April 2018 as a result of the increase in incentive and bonus payable to our sales staff.

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Administrative expenses

Our administrative expenses remained stable at RM2.3 million for the four months ended 30 April 2017 and RM2.5 million for the four months ended 30 April 2018.

Other operating expenses

Our other operating expenses increased by RM0.5 million from RM0.7 million for the four months ended 30 April 2017 to RM1.2 million for the four months ended 30 April 2018, representing an increase of 71.4%. The increase in our other operating expenses was primarily due to the increase in compensation to customers of RM0.4 million due to the delay in delivery and renewal of SIRIM licence of RM0.1 million for every two years.

Finance costs

Our finance costs decreased by RM0.1 million from RM0.2 million for the four months ended 30 April 2017 to RM0.1 million for the four months ended 30 April 2018, representing a decrease of 50.0%. The decrease in our finance costs was primarily due to the decrease in interest on amount due to a fellow subsidiary of RM0.1 million as a result of the repayment to the fellow subsidiary.

Listing expenses

We incurred Listing expenses of RM5.6 million for the four months ended 30 April 2018.

Profit before income tax expense

As a result of the foregoing, our profit before income tax expense decreased by RM4.6 million from RM7.8 million for the four months ended 30 April 2017 to RM3.2 million for the four months ended 30 April 2018, representing a decrease of 59.0%.

Income tax expense

Our income tax expense increased by RM0.1 million from RM1.5 million for the four months ended 30 April 2017 to RM1.6 million for the four months ended 30 April 2018, representing an increase of 6.7%. The increase in our income tax expense was primarily due to the increase in current tax provision of RM0.1 million and decrease in deferred tax credit of RM0.1 million for the four months ended 30 April 2018.

Profit for the period

As a result of the foregoing, our profit for the period decreased by RM4.7 million from RM6.3 million for the four months ended 30 April 2017 to RM1.6 million for the four months ended 30 April 2018, representing a decrease of 74.6%. Our net profit margin for the four months decreased from 7.5% for the four months ended 30 April 2017 to 2.0% for the four months ended 30 April 2018.

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Foreign exchange differences on translation of foreign operations

Our foreign exchange differences on translation of foreign operations remained stable at RM0.4 million for the four months ended 30 April 2017 and RM0.5 million for the four months ended 30 April 2018.

Total comprehensive income for the period

As a result of the factors discussed above, our total comprehensive income for the period decreased by 4.7 million from RM5.8 million for the four months ended 30 April 2017 to RM1.1 million for the four months ended 30 April 2018, representing a decrease of 81.0%.

Comparison of the financial year ended 31 December 2017 to the financial year ended 31 December 2016

Revenue

Our revenue increased by RM1.7 million from RM260.4 million for the year ended 31 December 2016 to RM262.1 million for the year ended 31 December 2017, representing an increase of 0.7%. The increase in our revenue was primarily due to the increase in revenue generated from the sale of medium voltage power cable and low voltage power cable, partially off-set by the decrease in revenue generated from the sale of fire-resistant power cable. The total quantity of power cable sold decreased from 52.4 million metres for the year ended 31 December 2016 to 42.8 million metres for the year ended 31 December 2017, represent a decrease of 18.3%.

Low voltage power cable

Our revenue generated from the sale of low voltage power cable remained stable at RM142.6 million for the year ended 31 December 2016 and RM143.6 million for the year ended 31 December 2017. The total quantity of low voltage power cable sold decreased from 46.8 million metres for the year ended 31 December 2016 to 37.5 million metres for the year ended 31 December 2017, offset by the increase in average selling price from RM3.1 per metre for the year ended 31 December 2016 to RM3.8 per metre for the year ended 31 December 2017. Our revenue remained stable while the total quantity of low voltage power cable sold in metres decreased because the measurement unit in metres represents the length of the power cables sold and does not take into account the width of power cables, which may differ from product to product, and therefore contribute differently to the average selling price.

Medium voltage power cable

Our revenue generated from the sale of medium voltage power cable increased by RM10.8 million from RM68.6 million for the year ended 31 December 2016 to RM79.4 million for the year ended 31 December 2017, representing an increase of 15.7%. The increase in revenue generated from

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the sale of medium voltage power cable was primarily due to the implementation of infrastructure projects in Malaysia, which required medium voltage power cable. The total quantity of medium voltage power cable sold also increased from 1.1 million metres for the year ended 31 December 2016 to 1.2 million metres for the year ended 31 December 2017, coupled with the increase in the average selling price from RM63.2 per metre for the year ended 31 December 2016 to RM65.5 per metre for the year ended 31 December 2017.

Fire-resistant power cable

Our revenue generated from the sale of fire-resistant power cable decreased by RM10.0 million from RM49.2 million for the year ended 31 December 2016 to RM39.2 million for the year ended 31 December 2017, representing a decrease of 20.3%. The decrease in revenue generated from the sale of fire-resistant power cable was primarily due to the slowdown in construction of high-rise buildings which result in the lower demand and higher price competition that decreased the orders for fire-resistant power cable. The total quantity of fire-resistant power cable sold decreased from 4.5 million metres for the year ended 31 December 2016 to 4.1 million metres for the year ended 31 December 2017, coupled with the decrease in the average selling price from RM10.9 per metre for the year ended 31 December 2016 to RM9.6 per metre for the year ended 31 December 2017. In particular, the total quantity of fire-resistant power cable sold to Customer B, one of our top five customers from the construction industry, decreased from 0.5 million metres for the year ended 31 December 2016 to 0.2 million metres for the year ended 31 December 2017.

Cost of sales

Our cost of sales increased by RM7.5 million from RM216.7 million for the year ended 31 December 2016 to RM224.2 million for the year ended 31 December 2017, representing an increase of 3.5%. The increase in our cost of sales was in tandem with the increase in revenue where the increase in cost of sales was comparatively higher than the increase in revenue because of the increase in costs of materials purchased in general.

Low voltage power cable

Like the revenue generated from low voltage power cable, our cost of sales from the sale of low voltage power cable remained stable at RM123.4 million for the year ended 31 December 2016 and RM124.7 million for the year ended 31 December 2017.

Medium voltage power cable

Our cost of sales from the sale of medium voltage power cable increased by RM11.4 million from RM55.2 million for the year ended 31 December 2016 to RM66.6 million for the year ended 31 December 2017, representing an increase of 20.7%. The increase in cost of sales from the sale of

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medium voltage power cable was in line with the increase in revenue generated from the sale of medium voltage power cable. The increase in cost of sales of 20.7% was higher than the increase in revenue of 15.7% was primarily due to the increase in cost of aluminium, a key component for the production of medium voltage power cable. The average purchase price of aluminium increased from RM7.9 per kilogram for the year ended 31 December 2016 to RM9.8 per kilogram for the year ended 31 December 2017. And also, the average purchase price of copper, another key component for the production of medium voltage power cable, increased from RM21.4 per kilogram for the year ended 31 December 2016 to RM27.7 per kilogram for the year ended 31 December 2017.

Fire-resistant power cable

Our cost of sales from the sale of fire-resistant power cable decreased by RM5.4 million from RM38.2 million for the year ended 31 December 2016 to RM32.8 million for the year ended 31 December 2017, representing a decrease of 14.1%. The decrease in cost of sales of 14.1% was lower than the decrease in revenue of 20.3% primarily due to the increase in costs of materials, such as copper, a key component for the production of fire-resistant power cable. The average purchase price of copper increased from RM21.4 per kilogram for the year ended 31 December 2016 to RM27.7 per kilogram for the year ended 31 December 2017.

Gross profit

Our gross profit decreased by RM5.7 million from RM43.7 million for the year ended 31 December 2016 to RM38.0 million for the year ended 31 December 2017, representing a decrease of 13.0%. Our gross profit margin decreased from 16.8% for the year ended 31 December 2016 to 14.5% for the year ended 31 December 2017. Our gross profit and gross profit margin was lower for the year ended 31 December 2017 because of the increase in materials price and slow down of development projects.

Low voltage power cable

As a result of the foregoing discussion on revenue generated from low voltage power cable and the corresponding cost of sales, our gross profit of low voltage power cable remained stable at RM19.2 million for the year ended 31 December 2016 and RM18.8 million for the year ended 31 December 2017. Our gross profit margin also remained stable at 13.5% for the year ended 31 December 2016 and 13.1% for the year ended 31 December 2017.

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Medium voltage power cable

As a result of the foregoing discussion on revenue generated from medium voltage power cable and the corresponding cost of sales, our gross profit decreased by RM0.6 million from RM13.4 million for the year ended 31 December 2016 to RM12.8 million for the year ended 31 December 2017, representing a decrease of 4.5%. Our gross profit margin also decreased from 19.5% for the year ended 31 December 2016 to 16.1% for the year ended 31 December 2017 primarily due to the increase in cost of copper and aluminium. The average purchase price of copper, a key component for the production of medium voltage power cable, increased from RM21.4 per kilogram for the year ended 31 December 2016 to RM27.7 per kilogram for the year ended 31 December 2017 and the average purchase price of aluminium, another key component for the production of medium voltage power cable, increased from RM7.9 per kilogram for the year ended 31 December 2016 to RM9.8 per kilogram for the year ended 31 December 2017.

Fire-resistant power cable

As a result of the foregoing discussion on revenue generated from fire-resistant power cable and the corresponding cost of sales, our gross profit decreased by RM4.7 million from RM11.0 million for the year ended 31 December 2016 to RM6.3 million for the year ended 31 December 2017, representing a decrease of 42.7%. Our gross profit margin also decreased from 22.4% for the year ended 31 December 2016 to 16.1% for the year ended 31 December 2017. Our gross profit and gross profit margin decreased because the demand of fire-resistant power cable for high-rise residential projects slowed down for the year ended 31 December 2017 and therefore, we were not able to price our fire-resistant power cable at a margin as high as the year ended 31 December 2016. And also, the average purchase price of copper, a key component for the production of fire-resistant power cable, increased from RM21.4 per kilogram for the year ended 31 December 2016 to RM27.7 per kilogram for the year ended 31 December 2017.

Other income and other gains

Our other income and other gains increased by RM0.5 million from RM0.4 million for the year ended 31 December 2016 to RM0.9 million for the year ended 31 December 2017, representing an increase of 125.0%. The increase in our other income and other gains was primarily due to the increase in foreign exchange gains of RM0.7 million as a result of the appreciation of RM which is the functional currency of OCC SB against USD.

Selling expenses

Our selling expenses decreased by RM0.8 million from RM4.7 million for the year ended 31 December 2016 to RM3.9 million for the year ended 31 December 2017, representing a decrease of 17.0%. The decrease in our selling expenses was primarily due to the decrease in sales staff costs from RM3.3 million for the year ended 31 December 2016 to RM2.6 million for the year ended 31 December 2017 as a result of the decrease in incentive and bonus payable to our sales staff.

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Administrative expenses

Our administrative expenses remained stable at RM7.7 million for the two years ended 31 December 2016 and 2017.

Other operating expenses

Our other operating expenses increased by RM0.2 million from RM1.8 million for the year ended 31 December 2016 to RM2.0 million for the year ended 31 December 2017, representing an increase of 11.1%. The increase in our other operating expenses was primarily due to the increase in compensation to customers of RM0.3 million.

Finance costs

Our finance costs decreased by RM0.6 million from RM1.3 million for the year ended 31 December 2016 to RM0.7 million for the year ended 31 December 2017, representing a decrease of 46.2%. The decrease in our finance costs was primarily due to the decrease in interest on amount due to the then immediate holding company and interest on amount due to a fellow subsidiary of RM0.3 million and RM0.3 million, respectively, as a result of the repayment to the then immediate holding company and the fellow subsidiary.

Profit before income tax expense

As a result of the foregoing, our profit before income tax expense decreased by RM2.1 million from RM27.0 million for the year ended 31 December 2016 to RM24.9 million for the year ended 31 December 2017, representing a decrease of 7.7%.

Income tax expense

Our income tax expense decreased by RM1.9 million from RM7.0 million for the year ended 31 December 2016 to RM5.1 million for the year ended 31 December 2017, representing a decrease of 27.1%. The decrease in our income tax expense was primarily due to the decrease in provision for the year regarding Malaysian corporate income tax as a result of lower tax effect of non-deductible expense of RM0.5 million for the year ended 31 December 2016 and higher over provision of income tax expense of RM0.6 million in prior periods and income not subject to tax for the year ended 31 December 2017.

Our effective tax rate decreased from 26.0% for the year ended 31 December 2016 to 20.6% for the year ended 31 December 2017 primarily due to over provision of income tax of RM0.8 million in respect of prior years where (i) OCC SB has claimed tax incentive in 2017 namely reinvestment

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allowance of tax effect of RM0.5 million on the expenditure incurred in 2016 on factory, plant or machinery used in Malaysia for the purposes of a qualifying project pursuant to Paragraph 1 of Schedule 7A of the Income Tax Act, 1967 in Malaysia. Qualifying project means a project undertaken by a company, in expanding, modernising or automating its existing business in respect of manufacturing of a product or any related product within the same industry or in diversifying its existing business into any related product within the same industry; and (ii) balance of other over provision of RM0.2 million. There was also an over provision for deferred tax of RM0.4 million in respect of prior years.

Profit for the year

As a result of the foregoing, our profit for the year remained stable at RM20.0 million for the year ended 31 December 2016 and RM19.8 million for the year ended 31 December 2017. Our net profit margin for the year remained stable at 7.7% for the year ended 31 December 2016 and 7.5% for the year ended 31 December 2017.

Foreign exchange differences on translation of foreign operations

Our foreign exchange differences on translation of foreign operations varied by RM1.8 million from a gain of RM0.7 million for the year ended 31 December 2016 to a loss of RM1.1 million for the year ended 31 December 2017, representing an unfavourable change of 257.1%. The change in our foreign exchange differences on translation of foreign operations was primarily due to depreciation of reporting currency against VND for the period involved.

Total comprehensive income for the year

As a result of the factors discussed above, our total comprehensive income for the year decreased by RM2.0 million from RM20.7 million for the year ended 31 December 2016 to RM18.7 million for the year ended 31 December 2017, representing a decrease of 9.7%.

Comparison of the financial year ended 31 December 2016 to the financial year ended 31 December 2015

Revenue

Our revenue increased by RM63.5 million from RM196.9 million for the year ended 31 December 2015 to RM260.4 million for the year ended 31 December 2016, representing an increase of 32.2%. The increase in our revenue was primarily due to the increase in revenue generated from the sale of low voltage, medium voltage and fire-resistant power cables because of the increase in

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demand for low voltage, medium voltage and fire-resistant power cables in both public and private sectors in Malaysia. The total quantity of power cable sold increased from 38.6 million metres for the year ended 31 December 2015 to 52.4 million metres for the year ended 31 December 2016, representing an increase of 35.8%.

Low voltage power cable

Our revenue generated from the sale of low voltage power cable increased by RM10.0 million from RM132.6 million for the year ended 31 December 2015 to RM142.6 million for the year ended 31 December 2016, representing an increase of 7.5%. The increase in revenue generated from the sale of low voltage power cable was primarily due to the strong infrastructure development and building construction in Malaysia as well as the recovery in global economy during the year ended 31 December 2016. The total quantity of low voltage power cable sold increased from 35.1 million metres for the year ended 31 December 2015 to 46.8 million metres for the year ended 31 December 2016, representing an increase of 33.3%. In particular, the total quantity of low voltage power cable sold to Customer D, one of our top five customers, increased from nil for the year ended 31 December 2015 to 0.3 million metres for the year ended 31 December 2016, which contributed RM12.4 million of the revenue generated from the sale of low voltage power cable for the year ended 31 December 2016.

Medium voltage power cable

Our revenue generated from the sale of medium voltage power cable increased by RM33.3 million from RM35.3 million for the year ended 31 December 2015 to RM68.6 million for the year ended 31 December 2016, representing an increase of 94.3%. The increase in revenue generated from the sale of medium voltage power cable was primarily due to the strong infrastructure development and building construction in Malaysia as well as the recovery in global economy during the year ended 31 December 2016. The total quantity of medium voltage power cable sold increased from 0.6 million metres for the year ended 31 December 2015 to 1.1 million metres for the year ended 31 December 2016, representing an increase of 83.3%. In particular, the revenue generated from the sale of medium voltage power cable contributed by Customer D increased from RM2.1 million for the year ended 31 December 2015 to RM38.4 million metres for the year ended 31 December 2016.

Fire-resistant power cable

Our revenue generated from the sale of fire-resistant power cable increased by RM20.2 million from RM29.0 million for the year ended 31 December 2015 to RM49.2 million for the year ended 31 December 2016, representing an increase of 69.7%. The increase in revenue generated from the sale of fire-resistant power cable was primarily due to the strong demand of fire-resistant power cable for high-rise residential projects and mixed development projects. The total quantity of fire-resistant

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power cable sold increased from 3.0 million metres for the year ended 31 December 2015 to 4.5 million metres for the year ended 31 December 2016, representing an increase of 50.0%. In particular, the revenue generated from the sale of fire-resistant power cable contributed by Customer B, one of our top five customers from the construction industry, increased from RM4.5 million for the year ended 31 December 2015 to RM14.8 million for the year ended 31 December 2016.

Cost of sales

Our cost of sales increased by RM48.0 million from RM168.7 million for the year ended 31 December 2015 to RM216.7 million for the year ended 31 December 2016, representing an increase of 28.5%. The increase in our cost of sales was primarily due to the increase in production, which is in line with the increase in revenue for the same period. Our other materials, steel in particular, increased from RM18.1 million for the year ended 31 December 2015 to RM48.4 million for the year ended 31 December 2016 because the demand of armoured cable increase during 2016 because steel is one of the major raw materials for the production of armoured cable. Our cost of copper remained stable at RM111.1 million for the year ended 31 December 2015 and RM113.9 million for the year ended 31 December 2016 even though there was an increase in revenue because the price of copper decreased for the year ended 31 December 2016.

Low voltage power cable

Our cost of sales from the sale of low voltage power cable increased by RM4.9 million from RM118.5 million for the year ended 31 December 2015 to RM123.4 million for the year ended 31 December 2016, representing an increase of 4.1%. The increase in cost of sales from the sale of low voltage power cable of 4.1% was lower than the increase in revenue of 7.5% primarily due to the lower average purchase price of copper for the year ended 31 December 2016. Copper is one of the key components for the production of low voltage power cable and the average purchase price of copper decreased from RM22.8 per kilogram for the year ended 31 December 2015 to RM21.4 per kilogram for the year ended 31 December 2016.

Medium voltage power cable

Our cost of sales from the sale of medium voltage power cable increased by RM27.9 million from RM27.3 million for the year ended 31 December 2015 to RM55.2 million for the year ended 31 December 2016, representing an increase of 102.2%. The increase in cost of sales from the sale of medium voltage power cable was in line with the increase in revenue generated from the sale of medium voltage power cable.

Fire-resistant power cable

Our cost of sales from the sale of fire-resistant power cable increased by RM15.3 million from RM22.9 million for the year ended 31 December 2015 to RM38.2 million for the year ended 31 December 2016, representing an increase of 66.8%. The increase in cost of sales from the sale of

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fire-resistant power cable of 66.8% was lower than the increase in revenue of 69.7% primarily due to the lower average purchase price of copper for the year ended 31 December 2016. Copper is one of the key components for the production of fire-resistant power cable. The average purchase price of copper decreased from RM22.8 per kilogram for the year ended 31 December 2015 to RM21.4 per kilogram for the year ended 31 December 2016.

Gross profit

Our gross profit increased by RM15.5 million from RM28.2 million for the year ended 31 December 2015 to RM43.7 million for the year ended 31 December 2016, representing an increase of 55.0%. Our gross profit margin increased from 14.3% for the year ended 31 December 2015 to 16.8% for the year ended 31 December 2016. Our gross profit and gross profit margin increased because of (i) the increase in demand for our cables in both public and private sectors in Malaysia, which allow us to price our products at a higher margin; (ii) the lower average purchase price of copper, one of the key components for the production of our products, from RM22.8 per kilogram for the year ended 31 December 2015 to RM21.4 per kilogram for the year ended 31 December 2016; and (iii) some fixed overhead costs were spread over higher production volume as the total quantity of power cable sold increased from 38.6 million metres for the year ended 31 December 2015 to 52.4 million metres for the year ended 31 December 2016.

Low voltage power cable

As a result of the foregoing discussion on revenue generated from low voltage power cable and the corresponding cost of sales, our gross profit increased by RM5.1 million from RM14.1 million for the year ended 31 December 2015 to RM19.2 million for the year ended 31 December 2016, representing an increase of 36.2%. Our gross profit margin also increased from 10.6% for the year ended 31 December 2015 to 13.5% for the year ended 31 December 2016. Our gross profit and gross profit margin increased because of (i) the increase in total quantity of low voltage power cable sold from 35.1 million metres to 46.8 million metres, as a result of the increase in demand due to the strong infrastructure development in Malaysia, and (ii) some fixed overhead costs were spread over higher production volume as the total quantity of low voltage power cable sold increased from 35.1 million metres for the year ended 31 December 2015 to 46.8 million metres for the year ended 31 December 2016.

Medium voltage power cable

As a result of the foregoing discussion on revenue generated from medium voltage power cable and the corresponding cost of sales, our gross profit increased by RM5.4 million from RM8.0 million for the year ended 31 December 2015 to RM13.4 million for the year ended 31 December 2016, representing an increase of 67.5%. Our gross profit margin decreased from 22.7% for the year ended

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31 December 2015 to 19.5% for the year ended 31 December 2016. Our gross profit margin decreased because of lower prices given for sales of medium voltage power cable to Customer D of RM38.4 million during the year ended 31 December 2016, while the purchase price of aluminium, being one of the key components of materials for medium voltage cables, remained relatively stable.

Fire-resistant power cable

As a result of the foregoing discussion on revenue generated from fire-resistant power cable and the corresponding cost of sales, our gross profit increased by RM4.9 million from RM6.1 million for the year ended 31 December 2015 to RM11.0 million for the year ended 31 December 2016, representing an increase of 80.3%. Our gross profit margin also increased from 21.1% for the year ended 31 December 2015 to 22.4% for the year ended 31 December 2016. Our gross profit and gross profit margin increased because of (i) the increase in total quantity of fire-resistant power cable sold from 3.0 million metres to 4.5 million metres, as a result of the strong demand from high-rise residential projects and mixed development projects, and (ii) some fixed overhead costs were spread over high production volume as the total quantity of fire-resistant power cable sold increased from 3.0 million metres for the year ended 31 December 2015 to 4.5 million metres for the year ended 31 December 2016.

Other income and other gains

Our other income and other gains decreased by RM0.6 million from RM1.0 million for the year ended 31 December 2015 to RM0.4 million for the year ended 31 December 2016, representing a decrease of 60.0%. The decrease in our other income and other gains was primarily due to the decrease in interest income of RM0.6 million primarily due to repayment from intermediate holding company.

Selling expenses

Our selling expenses increased by RM1.9 million from RM2.8 million for the year ended 31 December 2015 to RM4.7 million for the year ended 31 December 2016. The increase in our selling expenses was primarily due to the increase in sales staff costs of RM1.8 million as a result of the increase in incentive and bonuses payable due to the increase in revenue for the year ended 31 December 2016.

Administrative expenses

Our administrative expenses decreased by RM2.6 million from RM10.3 million for the year ended 31 December 2015 to RM7.7 million for the year ended 31 December 2016, representing a decrease of 25.2%. Our administrative expenses for the year ended 31 December 2015 was higher

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than the year ended 31 December 2016 because of the higher foreign exchange losses incurred during the year ended 31 December 2015 of RM3.3 million mainly due to the depreciation of RM which is the functional currency of OCC SB against USD.

Other operating expenses

Our other operating expenses decreased by RM2.1 million from RM3.9 million for the year ended 31 December 2015 to RM1.8 million for the year ended 31 December 2016, representing a decrease of 53.8%. The decrease in our other operating expenses was primarily due to the decrease in product development expenses of RM2.0 million, which represent the decrease in raw material costs used for the testing of new specifications of products.

Finance costs

Our finance costs increased by RM0.4 million from RM0.9 million for the year ended 31 December 2015 to RM1.3 million for the year ended 31 December 2016, representing an increase of 44.4%. The increase in our finance costs was primarily due to the increase in interest on bank borrowings and overdraft and interest on amount due to the then immediate holding company of RM0.2 million and RM0.2 million, respectively, as a result of additional funding for working capital needs during the year ended 31 December 2016.

Profit before income tax expense

As a result of the foregoing, our profit before income tax expense increased by RM16.8 million from RM10.2 million for the year ended 31 December 2015 to RM27.0 million for the year ended 31 December 2016, representing an increase of 164.7%.

Income tax expense

Our income tax expense increased by RM3.7 million from RM3.3 million for the year ended 31 December 2015 to RM7.0 million for the year ended 31 December 2016, representing an increase of 112.1%. The increase in our income tax expense was in line with the increase in profit before income tax expense for the same period.

For the year ended 31 December 2016, the effective tax rate stood at 26.0% which is close to the Malaysian statutory tax rate of 24%.

For the year ended 31 December 2015, the higher effective tax rate was primarily due to the combined tax effect of operating loss of OCS, a wholly-owned subsidiary of OCC SB which was struck off in 2017 and the tax effect of impairment loss on trade receivables of RM0.3 million upon adoption of IFRS 9.

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Profit for the year

As a result of the foregoing, our profit for the year increased by RM13.0 million from RM7.0 million for the year ended 31 December 2015 to RM20.0 million for the year ended 31 December 2016, representing an increase of 185.7%. Our net profit margin increased from 3.5% for the year ended 31 December 2015 to 7.7% for the year ended 31 December 2016.

Foreign exchange differences on translation of foreign operations

Our foreign exchange gain on translation of foreign operations decreased by RM2.6 million from RM3.3 million for the year ended 31 December 2015 to RM0.7 million for the year ended 31 December 2016, representing a decrease of 78.8%. The decrease in our foreign exchange gain on translation of foreign operations was primarily due to depreciation of reporting currency of RM against VND for the period involved.

Total comprehensive income for the year

As a result of the factors discussed above, our total comprehensive income for the year increased by RM10.4 million from RM10.3 million for the year ended 31 December 2015 to RM20.7 million for the year ended 31 December 2016, representing an increase of 101.0%.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our liquidity and capital requirements primarily through a combination of capital contributions from our Controlling Shareholder, internally generated funds from our operating activities coupled with borrowings. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had bank balances, short-term bank deposits and cash of RM4.9 million, RM15.9 million, RM5.8 million and RM16.3 million, respectively.

We had net cash used in operating activities of RM57.7 million for the year ended 31 December 2015 and net cash generated from operating activities of RM40.2 million, RM13.8 million and RM6.0 million for the year ended 31 December 2016 and 2017 and the four months ended 30 April 2018, respectively. We require cash primarily for our operation and general working capital needs including purchase of materials. Going forward, we expect to fund our working capital requirements with a combination of various sources, including but not limited to cash generated from our operations, the net proceeds from the Global Offering, bank balances, short-term bank deposits and cash as well as other possible equity and debt financings as and when appropriate.

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Cash flows of our Group

The following table sets forth the selected cash flow data from the combined statements of cash flows for the periods indicated:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i>
Net cash (used in)/generated					
from operating activities	(57,723)	40,200	13,756	(11,030)	6,039
Net cash used in investing					
activities	(2,534)	(4,047)	(8,691)	(6,597)	(835)
Net cash generated from/(used					
in) financing activities	50,809	(22,120)	(14,430)	5,475	5,385
Net (decrease)/increase in cash					
and cash equivalents	(9,448)	14,033	(9,365)	(12,152)	10,589
Cash and cash equivalents at					
beginning of year/period	10,782	1,413	15,855	15,855	5,802
Effect of exchange rate changes					
on cash and cash equivalents	79	409	(688)	10	(65)
Cash and cash equivalents at end					
of year/period	<u>1,413</u>	<u>15,855</u>	<u>5,802</u>	<u>3,713</u>	<u>16,326</u>

Net cash (used in)/generated from operating activities

Our cash inflow from operating activities is principally derived from the receipts from the sale of power cable. Our cash outflow from operating activities comprised mainly cost of sales, administrative expenses and other operating expenses. During the Track Record Period, our net cash generated from operating activities represented profit before income tax expense for the year/period adjusted for (i) depreciation of property, plant and equipment, amortisation of prepaid lease payments for land, amortisation of intangible asset, finance costs, gain on disposal of plant and equipment, interest income, impairment loss on inventories, impairment loss on trade receivables, reversal of impairment loss on trade receivables, write-off of plant and equipment, net unrealised foreign exchange losses/(gains), and (ii) changes in working capital.

For the four months ended 30 April 2018, we had net cash generated from operating activities of approximately RM6.0 million. This amount represents profit before income tax expense of approximately RM3.2 million, adjusted for (i) certain non-cash gains and expenses, mainly include impairment loss on inventories of RM1.7 million and depreciation of property, plant and equipment

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of RM1.0 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the decrease in inventories of RM1.6 million and increase in trade and other payables of RM0.9 million, offset by changes in certain working capital items that negatively affected operating cash flow, mainly included the increase in trade receivables, other receivables, deposits and prepayments of RM1.0 million.

For the year ended 31 December 2017, we had net cash generated from operating activities of approximately RM13.8 million. This amount represents profit before income tax expense of approximately RM24.9 million, adjusted for (i) certain non-cash gains and expenses, mainly included depreciation of property, plant and equipment of RM2.9 million and impairment loss on inventories of RM2.8 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the increase in trade and other payables of RM1.3 million, offset by changes in certain working capital items that negatively affected operating cash flow, mainly included the increase in trade receivables, other receivables, deposits and prepayments of RM8.0 million.

For the year ended 31 December 2016, we had net cash generated from operating activities of approximately RM40.2 million. This amount represents profit before income tax expense of approximately RM27.0 million, adjusted for (i) certain non-cash gains and expenses, mainly included impairment loss on trade receivables of RM1.9 million, depreciation of property, plant and equipment of RM2.6 million and impairment loss on inventories of RM2.6 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the decrease in trade receivables, other receivables, deposits and prepayments of RM11.8 million and increase in trade and other payables of RM1.1 million.

For the year ended 31 December 2015, we had net cash used in operating activities of approximately RM57.7 million. This amount represents profit before income tax expense of approximately RM10.2 million, adjusted for (i) certain non-cash gains and expenses, mainly included impairment loss on inventories of RM4.1 million, depreciation of property, plant and equipment of RM2.4 million and impairment loss on trade receivables of RM1.2 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the increase in trade and other payables of RM7.6 million offset by changes in certain working capital items that negatively affected operating cash flow, mainly include increase in inventories of RM18.8 million as a result of the increase in production to cater for increased purchase orders received from customers before year end and increase in trade receivables, other receivables, deposits and prepayments of RM64.9 million. Our trade receivables, other receivables, deposits and prepayments increased by RM64.9 million because of cessation of PJ Exim as our trading and marketing arm since the implementation of the Goods and Services Tax in Malaysia with effect from 1 April 2015. For better efficiency, OCC SB took over the trading and marketing roles from PJ Exim which increased our trade receivables as at 31 December 2015.

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Net cash used in investing activities

Our cash used in investing activities primarily consist of purchase of property, plant and equipment, interest received, proceeds from disposal of plant and equipment and change in amounts due from fellow subsidiaries.

For the four months ended 30 April 2018, we had net cash used in investing activities of RM0.8 million, which primarily consists of the purchase of property, plant and equipment of RM0.8 million.

For the year ended 31 December 2017, we had net cash used in investing activities of RM8.7 million, which primarily consists of the purchase of property, plant and equipment of RM9.3 million and change in amounts due from fellow subsidiaries of RM0.5 million.

For the year ended 31 December 2016, we had net cash used in investing activities of RM4.0 million, which primarily consists of the purchase of property, plant and equipment of RM3.9 million.

For the year ended 31 December 2015, we had net cash used in investing activities of RM2.5 million, which primarily consists of the purchase of property, plant and equipment of RM3.4 million and interest received of RM0.8 million.

Net cash generated from/used in financing activities

Our cash flows from financing activities mainly consist of interest paid on bank borrowings and overdraft, interest paid on amount due to the then immediate holding company, interest paid on amounts due to fellow subsidiaries, proceeds from bank borrowings, repayment of bank borrowings, increase/decrease in amount due to the then immediate holding company, increase/decrease in amounts due to fellow subsidiaries, increase/decrease in amount due to intermediate holding company and dividends paid to the then immediate holding company.

For the four months ended 30 April 2018, we had net cash generated from financing activities of RM5.4 million, which primarily consists of proceeds from bank borrowings of RM15.2 million, partially offset by repayment of bank borrowings of RM6.0 million and dividends paid to the then immediate holding company of RM4.0 million.

For the year ended 31 December 2017, we had net cash used in financing activities of RM14.4 million, which primarily consists of decrease in amounts due to fellow subsidiaries of RM14.5 million and repayment of bank borrowings of RM6.9 million, partially offset by proceeds from bank borrowings of RM11.6 million.

For the year ended 31 December 2016, we had net cash used in financing activities of RM22.1 million, which primarily consists of repayment of bank borrowings of RM19.9 million and decrease in amount due to the then immediate holding company of RM9.7 million, partially offset by proceeds from bank borrowings of RM7.8 million.

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For the year ended 31 December 2015, we had net cash generated from financing activities of RM50.8 million, which primarily consists of proceeds from bank borrowings of RM21.2 million, increase in amounts due to fellow subsidiaries of RM11.7 million and increase in amount due to the then immediate holding company of RM11.9 million.

WORKING CAPITAL

The following table sets forth the breakdown of our current assets and current liabilities as at the respective dates indicated:

	As at 31 December			As at 30 April	As at 31 August
	2015	2016	2017	2018	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current assets					
Inventories	43,416	39,838	42,429	39,118	36,316
Trade receivables, other receivables, deposits and prepayments	73,326	59,834	68,194	68,947	92,111
Amount due from the then immediate holding company	—	—	—	11	—
Amounts due from fellow subsidiaries	241	543	—	7	—
Tax recoverable	—	292	—	—	—
Bank balances, short-term bank deposits and cash	4,915	15,855	5,802	16,326	4,898
Total current assets	121,898	116,362	116,425	124,409	133,325
Current liabilities					
Trade and other payables	16,748	17,816	19,080	19,936	27,221
Bank borrowings	16,920	1,397	5,968	15,242	8,643
Amount due to the then immediate holding company	12,156	3,636	4,000	—	—
Amounts due to fellow subsidiaries .	13,379	14,517	—	—	—
Amount due to intermediate holding company	393	211	—	185	—
Tax payable	1,212	—	35	556	900
Total current liabilities	60,808	37,577	29,083	35,919	36,764
Net current assets	61,090	78,785	87,342	88,490	96,561

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Our total current assets as at 31 December 2015, 2016 and 2017 and 30 April 2018 amounted to RM121.9 million, RM116.4 million, RM116.4 million and RM124.4 million, respectively, which primarily consisted of inventories, trade receivables, other receivables, deposits and prepayments, amounts due from fellow subsidiaries, amount due to the then immediate holding company, tax recoverable and bank balances, short-term bank deposits and cash. Our total current liabilities for the same period amounted to RM60.8 million, RM37.6 million, RM29.1 million and RM35.9 million, respectively, which primarily consisted of trade and other payables, bank borrowings, amount due to the then immediate holding company, amounts due to fellow subsidiaries, amount due to intermediate holding company and tax payable.

Our Group's net current assets remained stable at RM87.3 million as at 31 December 2017 and RM88.5 million as at 30 April 2018.

Our Group's net current assets increased from RM78.8 million as at 31 December 2016 to RM87.3 million as at 31 December 2017 primarily due to the increase in trade receivables, other receivables, deposits and prepayments of RM8.4 million and decrease in amounts due to fellow subsidiaries of RM14.5 million, partially off-set by the increase in bank borrowings of RM4.6 million and decrease in bank balances, short-term bank deposits and cash of RM10.1 million.

Our Group's net current assets increased from RM61.1 million as at 31 December 2015 to RM78.8 million as at 31 December 2016 primarily due to the decrease in bank borrowings of RM15.5 million and decrease in amount due to the then immediate holding company of RM8.6 million, partially off-set by the decrease in trade receivables, other receivables, deposits and prepayments of RM13.5 million.

Our Directors confirm that, taking into consideration the financial resources presently available to us, including our existing bank balances, short-term bank deposits and cash, cash flows from operations, the available banking facilities and net proceeds from the Global Offering, we have sufficient working capital for our present working capital requirements for at least the next 12 months commencing on the date of this prospectus.

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DISCUSSION OF SELECTED STATEMENTS OF FINANCIAL POSITION ITEMS

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Non-current assets				
Property, plant and equipment	33,557	35,098	41,023	40,727
Prepaid lease payments for land	1,445	1,457	1,281	1,220
Intangible asset	22	17	10	8
Other receivables and prepayments	38	166	93	79
Total non-current assets	<u>35,062</u>	<u>36,738</u>	<u>42,407</u>	<u>42,034</u>
Current assets				
Inventories	43,416	39,838	42,429	39,118
Trade receivables, other receivables, deposits and prepayments	73,326	59,834	68,194	68,947
Amount due from the then immediate holding company	—	—	—	11
Amounts due from fellow subsidiaries . .	241	543	—	7
Tax recoverable	—	292	—	—
Bank balances, short-term bank deposits and cash	4,915	15,855	5,802	16,326
Total current assets	<u>121,898</u>	<u>116,362</u>	<u>116,425</u>	<u>124,409</u>
Current liabilities				
Trade and other payables	16,748	17,816	19,080	19,936
Bank borrowings	16,920	1,397	5,968	15,242
Amount due to the then immediate holding company	12,156	3,636	4,000	—
Amounts due to fellow subsidiaries	13,379	14,517	—	—
Amount due to intermediate holding company	393	211	—	185
Tax payable	1,212	—	35	556
Total current liabilities	<u>60,808</u>	<u>37,577</u>	<u>29,083</u>	<u>35,919</u>
Net current assets	<u>61,090</u>	<u>78,785</u>	<u>87,342</u>	<u>88,490</u>
Total assets less current liabilities	<u>96,152</u>	<u>115,523</u>	<u>129,749</u>	<u>130,524</u>
Non-current liabilities				
Deferred tax liabilities	2,094	1,968	1,536	1,178
Total non-current liabilities	<u>2,094</u>	<u>1,968</u>	<u>1,536</u>	<u>1,178</u>
Net assets	<u>94,058</u>	<u>113,555</u>	<u>128,213</u>	<u>129,346</u>
Equity				
Share capital	—	—	—	60
Reserves	94,058	113,555	128,213	129,286
Total equity	<u>94,058</u>	<u>113,555</u>	<u>128,213</u>	<u>129,346</u>

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Property, plant and equipment

Our property, plant and equipment consist of freehold land, factory and buildings, plant and machinery, office, factory and other equipment, motor vehicles and construction in progress. We had property, plant and equipment of RM33.6 million, RM35.1 million, RM41.0 million and RM40.7 million as at 31 December 2015, 2016 and 2017 and 30 April 2018, respectively.

The following table sets forth the breakdown of our property, plant and equipment as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Freehold land	7,874	7,874	16,054	16,054
Factory and buildings	12,599	13,684	13,317	13,252
Plant and machinery	8,079	8,787	8,263	7,690
Office, factory and other equipment	1,858	3,000	3,015	3,402
Motor vehicles	249	527	374	329
Construction in progress	2,898	1,226	—	—
	33,557	35,098	41,023	40,727

Our property, plant and equipment remained stable at RM41.0 million as at 31 December 2017 and RM40.7 million as at 30 April 2018.

Our property, plant and equipment increased from RM35.1 million as at 31 December 2016 to RM41.0 million as at 31 December 2017 primarily due to the increase in freehold land of RM8.2 million as a result of the acquisition of land next to our existing factory for expansion purpose.

Our property, plant and equipment increased from RM33.6 million as at 31 December 2015 to RM35.1 million as at 31 December 2016 primarily due to the increase in factory and building of RM1.1 million and the increase in office, factory and other equipment of RM1.1 million for the production facilities.

For details of our property, plant and equipment, see Note 16 to the accountants' report included in Appendix I to this prospectus.

Prepaid lease payments for land

Our prepaid lease payments for land represents prepayment in relation to the rights to land use of a factory in Vietnam. We had prepaid lease payments for land of RM1.5 million, RM1.5 million, RM1.3 million and RM1.3 million as at 31 December 2015, 2016 and 2017 and 30 April 2018.

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The following table sets forth the breakdown of our prepaid lease payments for land as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cost:				
At beginning of the year/period	1,586	1,832	1,900	1,724
Translation adjustment	246	68	(176)	(64)
At end of the year/period	1,832	1,900	1,724	1,660
Less: Accumulated amortisation	(351)	(405)	(404)	(401)
	<u>1,481</u>	<u>1,495</u>	<u>1,320</u>	<u>1,259</u>
Classified into:				
Non-current assets	1,445	1,457	1,281	1,220
Current assets	36	38	39	39
	<u>1,481</u>	<u>1,495</u>	<u>1,320</u>	<u>1,259</u>

For details of our prepaid lease payments for land, see Note 17 to the accountants' report included in Appendix I to this prospectus.

Intangible asset

Our intangible asset represents computer software licences. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had intangible asset with net carrying amounts of RM22,000, RM17,000, RM10,000 and RM8,000, respectively.

For details of our intangible assets, see Note 18 to the accountants' report included in Appendix I to this prospectus.

Inventories

Our inventories consist raw materials, work in progress, finished goods and goods in transit. We had inventories of RM43.4 million, RM39.8 million, RM42.4 million and RM39.1 million as at 31 December 2015, 2016 and 2017 and 30 April 2018.

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The following table sets forth the breakdown of our inventories as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Raw materials	9,291	13,025	9,538	7,804
Work in progress	9,776	6,925	5,976	4,374
Finished goods	24,346	19,780	26,912	26,940
Goods in transit	3	108	3	—
	<u>43,416</u>	<u>39,838</u>	<u>42,429</u>	<u>39,118</u>

Our inventories remained stable at RM43.4 million as at 31 December 2015 and RM42.4 million as at 31 December 2017. Our inventories decreased from RM43.4 million as at 31 December 2015 to RM39.8 million as at 31 December 2016 primarily due to the decrease in finished goods of RM4.6 million as a result of delivery of RM4.6 million of inventories to Customer D prior to 31 December 2016.

The following table sets forth our average inventories turnover days:

	Year ended 31 December			Four months ended
	2015	2016	2017	30 April
	2015	2016	2017	2018
Inventories turnover days ⁽¹⁾	<u>77</u>	<u>70</u>	<u>67</u>	<u>76</u>

Note:

- Inventories turnover days were calculated based on the average of the opening and closing inventories divided by cost of sales for the relevant year/period multiplied by 365 for the year or 120 for the four months.

Our inventories turnover days decreased from 77 days for the year ended 31 December 2015 to 70 days for the year ended 31 December 2016 primarily due to the increase in demand from our customers during the year ended 31 December 2016. Our sales of RM59.8 million for the last three months of the year ended 31 December 2016 was higher than our sales of RM55.3 million for the last three months of the year ended 31 December 2015, therefore, the value of finished goods held as at 31 December 2016 was lower than 31 December 2015. Our inventories turnover days remained relatively stable at 70 days for the year ended 31 December 2016 and 67 days for the year ended 31

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December 2017. Our inventories turnover days increased from 67 days for the year ended 31 December 2017 to 76 days for the four months ended 30 April 2018 primarily due to Chinese New Year holiday in February 2018 and lower cost of sales being annualised during the four months ended 30 April 2018.

As at 31 August 2018, approximately RM30.5 million or 78.0% of our inventories as at 30 April 2018 were subsequently sold/utilised.

Trade receivables and other receivables, deposits and prepayments

Trade receivables

During the Track Record Period, trade receivables are non-interest bearing and the normal trade credit terms granted by our Group range from 30 to 90 days from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had trade receivables of RM67.7 million, RM56.6 million, RM67.2 million and RM65.2 million, respectively.

The following table sets forth the breakdown of our trade receivables as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	68,901	59,368	69,640	67,776
Less: allowance for impairment losses . .	(1,222)	(2,811)	(2,489)	(2,619)
	<u>67,679</u>	<u>56,557</u>	<u>67,151</u>	<u>65,157</u>

Our trade receivables remained stable at RM67.2 million as at 31 December 2017 and RM65.2 million as at 30 April 2018.

Our trade receivables increased by RM10.6 million from RM56.6 million as at 31 December 2016 to RM67.2 million as at 31 December 2017, representing an increase of 18.7%. The increase in trade receivables was primarily due to the increase of trade receivables from Customer B as at 31 December 2017.

Our trade receivables decreased by RM11.1 million from RM67.7 million as at 31 December 2015 to RM56.6 million as at 31 December 2016, representing a decrease of 16.4%. The decrease in trade receivables was primarily due to settlement of RM5.3 million from Customer D around 31 December 2016.

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The table below sets forth an ageing analysis of gross trade receivables based on the invoice date as at each reporting date:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
1 to 90 days	50,278	47,619	53,033	41,372
91 to 180 days	14,542	9,382	14,072	23,484
Over 180 days	4,081	2,367	2,535	2,920
	<u>68,901</u>	<u>59,368</u>	<u>69,640</u>	<u>67,776</u>

The table below sets forth an ageing analysis of net trade receivables based on due date as at each reporting date:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Not past due	44,994	18,216	22,340	35,170
Past due:				
1 to 90 days	20,904	37,440	39,794	25,028
91 to 180 days	—	901	4,020	4,959
Over 180 days	1,781	—	997	—
	<u>67,679</u>	<u>56,557</u>	<u>67,151</u>	<u>65,157</u>

Further details of impairment loss on gross trade receivables aged by due date are set out on pages I-74 to I-78 of accountants' report included in Appendix I to this prospectus.

Our trade receivables (net of impairment loss) which were past due for over 180 days amounted to RM1,781,000, nil, RM997,000 and nil as at 31 December 2015, 2016 and 2017 and 30 April 2018, respectively. Such trade receivables which were past due but not impaired were primarily related to customers who had a good track record with the Group. Based on past experience, our management believe that there had not been a significant change in credit quality of these customers and the respective balances were still considered fully recoverable as at each reporting date, hence, no impairment had been provided. The amounts had been subsequently settled to date.

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The following table sets forth our average trade receivables turnover days:

	Year ended 31 December			Four months ended 30 April
	2015	2016	2017	2018
	Trade receivables turnover days ⁽¹⁾	69	90	90

Note:

- Trade receivables turnover days were calculated based on the average of the opening and closing trade receivables divided by revenue for the relevant year/period multiplied by 365 for the year or 120 for the four months.

Our trade receivables turnover days increased from 69 days for the year ended 31 December 2015 to 90 days for the year ended 31 December 2016 primarily due to the increase in average trade receivables. The increase in average trade receivables is due to the increase in revenue on back of the strong infrastructure development and building construction in Malaysia as well as the recovery in global economy during the year ended 31 December 2016. Our trade receivables turnover days remained stable at 90 days for the years ended 31 December 2016 and 2017. Our trade receivables turnover days increased from 90 days for the year ended 31 December 2017 to 105 days for the four months ended 30 April 2018 primarily due to Chinese New Year holiday in February 2018 and lower sales being annualised during the four months ended 30 April 2018.

As at 31 August 2018, approximately RM57.4 million or 84.7% of gross trade receivables as at 30 April 2018 have been settled by our customers after the Track Record Period.

Other receivables, deposits and prepayments

Our other receivables, deposits and prepayments represent advances to suppliers, other receivables, goods and services tax claimable, deposits, prepayments, value added tax deductibles, import tax receivables and prepaid lease payments for land. Our advances to suppliers represent deposits paid to suppliers for purchase of materials. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had other receivables, deposits and prepayments of RM5.6 million, RM3.3 million, RM1.0 million and RM3.8 million, respectively. As at 31 December 2015, 2016 and 2017 and 30 April 2018, advances to suppliers amounted to 73.6%, 81.8%, 29.1% and 24.4% of our other receivables, deposits and prepayments.

Our other receivables, deposits and prepayments increased from RM1.0 million as at 31 December 2017 to RM3.8 million as at 30 April 2018 primarily due to the increase in prepaid Listing expenses of RM2.1 million.

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Our other receivables, deposits and prepayments decreased from RM3.3 million as at 31 December 2016 to RM1.0 million as at 31 December 2017 primarily due to reduction of advances to suppliers of RM2.4 million.

Our other receivables, deposits and prepayments decreased from RM5.6 million as at 31 December 2015 to RM3.3 million as at 31 December 2016 primarily due to reduction of advances to suppliers of RM1.5 million.

Amount due from the then immediate holding company

We had amount due from the then immediate holding company of RM11,000 as at 30 April 2018, has been settled as at 31 August 2018.

Amounts due from fellow subsidiaries

The following table sets forth the breakdown of our amounts due from fellow subsidiaries as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Olympic Properties Sdn. Bhd.	241	542	—	—
OSK Construction Sdn. Bhd.	—	—	—	6
Acotec Sdn. Bhd.	—	1	—	1
	<u>241</u>	<u>543</u>	<u>—</u>	<u>7</u>

Our amounts due from fellow subsidiaries were non-trade in nature, except amount due from OSK Construction Sdn. Bhd., unsecured, repayable on demand and interest-free, except amount due from Olympic Properties Sdn. Bhd., which was interest-bearing at a rate of 3.3%, 3.1% to 3.3%, 3.1%, 3.1% and nil per annum for the years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2017 and 2018, respectively.

For details of our amounts due from fellow subsidiaries, see Note 21 to the accountants' report included in Appendix I to this prospectus.

Tax recoverable

Our tax recoverable represents the excess of the provisional tax paid over the estimated tax liabilities. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had tax recoverable of nil, RM0.3 million, nil and nil, respectively.

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Trade and other payables

Our trade and other payables represents trade payables, accruals and other payables. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had trade and other payables of RM16.7 million, RM17.8 million, RM19.1 million and RM19.9 million, respectively.

The following table sets forth the breakdown of our trade and other payables as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade payables	14,770	14,651	15,220	11,280
Advance from customers	307	241	603	1,621
Accruals	1,394	2,473	2,702	6,103*
Other payables.	277	451	555	932
	16,748	17,816	19,080	19,936

* including accrued Listing expenses of RM4,987,000.

Trade payables

During the Track Record Period, our trade payables are non-interest bearing and the normal trade credit terms granted to our Group range from 14 to 60 days from the date of invoice. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had trade payables of RM14.8 million, RM14.7 million, RM15.2 million and RM11.3 million, respectively.

Our trade payables decreased from RM15.2 million as at 31 December 2017 to RM11.3 million as at 30 April 2018 primarily due to the decrease in materials purchased particularly copper, a main component for production of cable, which is in line with lower sales for the same period.

Our trade payables remained stable at RM14.7 million as at 31 December 2016 and RM15.2 million as at 31 December 2017.

Our trade payables remained stable at RM14.8 million as at 31 December 2015 and RM14.7 million as at 31 December 2016.

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The table below sets forth an analysis of trade payables by age presented based on the invoice date at the end of each period:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Within 30 days	9,802	9,598	13,128	7,870
31 to 60 days	3,310	3,468	1,134	1,799
61 to 90 days	910	712	22	959
Over 90 days	748	873	936	652
	<u>14,770</u>	<u>14,651</u>	<u>15,220</u>	<u>11,280</u>

The following table sets forth our average trade payables turnover days:

	Year ended 31 December			Four months ended
	2015	2016	2017	30 April
	2015	2016	2017	2018
Trade payables turnover days ⁽¹⁾	<u>23</u>	<u>27</u>	<u>25</u>	<u>30</u>

Note: 1. Trade payables turnover days were calculated based on the average of the opening and closing trade payables divided by cost of materials purchased for the relevant year/period multiplied by 365 for the year or 120 for the four months.

Our trade payables turnover days remained stable at 23, 27 and 25 days for the three years ended 31 December 2015, 2016 and 2017. Our trade payables turnover days increased from 25 days for the year ended 31 December 2017 to 30 days for the four months ended 30 April 2018 primarily due to Chinese New Year holiday in February 2018 and lower materials purchased being annualised during the four months ended 30 April 2018.

Up to 31 August 2018, we have settled approximately RM10.6 million or 94.0% of trade payables as at 30 April 2018 after the Track Record Period.

Other payables

Our other payables represent advance from customers, accruals and other payables. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had other payables of RM2.0 million, RM3.2 million, RM3.9 million and RM8.7 million, respectively.

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Bank borrowings

For details of bank borrowings, please refer to the paragraph headed “— Indebtedness” in this section.

Amount due to the then immediate holding company

Our amount due to the then immediate holding company represents amount due to OCC Cables Berhad for our working capital requirement, which was non-trade in nature, unsecured, repayable on demand and interest-bearing at a rate of 3.3%, 3.1% to 3.3% and 3.1% per annum for the years ended 31 December 2015, 2016 and 2017, respectively. We had amount due to the then immediate holding company of RM12.2 million, RM3.6 million and RM4.0 million as at 31 December 2015, 2016 and 2017. Our amount due to the then immediate holding company of RM4.0 million as at 31 December 2017 was settled on 22 March 2018.

Amounts due to fellow subsidiaries

The following table sets forth the breakdown of our amounts due to fellow subsidiaries as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Eframe Solutions Sdn. Bhd.	4	12	—	—
Damai Laut Golf Resort Sdn. Bhd.	1	—	—	—
PJD Hotels Sdn. Bhd.	3	1	—	—
PJ Exim Sdn. Bhd.	13,371	14,504	—	—
	13,379	14,517	—	—
	13,379	14,517	—	—

Our amounts due to fellow subsidiaries were non-trade in nature, unsecured, repayable on demand and interest-free, except amount due to PJ Exim Sdn. Bhd., which were interest-bearing at a rate of 3.3%, 3.1% to 3.3% and 3.1% per annum for the years ended 31 December 2015, 2016 and 2017, respectively. Our amounts due to fellow subsidiaries was fully settled as at 31 December 2017.

For details of our amounts due to fellow subsidiaries, see Note 21 to the accountants’ report included in Appendix I to this prospectus.

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Amount due to intermediate holding company

Our amount due to intermediate holding company represents amount due to PJDH for our working capital requirement, which was non-trade in nature, unsecured, repayable on demand and interest-free. We had amount due to intermediate holding company of RM0.4 million, RM0.2 million, nil and RM0.2 million as at 31 December 2015, 2016 and 2017 and 30 April 2018, respectively. Our amount due to intermediate holding company has been settled as at 31 August 2018.

For details of our amount due to intermediate holding company, see Note 21 to the accountants' report included in Appendix I to this prospectus.

Tax payable

As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had tax payable of RM1.2 million, nil, RM35,000 and RM0.6 million, respectively.

Deferred tax liabilities

Our deferred tax liabilities mainly represent accelerated depreciation and industrial building allowances. As at 31 December 2015, 2016 and 2017 and 30 April 2018, we had deferred tax liabilities of RM2.1 million, RM2.0 million, RM1.5 million and RM1.2 million, respectively.

For details of our deferred tax liabilities, see Note 25 to the accountants' report included in Appendix I to this prospectus.

INDEBTEDNESS

At the close of business on 31 August 2018, being the latest practicable date on which such information was available to us, our Group had outstanding indebtedness of RM8.6 million. In addition to the trust receipt, banker's acceptance (other than the secured banker's acceptance) and bank overdraft, our Group has been granted credit facilities which were not utilised as at 31 December 2016 and 2017, 30 April 2018 and 31 August 2018 and these credit facilities were secured by (i) a pledge over our Group's freehold land and factory and buildings with a total net carrying amount of RM15.8 million, RM24.1 million, RM24.2 million and RM24.1 million, respectively, (ii) corporate guarantees by PJDH and (iii) a debenture incorporating a fixed and floating charge for all monies owing or payable under the facility over all present and future assets of one of our Company's subsidiary pertaining to the machinery(ies) and other assets financed by the bank. The corporate guarantees by PJDH will be replaced by corporate guarantees provided by our Company upon or before Listing. As at 31 August 2018, we had unutilised banking facilities of RM89.1 million.

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As at 31 December 2015, 2016 and 2017, 30 April 2018 and 31 August 2018, we had bank borrowings of RM16.9 million, RM1.4 million, RM6.0 million, RM15.2 million and RM8.6 million, respectively. The table below sets forth a breakdown of our bank borrowings as at the respective dates indicated:

	As at 31 December			As at 30 April	As at 31 August
	2015	2016	2017	2018	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trust receipt (unsecured)	2,796	1,397	768	2,142	5,443
Banker's acceptance (unsecured)	10,622	—	2,400	—	—
Banker's acceptance (secured)	—	—	2,800	13,100	3,200
Bank overdraft (unsecured)	3,502	—	—	—	—
	16,920	1,397	5,968	15,242	8,643

During the Track Record Period, trust receipt, banker's acceptance and bank overdraft were interest-bearing at floating interest rates. The interest rates ranged from 3.2% to 8.1%, 7.0%, 2.8% to 7.0% and 2.9% to 6.9% per annum for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital expenditures

Our capital expenditures primarily related to the acquisition of land, construction factory in progress, office and factory equipment, plant and machinery and motor vehicles. We had capital expenditures of RM3.4 million, RM3.9 million, RM9.3 million and RM0.8 million for the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

Capital commitments

Our capital commitments primarily related to acquisition of land, plant and machinery. The following table sets forth a summary of our capital commitments as at the respective dates indicated:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Commitment for the acquisition of property, plant and equipment	527	8,733	198	1,633
	527	8,733	198	1,633

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OPERATING LEASE COMMITMENTS

Our operating lease payments represent rentals payable by our Group for certain of our leased properties. Our Group leases certain land and premises under operating leases for a period of one to 48 years. Our operating lease commitments represent the minimum lease payments under non-cancellable operating leases. We had operating lease commitments of RM3.0 million, RM3.2 million, RM2.7 million and RM2.6 million as at 31 December 2015, 2016 and 2017 and 30 April 2018.

For further details, see Note 28 to the accountants' report included in Appendix I to this prospectus.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, we were not involved in any legal proceedings pending or, to our knowledge, threatened against our Group which could have a material adverse effect on our business or operations. The Directors confirm that as at the Latest Practicable Date, we did not have any significant contingent liabilities.

RELATED PARTY TRANSACTIONS

Our Directors confirm that all transactions with related parties described in Note 29 to the accountants' report set out in Appendix I to this prospectus were conducted on normal commercial terms and/or on terms not less favourable than terms available from independent third parties, which are considered fair, reasonable and in the interest of the Shareholders of our Company as a whole.

OFF BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, save as disclosed herein, we had no other material off-balance sheet arrangements.

CAPITAL MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group's objective of managing capital is to safeguard our Group's ability to continue as a going concern so that we can continue to provide returns for Shareholders and benefits for other stakeholders.

Our Group actively and regularly reviews and manages our capital structure to maintain a balance between the higher Shareholders' returns that might be possible with higher levels of debts (including bank borrowings, amounts due to the then immediate holding company, intermediate holding company and fellow subsidiaries) and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

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For further details, please refer to Note 31 to the accountants' report included in Appendix I to this prospectus.

Financial risk management

The main risks arising from our Group's financial instruments in the normal course of our business are foreign currency risk, interest rate risk, liquidity risk and credit risk. For further details, please refer to Note 32 to the accountants' report included in Appendix I to this prospectus.

KEY FINANCIAL RATIOS

	Year ended 31 December			Four months ended 30 April
	2015	2016	2017	2018
	%	%	%	%
Profitability ratios				
Gross profit margin ⁽¹⁾	14.3	16.8	14.5	17.7
Net profit margin ⁽²⁾	3.5	7.7	7.5	2.0
Return on equity ⁽³⁾	7.8	19.2	16.4	N/A
Return on total assets ⁽⁴⁾	5.5	12.9	12.7	N/A
	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>Times</i>	<i>Times</i>	<i>Times</i>	<i>Times</i>
Liquidity ratios				
Current ratio ⁽⁵⁾	2.0	3.1	4.0	3.5
Quick ratio ⁽⁶⁾	1.3	2.0	2.5	2.4
	%	%	%	%
Capital adequacy ratios				
Gearing ratio ⁽⁷⁾	12.8	Net cash	0.1	Net cash

Notes:

1. The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
2. The calculation of net profit margin is based on profit for the year/period divided by revenue and multiplied by 100%.
3. The calculation of return on equity is based on profit for the year divided by average balance of total equity and multiplied by 100%. Average balance is calculated as the sum of the opening and ending balances of relevant period divided by two.

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4. The calculation of return on total assets is based on profit for the year divided by average balance of total assets and multiplied by 100%. Average balance is calculated as the sum of the opening and ending balances of relevant period divided by two.
5. The calculation of current ratio is based on current assets divided by current liabilities.
6. The calculation of quick ratio is based on current assets less inventories divided by current liabilities.
7. The calculation of gearing ratio is based on net debt (being total bank borrowings net of cash and cash equivalents) divided by total capital and multiplied by 100%.

Return on equity

Our return on equity increased from 7.8% for the year ended 31 December 2015 to 19.2% for the year ended 31 December 2016 primarily due to an increase in profit for the year as a result of the increase in demand of our low voltage, medium voltage and fire-resistant power cable. Our return on equity then decreased to 16.4% for the year ended 31 December 2017, primarily due to an accumulation of equity.

Return on total assets

Our return on total assets increased from 5.5% for the year ended 31 December 2015 to 12.9% for the year ended 31 December 2016 primarily due to increase in profit for the year as a result of the increase in demand of our low voltage, medium voltage and fire-resistant power cable. Our return on total asset then decreased to 12.7% for the year ended 31 December 2017 due to a slight decrease in profit for the year and an increase of total assets.

Current ratio

Our current ratio increased from 2.0 as at 31 December 2015 to 3.1 as at 31 December 2016 due to decrease of current liabilities as a result of decreased amount due to the then immediate holding company and decreased bank borrowings of RM24.0 million, then further increased to 4.0 as at 31 December 2017 as a result of settlement of amounts due to fellow subsidiaries of RM14.5 million while the current assets maintained relatively stable. Our current ratio decreased from 4.0 as at 31 December 2017 to 3.5 as at 30 April 2018 primarily due to the increase in current liabilities of RM6.8 million as a result of the net effect of the increase in bank borrowings of RM9.3 million, partially offset by the decrease in amount due to the then immediate holding company of RM4.0 million with payment of dividend of the same amount and the increase in current assets of RM8.0 million mainly due to the net effect of decrease in inventories of RM3.3 million and increase in bank balances, short-term bank deposits and cash of RM10.5 million.

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Quick ratio

Similar to current ratio, our quick ratio increased from 1.3 as at 31 December 2015 to 2.0 as at 31 December 2016, then increased to 2.5 as at 31 December 2017 and decreased to 2.4 as at 30 April 2018.

Gearing ratio

Our gearing ratio was 12.8% as at 31 December 2015, then we had cash and cash equivalents in excess of debt as at 31 December 2016 due to repayment of bank borrowings of RM19.9 million while cash and cash equivalents increased by RM14.5 million as a result of cash flow we generated from operations. Our gearing ratio then became 0.1% due to increase in bank borrowings as at 31 December 2017. We had cash and cash equivalents in excess of debt as at 30 April 2018 primarily due to the increase in bank balances, short-term bank deposits and cash of RM10.5 million, partially offset by the increase in bank borrowings of RM9.3 million.

DIVIDEND

We declared dividend of nil, RM1.2 million, RM4.0 million and nil during the three years ended 31 December 2015, 2016 and 2017 and the four months ended 30 April 2018, respectively.

In future, declaration and payment of any dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval, but no dividend shall be declared in excess of the amount recommended by the Board. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including our results of operations, financial condition, the payment by our subsidiaries of cash dividends to us, and other factors the Board may deem relevant. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

After the Listing, declaration of dividends will be subject to recommendation of our Board after considering the factors described above. Subject to the above factors, our Board intends to recommend dividends of no less than 40% pay out by way of interim and/or final dividend from our profit after tax for a particular year to be paid in the following year.

FINANCIAL INFORMATION

PROPERTY INTERESTS

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, had valued our Group's property interests as at 31 August 2018 at USD18.8 million. The following table sets forth the reconciliation of aggregate amounts of freehold land and factory and buildings from our Group's audited combined statements of financial position as at 30 April 2018 to the unaudited net book value of our Group's property interests as at 31 August 2018:

	<i>RM'000</i>
Valuation of property interest as at 31 August 2018 as set out in the property valuation report in Appendix III to this prospectus	77,398
Net book value of property interests as at 30 April 2018:	
Freehold land	16,054
Factory and buildings	13,252
Movement for the period from 1 May to 31 August 2018	—
Depreciation	(200)
Translation adjustments	93
Net book value as at 31 August 2018	29,199
Revaluation surplus, before income tax	48,199

The full text of its letter and valuation certificate with regard to such property interests are set out in Appendix III to this prospectus.

LISTING EXPENSES

Assuming the Offer Price of HK\$0.70 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the total amount of expenses in relation to the Listing are estimated to be approximately RM20.0 million including the underwriting commission and other listing expenses and fees (including SFC transaction levy and Stock Exchange trading fee). The expenses in relation to the Listing shall be borne by our Company, of which approximately RM13.0 million will be charged to the Group's profit and loss for the year ending 31 December 2018, and approximately RM7.0 million of its estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard after the Listing.

EFFECT ON OUR FINANCIAL PERFORMANCE DUE TO LISTING EXPENSES

Our profit for the year ending 31 December 2018 will have a considerable reduction due to the incurrance of listing expenses during the year ending 31 December 2018. Our financial performance for the year ending 31 December 2018 will be affected by such expenses as compared with our financial performance for the year ended 31 December 2017.

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DISTRIBUTABLE RESERVE

As at the Latest Practicable Date, our Company had no reserves available for distribution to our Shareholders.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please refer to Appendix II of this prospectus for the unaudited pro forma adjusted net tangible assets.

DISCLOSURE UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial, operational or trading position since 30 April 2018, being the end of the period reported on in the accountants' report in Appendix I to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please refer to the section headed “Business — Our business strategies” for a detailed description of our business strategies and future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$149.0 million, after deducting the total estimated listing related expenses payable by us in the Global Offering, without taking into account any discretionary incentive fee, and assuming the Over-allotment Option is not exercised and an Offer Price of HK\$0.70 per Share, being the mid-point of the Offer Price range stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 53.8% (approximately HK\$80.1 million) of the net proceeds will be used for the expansion and enhancement of our Existing Malacca Plant;
 - i. approximately 29.7% (approximately HK\$44.2 million) will be used for the construction of the New Wing and the related upgrading of the facilities of our Existing Malacca Plant. We have yet to commence construction of the New Wing and are finalising plans for the construction of the New Wing and reallocation of the storage yard from Lot A to Lot B at the Existing Malacca Plant. Construction of the New Wing is expected to commence thereafter. We estimate that the cost of constructing the New Wing and the related upgrading of the facilities of our Existing Malacca Plant will cost approximately HK\$44.2 million with HK\$1.0 million to be spent during the financial year ending 31 December 2018, HK\$30.5 million during the financial year ending 31 December 2019 and the remaining HK\$12.7 million to be spent during the six months ending 30 June 2020;
 - ii. approximately 24.1% (approximately HK\$35.9 million) will be used for the purchase of machineries and equipment at the Existing Malacca Plant. We estimate that the cost of purchase of approximately HK\$35.9 million for the additional machineries and equipment with HK\$0.9 million to be spent during the financial year ending 31 December 2018, HK\$1.9 million during the financial year ending 31 December 2019, and the remaining HK\$33.1 million during the financial year ending 31 December 2020.

The capital expenditure required for the expansion and enhancement of our Existing Malacca Plan is currently expected to be approximately HK\$80.1 million and it is estimated to be completed by the end of 2020. The proceeds will not be used to

FUTURE PLANS AND USE OF PROCEEDS

replace any existing machinery and the expansion and enhancement of our Existing Malacca Plant is expected to increase the production capacity by approximately 50.0%. These facilities, machineries and equipment are expected to have useful lives of 10 years while the facilities of our Existing Malacca Plant are expected to have useful lives of 50 years. After the construction of New Wing and reallocation of the storage yard, we expect that the total depreciation expenses would be approximately HK\$4.5 million per year.

- approximately 11.1% (approximately HK\$16.5 million) of the net proceeds will be used for replacing the existing enterprise resource planning system by (i) purchasing computerised system and upgrading our existing hardware and servers; and (ii) arrange on-the-job training to the information technology department and operational staff and management for both the Existing Malacca Plant and Existing Vietnam Plant;
- approximately 25.1% (approximately HK\$37.4 million) of the net proceeds will be used for strategic acquisition or investment to enhance our services capabilities and expand our product coverage. We target manufacturing companies or businesses, preferably in Malaysia, that would broaden our current product range; create synergy effect on revenue and cost; and allow us to enjoy the advantage of economies of scale. We expect to select our acquisition targets by considering a range of factors including the target company's (i) market size; (ii) customer base; (iii) technical capabilities; (iv) management team; (v) operating history; (vi) relevant approvals and accreditation; and (vii) reasonableness of the acquisition price. Our Directors confirm that we had not identified a suitable target for acquisition or investment as at the Latest Practicable Date. For further details, please refer to the section headed "Business — Our business strategies" in this Prospectus.
- approximately 10.0% (approximately HK\$15.0 million) of the net proceeds will be used for working capital and general corporate purposes.

The additional net proceeds that we will receive if the Over-allotment Option is exercised in full will be approximately HK\$28.4 million (assuming the Offer Price at the mid-point of the stated Offer Price range of HK\$0.70).

If the Offer Price is fixed at HK\$0.80, being the high end of the stated Offer Share range, our net proceeds will be (i) approximately HK\$176.0 million, assuming the Over-allotment Option is not exercised; or (ii) approximately HK\$208.4 million, assuming the Over-allotment Option is exercised in full. We intend to use such additional proceeds to the above purpose on a pro-rata basis. Save for the above changes, there will not be any further changes in the use of net proceeds of the Global Offering under such circumstances.

FUTURE PLANS AND USE OF PROCEEDS

If the Offer Price is fixed at HK\$0.60, being the low end of the stated Offer Price range, our net proceeds will be (i) approximately HK\$122.0 million, assuming the Over-allotment Option is not exercised; or (ii) approximately HK\$146.3 million, assuming the Over-allotment Option is exercised in full. We intend to adjust the net proceeds to the above purpose on a pro-rata basis. Our Directors intend to finance these short fall, if necessary, by internal resources or bank borrowings. Save for the above changes, there will not be any further changes in the use of net proceeds of the Global Offering under such circumstances.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, it is the present intention of our Directors that such proceeds will be placed on short-term deposits with licensed banks and/or other authorised financial institutions or held in other treasury instruments.

REASONS FOR LISTING AND REASONS FOR LISTING IN HONG KONG

Reasons for Listing

(i) Creating own investor base for wire and cable business

Through the Listing, our cable business and the interest in the cable business will be able to be valued separately from the OSK, the disclosure on the financial information and business strategies of the Company could also be presented separately and it would enhance the transparency of the Company to the public. With more transparency led by the separate disclosure from spin-off, it will help to attract a new investor base who are seeking investments specifically in the wire and cable industry.

(ii) Enhance capacity to raise funds independently

As disclosed in the section headed “Business — Our Business Strategies”, the Listing will enable us to enhance capacity to raise funds independently to support our business strategies and principal objectives, to achieve sustainable growth, further strengthen our position in the wire and cable industry in Malaysia and Vietnam, and create long-term value for our Shareholders without being dependent to our Controlling Shareholders.

(iii) More defined use of financial resources

Following the spin-off and the Listing, our Company will be able to capture resources and develop and pursue strategies and principal objectives independently and do not need to compete for financial resources with other business segments within the OSK group. The Listing will provide a catalyst for our Company to grow and expand our business in the future.

FUTURE PLANS AND USE OF PROCEEDS

(iv) Another benchmark to evaluate the performance of the Company

The Listing will lead to a more direct alignment of our Company's management responsibilities and accountability and employee's interest with our operating and financial performance. Upon Listing, the stock market performance of the Company could serve as a separate benchmark for the evaluation of the performance our management, which in turn, could serve as an incentive for our management to seek improvement and raise our operating efficiency on an ongoing basis.

Reasons for Listing in Hong Kong

The Listing enables our Group to (i) gain direct access to the capital market in Hong Kong for cost effective capital raising for future expansion and corporate finance exercises, and (ii) gain recognition and corporate stature through the listing status and further enhance our corporate reputation which assist in expanding our customer base. Our Directors believe that Hong Kong is a major international financial centre comprising established infrastructure that attracts investors worldwide. The Stock Exchange is a suitable platform given its level of internationalism and maturity in the global financial world. According to the global ranking of stock exchanges by market capitalisation table available on the SFC website, the Stock Exchange ranked the seventh largest market of the world's leading stock exchanges in terms of market capitalisation as at the end of December 2017 with a total market capitalisation of approximately US\$4,350.5 billion. It was also the third largest stock market in Asia falling behind Japan and Shanghai as at the end of December 2017. Our Directors recognised that our Group's presence in Hong Kong capital markets could create a higher level of visibility for the Group among international investors, and hence gain better access to international funding. More importantly, our Directors believe that access to international funding will underpin our Group's future sustainable growth by providing us with diversified means to fund our future expansion plans. The sole reliance on internal funding will, in the view of our Directors, impose constraints on our business strategies, and therefore, the future expansion and potential growth of our business. For further details on our business strategies, please refer to the section headed "Business — Our Business Strategies" in this prospectus.

Commercial rationale of choosing the Hong Kong stock market as the listing venue

(i) Market liquidity

Our Directors had considered and evaluated different listing venues including Hong Kong and Malaysia and have concluded that Hong Kong is the suitable venue to pursue a listing after taking into account the liquidity of the stock market in Hong Kong. Our Directors consider that one of the

FUTURE PLANS AND USE OF PROCEEDS

key factors in determining the ease of conducting secondary fund raising exercises after a listing, if required, is the level of trading activities on a stock exchange. For instance, a secondary fund raising exercise such as a secondary placement of shares would generally be easier and more attractive to investors if there is a more liquid market.

According to the data compiled by the World Bank, in 2017, the turnover ratio of stocks traded in the Hong Kong stock market was approximately 43.4% while the turnover ratio of stocks traded in the stock exchange in Malaysia was approximately 30.1%. Based on the information from the Stock Exchange, the average daily turnover of stocks in Hong Kong was approximately HK\$66.9 billion (RM33.5 billion) and HK\$88.2 billion (RM44.1 billion) as at 2016 and 2017 year end, respectively. By comparison, according to the Bursa Malaysia Securities Berhad, the average daily turnover of stocks in Malaysia was only approximately HK\$4.0 billion (RM2.0 billion) and HK\$5.2 billion (RM2.6 billion) for 2016 and 2017 respectively.

(ii) Strengthen our Group's profile

Our Directors are of the view that the Listing will reinforce our customers and other stakeholders' confidence in our Group's, financial strengths, governance and credibility, which may further enhance our business relationship with them. Our current and prospective customers, particularly larger and established companies, conglomerates and public listed companies, may prefer to deal with suppliers and manufacturers that are listed on credible and reputable exchanges, given that public listed companies have established track record and are subject to ongoing regulatory compliance for announcements, financial disclosures and corporate governance. Furthermore, our Directors believe that the Listing will enhance our brand recognition and corporate image which will augur well with our customer and business growth as well as our expansion plans.

(iii) Enhancing our recruitment and retention of talents

Our Directors believe that being listed on the Hong Kong stock market will facilitate us in attracting talents to join our Group and access to a larger pool of talents will improve our service quality. In addition, the status of being a listed company will also facilitate our in-house talent management, through staff retention and development, whereby our existing staff may be motivated to further develop their career with us in view of the perceived status associated with working for a company which is listed on the Hong Kong stock market.

Having considered the above, our Directors decided that it is more preferential for our Group to be listed in the Hong Kong stock market than in the stock market in Malaysia.

FUTURE PLANS AND USE OF PROCEEDS

Comparison between equity financing and debt financing

- We may not be able to secure sufficient funds through debt financing alone for our expansion plan (“**Expansion Plan**”) as disclosed in the paragraph headed “Use of proceeds” in this section. As at the Latest Practicable Date, in order to raise additional bank facilities for our Expansion Plan, we may be required to (i) provide additional collaterals; and/or (ii) obtain corporate guarantee from our Controlling Shareholders. Considering the collaterals we have pledged as at the Latest Practicable Date, we may not have sufficient capacity to raise additional debt to finance our entire Expansion Plan. However, the amount of funds we expect to raise from the Listing will allow us to finance our Expansion Plan together with other initiatives as disclosed in the paragraph headed “Use of Proceeds” section.
- In terms of funding costs, the one-off listing expenses to be incurred is expected to be higher than interest expenses at the current interest rate level for the same amount of funds raised. However, interest rates are at historically low levels and a rising trend has been observed, therefore in the longer-term, interest costs for funds raised through debt financing may increase. Whereas having a listing platform would allow us the option to raise further equity funding in the future if interest rates rise and monetary liquidity tightens.
- As disclosed in the paragraph headed “Reasons for Listing and Reasons for Listing in Hong Kong — Commercial rationale of choosing the Hong Kong Stock market as the listing venue” in this section, the Company could conduct secondary fund raising exercise after the Listing, the costs related to secondary fund raising exercise is expected to be lower than the estimated Listing expenses. Our Directors’ confirmed that OSK, one of our Controlling Shareholder, has not historically conducted secondary equity fund raising for our Group. Our Directors consider that Listing at this juncture will allow the Company more flexibility in satisfying in its future financing needs.
- If we raise additional funds by debt financing, we may be subject to various covenants under the relevant debt instruments which may restrict our ability to pay dividends or obtain additional financing, while for equity financing, we are not subject to such covenant restrictions.

Our Directors are of the view that despite higher one-off costs in the form of listing expenses for the Listing when compared to relatively low interest costs for debt financing, having considered (i) the constraint of the Group to raise further debt financing in terms of capacity, collaterals, guarantees and covenant restrictions; (ii) an adequate amount of funds is expected to be raised

FUTURE PLANS AND USE OF PROCEEDS

through the Listing to satisfy our current expansion needs; and (iii) the Listing will allow more flexibility in satisfying the Group's future financing needs, equity financing is the more preferred option over debt financing with a view that it would benefit the Group's medium to long term development.

Funding needs for implementing our business strategies

Our current available cash resources

As at 31 August 2018, our cash and bank balances, which represents our immediately available working capital, amounted to approximately RM4.9 million, as set out in the section headed "Financial information — Working capital" in this prospectus. Our Directors consider that the amount of our bank balances and cash fluctuates from time to time, depending on the timing of (i) payment from our customers; and (ii) payment to our suppliers. Therefore, the amount of our cash and bank balances as at a particular date may not fully reflect our general liquidity position. Further, based on the current scale of our operations and the costs incurred by us during the Track Record Period, our Directors estimate that currently we have to incur an average monthly cash outflow from operating activities of approximately RM23.2 million, primarily comprising payment to suppliers and payments for other operating expenses, in order to sustain our daily operations. In particular, as at 31 August 2018, we have current liabilities and borrowings of approximately RM36.8 million, which mostly consists of trade and other payables and bank borrowings. There can be no assurance that we will receive payments from our customers before we are required to settle our suppliers' invoices and other liabilities, which may result in possible cash flow mismatch. Furthermore, other risks set out in the section headed "Risk factors" in this prospectus may also lead to unforeseen circumstances, such as customers' default on payments and potential litigation and claims, which will result in an increase of liquidity needs and/or needs for the use of immediately available cash.

From a prudent financial management perspective, our Directors consider that our Group should constantly maintain a sufficient amount of immediately available cash resources for meeting the payment obligations arising from our daily operations and our liquidity needs in case of unforeseen circumstances.

Our current banking facilities

As at 31 August 2018, our unutilised banking facilities amounted to approximately RM89.1 million, as set out in the section headed "Financial information — Indebtedness" in this prospectus. Of the approximately RM89.1 million unutilised banking facilities approximately (i) RM65.2 million represents trade facilities from banks required for our day to day business operations; and (ii) RM23.9

FUTURE PLANS AND USE OF PROCEEDS

million represents five separate term loans that have been ear-marked for the expansion and enhancement of our Existing Malacca Plant including, establishing the New Wing, acquiring additional units of machineries and equipment, and relocating our storage yard to the adjacent Lot B.

As at 31 August 2018, the total unutilised term loans of our Group represents approximately RM23.9 million, of which a term loan of approximately RM8.9 million granted for the specific purpose of the acquisition of Lot B can no longer be utilised as our Group has acquired Lot B in 2017 for a total consideration of approximately RM8.2 million. The remaining four term loans, representing approximately RM15.0 million, if utilised, are to be used for their stated purpose as part of the expansion and enhancement of our Existing Malacca Plant including renovation, construction of new wing and construction of storage yard in the adjacent Lot B. As disclosed in the paragraph headed “— Discussion between equity financial and debt financing” above, our Directors consider that a combination of equity financing and debt financing will be beneficial to our Group as it can maximise the return for our Shareholders, and, assuming the Global Offering becomes unconditional, we do not currently have the intention to utilise the remaining four term loans for the expansion of our Existing Malacca Plant.

Constraints in obtaining further banking facilities

As at the Latest Practicable Date, the key assets of our Group being OCC SB’s freehold land, factory and buildings have already been pledged to support our current banking facilities. According to the Company’s communication with its principal bank, in order to obtain additional banking facilities for the purpose of funding the expansion plan, we would likely require additional collateral and corporate guarantee from the Shareholders.

The remaining substantial asset which may be considered for use as a collateral for banking facilities is the Existing Vietnam Plant. However, for the following reasons, it is not considered feasible to use the Existing Vietnam Plant as collateral for raising further bank facilities for the expansion plan in Malaysia:

- (i) as advised by our Vietnam Legal Advisers, land and factories in Vietnam in connection with a loan in Malaysia are not allowed to be used as a pledge for a loan in a foreign country including Malaysia;
- (ii) foreign exchange control regulations would restrict loans obtained in Vietnam to fund projects in Malaysia; and
- (iii) even in the hypothetical situation if the above restrictions do not apply, the value of loan that can be obtained using the Existing Vietnam Plant as collateral would be substantially lower than the existing banking facilities obtained by our Group.

UNDERWRITING

PUBLIC OFFER UNDERWRITERS

RHB Securities Hong Kong Limited

Fortune (HK) Securities Limited

UNDERWRITING ARRANGEMENTS

Public Offer

Public Offer Underwriting Agreement

In connection with the Public Offer, our Company, amongst other parties, has entered into the Public Offer Underwriting Agreement, with the Public Offer Underwriters. As described in the Public Offer Underwriting Agreement, we are offering the Public Offer Shares (subject to reallocation) for subscription on and subject to the terms and conditions of this prospectus and the Application Forms at the Offer Price.

Subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, our Shares in issue and to be issued, and to certain other conditions described in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed severally to subscribe, or procure subscribers to subscribe, for the Public Offer Shares which are being offered but not taken up under the Public Offer on and subject to the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional upon and subject to, amongst other things, the Placing Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date.

Grounds for termination

The Joint Global Coordinators, at their sole and absolute discretion, may, for themselves and on behalf of the Public Offer Underwriters, upon giving notice in writing to our Company, terminate the Public Offer Underwriting Agreement with immediate effect if any of the following events occurs before 8:00 a.m. on the Listing Date:

- (a) there has come to the notice of the Joint Global Coordinators:

UNDERWRITING

- (i) either (a) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Public Offer Underwriting Agreement or the Placing Agreement by our Company or our Controlling Shareholders or other warrantor(s); or (b) any of our representations, warranties and undertakings given by our Company or our Controlling Shareholders or any other warrantor(s) in the Public Offer Underwriting Agreement or the Placing Agreement, as applicable, is (or would when repeated be) untrue, inaccurate, incomplete, incorrect or misleading in any material respect; or
- (ii) that any statement contained in any of this prospectus, the Application Forms and any supplemental offering materials, announcement, the formal notice (the “**Public Offer Documents**”) to be published in connection with the Public Offer, the roadshow materials and any other document published or issued by or on behalf of our Company or the Placing Underwriters for the purposes of or in connection with the Placing (the “**Placing Documents**”, together with the Public Offer Documents, the “**Offer Documents**”) and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Global Offering (including any supplement or amendments thereto) (collectively, the “**Relevant Documents**”), was, when the same was issued, or has become or has been discovered to be, untrue, incorrect, misleading or deceptive in any material respect and the effect of which is, in the sole and absolute opinion of the Joint Global Coordinators, so adverse as to make it impracticable or inadvisable or inexpedient to proceed with the Global Offering; or
- (iii) that any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the respective dates of the publication of the Relevant Documents, constitute a material omission therefrom; or
- (iv) the Reorganisation cannot be implemented in such manner as set out in this prospectus due to any reason; or
- (v) the listing status of OSK on the Main Market of Bursa Malaysia Securities Berhad is revoked, withdrawn or cancelled by any relevant authority prior to the Listing Date; or
- (vi) any breach of any of the obligations imposed or to be imposed upon any party to the Public Offer Underwriting Agreement (other than on the part of the Joint Global Coordinators, the Sole Sponsor or the Underwriters); or
- (vii) any event, act or omission which gives or is likely to give rise to any liability of any of our Controlling Shareholders and other warrantors pursuant to the indemnities given by any of them under the Public Offer Underwriting Agreement; or

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- (viii) any material adverse change or any development or any prospective material adverse change or development in the business, assets, liabilities, general affairs, management, business prospects, shareholders' equity, profits, losses, results of operations, position or conditions (financial, trading or otherwise) or performance of any member of our Group, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Public Offer Documents and/or any notices or announcement issued by or on behalf of the Company in connection with the Public Offer (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions, when taken as a whole; or
- (ix) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares (including any additional Shares that may be issued upon the exercise of the Over-allotment Option) is refused or not granted on or before the Listing Date, or if granted, the approval is subsequently withdrawn or withheld; or
- (x) our Company withdraws any of the Relevant Documents or the Global Offering; or
- (xi) any person (other than the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Offer Documents or to the issue of any of the Offer Documents; or
- (xii) any of the expert has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appear;
- (xiii) any non-compliance of this prospectus (or any other documents used in connection with the Global Offering) or any aspect of the Global Offering or any contravention by any member of the Group with the Listing Rules or any other Applicable Laws (as defined in the Public Offer Underwriting Agreement);
- (xiv) any demand by creditors for repayment of indebtedness or any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

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- (xv) a material portion of the orders in the bookbuilding process have been withdrawn, terminated or cancelled, and the Joint Global Coordinators, in their sole and absolute discretion, concludes that it is therefore inadvisable or inexpedient or impracticable to proceed with the Global Offering; or
- (xvi) Admission (as defined in the Public Offer Underwriting Agreement) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the Admission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld.
- (b) there shall develop, occur, exist or come into effect:
- (i) any local, national, regional, international event or circumstance, or series of events or circumstances, beyond the reasonable control of the Underwriters (including, without limitation, any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a local, regional, national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases, pandemics or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, avian influenza A (H5N1), Swine Flu (H1N1) or such related or mutated forms) or interruption or delay in transportation); or
 - (ii) any change or development involving a prospective change, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change, in any local, regional, national, international, financial, economic, political, military, industrial, fiscal, legal regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets); or
 - (iii) any moratorium, suspension or restriction on trading in securities generally (including, without limitation, any imposition of or requirement for any minimum or maximum price limit) on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, Malaysia Stock Exchange or the Singapore Stock Exchange; or
 - (iv) any new laws, or any change or development involving a prospective change in existing laws, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change in the interpretation or application of existing laws by any court or other competent authority, in each case, in or

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affecting any of Hong Kong, Malaysia, Vietnam, Singapore, the Cayman Islands, the British Virgin Islands, or any other jurisdictions relevant to any member of our Group or the Global Offering (the “**Specific Jurisdictions**”); or

- (v) that a petition or an order is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or
- (vi) any general moratorium on commercial banking activities, or any disruption in commercial banking activities, foreign exchange trading or securities settlement or clearance services or procedures or matters, in or affecting any of the Specific Jurisdictions; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by or for any of the Specific Jurisdictions; or
- (viii) an change or a development involving a prospective adverse change in or affecting taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment laws (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a material fluctuation in the exchange rate of the Hong Kong dollar, RM or VND against any foreign currency) in or affecting any of the Specific Jurisdictions or affecting an investment in the Shares; or
- (ix) any litigation or claim of any third party being threatened or instigated against any member of our Group or any of our Controlling Shareholders; or
- (x) any litigation or dispute or potential litigation or disputes, which would materially and adversely affect the operation, financial condition or reputation of the Company or the Group; or
- (xi) any loss or damage sustained by any member of the Group; or
- (xii) any change or prospective change, or a materialisation of any of the risks set out in the “Risk Factors” section in this prospectus; or
- (xiii) any of the Directors being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

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- (xiv) the chairman or chief executive officer of our Company vacating his office; or
- (xv) the commencement by any governmental, regulatory or political body or organisation of any action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organisation that it intends to take any such action; or
- (xvi) a contravention by any member of our Group or any Director of the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures Ordinance, or any other laws applicable to the Global Offering; or
- (xvii) a prohibition on our Company for whatever reason from allotting, issuing or offering the Offer Shares and/or the Over-allotment Shares pursuant to the terms of the Global Offering; or
- (xviii) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus and/or any other documents in connection with the Global Offering pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules or any requirement or request of the Stock Exchange and/or SFC; or
- (xix) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group prior to its stated maturity or in respect of which any member of Group is liable prior to its stated maturity;

which in each case individually or in aggregate in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Public Offer Underwriters):

- (a) has or is likely to have a material adverse effect on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, results of operation, financial, trading or other condition, prospects, risks or performance of any member of our Group or our Group as a whole; or
- (b) has or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Public Offer or the level of interest under the Placing; or
- (c) makes or will make or is likely to make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or

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- (d) has or is likely to have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

UNDERTAKINGS TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the Listing Date), except pursuant to the Global Offering, the Over-allotment Option, the Share Option Scheme or any of the circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, our Controlling Shareholders before completion of the Global Offering, have undertaken to the Stock Exchange and to our Company that except pursuant to the Global Offering or the Over-allotment Option, each of them shall not, and shall procure that any other registered holder (if any) of our Shares in which our respective Controlling Shareholders have a beneficial interest shall not:

- (a) at any time during the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is six months from the date on which dealings in our Shares commence on the Stock Exchange (the “**First Six-month Period**”), whether directly or indirectly, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests, or encumbrances in respect of any of our Shares or securities in respect of which any of them are shown in this prospectus to be the beneficial owner(s); and
- (b) at any time during the six months period commencing from the expiry of the First Six-month Period (the “**Second Six-month Period**”), whether directly or indirectly, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of any of our Shares or securities in respect of which any of them are shown in this prospectus to be the beneficial owner(s), if

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immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of them would then cease to be a controlling shareholder (as the term is defined under the Listing Rules) of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that within the First Six-month Period and the Second Six-month Period, they will:

- (i) when any of them pledges or charges any of our Shares or securities beneficially owned by any of them in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform our Company of such pledge or charge together with the number of our Shares or securities so pledged or charged; and
- (ii) when any of them receives indications, either verbal or written, from the pledgee or chargee of any of our Shares, securities or other share capital that any of the pledged or charged Shares, securities or other share capital will be sold, transferred or disposed of, immediately inform our Company of such indications.

We shall also inform the Stock Exchange as soon as we have been informed of any of the above matters (if any) by any of our Controlling Shareholders and disclose such matters by way of announcement in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by any of our Controlling Shareholders.

UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertaking by our Company

Pursuant to the Public Offer Underwriting Agreement, our Company has undertaken to each of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the other Public Offer Underwriters not to, and to procure each of its subsidiary(ies), not to, except pursuant to the Global Offering (including pursuant to the Over-allotment Option) and the exercise of any options granted or to be granted under the Share Option Scheme, during the First Six-month Period, without the prior written consent of the Sole Sponsor and Joint Global Coordinators (for themselves and on behalf of the other Public Offer Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, assign, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any

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option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any other warrants or other rights to purchase, any Shares or any shares of its subsidiary(ies), as applicable), or deposit any Shares or other securities of the Company or any shares or other securities of its subsidiary(ies), as applicable, with a depositary in connection with the issue of depositary receipts; or repurchase any Shares or other securities of our Company or any shares or other securities of its subsidiary(ies), as applicable; or

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any shares or other securities of its subsidiary(ies), as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of our Company) or any shares or other securities of its subsidiary(ies), as applicable; or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of Shares or other securities of the Company or shares or other securities of its subsidiary(ies), as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the aforesaid period). Our Company will not, and will procure each other member of our Group not to, enter into any of the transactions specified in (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction, such that our Controlling Shareholder would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company during the Second Six-Month Period. In the event that, during the Second Six-month Period, our Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in any Shares or other securities of our Company.

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Undertaking by our Controlling Shareholders

Each of our Controlling Shareholders has, jointly and severally, undertaken to each of our Company, the Stock Exchange, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the other Public Offer Underwriters that, except pursuant to the Stock Borrowing Agreement and in compliance with the requirements of the Listing Rules, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the other Public Offer Underwriters):

- (a) at any time during the First Six-month Period it/he shall not, and shall procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him (together, the “**Controlled Entities**”) shall not:
 - (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares) beneficially owned by it/him directly or indirectly through its Controlled Entities (the “**Relevant Securities**”), other than any pledge or charge of the Relevant Securities beneficially owned by it/him in favour of an authorised institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan as contemplated under Note 2 to Rule 10.07(2) of the Listing Rules, or deposit any Relevant Securities with a depositary in connection with the issue of depositary receipts; or
 - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Securities; or
 - (iii) enter into or effect any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
 - (iv) offer to or agree to or announce any intention to enter into or effect any transaction specified in (i), (ii) or (iii) above,

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which any of the transactions specified in (i), (ii), (iii) or (iv) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the First Six-month Period);

- (b) at any time during the Second Six-month Period, it/he shall not, and shall procure that the Controlled Entities shall not, enter into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to enter into any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company or would together with the other Controlling Shareholders cease to be “controlling shareholders” (as defined in the Listing Rules) of our Company;
- (c) in the event that it/he enters into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) above or offer to or agrees to or announce any intention to effect any such transaction within the Second Six-month Period, it/he will take all reasonable steps to ensure that it/he will not create a disorderly or false market for any Shares or other securities of our Company; and
- (d) it/he shall, and shall procure that the relevant registered holder(s) and other Controlled Entities shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it/he or by the registered holder(s) and/or other Controlled Entities of any Shares or other securities of our Company.

We will also, as soon as we have been informed of the above matters (if any) by the Controlling Shareholders, inform the Joint Global Coordinators and disclose such matters as soon as possible by way of an announcement to be published as required under the Listing Rules.

Placing

Placing Agreement

In connection with the Placing, our Company, amongst other parties, expects to enter into the Placing Agreement with the Placing Underwriters. Under the Placing Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly, agree to procure subscribers or purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the Placing Shares initially being offered pursuant to the Placing.

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It is expected that under the Placing Agreement, our Company will grant to the Placing Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the Placing Underwriters at any time from the date of the Placing Agreement until the date which is the 30th day after the last day for lodging of the Application Forms, at their sole and absolute discretion, to require our Company to allot and issue up to an aggregate of 40,500,000 additional Shares, representing 15% of the Offer Shares initially available under the Global Offering. These additional Shares will be issued at the Offer Price and will be solely for the purpose of covering over-allocations in the Placing, if any.

EXPENSES

Total commissions, fees and expenses

The Public Offer Underwriters will receive an underwriting commission of 3.5% of the aggregate Offer Price of all the Public Offer Shares, out of which they will pay any sub-underwriting commissions. For unsubscribed Public Offer Shares reallocated to the Placing, our Company will pay an underwriting commission at the rate applicable to the Placing and such commission will be paid to the Joint Global Coordinators and the relevant Placing Underwriters, but not the Public Offer Underwriters. Furthermore, the Sole Sponsor will receive a sponsorship and documentation fee in relation to the Global Offering.

Assuming the Offer Price of HK\$0.70 per Share (being the mid-point of the indicative Offer Price range stated in this prospectus), the total expenses in connection with the Listing and the Global Offering are estimated to be approximately HK\$40.0 million (including underwriting commission, brokerage, the Stock Exchange trading fee, the SFC transaction levy, the sponsorship and documentation fee, the listing fee, the legal and other professional fees, printing cost and other expenses relating to the Global Offering) which shall be borne by our Company.

Indemnity

Our Company and the Controlling Shareholders have agreed to indemnify, amongst others, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Underwriting Agreements, and any breach by our Company and other parties of the Underwriting Agreements.

Independence of the Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set forth in Rule 3A.07 of the Listing Rules.

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The Public Offer Underwriters' interests in our Company

Other than RHB Securities Hong Kong Limited, being an indirectly wholly-owned subsidiary of RHB Bank Berhad, of which 10.13% interest is owned by OSK, our Controlling Shareholder, save as disclosed in this prospectus and save for its obligations under the Public Offer Underwriting Agreement, none of the Public Offer Underwriters has any shareholding interest in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Public Offer Underwriters and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Public Offer Underwriting Agreement.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Public Offer as part of the Global Offering. The Global Offering consists of:

- (i) the Public Offer of 27,000,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “Public Offer” in this section; and
- (ii) the Placing of 243,000,000 Offer Shares (subject to reallocation as mentioned below and Over-allotment Option) which will conditionally be placed with selected professional, institutional, and other investors outside the United States.

Investors may apply for the Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Offer Shares under the Placing, but may not do both.

The number of Offer Shares to be offered under the Public Offer and the Placing respectively may be subject to reallocation as described in the paragraph headed “Public Offer — Reallocation” in this section.

PUBLIC OFFER

Number of Shares initially offered

We are initially offering 27,000,000 Offer Shares at the Offer Price, representing 10% of the Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to reallocation of Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Public Offer will represent approximately 2.70% of our Company’s enlarged issued share capital immediately after completion of the Global Offering without taking into account Shares issuable upon exercise of options as may be granted under the Share Option Scheme and assuming the Over-allotment Option is not exercised.

The Public Offer is open to members of the public in Hong Kong as well as to institutional or professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Public Offer is subject to the conditions as set out in the paragraph headed “Structure of the Global Offering — Conditions of the Global Offering” in this section.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Allocation of Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. The allocation of the Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

The total number of Public Offer Shares available under the Public Offer will initially be divided into two pools for allocation purposes as follows:

- Pool A: The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Public Offer Shares with a total subscription amount (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) of HK\$5 million or less; and
- Pool B: The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Public Offer Shares with a total subscription amount (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) of more than HK\$5 million and up to the value of pool B.

Applicants should be aware that applications in pool A and pool B are likely to receive different allocation ratios. If Public Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Public Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 50% of the Public Offer Shares available under the Public Offer will be rejected.

STRUCTURE OF THE GLOBAL OFFERING

Reallocation

The allocation of the Offer Shares between the Placing and the Public Offer is subject to reallocation on the following basis:

- (a) In the event that the Placing Shares are fully subscribed or oversubscribed under the Placing:
 - (i) if the Public Offer Shares are undersubscribed, the Joint Global Coordinators (for themselves and on behalf of the Underwriters), at their absolute discretion, may reallocate all or any of the unsubscribed Public Offer Shares from the Public Offer to the Placing;
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed and the number of Shares validly applied for under the Public Offer represents less than 15 times the number of Shares initially available for subscription under the Public Offer, then up to 27,000,000 Shares may be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 54,000,000 Shares, representing 20% of the total number of Offer Shares initially available for subscription under the Global Offering (before any exercise of the Over-allotment Option);
 - (iii) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 81,000,000 Shares, representing 30% of the total number of the Offer Shares initially available for subscription under the Global Offering (before any exercise of the Over-allotment Option);
 - (iv) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 108,000,000 Shares, representing 40% of the total number of the Offer Shares initially available for subscription under the Global Offering (before any exercise of the Over-allotment Option); and

STRUCTURE OF THE GLOBAL OFFERING

- (v) if the number of Shares validly applied for under the Public Offer represents 100 times or more the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 135,000,000 Shares, representing 50% of the total number of the Offer Shares initially available for subscription under the Global Offering (before any exercise of the Over-allotment Option).

- (b) In the event that the Placing Shares are undersubscribed under the Placing:
 - (i) if the Public Offer Shares are undersubscribed, the Global Offering shall not proceed unless fully underwritten by the Underwriters pursuant to the Underwriting Agreements; and

 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then Shares will be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 54,000,000 Shares, representing 20% of the total number of Offer Shares initially available for subscription under the Global Offering (before any exercise of the Over-allotment Option).

In all cases, the number of Offer Shares allocated to the Placing will be correspondingly reduced.

If reallocation of Shares from the Placing to the Public Offer is done other than pursuant to the clawback mechanism under Practice Note 18 to the Listing Rules (including the circumstances specified under paragraph (a)(iii), (a)(iv) or (a)(v) above), the Offer Shares to be offered in the Public Offer and the Placing may be reallocated as between these offerings at the discretion of the Joint Global Coordinators (for themselves and on behalf of the Underwriters), subject to the maximum total number of Offer Shares that may be allocated to the Public Offer, being 54,000,000 Shares, representing twice the number of Offer Shares initially allocated to the Public Offer, in accordance with Guidance Letter HKEX-GL-91-18.

Details of any reallocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Global Offering, which is expected to be published on Thursday, 18 October 2018.

STRUCTURE OF THE GLOBAL OFFERING

PLACING

Number of Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the Placing will be 243,000,000 Offer Shares, representing approximately 90% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Offer Shares initially offered under the Placing will represent approximately 24.30% of our Company's enlarged issued share capital immediately after the completion of the Global Offering without taking into account Shares issuable upon exercise of options granted under the Share Option Scheme and assuming the Over-allotment Option is not exercised.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of our Company by the Placing Underwriters or through selling agents appointed by them. Placing Shares will be selectively placed to certain professional and institutional and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing is subject to the Public Offer being unconditional.

Allocation of Placing Shares pursuant to the Placing will be effected in accordance with the book-building process described in the paragraph headed "Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Joint Global Coordinators may require any investor who has been offered Placing Shares under the Placing, and who has made an application under the Public Offer, to provide sufficient information to it so as to allow it to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application for Public Offer Shares under the Public Offer.

STRUCTURE OF THE GLOBAL OFFERING

Reallocation

The total number of Offer Shares to be issued pursuant to the Placing may change as a result of the clawback arrangement described in the paragraph headed “Public Offer — Reallocation” in this section, the exercise of the Over-allotment Option is whole or in part and/or any reallocation of unsubscribed Public Offer Shares originally included in the Public Offer.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we expect to grant the Over-allotment Option to the Placing Underwriters, exercisable by the Joint Global Coordinators on behalf of themselves and the other Placing Underwriters.

Pursuant to the Over-allotment Option, the Placing Underwriters will have the right, exercisable by the Joint Global Coordinators on behalf of the Placing Underwriters at any time from the date of the Placing Agreement until the date which is the 30th day after the last day for lodging of the Application Forms, to require us to issue up to an aggregate of 40,500,000 Shares, representing 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the Placing to cover over-allocations in the Placing, if any. If the Over-allotment Option is exercised, an announcement will be made.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocation in connection with the Global Offering, the Stabilising Manager may choose to borrow, whether on its own or through its affiliates, up to 40,500,000 Shares pursuant to the Stock Borrowing Agreement (being the maximum number of Shares which may be sold upon exercise of the Over-allotment Option), or acquire Shares from other sources, including the exercising the Over-allotment Option.

If the Stock Borrowing Agreement is entered into, it will only be effected by the Stabilising Manager or its agent for settlement of over-allocation in the Placing. The same number of Shares so borrowed must be returned to the stock borrower or their nominees on or before the third business day following the earlier of (i) the last day on which the Over-allotment Option may be exercised; or (ii) the day on which the Over-allotment Option is exercised in full. The Stock Borrowing Agreement (if any) will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to the stock borrower by the Stabilising Manager or its agent in relation to such stock.

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STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the Offer Price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilising Manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any such stabilising action. Such stabilising action, if taken, (i) will be conducted at the absolute discretion of the Stabilising Manager or any person acting for it and in what the Stabilising Manager reasonably regards as the best interest of our Company, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days of the last day for lodging the Application Forms.

Stabilisation action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimising any reduction in the market price of the Shares; (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Shares; (iii) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimising any reduction in the market price of the Shares; (v) selling or agreeing to sell any Shares to liquidate any position established as a result of those purchases; and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilising Manager or any person acting for it may, in connection with the stabilising action, maintain a long position in the Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilising Manager or any person acting for it will maintain such a long position;

STRUCTURE OF THE GLOBAL OFFERING

- liquidation of any such long position by the Stabilising Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of the Shares;
- no stabilising action can be taken to support the price of the Shares for longer than the stabilisation period, which will begin on the Listing Date until the date which is the 30th day after the last day for lodging of the Application Forms. After this date, when no further stabilising action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilising action; and
- stabilising bids or transactions effected in the course of the stabilising action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Any stabilising actions by the Stabilising Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in Hong Kong on stabilisation.

Over-allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilising Manager or any person acting for it may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, using Shares purchased by the Stabilising Manager or any person acting for it in the secondary market at prices that do not exceed the Offer Price, or a combination of these means. Any such purchases will be made in accordance with the laws, rules, and regulations in place in Hong Kong, including in relation to stabilisation, the Securities and Futures (Price Stabilizing) Rules, as amended and supplemented to from time to time made under the SFO.

PRICING AND ALLOCATION

Determining the Offer Price

The Placing Underwriters are soliciting from prospective investors indications of interest in acquiring the Placing Shares in the Placing. Prospective investors will be required to specify the number of Shares under the Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Public Offer.

STRUCTURE OF THE GLOBAL OFFERING

Pricing for the Offer Shares for the purpose of the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Thursday, 11 October 2018 (or such later time and/or date as agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company).

Offer Price range

The Offer Price will not be more than HK\$0.80 per Offer Share and is expected to be not less than HK\$0.60 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price payable on application

Applicants for Offer Shares under the Public Offer are required to pay, on application, the maximum Offer Price of HK\$0.80 for each Hong Kong Offer Share (plus 1% brokerage, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee).

If, for any reason, our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Tuesday, 16 October 2018, the Global Offering will not proceed and will lapse.

Change to the Offer Price range

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the Placing, and with the consent of our Company, change the indicative Offer Price range stated in this prospectus at any time before the morning of Thursday, 11 October 2018, being the date on which the application lists close in accordance with the provisions set out in the section headed “How to Apply for the Public Offer Shares” in this prospectus (the “**Acceptance Date**”).

STRUCTURE OF THE GLOBAL OFFERING

In this case, we shall cause to be published:

- (a) a notice of the change on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at www.occ-cables.com. The notice will include a confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics and any other financial information in this prospectus which may change as a result of any such change; and
- (b) such supplemental offering documents as may be required by laws of any governmental authority to be published in such manner as the relevant laws or governmental authority may require as soon as practicable following the decision to make the change,

and not later than the morning of the Acceptance Date.

Before submitting applications for Public Offer Shares, applicants should have regard to the possibility that any announcement of an extension or reduction in the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Public Offer. Applicants who have submitted their applications for Public Offer Shares before such an announcement is made may subsequently withdraw their applications if such an announcement is subsequently made. In the absence of any such announcement so published, the Offer Price, if agreed upon by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Offer Price and basis of allocations

The final Offer Price, the level of indications of interest in the Placing, the level of applications in the Public Offer, the basis of allocation of the Public Offer Shares and the result of allocations in the Public Offer are expected to be announced on Thursday, 18 October 2018 on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at www.occ-cables.com.

UNDERWRITING

The Public Offer is fully underwritten by the Public Offer Underwriters under the terms and conditions of the Public Offer Underwriting Agreement and is subject to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), agreeing on the Offer Price.

We expect to enter into the Placing Agreement relating to the Placing on or around the Price Determination Date.

STRUCTURE OF THE GLOBAL OFFERING

These underwriting arrangements and the Underwriting Agreements are summarised in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares issuable upon exercise of options which may be granted under the Share Option Scheme and the Shares issuable pursuant to the exercise of the Over-allotment Option);
- (ii) the Offer Price having been duly agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters);
- (iii) the execution and delivery of the Placing Agreement on or around the Price Determination Date; and
- (iv) the obligations of the Underwriters under each of the Public Offer Underwriting Agreement and the Placing Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

If for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before Tuesday, 16 October 2018, the Global Offering will not proceed and will lapse.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its respective terms.

If the above conditions are not fulfilled or waived before the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Public Offer to be published by us on the website of the Stock Exchange at www.hkexnews.hk and our Company’s website at www.occ-cables.com on the next Business Day following such lapse. In such event, all application monies will be returned, without interest, on the

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terms set out in the section headed “How to Apply for the Public Offer Shares” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Thursday, 18 October 2018 but will only become valid certificates of title at 8:00 a.m. on the date of commencement of the dealings in our Shares, which is expected to be on Friday, 19 October 2018, provided that the Global Offering has become unconditional in all respects and the right of termination as described in the section headed “Underwriting” has not been exercised.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 19 October 2018, it is expected that dealings in Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, 19 October 2018.

The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares is 1791.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** service at www.hkeipo.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of China.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number; and (ii) provide a valid e-mail address and a contact telephone number.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Public Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above;
- a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through www.hkeipo.hk.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 5 October 2018 until 12:00 noon on Thursday, 11 October 2018 from:

- (i) the following address of the Public Offer Underwriter:

RHB Securities Hong Kong Limited 12/F, World-Wide House,
19 Des Voeux Road Central,
Central, Hong Kong

Fortune (HK) Securities Limited Units 4301–8 & 13, 43rd Floor, Cosco Tower,
183 Queen's Road Central, Hong Kong

- (ii) any of the following branches of Bank of China (Hong Kong) Limited:

<u>District</u>	<u>Brand Name</u>	<u>Address</u>
Hong Kong	Bank of China Tower Branch	1 Garden Road, Hong Kong
	Chai Wan Branch	Block B, Walton Estate, 341–343 Chai Wan Road, Chai Wan, Hong Kong
Kowloon	Hoi Yuen Road Branch	55 Hoi Yuen Road, Kwun Tong, Kowloon
New Territories	Tai Po Branch	68–70 Po Heung Street, Tai Po Market, New Territories
	Kwai Chung Plaza Branch	A18–20, G/F Kwai Chung Plaza, 7–11 Kwai Foo Road, Kwai Chung, New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 5 October 2018 until 12:00 noon on Thursday, 11 October 2018 from:

- the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
- your stockbroker.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — OCC CABLES PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Friday, 5 October 2018—9:00 a.m. to 5:00 p.m.

Saturday, 6 October 2018—9:00 a.m. to 1:00 p.m.

Monday, 8 October 2018—9:00 a.m. to 5:00 p.m.

Tuesday, 9 October 2018—9:00 a.m. to 5:00 p.m.

Wednesday, 10 October 2018—9:00 a.m. to 5:00 p.m.

Thursday, 11 October 2018—9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 11 October 2018, the last application day or such later time as described in the paragraph headed "10. Effect of Bad Weather on the Opening of the Application Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles;
- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Articles;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, agents, affiliates or advisers or any other party involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;
- (viii) agree to disclose to our Company, the Hong Kong Share Registrar, receiving bank, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective directors, officers, employees, agents, affiliates or advisers or any other party involved in the Global Offering any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective directors, officers, employees, agents, affiliates or advisers or any other party involved in the Global Offering will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) and are not a U.S. person (as defined in Regulation S);
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in “Who can apply” in this section, may apply through the **HK eIPO White Form** service for the Offer Shares to be allotted and registered in their own names through the designated website at www.hkeipo.hk.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to the **HK eIPO White Form** Service Provider at www.hkeipo.hk (24 hours daily, except on the last application day) from 9.00 a.m. on Friday, 5 October 2018 until 11:30 a.m. on Thursday, 11 October 2018 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 11 October 2018 or such later time under “Effect of Bad Weather on the Opening of the Application Lists” in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Centre
1/F, One & Two Exchange Square, 8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the electronic application instructions are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, the Sole Sponsor, our Hong Kong Share Registrar, receiving bank, the Joint Global Coordinators, the Underwriters and/or its respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Articles; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee) by crediting your designated bank account; and

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 4,000 Public Offer Shares. Instructions for more than 4,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 5 October 2018—9:00 a.m. to 8:30 p.m.
Saturday, 6 October 2018—8:00 a.m. to 1:00 p.m.
Monday, 8 October 2018—8:00 a.m. to 8:30 p.m.
Tuesday, 9 October 2018—8:00 a.m. to 8:30 p.m.
Wednesday, 10 October 2018—8:00 a.m. to 8:30 p.m.
Thursday, 11 October 2018—8:00 a.m. to 12:00 noon

Note:

The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 5 October 2018 until 12:00 noon on Thursday, 11 October 2018 (24 hours daily, except on Thursday, 11 October 2018, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 11 October 2018, the last application day or such later time as described in “Effect of Bad Weather on the Opening of the Application Lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bankers, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Joint Bookrunners, the Sole Sponsor, the Joint Global Coordinators and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 11 October 2018.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Hong Kong Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 4,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 4,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.hkeipo.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Hong Kong Stock Exchange trading fee are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy, collected by the Hong Kong Stock Exchange on behalf of the SFC).

For further details on the Offer Price, please refer to the paragraph headed “Determining the Offer Price” in the section headed “Structure of the Global Offering”.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 11 October 2018. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 11 October 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Thursday, 18 October 2018 on our Company's website at www.occ-cables.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at www.occ-cables.com and the Hong Kong Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m., Thursday, 18 October 2018;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 18 October 2018 to 12:00 midnight on Wednesday, 24 October 2018;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 18 October 2018 to Tuesday, 23 October 2018 (excluding Saturday, Sunday and public holiday);
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 18 October 2018 to Monday, 22 October 2018 at all the receiving bank's designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. For further details, please refer to the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Global Coordinators, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

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(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Committee of the Hong Kong Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Public Offer Shares initially offered under the Public Offer.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.80 per Offer Share (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee thereon), or if the conditions

HOW TO APPLY FOR THE PUBLIC OFFER SHARES

of the Public Offer are not fulfilled in accordance with “Structure of the Global Offering — Conditions of the Public Offer” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 18 October 2018.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- Share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque(s), if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

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Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Thursday, 18 October 2018. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 19 October 2018 provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 18 October 2018 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 18 October 2018, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 18 October 2018, by ordinary post and at your own risk.

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If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 18 October 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m., Thursday, 18 October 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form Service

If you apply for 1,000,000 Public Offer Shares or more and your application is wholly or partially successful, you may collect your share certificate(s) from Tricor Investor Services Limited, from 9:00 a.m. to 1:00 p.m. on Thursday, 18 October 2018, or such other date as notified by our Company in the newspapers as the date of despatch/collection of share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Thursday, 18 October 2018 by ordinary post at your own risk.

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If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 18 October 2018, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in "Publication of Results" above on Thursday, 18 October 2018. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 18 October 2018 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 18 October 2018. Immediately following the credit of the Public Offer Shares to your

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stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 18 October 2018.

15. ADMISSION OF THE SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purposes of inclusion in this prospectus, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF OCC CABLES LIMITED AND FORTUNE FINANCIAL CAPITAL LIMITED

Introduction

We report on the historical financial information of OCC Cables Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-80, which comprises the combined statements of financial position as at 31 December 2015, 2016 and 2017 and 30 April 2018, and the statement of financial position of the Company as at 30 April 2018, and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the periods then ended (the “Track Record Period”) and a summary of significant accounting policies and other explanatory information (together the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-80 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 5 October 2018 (the “Prospectus”) in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants' Reports on Historical Financial Information in

Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s financial position as at 30 April 2018, the Group’s financial position as at 31 December 2015, 2016 and 2017 and 30 April 2018 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative historical financial information

We have reviewed the stub period comparative historical financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the four months ended 30 April 2017 and other explanatory information (together the “Stub Period Comparative Historical Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquires,

primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

BDO Limited

Certified Public Accountants

Li Pak Ki

Practising Certificate Number: P01330

Hong Kong

5 October 2018

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") (the "Underlying Financial Statements"). The Underlying Financial Statements were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Malaysian Ringgit ("RM") and all amounts are rounded to the nearest thousand (RM'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Four months ended 30 April	
		2015	2016	2017	2017	2018
		RM'000	RM'000	RM'000	RM'000	RM'000
						(Unaudited)
Revenue	7	196,883	260,407	262,147	83,254	78,340
Cost of sales		(168,684)	(216,746)	(224,191)	(71,462)	(64,441)
Gross profit		28,199	43,661	37,956	11,792	13,899
Other income and other gains	8	1,023	386	885	364	287
Selling expenses		(2,831)	(4,651)	(3,942)	(1,146)	(1,494)
Administrative expenses		(10,250)	(7,692)	(7,650)	(2,289)	(2,498)
Other operating expenses		(3,866)	(1,835)	(1,951)	(660)	(1,154)
Impairment (loss)/gain on trade receivables, net	10	(1,158)	(1,589)	322	(25)	(130)
Finance costs	9	(869)	(1,322)	(740)	(232)	(105)
Listing expenses		—	—	—	—	(5,604)
Profit before income tax expense	10	10,248	26,958	24,880	7,804	3,201
Income tax expense	13	(3,288)	(7,004)	(5,113)	(1,532)	(1,643)

<i>Notes</i>	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Profit for the year/period	6,960	19,954	19,767	6,272	1,558
Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	3,331	743	(1,109)	(444)	(485)
Other comprehensive income for the year/period, net of tax . .	3,331	743	(1,109)	(444)	(485)
Total comprehensive income for the year/period	<u>10,291</u>	<u>20,697</u>	<u>18,658</u>	<u>5,828</u>	<u>1,073</u>

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 April
		2015	2016	2017	2018
		RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	16	33,557	35,098	41,023	40,727
Prepaid lease payments for land	17	1,445	1,457	1,281	1,220
Intangible asset	18	22	17	10	8
Other receivables and prepayments		38	166	93	79
		<u>35,062</u>	<u>36,738</u>	<u>42,407</u>	<u>42,034</u>
Current assets					
Inventories	19	43,416	39,838	42,429	39,118
Trade receivables, other receivables, deposits and prepayments	20	73,326	59,834	68,194	68,947
Amount due from the then immediate holding company	21(a)	—	—	—	11
Amounts due from fellow subsidiaries	21(b)	241	543	—	7
Tax recoverable		—	292	—	—
Bank balances, short-term bank deposits and cash	22	4,915	15,855	5,802	16,326
		<u>121,898</u>	<u>116,362</u>	<u>116,425</u>	<u>124,409</u>
Current liabilities					
Trade and other payables	23	16,748	17,816	19,080	19,936
Bank borrowings	24	16,920	1,397	5,968	15,242
Amount due to the then immediate holding company	21(a)	12,156	3,636	4,000	—
Amounts due to fellow subsidiaries	21(b)	13,379	14,517	—	—
Amount due to intermediate holding company	21(c)	393	211	—	185
Tax payable		1,212	—	35	556
		<u>60,808</u>	<u>37,577</u>	<u>29,083</u>	<u>35,919</u>
Net current assets		<u>61,090</u>	<u>78,785</u>	<u>87,342</u>	<u>88,490</u>
Total assets less current liabilities		<u>96,152</u>	<u>115,523</u>	<u>129,749</u>	<u>130,524</u>
Non-current liabilities					
Deferred tax liabilities	25	2,094	1,968	1,536	1,178
Net assets		<u>94,058</u>	<u>113,555</u>	<u>128,213</u>	<u>129,346</u>
Equity					
Share capital	26	—	—	—	60
Reserves	27	94,058	113,555	128,213	129,286
Total equity		<u>94,058</u>	<u>113,555</u>	<u>128,213</u>	<u>129,346</u>

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	<u>As at 30 April 2018</u>
		<i>RM'000</i>
Non-current assets		
Investment in a subsidiary	34	<u>10</u>
Current assets		
Prepayments	20	2,050
Bank balance	22	<u>49</u>
		<u>2,099</u>
Current liabilities		
Accruals	23	4,987
Amount due to a fellow subsidiary	21(b)	2,486
Amount due to intermediate holding company	21(c)	<u>180</u>
		<u>7,653</u>
Net current liabilities		<u>(5,554)</u>
Total assets less current liabilities		<u>(5,544)</u>
Net liabilities		<u>(5,544)</u>
Equity		
Share capital	26	60
Accumulated loss	27	<u>(5,604)</u>
Total deficit		<u>(5,544)</u>

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Other reserve	Exchange translation reserve	Retained profits	Total
	<i>RM'000</i>	<i>RM'000</i> <i>(Note (a))</i>	<i>RM'000</i> <i>(Note (b))</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2015	—	15,500	(339)	68,606	83,767
Profit for the year	—	—	—	6,960	6,960
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	—	—	3,331	—	3,331
Total comprehensive income for the year	—	—	3,331	6,960	10,291
At 31 December 2015 and 1 January 2016	—	15,500	2,992	75,566	94,058
Profit for the year	—	—	—	19,954	19,954
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	—	—	743	—	743
Total comprehensive income for the year	—	—	743	19,954	20,697
Dividend declared in respect of the year (<i>Note 15</i>)	—	—	—	(1,200)	(1,200)
At 31 December 2016 and 1 January 2017	—	15,500	3,735	94,320	113,555
Profit for the year	—	—	—	19,767	19,767
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	—	—	(1,109)	—	(1,109)
Total comprehensive income for the year	—	—	(1,109)	19,767	18,658
Dividend declared in respect of the year (<i>Note 15</i>)	—	—	—	(4,000)	(4,000)

	Share capital	Other reserve	Exchange translation reserve	Retained profits	Total
	<i>RM'000</i>	<i>RM'000</i> <i>(Note (a))</i>	<i>RM'000</i> <i>(Note (b))</i>	<i>RM'000</i>	<i>RM'000</i>
At 31 December 2017 and					
1 January 2018	—	15,500	2,626	110,087	128,213
Profit for the period	—	—	—	1,558	1,558
Other comprehensive income for the period:					
Exchange differences on translation of foreign operations	—	—	(485)	—	(485)
Total comprehensive income for the period.	—	—	(485)	1,558	1,073
Issue of shares <i>(Note 26)</i>	60	—	—	—	60
At 30 April 2018	<u>60</u>	<u>15,500</u>	<u>2,141</u>	<u>111,645</u>	<u>129,346</u>
At 1 January 2017.	—	15,500	3,735	94,320	113,555
Profit for the period	—	—	—	6,272	6,272
Other comprehensive income for the period:					
Exchange differences on translation of foreign operations	—	—	(444)	—	(444)
Total comprehensive income for the period.	—	—	(444)	6,272	5,828
At 30 April 2017	<u>—</u>	<u>15,500</u>	<u>3,291</u>	<u>100,592</u>	<u>119,383</u>

Notes:

(a) **Other reserve**

Other reserve represented the issued share capital of Olympic Cable Company Sdn. Bhd. ("OCC SB") as at the dates indicated.

(b) **Exchange translation reserve**

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. This reserve is dealt with in accordance with the accounting policy in Note 4(k) to the Historical Financial Information.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	RM'000	RM'000	RM'000	RM'000 (Unaudited)	RM'000
Operating activities					
Profit before income tax expense	10,248	26,958	24,880	7,804	3,201
Adjustments for:					
Depreciation of property, plant and equipment	2,410	2,558	2,946	952	959
Amortisation of prepaid lease payments for land	36	38	39	12	12
Amortisation of intangible asset	6	6	6	2	2
Finance costs	869	1,322	740	232	105
Gain on disposal of plant and equipment	(9)	—	—	—	—
Interest income	(841)	(175)	(110)	(64)	(11)
Impairment loss on inventories	4,072	2,613	2,777	1,122	1,674
Impairment loss on trade receivables	1,158	1,914	163	137	310
Reversal of impairment loss on trade receivables	—	(325)	(485)	(112)	(180)
Write-off of plant and equipment	—	1	1	—	—
Net unrealised exchange losses/(gains)	924	114	85	(115)	(34)
Cash flows before working capital changes	18,873	35,024	31,042	9,970	6,038
(Increase)/decrease in inventories	(18,808)	965	(5,368)	(6,318)	1,637
(Increase)/decrease in trade receivables, other receivables, deposits and prepayments	(64,885)	11,777	(7,964)	(13,074)	(1,012)
Increase in trade and other payables	7,642	1,068	1,264	342	856
Cash (used in)/generated from operations	(57,178)	48,834	18,974	(9,080)	7,519
Income tax paid	(545)	(8,634)	(5,218)	(1,950)	(1,480)
Net cash (used in)/generated from operating activities	(57,723)	40,200	13,756	(11,030)	6,039
Investing activities					
Purchase of property, plant and equipment	(3,351)	(3,920)	(9,344)	(7,204)	(828)
Interest received	841	175	110	64	11
Proceeds from disposal of plant and equipment	9	—	—	—	—
(Increase)/decrease in amounts due from fellow subsidiaries	(33)	(302)	543	543	(7)
Increase in amount due from the then immediate holding company	—	—	—	—	(11)
Net cash used in investing activities	(2,534)	(4,047)	(8,691)	(6,597)	(835)

APPENDIX I
ACCOUNTANTS' REPORT

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (Unaudited)	<i>RM'000</i>
Financing activities					
Interest paid on bank borrowings and overdraft	(305)	(542)	(620)	(149)	(105)
Interest paid on amount due to the then immediate holding company	(242)	(382)	(55)	(18)	—
Interest paid on amounts due to fellow subsidiaries	(322)	(398)	(65)	(65)	—
Proceeds from bank borrowings .	21,150	7,819	11,569	8,301	15,233
Repayment of bank borrowings .	(7,732)	(19,853)	(6,895)	(1,394)	(5,988)
Increase/(decrease) in amount due to the then immediate holding company	11,904	(9,720)	(2,436)	(8)	—
Increase/(decrease) in amounts due to fellow subsidiaries	11,720	1,138	(14,517)	—	—
Increase/(decrease) in amount due to intermediate holding company	14,636	(182)	(211)	8	185
Dividends paid to the then immediate holding company . .	—	—	(1,200)	(1,200)	(4,000)
Issue of shares	—	—	—	—	60
Net cash generated from/(used in) financing activities	50,809	(22,120)	(14,430)	5,475	5,385
Net (decrease)/increase in cash and cash equivalents	(9,448)	14,033	(9,365)	(12,152)	10,589
Cash and cash equivalents at beginning of year/period .	10,782	1,413	15,855	15,855	5,802
Effect of exchange rate changes on cash and cash equivalents	79	409	(688)	10	(65)
Cash and cash equivalents at end of year/period	1,413	15,855	5,802	3,713	16,326
Analysis of cash and cash equivalents:					
Bank balances, short-term bank deposits and cash	4,915	15,855	5,802	3,713	16,326
Bank overdraft	(3,502)	—	—	—	—
	1,413	15,855	5,802	3,713	16,326

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1. GENERAL INFORMATION AND REORGANISATION****(a) General information**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 March 2018 under the laws of the Cayman Islands. The address of the Company's registered office and its headquarters are at Clifton House, P.O. Box 1350, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 21st Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Malaysia, respectively.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of power cable products (the "Listing Business"). The intermediate holding company of the Company is OSK Holdings Berhad ("OSK Holdings") which is a public limited liability company incorporated in Malaysia and the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad, and the ultimate holding company is OSK Equity Holdings Sdn. Bhd. which is a private limited liability company incorporated in Malaysia.

(b) Reorganisation

Pursuant to a group reorganisation in preparation for the listing of the shares of the Company on the Stock Exchange ("Listing") as set out in the section headed "History, reorganisation and group structure" in this Prospectus (the "Reorganisation"), the Company became the holding company of the subsidiaries now comprising the Group on 18 September 2018. The Company has not carried on any business since the date of incorporation save for the Reorganisation.

Upon completion of the Reorganisation and at the date of the report, the Company has direct and indirect interests in the following subsidiaries, all of which are private companies with limited liabilities:

Name of subsidiary	Place and date of incorporation	Country of operation	Issue and fully paid-in capital	Effective interest held by the Company					Principal activities
				As at 31 December			As at 30 April 2018	At the date of this report	
				2015	2016	2017			
Directly held:									
OCC Malaysia Sdn. Bhd. ("OCC Malaysia")	Malaysia 19 March 2018	Malaysia	RM10,000	—	—	—	100%	100%	Investment holding
Indirectly held:									
OCC SB	Malaysia 14 February 1968	Malaysia	RM15,500,000	100%	100%	100%	—	100%	Manufacturing and sale of power cable products
OVI Cables (Vietnam) Co., Ltd ("OVI")	Vietnam 8 September 2006	Vietnam	United States Dollars ("USD") 3,000,000	100%	100%	100%	—	100%	Manufacturing and sale of power cable products
Olympic Cable (Singapore) Pte. Ltd. ("OCS")*	Singapore 23 May 1998	Singapore	Singapore Dollars ("SGD") 2	100%	100%	N/A	N/A	N/A	Investment holding and then dormant before struck off

* OCS applied to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") for striking off under the Singapore Companies Act on 21 March 2017. On 4 July 2017, OCS was struck off by ACRA.

No audited financial statements have been prepared for the Company and OCC Malaysia since their dates of incorporation as there are no statutory audit requirements under relevant rules and regulations in their respective jurisdictions of incorporation and they have not been involved in any business transaction other than the Reorganisation.

The statutory financial statements of OCC SB for the year ended 30 June 2015, the period from 1 July 2015 to 31 December 2015 and each of the two years ended 31 December 2017 were audited by BDO Chartered Accountants and were prepared in accordance with Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board and IFRSs issued by the IASB.

The statutory financial statements of OVI for the year ended 30 June 2015, the period from 1 July 2015 to 31 December 2015 and each of the two years ended 31 December 2017 were audited by BDO Audit Services Company Limited and were prepared in accordance with Vietnamese Accounting Standards and Vietnamese Accounting System issued by the Department of Accounting and Auditing Regulations of the Ministry of Finance of Vietnam.

The statutory financial statements of OCS for the year ended 30 June 2015 and the period from 1 July 2015 to 31 December 2015 were audited by BDO LLP and were prepared in accordance with Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council. There is no statutory audit requirement of the financial statements of OCS for each of the two years ended 31 December 2017.

Prior to 23 July 2015, the ultimate holding company of OCC SB, OVI and OCS was PJ Development Holdings Berhad (“PJDH”) which adopted 30 June as its financial year end date. The shares of PJDH were listed on the Main Market of Bursa Malaysia Securities Berhad and delisted on 13 December 2016. On 23 July 2015, OSK Holdings and OSK Equity Holdings Sdn. Bhd. became the immediate and ultimate holding company, respectively, of PJDH. OSK Holdings adopts 31 December as its financial year end date. On 24 July 2015, PJDH announced that it changed its financial year end date from 30 June to 31 December in order to be coterminous with the financial year end date of OSK Holdings and the financial period ended 31 December 2015 therefore covered a period of six months. Accordingly, OCC SB, OVI and OCS also changed their financial year end dates from 30 June to 31 December and the financial period ended 31 December 2015 therefore covered a period of six months for each of these companies.

2. BASIS OF PREPARATION AND PRESENTATION**(a) Statement of compliance**

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied all IFRSs, International Accounting Standards (“IASs”), amendments and interpretations (hereinafter collectively referred to as the “IFRSs”), issued by the IASB which are effective for the annual periods beginning on 1 January 2018. The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 4 which conform with all applicable IFRSs issued by IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of presentation

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 18 September 2018. The Reorganisation only involved the insertion of the Company and OCC Malaysia as new intermediate holding companies above the operating subsidiaries which are OCC SB and OVI. The Company and OCC Malaysia have not been involved in any other business prior to the Reorganisation and their operations do not meet the definition of business. The Reorganisation is merely a reorganisation of the Listing Business and does not result in any changes in business substance. Accordingly, the Historical Financial Information of the companies now comprising the Group is presented using the carrying value of the Listing Business for all periods presented.

No amount is recognised as consideration for goodwill or excess of acquirer’s interest in the fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of combination.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows are prepared as if the current group structure had been in existence throughout the Track Record Period taking into account the respective dates of incorporation of companies. The combined statements of financial position as at 31 December 2015, 2016 and 2017 and 30 April 2018 present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective dates of incorporation of companies.

All significant intergroup transactions and balances have been eliminated on combination.

3. ADOPTION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Application of IFRS 9 and IFRS 15

Effective for annual periods beginning on or after 1 January 2018, IFRS 9 Financial Instruments replaced the predecessor standard IAS 39 Financial Instruments: Recognition and Measurement and IFRS 15 Revenue from Contracts with Customers replaced the predecessor revenue standards IAS 18 Revenue and IAS 11 Construction Contracts and the related interpretations and earlier application is permitted. For the purpose of preparing and presenting the Historical Financial Information, the Group has applied IFRS 9 and IFRS 15 consistently throughout the Track Record Period.

New and revised IFRSs issued but not yet effective

At the date of this report, the IASB has issued the following new or revised IFRSs but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

IFRS 16	Leases ¹
IFRS 17	Insurance Contracts ²
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 19	Employee Benefits ¹
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ¹
IFRIC 23	Uncertainty Over Income Tax Treatments ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but is available for early adoption

Further information about the above IFRSs which are expected to be applicable to the Group is as follows:

IFRS 16 — Leases

In January 2016, the IASB issued IFRS 16, which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current standard.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of IAS 16 Property, Plant and Equipment, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For lessor, there is little change to the existing accounting in IAS 17 Leases. The Group expects to adopt IFRS 16 on 1 January 2019.

As set out in Note 28(a) to the Historical Financial Information, total operating lease commitments of the Group as at 30 April 2018 amounted to RM2,605,000. The Group does not expect the adoption of IFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the combined statement of financial position as right-of-use assets and lease liabilities.

IFRIC 23 — Uncertainty over Income Tax Treatments

The interpretation supports the requirements of IAS 12 Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

The Group does not expect the adoption of IFRIC 23 on 1 January 2019 will result in a significant impact on the Group's financial position and financial performance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Business combination and basis of consolidation**

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Freehold land has an unlimited useful life and is not depreciated. Other property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Factory and buildings	20–50 years
Plant and machinery	3–10 years
Office, factory and other equipment	3–10 years
Motor vehicles	3–10 years

Construction in progress representing machinery under installation and renovation in progress is stated at cost less accumulated impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(d) Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

(e) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(f) Intangible asset

Costs that are associated with identifiable and unique software products controlled by the Group and have probable economic benefit exceeding the cost beyond one year are recognised as intangible assets. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software costs are stated at cost less accumulated amortisation cost and accumulated impairment losses, if any. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.

(g) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, the Group’s financial assets are classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The Group has these types of financial assets subject to IFRS 9's new expected credit loss model:

- Trade receivables for sales of power cable products
- Other receivables, deposits and prepayments
- Amounts due from the then immediate holding company and fellow subsidiaries

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss (“ECL”), the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Impairment on other receivables, deposits and prepayments and amounts due from the then immediate holding company and fellow subsidiaries is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime ECLs. These balances were considered to be of low credit risk and impairment provision recognised, if any, during the Track Record Period was limited to 12-month ECLs. The 12-month ECLs of these balances during the Track Record Period is close to zero.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the combined statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and estimated costs necessary to make the sales.

(i) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product to a customer.

Sale of goods

The Group sells power cable products to customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The only performance obligation of the contracts with customers is the provision of power cable products ordered by the customers and this performance obligation is satisfied at a point in time.

The credit period is generally 30 days to 90 days for customers with existing credit facilities. For customers outside the credit terms, they may be required to provide letter of credit or guarantee. For customers of OVI, they are required to pay in cash in Vietnamese Dong (“VND”) if the amount is below VND20 million which is the limit allowed under the laws and regulations of Vietnam.

There is no warranty clause in the contracts with customers.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(j) Income taxes

Income taxes comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(k) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. The functional currency of the Company is RM. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On combination, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RM) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange translation reserve.

(l) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short-term employee benefits are recognised in the year when the employees render the related services.

(ii) Defined contribution retirement plan

The Company's subsidiaries incorporated in Malaysia and Vietnam make contributions to their respective countries' statutory pension schemes which are defined contribution plans at statutory fixed rates gazetted by the respective countries from time to time. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

(m) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- interests in leasehold land held for own use under operating leases.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(n) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Product development expenses

Product development expenses incurred for design and customisation of power cable products are recognised in profit or loss in the period in which they are incurred.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group in the management of their short-term commitments.

For the purpose of the combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(r) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Useful lives of property, plant and equipment

The Group determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated useful lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in estimated useful lives and therefore affect the depreciation charges in future periods.

(ii) Provision for obsolete inventories

The Group estimates the net realisable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of each period and makes allowance on obsolete and slow moving items to write off or write down inventories to their net realisable values.

(iii) Impairment of trade receivables

The impairment allowances for trade receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward-looking estimates at end of reporting period.

(iv) Income taxes and deferred tax

The Group is subject to income taxes of different jurisdictions. Significant judgement is required on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and unabsorbed depreciation allowances to the extent that it is probable that future taxable profits would be available against which the losses and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

6. SEGMENT REPORTING

The executive director of the Company has been identified as the chief operating decision-maker (“CODM”) of the Group who reviews the Group’s internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

(a) Reportable segment

The Group is principally engaged in manufacture and sale of power cable products. The CODM assesses the performance of the Listing Business based on a measure of operating results and considers the Listing Business as a single operating segment. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group’s resources are integrated. Accordingly, the Group has identified one operating segment which is the manufacturing and sale of power cable products.

(b) Geographical information

The Company is domiciled in the Cayman Islands while the Group’s manufacturing facilities and sales offices are based in Malaysia and Vietnam.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers from which the sales transactions originated.

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Revenue from external customers					
Malaysia	159,953	225,683	228,224	71,038	69,085
Vietnam	31,209	28,858	29,116	8,728	8,543
Singapore	3,333	4,461	1,389	978	424
Cambodia	1,804	1,130	3,418	2,510	288
Asia Pacific (excluding Malaysia, Vietnam, Singapore and Cambodia)	584	275	—	—	—
	<u>196,883</u>	<u>260,407</u>	<u>262,147</u>	<u>83,254</u>	<u>78,340</u>

The geographical location of the non-current assets is based on the physical location of the assets.

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Specified non-current assets				
Malaysia	27,909	29,720	36,605	36,575
Vietnam	7,153	7,018	5,802	5,459
	<u>35,062</u>	<u>36,738</u>	<u>42,407</u>	<u>42,034</u>

(c) Information about major customers

Details of customers who generated 10% or more of the Group's revenue during the Track Record Period are as follows:

	Year ended 31 December			Four months ended	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Customer A	N/A	52,045	50,841	19,516	16,224
Customer B	N/A	34,366	N/A	N/A	N/A
Customer C	32,143	N/A	N/A	N/A	N/A
	<u>32,143</u>	<u>86,411</u>	<u>50,841</u>	<u>19,516</u>	<u>16,224</u>

Note: N/A represents that the amounts of revenue from such customer is less than 10% of total revenue for that period.

7. REVENUE

Revenue represents the net invoiced value of goods sold.

Disaggregation of revenue

Revenue is disaggregated by geographical markets, major product lines and type of customers as follows:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Geographical markets					
Malaysia	159,953	225,683	228,224	71,038	69,085
Vietnam	31,209	28,858	29,116	8,728	8,543
Singapore	3,333	4,461	1,389	978	424
Cambodia	1,804	1,130	3,418	2,510	288
Asia Pacific (excluding Malaysia, Vietnam, Singapore and Cambodia)	584	275	—	—	—
	<u>196,883</u>	<u>260,407</u>	<u>262,147</u>	<u>83,254</u>	<u>78,340</u>

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Major product lines					
Low voltage power cable	132,555	142,592	143,557	45,540	45,141
Medium voltage power cable . . .	35,303	68,596	79,437	27,806	19,199
Fire-resistant power cable	29,025	49,219	39,153	9,908	14,000
	<u>196,883</u>	<u>260,407</u>	<u>262,147</u>	<u>83,254</u>	<u>78,340</u>

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Type of customers					
Contractors	113,053	121,733	125,771	36,910	41,186
Utility company	21,645	73,033	64,266	25,904	16,224
Dealers/wholesalers	55,025	56,785	61,725	18,966	20,294
Others	7,160	8,856	10,385	1,474	636
	<u>196,883</u>	<u>260,407</u>	<u>262,147</u>	<u>83,254</u>	<u>78,340</u>

8. OTHER INCOME AND OTHER GAINS

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Interest income	841	175	110	64	11
Gain on disposal of plant and equipment	9	—	—	—	—
Foreign exchange gains	—	—	695	294	210
Sundry income	173	211	80	6	66
	<u>1,023</u>	<u>386</u>	<u>885</u>	<u>364</u>	<u>287</u>

9. FINANCE COSTS

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
Interest on bank borrowings and overdraft	305	542	620	149	105
Interest on amount due to the then immediate holding company	242	382	55	18	—
Interest on amount due to a fellow subsidiary	322	398	65	65	—
	<u>869</u>	<u>1,322</u>	<u>740</u>	<u>232</u>	<u>105</u>

10. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
				(Unaudited)	
Auditors' remuneration	52	37	38	13	14
Amortisation of intangible asset (included in administrative expenses) (<i>Note 18</i>).	6	6	6	2	2
Amortisation of prepaid lease payments for land (<i>Note 17</i>)	36	38	39	12	12
Cost of inventories sold	155,358	201,427	205,279	67,738	59,271
Depreciation of property, plant and equipment	2,410	2,558	2,946	952	959
Foreign exchange losses (included in administrative expenses).	3,540	275	121	74	32
Foreign exchange gains (included in other income and other gains) (<i>Note 8</i>).	—	—	(695)	(294)	(210)
Foreign exchange losses/(gains), net	3,540	275	(574)	(220)	(178)

APPENDIX I

ACCOUNTANTS' REPORT

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i> (Unaudited)	<i>RM'000</i>
Impairment loss on inventories	4,072	2,613	2,777	1,122	1,674
Impairment loss on trade receivables	1,158	1,914	163	137	310
Reversal of impairment loss on trade receivables	—	(325)	(485)	(112)	(180)
Impairment loss/(gain) on trade receivables, net	1,158	1,589	(322)	25	130
Lease payments under operating leases	250	252	271	93	85
Product development expenses	3,539	1,518	1,224	299	414
Employee benefits expenses (including directors' and chief executive's emoluments (<i>Note II</i>)):					
— Wages, salaries and other benefits	7,999	10,551	10,688	3,068	3,348
— Contributions to defined contribution plans	558	670	780	262	283
Write-off of plant and equipment	—	1	1	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There are no forfeited contributions for the above defined contribution plans as the contributions are fully vested with the employees upon payment to the plans.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of emoluments of directors and chief executive of the Company during the Track Record Period are as follows:

Year ended 31 December 2015

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Executive director					
Mr. YEAT Siew Hong	—	507	119	69	695
Non-executive directors					
Mr. ONG Ju Yan	—	—	—	—	—
Mr. ONG Ju Xing	—	—	—	—	—
Independent non-executive directors					
Mr. QUAH Poh Keat	—	—	—	—	—
Dato' LIM Han Boon	—	—	—	—	—
Mr. KHUU John Lap Co	—	—	—	—	—
Mr. SHIU Siu Tao	—	—	—	—	—
	—	507	119	69	695

Year ended 31 December 2016

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Executive director					
Mr. YEAT Siew Hong	—	830	152	54	1,036
Non-executive directors					
Mr. ONG Ju Yan	—	—	—	—	—
Mr. ONG Ju Xing	—	—	—	—	—
Independent non-executive directors					
Mr. QUAH Poh Keat	—	—	—	—	—
Dato' LIM Han Boon	—	—	—	—	—
Mr. KHUU John Lap Co	—	—	—	—	—
Mr. SHIU Siu Tao	—	—	—	—	—
	—	830	152	54	1,036

Year ended 31 December 2017

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Executive director					
Mr. YEAT Siew Hong	—	556	300	49	905
Non-executive directors					
Mr. ONG Ju Yan	—	—	—	—	—
Mr. ONG Ju Xing	—	—	—	—	—
Independent non-executive directors					
Mr. QUAH Poh Keat	—	—	—	—	—
Dato' LIM Han Boon	—	—	—	—	—
Mr. KHUU John Lap Co	—	—	—	—	—
Mr. SHIU Siu Tao	—	—	—	—	—
	—	556	300	49	905

Four months ended 30 April 2017 (Unaudited)

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Executive director					
Mr. YEAT Siew Hong.	—	186	300	28	514
Non-executive directors					
Mr. ONG Ju Yan	—	—	—	—	—
Mr. ONG Ju Xing	—	—	—	—	—
Independent non-executive directors					
Mr. QUAH Poh Keat	—	—	—	—	—
Dato' LIM Han Boon	—	—	—	—	—
Mr. KHUU John Lap Co.	—	—	—	—	—
Mr. SHIU Siu Tao	—	—	—	—	—
	—	186	300	28	514

Four months ended 30 April 2018

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Executive director					
Mr. YEAT Siew Hong	—	190	300	28	518
Non-executive directors					
Mr. ONG Ju Yan	—	—	—	—	—
Mr. ONG Ju Xing	—	—	—	—	—
Independent non-executive directors					
Mr. QUAH Poh Keat	—	—	—	—	—
Dato' LIM Han Boon	—	—	—	—	—
Mr. KHUU John Lap Co.	—	—	—	—	—
Mr. SHIU Siu Tao	—	—	—	—	—
	—	190	300	28	518

Mr. YEAT Siew Hong was appointed as the Company's executive director on 13 March 2018.

Mr. ONG Ju Yan and Mr. ONG Ju Xing were appointed as the Company's non-executive directors on 13 March 2018 and Mr. QUAH Poh Keat, Dato' LIM Han Boon and Mr. KHUU John Lap Co were appointed as the Company's independent non-executive directors on 19 September 2018. Mr. KHUU John Lap Co resigned as the Company's independent non-executive director on 27 September 2018 and Mr. SHIU Siu Tao was appointed as the Company's independent non-executive director on the same date. During the Track Record Period, the independent non-executive directors have not yet been appointed and did not receive any emoluments.

The discretionary bonuses are determined by reference to the financial performance of the Group and the performance of the Company's director in each reporting period.

In addition to the directors' emoluments disclosed above, Mr. ONG Ju Yan and Mr. ONG Ju Xing received emoluments from OSK Holdings for the Track Record Period as follows:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Mr. ONG Ju Yan	549	1,817	1,572	778	1,252
Mr. ONG Ju Xing	429	1,702	1,439	684	862
	978	3,519	3,011	1,462	2,114

Part of the emoluments received is in respect of their service to the Group. No apportionment has been made as the directors do not believe that it is practicable to apportion these amount between their service to OSK Holdings and fellow subsidiaries of the Company and the Group.

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company as inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors has waived or agreed to waive any emoluments during the Track Record Period.

12. FIVE HIGHEST PAID EMPLOYEES

During the Track Record Period, of the five individuals with the highest emoluments in the Group, 1 was director of the Company whose emolument is included in Note 11 above. The emoluments of the remaining 4 individuals for the Track Record Period are as follows:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Salaries and other benefits	1,105	1,309	1,544	670	645
Contributions to defined contribution plans	104	101	123	117	96
	1,209	1,410	1,667	787	741

The emoluments of each of the above non-director highest paid individuals were all within the following bands:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
RM nil to RM500,000 (equivalent to HK\$ nil to HK\$1,000,000) . . .	4	4	3	4	4
RM500,001 to RM750,000 (equivalent to HK\$1,000,001 to HK\$1,500,000)	—	—	1	—	—
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

13. INCOME TAX EXPENSE

The amount of income tax expense in the combined statements of profit or loss and other comprehensive income represents:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Malaysian corporate income tax					
— provision for the year/period .	3,147	7,249	6,304	1,950	2,001
— over provision in prior years .	(8)	(119)	(759)	—	—
	<u>3,139</u>	<u>7,130</u>	<u>5,545</u>	<u>1,950</u>	<u>2,001</u>
Deferred tax (<i>Note 25</i>)	149	(126)	(432)	(418)	(358)
Income tax expense	<u>3,288</u>	<u>7,004</u>	<u>5,113</u>	<u>1,532</u>	<u>1,643</u>

The Malaysian corporate income tax is calculated at the statutory tax rate of 25% of the estimated taxable profits for the year ended 31 December 2015 and 24% for the years ended 31 December 2016 and 2017 and four months ended 30 April 2017 and 2018.

OVI and OCS had no liability to corporate income tax in their jurisdictions during the Track Record Period as these companies sustained losses for corporate income tax purposes.

The income tax expense for the Track Record Period can be reconciled to the profit before income tax expense per the combined statements of comprehensive income as follows:

	Year ended 31 December			Four months ended 30 April	
	2015	2016	2017	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Profit before income tax					
expense	10,248	26,958	24,880	7,804	3,201
Tax calculated at Malaysian					
statutory income tax rate	2,527	6,470	5,971	1,873	768
Effect of different tax rates in					
Vietnam	232	22	57	6	9
Tax effect of expenses not					
deductible for tax purposes . .	716	615	67	40	1,359
Tax effect of income not taxable					
for tax purposes	(190)	(78)	(116)	(24)	—
Tax effect of tax losses not					
recognised	115	102	285	29	75
Over provision of income tax					
expense in prior years	(8)	(119)	(759)	—	—
Others	(104)	(8)	(392)	(392)	(568)
Income tax expense	3,288	7,004	5,113	1,532	1,643

14. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results for the Track Record Period as set out in Note 2(b) above.

15. DIVIDEND

No dividends has been paid or declared by the Company since its incorporation. For the purpose of the Historical Financial Information, the dividends proposed for the years ended 31 December 2016 and 2017 of RM1,200,000 and RM4,000,000, respectively, represented interim dividends declared by OCC SB to the then immediate holding company, OCC Cables Berhad, and were paid on 27 February 2017 and 22 March 2018 and included in amount due to the then immediate holding company as at 31 December 2016 and 2017, respectively.

The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of the Historical Financial Information.

There are no income tax consequences attaching to the payment of dividend by the Company to its shareholders.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Factory and buildings	Plant and machinery	Office, factory and other equipment	Motor vehicles	Construction in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost:							
At 1 January 2015	7,874	17,470	45,299	8,264	538	—	79,445
Additions	—	—	310	137	6	2,898	3,351
Disposals	—	—	(33)	—	—	—	(33)
Translation adjustments . . .	—	674	491	12	51	—	1,228
At 31 December 2015 and							
1 January 2016	7,874	18,144	46,067	8,413	595	2,898	83,991
Additions	—	1,400	573	1,543	357	47	3,920
Written off	—	—	—	(4)	—	—	(4)
Translation adjustments . . .	—	186	140	3	15	—	344
Reclassification	—	—	1,719	—	—	(1,719)	—
At 31 December 2016 and							
1 January 2017	7,874	19,730	48,499	9,955	967	1,226	88,251
Additions	8,180	546	111	507	—	—	9,344
Written off	—	—	—	(4)	—	—	(4)
Translation adjustments . . .	—	(481)	(358)	(9)	(37)	—	(885)
Reclassification	—	—	1,226	—	—	(1,226)	—
At 31 December 2017 and							
1 January 2018	16,054	19,795	49,478	10,449	930	—	96,706
Additions	—	265	—	563	—	—	828
Translation adjustments . . .	—	(176)	(131)	(4)	(14)	—	(325)
At 30 April 2018	<u>16,054</u>	<u>19,884</u>	<u>49,347</u>	<u>11,008</u>	<u>916</u>	<u>—</u>	<u>97,209</u>

	Freehold land	Factory and buildings	Plant and machinery	Office, factory and other equipment	Motor vehicles	Construction in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation:							
At 1 January 2015	—	5,017	36,171	6,180	250	—	47,618
Charge for the year	—	455	1,518	367	70	—	2,410
Eliminated on disposals . . .	—	—	(33)	—	—	—	(33)
Translation adjustments . . .	—	73	332	8	26	—	439
At 31 December 2015 and 1 January 2016	—	5,545	37,988	6,555	346	—	50,434
Charge for the year	—	470	1,605	400	83	—	2,558
Written off	—	—	—	(3)	—	—	(3)
Translation adjustments . . .	—	31	119	3	11	—	164
At 31 December 2016 and 1 January 2017	—	6,046	39,712	6,955	440	—	53,153
Charge for the year	—	508	1,806	490	142	—	2,946
Written off	—	—	—	(3)	—	—	(3)
Translation adjustments . . .	—	(76)	(303)	(8)	(26)	—	(413)
At 31 December 2017 and 1 January 2018	—	6,478	41,215	7,434	556	—	55,683
Charge for the period	—	183	560	175	41	—	959
Translation adjustments . . .	—	(29)	(118)	(3)	(10)	—	(160)
At 30 April 2018	—	6,632	41,657	7,606	587	—	56,482
Net carrying amount:							
At 31 December 2015	7,874	12,599	8,079	1,858	249	2,898	33,557
At 31 December 2016	7,874	13,684	8,787	3,000	527	1,226	35,098
At 31 December 2017	16,054	13,317	8,263	3,015	374	—	41,023
At 30 April 2018	16,054	13,252	7,690	3,402	329	—	40,727

As at 31 December 2016 and 2017 and 30 April 2018, freehold land and factory and buildings of the Company's subsidiary with net carrying amount of RM15,755,000, RM24,115,000 and RM24,240,000, respectively are pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 24 to the Historical Financial Information.

17. PREPAID LEASE PAYMENTS FOR LAND

	Prepaid lease payments for land
	<i>RM'000</i>
Cost:	
At 1 January 2015	1,586
Translation adjustment	246
At 31 December 2015 and 1 January 2016	1,832
Translation adjustment	68
At 31 December 2016 and 1 January 2017	1,900
Translation adjustment	(176)
At 31 December 2017 and 1 January 2018	1,724
Translation adjustment	(64)
At 30 April 2018	<u>1,660</u>
Accumulated amortisation:	
At 1 January 2015	271
Charge for the year	36
Translation adjustment	44
At 31 December 2015 and 1 January 2016	351
Charge for the year	38
Translation adjustment	16
At 31 December 2016 and 1 January 2017	405
Charge for the year	39
Translation adjustment	(40)
At 31 December 2017 and 1 January 2018	404
Charge for the period	12
Translation adjustment	(15)
At 30 April 2018	<u>401</u>
Net carrying amount:	
At 31 December 2015	
Non-current assets	1,445
Current assets (<i>Note 20</i>)	36
	<u>1,481</u>

	Prepaid lease payments for land
	<i>RM'000</i>
At 31 December 2016	
Non-current assets	1,457
Current assets (<i>Note 20</i>)	<u>38</u>
	<u>1,495</u>
At 31 December 2017	
Non-current assets	1,281
Current assets (<i>Note 20</i>)	<u>39</u>
	<u>1,320</u>
At 30 April 2018	
Non-current assets	1,220
Current assets (<i>Note 20</i>)	<u>39</u>
	<u>1,259</u>

18. INTANGIBLE ASSET

	<u>Computer software</u>
	<i>RM'000</i>
Cost:	
At 1 January 2015	33
Translation adjustment	5
At 31 December 2015 and 1 January 2016	38
Translation adjustment	2
At 31 December 2016 and 1 January 2017	40
Translation adjustment	(3)
At 31 December 2017 and 1 January 2018	37
Translation adjustment	(2)
At 30 April 2018	<u>35</u>
Accumulated depreciation:	
At 1 January 2015	8
Charge for the year	6
Translation adjustment	2
At 31 December 2015 and 1 January 2016	16
Charge for the year	6
Translation adjustment	1
At 31 December 2016 and 1 January 2017	23
Charge for the year	6
Translation adjustment	(2)
At 31 December 2017 and 1 January 2018	27
Charge for the period	2
Translation adjustment	(2)
At 30 April 2018	<u>27</u>
Net carrying amount:	
At 31 December 2015	<u>22</u>
At 31 December 2016	<u>17</u>
At 31 December 2017	<u>10</u>
At 30 April 2018	<u>8</u>

19. INVENTORIES

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Raw materials	9,291	13,025	9,538	7,804
Work in progress	9,776	6,925	5,976	4,374
Finished goods	24,346	19,780	26,912	26,940
Goods in transit	3	108	3	—
	<u>43,416</u>	<u>39,838</u>	<u>42,429</u>	<u>39,118</u>

During the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2017 and 2018, the Group wrote down inventories to their net realisable value amounting to RM4,072,000, RM2,613,000, RM2,777,000, RM1,122,000 and RM1,674,000, respectively, and included in cost of sales.

20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group			The Company	
	As at 31 December			As at 30 April	As at 30 April
	2015	2016	2017	2018	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	68,901	59,368	69,640	67,776	—
Less: Allowance for impairment losses	(1,222)	(2,811)	(2,489)	(2,619)	—
	<u>67,679</u>	<u>56,557</u>	<u>67,151</u>	<u>65,157</u>	<u>—</u>
Deposits with suppliers	4,154	2,682	303	924	—
Other receivables	1,058	225	321	340	—
Deposits	94	124	126	126	—
Prepayments	305	208	254	2,361*	2,050*
Prepaid lease payments for land (Note 17).	36	38	39	39	—
	<u>73,326</u>	<u>59,834</u>	<u>68,194</u>	<u>68,947</u>	<u>2,050</u>

* Including prepaid listing expenses of RM2,050,000.

During the Track Record Period, trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 90 days from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of trade receivables at the end of each reporting period, based on invoice dates, is as follows:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
1 to 90 days	50,278	47,619	53,033	41,372
91 to 180 days	14,542	9,382	14,072	23,484
Over 180 days	4,081	2,367	2,535	2,920
	<u>68,901</u>	<u>59,368</u>	<u>69,640</u>	<u>67,776</u>

Trade receivables are not secured by any collateral or credit enhancements. No interest is charged on outstanding trade receivables.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. During the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2017 and 2018, a provision of RM1,158,000, RM1,914,000, RM163,000, RM137,000 and RM310,000 was made against the gross amounts of trade receivables, respectively (Note 32(d)).

21. AMOUNTS DUE FROM/(TO) THE THEN IMMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES/ INTERMEDIATE HOLDING COMPANY

(a) Balances with the then immediate holding company

The Group

During the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2017 and 2018, the amount due from/(to) the then immediate holding company, OCC Cables Berhad, was non-trade in nature, unsecured, repayable on demand and interest-bearing at a rate of 3.3%, 3.1% to 3.3%, 3.1%, 3.1% and nil per annum, respectively. The balances with the then immediate holding company were fully settled before the Listing.

(b) Balances with fellow subsidiaries

The Group

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Amounts due from fellow subsidiaries:				
Olympic Properties Sdn. Bhd.	241	542	—	—
OSK Construction Sdn. Bhd.	—	—	—	6
Acotec Sdn. Bhd.	—	1	—	1
	<u>241</u>	<u>543</u>	<u>—</u>	<u>7</u>
Amounts due to fellow subsidiaries:				
Eframe Solutions Sdn. Bhd.	(4)	(12)	—	—
Damai Laut Golf Resort Sdn. Bhd.	(1)	—	—	—
PJD Hotels Sdn. Bhd.	(3)	(1)	—	—
PJ Exim Sdn. Bhd.	(13,371)	(14,504)	—	—
	<u>(13,379)</u>	<u>(14,517)</u>	<u>—</u>	<u>—</u>

During the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2017 and 2018, the amounts due from/(to) fellow subsidiaries were non-trade in nature, except amount due from OSK Construction Sdn. Bhd., unsecured, repayable on demand and interest-free, except amount due from Olympic Properties Sdn. Bhd. and amount due to PJ Exim Sdn. Bhd. which were interest-bearing at a rate of 3.3%, 3.1% to 3.3%, 3.1%, 3.1% and nil per annum, respectively.

The Company

The amount due to a fellow subsidiary, OCC SB, was non-trade in nature, unsecured, repayable on demand and interest-free.

The balances with fellow subsidiaries at Group level were fully settled before the Listing.

(c) Balances with intermediate holding company*The Group and the Company*

The amount due to intermediate holding company, PJDH, was non-trade in nature, unsecured, repayable on demand and interest-free.

The balances with intermediate holding company were fully settled before the Listing.

22. BANK BALANCES, SHORT-TERM BANK DEPOSITS AND CASH

	The Group			The Company
	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash and bank balances	4,839	8,190	5,622	4,150
Fixed time deposits	76	—	180	176
Short-term deposits	—	7,665	—	12,000
	<u>4,915</u>	<u>15,855</u>	<u>5,802</u>	<u>16,326</u>
				<u>49</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the bank balances and cash approximate their fair values.

Cash and bank balances of RM2,044,000, RM3,517,000, RM1,789,000 and RM2,573,000 are held in Vietnam as at 31 December 2015, 2016 and 2017 and 30 April 2018, respectively. VND is not generally freely convertible into other currencies. Under certain conditions, such as fulfilment of Vietnam's financial obligations, the Vietnamese government allows foreign invested enterprises to convert VND into other currencies for repatriation of profits from their Vietnam operations abroad.

	The Group			The Company	
	As at 31 December			As at	As at
				30 April	30 April
	2015	2016	2017	2018	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Bank balances, short-term bank deposits and cash were denominated in the following currencies:					
RM	1,968	12,272	3,946	13,640	—
VND	1,713	3,205	1,697	2,526	—
USD	1,158	335	116	68	—
SGD	33	—	—	—	—
Kyat	43	43	43	43	—
HKD	—	—	—	49	49
	<u>4,915</u>	<u>15,855</u>	<u>5,802</u>	<u>16,326</u>	<u>49</u>

23. TRADE AND OTHER PAYABLES

	The Group			The Company	
	As at 31 December			As at	As at
				30 April	30 April
	2015	2016	2017	2018	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade payables	14,770	14,651	15,220	11,280	—
Advance from customers	307	241	603	1,621	—
Accruals	1,394	2,473	2,702	6,103*	4,987*
Other payables	277	451	555	932	—
	<u>16,748</u>	<u>17,816</u>	<u>19,080</u>	<u>19,936</u>	<u>4,987</u>

* including accrued listing expenses of RM4,987,000.

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 days to 60 days from the date of invoice.

The ageing analysis of trade payables, based on invoice dates, at the end of each reporting period are as follows:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Within 30 days	9,802	9,598	13,128	7,870
31 to 60 days	3,310	3,468	1,134	1,799
61 to 90 days	910	712	22	959
Over 90 days	748	873	936	652
	<u>14,770</u>	<u>14,651</u>	<u>15,220</u>	<u>11,280</u>

24. BANK BORROWINGS

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Trust receipt (unsecured) (Notes (a) and (c))	2,796	1,397	768	2,142
Banker's acceptance (secured) (Notes (a) and (b))	—	—	2,800	13,100
Banker's acceptance (unsecured) (Notes (a) and (c))	10,622	—	2,400	—
Bank overdraft (unsecured) (Note (a))	3,502	—	—	—
	<u>16,920</u>	<u>1,397</u>	<u>5,968</u>	<u>15,242</u>

All these borrowings are due within one year from each reporting period end and included as current liabilities.

Notes:

- (a) Trust receipt, banker's acceptance and bank overdraft are interest-bearing at floating rates. The interest rates of the Group's trust receipt, banker's acceptance and bank overdraft as at 31 December 2015, 2016 and 2017 and 30 April 2018 ranged from 3.18% to 8.10%, 7.00%, 2.75% to 7.00% and 2.90% to 6.90% per annum, respectively.
- (b) The Group's bank borrowings are secured by (i) and supported by (ii):
- (i) a debenture incorporating a fixed and floating charge for all monies owing or payable under the facility(ies) over all present and future assets of OCC SB pertaining to the machinery(ies) and other assets financed by the bank.

- (ii) corporate guarantees of RM46,000,000 issued by the intermediate holding company, PJDH.
- (c) The Group's bank borrowings are supported by corporate guarantees issued by the intermediate holding company, PJDH:

As at 31 December			As at 30 April
2015	2016	2017	2018
<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
22,413	24,902	24,202	24,061

- (d) In addition to the above outstandings, the Group has been granted credit facilities which were not utilised as at 31 December 2016 and 2017 and 30 April 2018 and these credit facilities were secured and supported by:
- (i) as at 31 December 2016 and 2017 and 30 April 2018, a pledge over OCC SB's freehold land and factory and buildings with a total carrying amount of RM15,755,000, RM24,115,000 and RM24,240,000 respectively, as disclosed in Note 16 to the Historical Financial Information.
- (ii) corporate guarantees of RM24,000,000 issued by the intermediate holding company, PJDH.
- (iii) a debenture incorporating a fixed and floating charge for all monies owing or payable under the facility(ies) over all present and future assets of OCC SB pertaining to the machinery(ies) and other assets financed by the bank.

The relevant banks have agreed in principle that the guarantees by PJDH as set out above will be released and replaced by corporate guarantees to be provided by the Company upon the Listing.

25. DEFERRED TAX

Details of the deferred tax assets/(liabilities) recognised in the combined statements of financial position and movements during the Track Record Period are as follows:

	Accelerated depreciation and industrial building allowance	Other deductible temporary differences	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2015	(2,583)	638	(1,945)
Recognised in profit or loss (<i>Note 13</i>)	357	(506)	(149)
At 31 December 2015 and			
1 January 2016	(2,226)	132	(2,094)
Recognised in profit or loss (<i>Note 13</i>)	(133)	259	126
At 31 December 2016 and			
1 January 2017	(2,359)	391	(1,968)
Recognised in profit or loss (<i>Note 13</i>)	415	17	432
At 31 December 2017 and			
1 January 2018	(1,944)	408	(1,536)
Recognised in profit or loss (<i>Note 13</i>)	11	347	358
At 30 April 2018	<u>(1,933)</u>	<u>755</u>	<u>(1,178)</u>

The amounts of tax losses for which no deferred tax assets have been recognised in the combined statements of financial position are as follows:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Unrecognised tax losses				
— OVI	<u>3,875</u>	<u>3,331</u>	<u>4,267</u>	<u>4,534</u>

As at 31 December 2015, 2016 and 2017 and 30 April 2018, the unrecognised tax losses of OVI amounting to approximately VND20,355,149,000 equivalent to RM3,875,000, VND16,871,327,000 equivalent to RM3,331,000, VND23,813,919,000 equivalent to RM4,267,000 and VND26,282,829,000 equivalent to RM4,534,000 respectively, which will expire within 5 years from the year the tax loss was incurred.

No deferred tax assets has been recognised in respect of the above tax losses as it is not probable that future taxable profits of OVI which has been loss making since incorporation will be available against which such tax losses can be utilised.

26. SHARE CAPITAL

	<u>Number</u>	<u>Amount</u>
		<i>HK\$'000</i>
Authorised:		
Ordinary shares of par value of HK\$0.1 each at		
30 April 2018	3,800,000	380
	<u>3,800,000</u>	<u>380</u>
Issued and fully paid:		
Ordinary shares of par value of HK\$0.1 each at		
30 April 2018	1,200,000	120
	<u>1,200,000</u>	<u>120</u>

The Company was incorporated in the Cayman Islands on 13 March 2018 with an authorised share capital of HK\$380,000 divided into 3,800,000 ordinary shares of par value of HK\$0.1 each and on the date of incorporation, 1 ordinary share was issued to the initial subscriber which was transferred to OSK Industries, the wholly-owned subsidiary of PJDH at par value on 27 March 2018. On the same date, 1,199,999 ordinary shares, credited as fully paid, were allotted and issued to OSK Industries. Accordingly, share capital is presented as nil in the combined statements of financial position as at 31 December 2015, 2016 and 2017 and RM60,000 (HK\$120,000) in the combined statement of financial position as at 30 April 2018.

27. RESERVES**The Group**

The amount of the Group's reserves and movements during the Track Record Period are presented in the combined statements of changes in equity on pages I-8 to I-9.

The Company

	<u>Accumulated loss</u>
	<i>RM'000</i>
At 13 March 2018 (date of incorporation)	—
Loss for the period	(5,604)
At 30 April 2018	<u>(5,604)</u>

28. COMMITMENTS**(a) Operating lease commitments***The Group as lessee*

At the end of each reporting period, the Group had total future minimum lease payments under non-cancellable operating leases for staff quarters and land falling due as follows:

	<u>As at 31 December</u>			<u>As at 30 April</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Not later than 1 year	138	199	180	200
Later than 1 year and not later than 2 years	107	190	94	87
Later than 2 years and not later than 5 years	240	235	208	200
Later than 5 years	2,545	2,563	2,223	2,118
	<u>3,030</u>	<u>3,187</u>	<u>2,705</u>	<u>2,605</u>

The terms of the above leases are for a period of 1 to 48 years. None of the leases included contingent rentals.

(b) Capital commitments

The following are the details of capital expenditure contracted for but not provided for in the Historical Financial Information.

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Commitment for the acquisition of property, plant and equipment	527	8,733	198	1,633

29. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in the Historical Financial Information, the Group entered into the following significant transactions with related companies during the Track Record Period:

Name of related parties	Related party relationship	Type of transactions	Transaction amount					
			Year ended 31 December			Four months ended 30 April		
			2015	2016	2017	2017	2018	
			RM'000	RM'000	RM'000	RM'000	RM'000	
								(Unaudited)
Bunga Development Sdn. Bhd.	Fellow subsidiary	Office rental fee	(12)	(2)	—	—	—	—
Damai Laut Golf Resort Sdn. Bhd.	Fellow subsidiary	Hotel room charges	—	(2)	(2)	(1)	—	—
Eframe Solutions Sdn. Bhd.	Fellow subsidiary	IT maintenance services	(109)	(64)	(70)	(23)	—	—
Olympic Properties Sdn. Bhd.	Fellow subsidiary	Interest income	11	10	9	4	4	4
		Purchase of freehold land	—	—	(8,180)	(8,180)	—	—
PJ Exim Sdn. Bhd.	Fellow subsidiary	Interest expense	(322)	(398)	(65)	(65)	—	—

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Name of related parties	Related party relationship	Type of transactions	Transaction amount					
			Year ended 31 December			Four months ended 30 April		
			2015	2016	2017	2017	2018	
			<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
								(Unaudited)
		Sales of power cable products	32,143	—	—	—	—	—
		Purchase of power cable products	(13)	—	—	—	—	—
PJD Hotels Sdn. Bhd.	Fellow subsidiary	Hotel room charges	—	(3)	(8)	—	—	(1)
MM Hotels Sdn. Bhd.	Fellow subsidiary	Hotel room charges	—	—	(1)	—	—	—
Acotec Sdn. Bhd.	Fellow subsidiary	Purchase of wall panel	—	—	(10)	—	—	—
OSK Construction Sdn. Bhd.	Fellow subsidiary	Sales of power cable products	—	—	—	—	—	32
Canggih Pesaka Sdn. Bhd.	50% indirectly owned by PJDH	Car park rental fee	—	(4)	(6)	(2)	(2)	(2)
		Office rental fee	—	(71)	(85)	(28)	(28)	(28)
DC Services Sdn. Bhd.	A company controlled by a controlling shareholder's close family members	Insurance premium	(193)	(374)	(311)	(82)	(82)	(118)
Dindings Risks Management Service Sdn. Bhd.	A company controlled by a controlling shareholder's close family members	Insurance premium	—	(6)	(3)	(3)	(3)	(3)
Dindings Life Agency Sdn. Bhd.	A company controlled by a controlling shareholder's close family members	Insurance premium	—	(203)	(240)	(18)	(18)	—

Name of related parties	Related party relationship	Type of transactions	Transaction amount					
			Year ended 31 December			Four months ended 30 April		
			2015	2016	2017	2017	2018	
			<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
								(Unaudited)
Sincere Source Sdn. Bhd.	A company controlled by a controlling shareholder's close family members	Insurance premium	(221)	(32)	(37)	(10)	(11)	
OCC Cables Berhad	The then immediate holding company	Interest expenses	(242)	(382)	(55)	(18)	—	
		Dividend payment	—	(1,200)	(4,000)	—	—	
PJDH	The intermediate holding company	Interest income	639	14	—	—	—	
		Management fee	(1,426)	(1,437)	(1,756)	(420)	(720)	

The amounts were charged based on the terms mutually agreed between the relevant parties.

Except for the related party transactions set out above relating to office rental fees and insurance premium, all other related party transactions set out above will discontinue after the Listing. The related party transactions relating to office rental fees and insurance premium will constitute exempted continuing connected transactions after the Listing as set out in the section headed "Continuing Connected Transactions" in this Prospectus.

(b) Remuneration of key management personnel

Remuneration of key management personnel, who are directors of the Company, during the Track Record Period were disclosed in Note 11 to the Historical Financial Information.

30. NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Bank borrowings (excluding bank overdraft)	Amount due to the then immediate holding company	Amounts due to fellow subsidiaries	Amount due (from)/to intermediate holding company	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2015	—	252	1,659	(14,243)	(12,332)
Changes from cash flows:					
Interest paid on bank borrowings	(305)	—	—	—	(305)
Interest paid on amount due to the then immediate holding company	—	(242)	—	—	(242)
Interest paid on amounts due to fellow subsidiaries	—	—	(322)	—	(322)
Increase in amount due to the then immediate holding company	—	11,904	—	—	11,904
Increase in amounts due to fellow subsidiaries	—	—	11,720	—	11,720
Increase in amount due to intermediate holding company	—	—	—	14,636	14,636
Proceeds from bank loans	21,150	—	—	—	21,150
Repayment of bank loans	(8,168)	—	—	—	(8,168)
Total changes from financing cash flows:	<u>12,677</u>	<u>11,662</u>	<u>11,398</u>	<u>14,636</u>	<u>50,373</u>
Translation adjustments:	<u>436</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>436</u>
Other changes:					
Interest expenses	<u>305</u>	<u>242</u>	<u>322</u>	<u>—</u>	<u>869</u>
Total other changes	<u>305</u>	<u>242</u>	<u>322</u>	<u>—</u>	<u>869</u>
At 31 December 2015	<u><u>13,418</u></u>	<u><u>12,156</u></u>	<u><u>13,379</u></u>	<u><u>393</u></u>	<u><u>39,346</u></u>

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	Bank borrowings (excluding bank overdraft)	Amount due to the then immediate holding company	Amounts due to fellow subsidiaries	Amount due to intermediate holding company	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2016	13,418	12,156	13,379	393	39,346
Changes from cash flows:					
Interest paid on bank borrowings	(542)	—	—	—	(542)
Interest paid on amount due to the then immediate holding company	—	(382)	—	—	(382)
Interest paid on amounts due to fellow subsidiaries	—	—	(398)	—	(398)
Decrease in amount due to the then immediate holding company	—	(9,720)	—	—	(9,720)
Increase in amounts due to fellow subsidiaries	—	—	1,138	—	1,138
Decrease in amount due to intermediate holding company	—	—	—	(182)	(182)
Proceeds from bank loans	7,819	—	—	—	7,819
Repayment of bank loans	(19,853)	—	—	—	(19,853)
Total changes from financing cash flows:	<u>(12,576)</u>	<u>(10,102)</u>	<u>740</u>	<u>(182)</u>	<u>(22,120)</u>
Translation adjustments:	<u>13</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13</u>
Other changes:					
Dividend declared	—	1,200	—	—	1,200
Interest expenses	<u>542</u>	<u>382</u>	<u>398</u>	<u>—</u>	<u>1,322</u>
Total other changes	<u>542</u>	<u>1,582</u>	<u>398</u>	<u>—</u>	<u>2,522</u>
At 31 December 2016	<u><u>1,397</u></u>	<u><u>3,636</u></u>	<u><u>14,517</u></u>	<u><u>211</u></u>	<u><u>19,761</u></u>

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	Bank borrowings (excluding bank overdraft)	Amount due to the then immediate holding company	Amounts due to fellow subsidiaries	Amount due to intermediate holding company	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2017	1,397	3,636	14,517	211	19,761
Changes from cash flows:					
Interest paid on bank borrowings	(620)	—	—	—	(620)
Interest paid on amount due to the then immediate holding company	—	(55)	—	—	(55)
Interest paid on amounts due to fellow subsidiaries	—	—	(65)	—	(65)
Decrease in amount due to the then immediate holding company	—	(2,436)	—	—	(2,436)
Decrease in amounts due to fellow subsidiaries	—	—	(14,517)	—	(14,517)
Decrease in amount due to intermediate holding company	—	—	—	(211)	(211)
Dividend paid	—	(1,200)	—	—	(1,200)
Proceeds from bank loans	11,569	—	—	—	11,569
Repayment of bank loans	(6,895)	—	—	—	(6,895)
Total changes from financing cash flows:	4,054	(3,691)	(14,582)	(211)	(14,430)
Translation adjustments:	(103)	—	—	—	(103)
Other changes:					
Dividend declared	—	4,000	—	—	4,000
Interest expenses	620	55	65	—	740
Total other changes	620	4,055	65	—	4,740
At 31 December 2017	<u>5,968</u>	<u>4,000</u>	<u>—</u>	<u>—</u>	<u>9,968</u>

	Bank borrowings (excluding bank overdraft)	Amount due to the then immediate holding company	Amounts due to fellow subsidiaries	Amount due to intermediate holding company	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2017	1,397	3,636	14,517	211	19,761
Changes from cash flows:					
Interest paid on bank borrowings	(149)	—	—	—	(149)
Interest paid on amount due to the then immediate holding company	—	(18)	—	—	(18)
Interest paid on amounts due to fellow subsidiaries	—	—	(65)	—	(65)
Decrease in amount due to the then immediate holding company	—	(8)	—	—	(8)
Increase in amount due to intermediate holding company	—	—	—	8	8
Dividend paid	—	(1,200)	—	—	(1,200)
Proceeds from bank loans	8,301	—	—	—	8,301
Repayment of bank loans	(1,394)	—	—	—	(1,394)
Total changes from financing cash flows:	<u>6,758</u>	<u>(1,226)</u>	<u>(65)</u>	<u>8</u>	<u>5,475</u>
Translation adjustments:	<u>(3)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3)</u>
Other changes:					
Interest expenses	<u>149</u>	<u>18</u>	<u>65</u>	<u>—</u>	<u>232</u>
Total other changes	<u>149</u>	<u>18</u>	<u>65</u>	<u>—</u>	<u>232</u>
At 30 April 2017 (Unaudited) ..	<u><u>8,301</u></u>	<u><u>2,428</u></u>	<u><u>14,517</u></u>	<u><u>219</u></u>	<u><u>25,465</u></u>

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	Bank borrowings (excluding bank overdraft)	Amount due to the then immediate holding company	Amount due to intermediate holding company	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January 2018	5,968	4,000	—	9,968
Changes from cash flows:				
Interest paid on bank borrowings	(105)	—	—	(105)
Dividend paid	—	(4,000)	—	(4,000)
Proceeds from bank loans	15,233	—	—	15,233
Repayment of bank loans	(5,988)	—	—	(5,988)
Increase in amount due to intermediate holding company	—	—	185	185
Total changes from financing cash flows:	9,140	(4,000)	185	5,325
Translation adjustments:	29	—	—	29
Other changes:				
Interest expenses	105	—	—	105
Total other changes	105	—	—	105
At 30 April 2018	<u>15,242</u>	<u>—</u>	<u>185</u>	<u>15,427</u>

31. CAPITAL MANAGEMENT

Capital is equivalent to issued capital and reserves attributable to the owners of the Company or shareholders' funds. The primary objectives of the Group's capital management are to ensure that it maintains strong capital base and healthy capital ratios in order to sustain its future business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, the Group may adjust the dividend payment to its shareholders, return capital to shareholders or issue new shares. No changes were made to these objectives, policies or processes during the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018.

The Group monitors capital by actively managing the level of gearing ratio which is the net debts divided by total equity. The gearing ratio at the end of each reporting period was as follows:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Debts*	42,848	19,761	9,968	15,427
Less: Bank balances, short-term bank deposits and cash	(4,915)	(15,855)	(5,802)	(16,326)
Net debts	<u>37,933</u>	<u>3,906</u>	<u>4,166</u>	<u>(899)</u>
Total equity	<u>94,058</u>	<u>113,555</u>	<u>128,213</u>	<u>129,346</u>
Gearing ratio	<u>40.3%</u>	<u>3.4%</u>	<u>3.2%</u>	<u>N/A</u>

* Including bank borrowings and amounts due to the then immediate holding company, intermediate holding company and fellow subsidiaries.

32. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives are value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to foreign currency risk, interest rate risk, liquidity risk and credit risk. Information on the management of the related exposures is detailed below:

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk on sales and purchases that are denominated in a currency other than the functional currencies of the respective group companies. The currencies giving rise to this risk are primarily SGD and USD.

The Group holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Group does not hedge these exposures by purchasing or selling forward currency contracts at present. However, the management keeps this policy under review.

The carrying amounts of the foreign currency denominated monetary assets and liabilities in net position as at 31 December 2015, 2016 and 2017 and 30 April 2018 are as follows:

	<u>SGD</u>	<u>USD</u>	<u>Euro</u>	<u>Kyat</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2015				
Trade and other receivables	1,281	3,169	—	—
Cash and bank balances	—	1,158	—	43
Trade and other payables	(45)	(4,918)	(11)	—
Overall net exposure	<u>1,236</u>	<u>(591)</u>	<u>(11)</u>	<u>43</u>
	<u>SGD</u>	<u>USD</u>	<u>Euro</u>	<u>Kyat</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2016				
Trade and other receivables	471	3,246	—	—
Cash and bank balances	—	335	—	43
Trade and other payables	—	(5,089)	(11)	—
Overall net exposure	<u>471</u>	<u>(1,508)</u>	<u>(11)</u>	<u>43</u>

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	<u>SGD</u>	<u>USD</u>	<u>Euro</u>	<u>Kyat</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2017				
Trade and other receivables	53	—	—	—
Cash and bank balances	—	116	—	43
Trade and other payables	—	(1,734)	(11)	—
Overall net exposure	<u>53</u>	<u>(1,618)</u>	<u>(11)</u>	<u>43</u>

	<u>SGD</u>	<u>USD</u>	<u>Euro</u>	<u>Kyat</u>	<u>HKD</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
30 April 2018					
Trade and other receivables	476	245	—	—	—
Cash and bank balances	—	68	—	43	49
Trade and other payables	—	(2,306)	(11)	—	—
Overall net exposure	<u>476</u>	<u>(1,993)</u>	<u>(11)</u>	<u>43</u>	<u>49</u>

The following table illustrates the approximate change in the Group's profit for the year/period and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has exposure at the end of each of the following years/period:

	<u>Year ended 31 December</u>			<u>Four months ended 30 April</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
SGD appreciated by 10%	124	47	5	48
USD appreciated by 10%	(59)	(151)	(162)	(199)
Euro appreciated by 10%	(1)	(1)	(1)	(1)
Kyat appreciated by 10%	4	4	4	4
HKD appreciated by 10%	—	—	—	5

The changes in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group companies would have the same magnitude on profit and retained profits but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of each reporting period and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other

variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's borrowings at variable interest rates are exposed to a risk of change in cash flows due to changes in interest rates.

The Group borrows for operations at variable interest rates under term loans, trade financing facilities and bank overdraft. There is no formal hedging policy with respect to interest rate exposure.

The following details the interest rate profile of the Group's financial instruments at variable interest rates at the end of each reporting period.

	As at 31 December						As at 30 April	
	2015		2016		2017		2018	
	<i>Effective interest rate</i>	<i>Total variable interest rates borrowings</i>	<i>Effective interest rate</i>	<i>Total variable interest rates borrowings</i>	<i>Effective interest rate</i>	<i>Total variable interest rates borrowings</i>	<i>Effective interest rate</i>	<i>Total variable interest rates borrowings</i>
		RM'000		RM'000		RM'000		RM'000
Floating rate	3.18%–8.10%	16,920	7.00%	1,397	2.75%–7.00%	5,968	2.90%–6.90%	15,242

Sensitivity analysis for interest rate risk

The following table illustrates the approximate change in the Group's profit for the year/period and retained profits in response to reasonably possible changes in interest rates at the end of each of the following years/period with all other variables held constant:

	Year ended 31 December			Four months ended
	2015	2016	2017	30 April 2018
	RM'000	RM'000	RM'000	RM'000
Increase by 0.5%	(67)	(7)	(24)	(58)
Decrease by 0.5%	67	7	24	58

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for the years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or repayable on demand
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2015			
Trade and other payables	16,748	16,748	16,748
Bank borrowings	16,920	16,951	16,951
Amount due to the then immediate holding company	12,156	12,156	12,156
Amounts due to fellow subsidiaries	13,379	13,379	13,379
Amount due to intermediate holding company	393	393	393
	<u>59,596</u>	<u>59,627</u>	<u>59,627</u>

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or repayable on demand
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2016			
Trade and other payables	17,816	17,816	17,816
Bank borrowings	1,397	1,420	1,420
Amount due to the then immediate holding company	3,636	3,636	3,636
Amounts due to fellow subsidiaries	14,517	14,517	14,517
Amount due to intermediate holding company	211	211	211
	<u>37,577</u>	<u>37,600</u>	<u>37,600</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
31 December 2017			
Trade and other payables	19,080	19,080	19,080
Bank borrowings	5,968	5,970	5,970
Amount due to the then immediate holding company	4,000	4,000	4,000
	<u>29,048</u>	<u>29,050</u>	<u>29,050</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
30 April 2018			
Trade and other payables	19,936	19,936	19,936
Bank borrowings	15,242	15,313	15,313
Amount due to intermediate holding company	185	185	185
	<u>35,363</u>	<u>35,434</u>	<u>35,434</u>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>

(d) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, amounts due from the then immediate holding company and fellow subsidiaries and cash deposits at banks and their respective carrying amounts represent the Group's maximum exposure to credit risk in relation to these financial assets.

The directors of the Company consider that amounts due from the then immediate holding company and fellow subsidiaries do not have significant credit risk due to the past payment history and taking into account of the sound financial performance and position of their holding companies to meet contractual cash flow obligations in the near term.

The credit risk on liquid funds (i.e. bank balances and short-term bank deposits) is minimal as such amounts are placed in banks with good reputation.

At the end of each reporting period, the Group has a certain concentration of credit risk as 13% (31 December 2016: 12%, 31 December 2017: 9% and 30 April 2018: 12%) and 34% (31 December 2016: 39%, 31 December 2017: 31% and 30 April 2018: 37%) of the Group's total trade receivables was due from the Group's top trade receivable and the top five trade receivables respectively. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The ECLs also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables.

The Group recognises lifetime ECLs for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

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	Weighted average lifetime ECL rate	Gross carrying amount	Lifetime ECLs	Net carrying amount	Credit impaired
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
Collective assessment					
Not past due	0.68%	45,303	(309)	44,994	No
Past due					
1-90 days	2.31%	21,399	(495)	20,904	No
91-180 days	3.65%	—	—	—	N/A
Over 180 days	7.40%	1,923	(142)	1,781	Yes
		<u>68,625</u>	<u>(946)</u>	<u>67,679</u>	
Individual assessment	100%	276	(276)	—	Yes
		<u>68,901</u>	<u>(1,222)</u>	<u>67,679</u>	

As at 31 December 2016

	Weighted average lifetime ECL rate	Gross carrying amount	Lifetime ECLs	Net carrying amount	Credit impaired
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
Collective assessment					
Not past due	0.30%	18,272	(56)	18,216	No
Past due					
1-90 days	1.88%	38,159	(719)	37,440	No
91-180 days	2.73%	926	(25)	901	Yes
Over 180 days	3.97%	—	—	—	N/A
		<u>57,357</u>	<u>(800)</u>	<u>56,557</u>	
Individual assessment	100%	2,011	(2,011)	—	Yes
		<u>59,368</u>	<u>(2,811)</u>	<u>56,557</u>	

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As at 31 December 2017

	Weighted average lifetime ECL rate	Gross carrying amount	Lifetime ECLs	Net carrying amount	Credit impaired
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
Collective assessment					
Not past due	0.32%	22,412	(72)	22,340	No
Past due					
1-90 days	1.85%	40,545	(751)	39,794	No
91-180 days	2.60%	4,128	(108)	4,020	Yes
Over 180 days	3.14%	1,029	(32)	997	Yes
		<u>68,114</u>	<u>(963)</u>	<u>67,151</u>	
Individual assessment	100%	<u>1,526</u>	<u>(1,526)</u>	<u>—</u>	Yes
		<u><u>69,640</u></u>	<u><u>(2,489)</u></u>	<u><u>67,151</u></u>	

As at 30 April 2018

	Weighted average lifetime ECL rate	Gross carrying amount	Lifetime ECLs	Net carrying amount	Credit impaired
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
Collective assessment					
Not past due	0.60%	35,382	(212)	35,170	No
Past due					
1-90 days	3.29%	25,880	(852)	25,028	No
91-180 days	4.05%	5,168	(209)	4,959	Yes
Over 180 days	6.83%	—	—	—	N/A
		<u>66,430</u>	<u>(1,273)</u>	<u>65,157</u>	
Individual assessment	100%	<u>1,346</u>	<u>(1,346)</u>	<u>—</u>	Yes
		<u><u>67,776</u></u>	<u><u>(2,619)</u></u>	<u><u>65,157</u></u>	

As at 31 December 2015, 2016 and 2017 and 30 April 2018, the loss allowance provision in respect of trade receivables reconciles to the opening loss allowance provision as follows:

	Not credit-impaired		Credit-impaired	
	Collectively assessed	Collectively assessed	Individually assessed	Total
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Balance as at 1 January 2015	64	—	—	64
Provision for loss allowance recognised in profit or loss	740	142	276	1,158
Balance as at 31 December 2015	<u>804</u>	<u>142</u>	<u>276</u>	<u>1,222</u>
Balance as at 1 January 2016	804	142	276	1,222
Provision for loss allowance recognised in profit or loss	—	—	1,914	1,914
Reversal of impairment loss	(29)	(117)	(179)	(325)
Balance as at 31 December 2016	<u>775</u>	<u>25</u>	<u>2,011</u>	<u>2,811</u>
Balance as at 1 January 2017	775	25	2,011	2,811
Provision for loss allowance recognised in profit or loss	48	115	—	163
Reversal of impairment loss	—	—	(485)	(485)
Balance as at 31 December 2017	<u>823</u>	<u>140</u>	<u>1,526</u>	<u>2,489</u>
Balance as at 1 January 2018	823	140	1,526	2,489
Provision for loss allowance recognised in profit or loss	241	69	—	310
Reversal of impairment loss	—	—	(180)	(180)
Balance as at 30 April 2018	<u>1,064</u>	<u>209</u>	<u>1,346</u>	<u>2,619</u>

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the impairment loss allowance during 2015:

- Primarily due to increase in sales revenue and increase in not credit-impaired balances of RM57.37 million resulted in increase in impairment loss allowances of RM0.74 million.

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the impairment loss allowance during 2016:

- Primarily due to improvement in trade debtor turnover period resulted in decrease in trade receivables of RM9.53 million and increase in individually assessed credit-impaired balances of RM1.74 million resulted in increase in impairment loss allowances of RM1.59 million.

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the impairment loss allowance during 2017:

- Primarily due to increase in sales revenue and decrease in individually assessed credit-impaired balances of RM0.49 million resulted in decrease in impairment loss allowances of RM0.32 million.

The following significant changes contributed to the increase in the impairment loss allowance during the four months ended 30 April 2018:

- Primarily due to increase in impairment loss allowance of RM0.31 million on collective assessment of trade receivables and decrease in individually assessed credit-impaired balance of RM0.18 million.

33. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying values of the Group's financial assets and financial liabilities as recognised at 31 December 2015, 2016 and 2017 and 30 April 2018 are categorised as follows:

	As at 31 December			As at 30 April
	2015	2016	2017	2018
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Financial assets				
Financial assets at amortised cost				
Trade receivables, other receivables and deposits	72,985	59,588	67,901	66,547
Amount due from the then immediate holding company	—	—	—	11
Amounts due from fellow subsidiaries ..	241	543	—	7
Bank balances, short-term bank deposits and cash	4,915	15,855	5,802	16,326
	<u>78,141</u>	<u>75,986</u>	<u>73,703</u>	<u>82,891</u>
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	16,748	17,816	19,080	19,936
Bank borrowings	16,920	1,397	5,968	15,242
Amount due to the then immediate holding company	12,156	3,636	4,000	—
Amounts due to fellow subsidiaries	13,379	14,517	—	—
Amount due to intermediate holding company	393	211	—	185
	<u>59,596</u>	<u>37,577</u>	<u>29,048</u>	<u>35,363</u>

The carrying values of the Group's financial assets and financial liabilities listed above approximate their respective fair values due to their short-term nature.

34. INVESTMENT IN A SUBSIDIARY

This represents the cost of investment by the Company in OCC Malaysia. OCC Malaysia's issued and paid up capital of RM10,000 were allotted and issued, credited as fully paid, to the Company on the date of its incorporation of 19 March 2018.

35. SUBSEQUENT EVENTS

On 18 September 2018, the authorised and issued share capital of the Company were increased to HK\$200,000,000 and HK\$73,000,000, respectively. Further details are set out in “Statutory and General Information — A. Further Information about our Group — 2. Changes in the Share Capital of Our Company” in Appendix V in this Prospectus.

On 19 September 2018, written resolutions of the sole shareholder of the Company were passed to approve the matters set out in “Statutory and General Information — A. Further Information about Our Group — 3. Written resolutions of our sole Shareholder dated 19 September 2018” in Appendix V in this Prospectus.

Save as aforesaid and as disclosed in Notes 21 and 24 to the Historical Financial Information, no other significant events took place subsequent to 30 April 2018.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 April 2018.

The information set forth in this appendix does not form of the Accountants' Report prepared by BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is for illustrative purposes only, and is set out herein to provide the prospective investors with further illustrative financial information about how the Global Offering might have affected the combined net tangible assets of the Group after the completion of the Global Offering as if the Global Offering had taken place on 30 April 2018. Because of its hypothetical nature, this unaudited pro forma statement of adjusted combined net tangible assets of the Group may not give a true picture of the combined net tangible assets of the Group had the Global Offering been completed on 30 April 2018, or at any future dates.

	Combined net tangible assets of the Group as at 30 April 2018	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted combined net tangible assets of the Group	Unaudited pro forma adjusted combined net tangible assets per Share	Unaudited pro forma adjusted combined net tangible assets per Share
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM</i>	<i>HK\$</i>
	<i>Note 1</i>	<i>Note 2</i>		<i>Note 3</i>	<i>Note 4</i>
Based on Offer Price of HK\$0.60 per Share . . .	129,338	65,089	194,427	0.19	0.39
Based on Offer Price of HK\$0.80 per Share . . .	129,338	91,113	220,451	0.22	0.44

Notes

- (1) The combined net tangible assets of the Group as at 30 April 2018 are based on audited combined net assets of the Group as at 30 April 2018 of RM129,346,000 after deducting intangible asset of RM8,000 as shown in the Accountants' Report.
- (2) The estimated net proceeds from the Global Offering are based on 270,000,000 Offer Shares and the Offer Price of lower limit and upper limit of HK\$0.60 and HK\$0.80 per Offer Share, respectively, after deduction of the underwriting fees and related expenses payable by the Company which have not been reflected in the combined net tangible assets of the Group as at 30 April 2018. It does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option, the exercise of any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares referred to in Appendix V to this prospectus.
- (3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 1,000,000,000 Shares in issue immediately following the completion of the Global Offering. It does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option, the exercise of any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares referred to in Appendix V to this prospectus.
- (4) For the purpose of the unaudited pro forma adjusted net tangible assets, the balance stated in Malaysian Ringgit is converted into Hong Kong dollars and vice versa at a rate of RM1.00 to HK\$2.0024. No representation is made that amounts in Malaysian Ringgit have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at all.
- (5) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 April 2018.

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this prospectus, received from the reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of OCC Cables Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of OCC Cables Limited (the "Company") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of combined net tangible assets of the Company as at 30 April 2018 and related notes as set out on pages II-1 to II-2 of Appendix II of the Company's prospectus dated 5 October 2018 (the "Prospectus") in connection with the proposed initial public offering of the shares of the Company (the "Global Offering"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Global Offering on the Company's combined financial position as at 30 April 2018 as if the Global Offering had taken place at 30 April 2018. As part of this process, information about the Company's combined financial position has been extracted by the directors of the Company from the Company's financial information for the four months ended 30 April 2018, on which an accountants' report set out in Appendix I of the Prospectus has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Global Offering at 30 April 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

5 October 2018

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 August 2018 of the property interests held by OCC Cables Limited.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

5 October 2018

The Board of Directors
OCC Cables Limited
Level 21, Plaza OSK,
Jalan Ampang,
Kuala Lumpur,
Malaysia

Dear Sirs,

In accordance with your instructions to value the selected property interests held by OCC Cables Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the Malaysia and Vietnam, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 31 August 2018 (the “**valuation date**”).

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have adopted the comparison approach in the valuation of the land portion of the properties by making reference to comparable market transactions in our assessment of the fair value of a property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Where, due to the nature of the buildings and structures of the properties and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have been valued by the Cost Approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards 2017 published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including land title document, certificates of fitness for occupation (now known as certificates of completion and compliance) and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the countries and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's legal advisers — Mah-Kamariyah & Philip Koh and RHTLaw Taylor Wessing Vietnam, concerning the validity of the property interests in Malaysia and Vietnam.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in February 2018 by Cik Afifah Tahirah Binti Asshaari and Son Lam. Cik Afifah Tahirah Binti Asshaari has more than 7 years' experience in the valuation of properties in the Asia-Pacific region and Son Lam has more than 4 years' experience in the valuation of properties in the Asia-Pacific region.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in United States Dollar (USD). In valuing property interests, we have adopted an exchange rate of RM1 to USD0.2429 for Group I and VND100,000 to USD4.2937 for Group II, which were approximately the prevailing exchange rate as at the date of valuation.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Gilbert C. H. Chan

MRICS MHKIS RPS (GP)

Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 25 years' experience in the valuation of properties in Hong Kong and 24 years of property valuation experience in the PRC, the United Kingdom as well as relevant experience in Malaysia and Vietnam.

SUMMARY OF VALUES

Group I — Property interest held for occupation by the Group in Malaysia

No.	Property	Market value in existing state as at 31 August 2018 <i>USD</i>
1.	Nos. PT 2126–2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260 Krubong, Melaka, Malaysia	15,900,000
	Total:	15,900,000

Group II — Property interest held for occupation by the Group in Vietnam

No.	Property	Market value in existing state as at 31 August 2018 <i>USD</i>
2.	Lot E-4A1-CN & Lot E-4B-CN, St. NA2, My Phuoc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam	2,900,000
	Total:	2,900,000

VALUATION CERTIFICATE

Group I — Property interest held for occupation by the Group in Malaysia

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2018 USD
1.	Nos. PT 2126–2131, Jalan PK 1, Kawasan Perindustrian Krubong, 75260 Krubong, Melaka, Malaysia	<p>The property comprises 8 parcels of land with a total site area of approximately 67,785 sq.m. with several buildings and various ancillary structures erected thereon which were completed in 1997.</p> <p>The buildings have a total gross floor area of approximately 22,172.52 sq.m.</p> <p>The buildings mainly include factory, office and warehouse.</p> <p>The property is held under freehold interest.</p> <p>The property is located within the industrial area of Kawasan Perindustrian Krubong. The surrounding properties are predominantly industrial buildings, warehouses, vacant industrial lands as well as terrace houses, apartments and shophouses.</p>	The property is currently occupied by the Group for manufacturing purposes.	15,900,000

Notes:

- Pursuant to 8 copies of title documents provided by the Group and the land search record, the registered proprietor of the property is Olympic Cable Company Sdn. Bhd. (a wholly-owned subsidiary of the Group) and the title particulars are as follows:-

Lot No.	Title No.	Permitted Use	Annual Rent (RM)	Site Area (sq.m.)
2921	GRN 30935	Industrial	4,980	8,285
2922	GRN 30936	Industrial	4,200	6,906
2923	GRN 30937	Industrial	4,500	7,413
2924	GRN 30938	Industrial	5,100	8,450
2925	GRN 30939	Industrial	5,340	8,911
2926	GRN 30940	Industrial	5,340	8,812
2927	GRN 30941	Industrial	6,000	9,944
2928	GRN 30942	Industrial	5,460	9,064
			40,920	67,785

2. Pursuant to a Certificate of Fitness for Occupation by Majlis Bandaraya Melaka Bersejarah vide Certificate No. 01964/97 dated 11 December 1997, the building is fully completed and fit for occupation.
3. According to the Local Plan published by the local council, Majlis Bandaraya Melaka Bersejarah, District of Melaka Tengah 2015 (amendment), the property is zoned for industrial use.
4. The property is subjected to a mortgage charged in favour of OCBC Bank (Malaysia) Berhad vide Presn. No. 0400SC2017006680 dated on 20 June 2017.
5. We have been provided with a legal opinion regarding the property interest by the Company's Malaysian legal advisers, which contains, inter alia, the following:
 - a. Olympic Cable Company Sdn. Bhd. is the registered proprietor of the property and is entitled to transfer, lease, charge or otherwise dispose of the relevant real properties after obtaining the necessary prior written consent of the state authorities, where applicable. Save and except for the aforementioned charges, the property is free from any encumbrances; and
 - b. the current use of the property by Olympic Cable Company Sdn. Bhd. are not incompatible with the restrictions in interest and land use condition of title as endorsed on the titles.
6. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, figure and accessibility. The selected comparables are vacant industrial lands in the same industrial area or neighbouring industrial area, which were transacted between 2015 and 2017. The unit rate of these comparable land sites ranges about USD101 to USD144 per sq.m. on site area basis. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed unit rate.

VALUATION CERTIFICATE

Group II — Property interest held for occupation by the Group in Vietnam

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2018 <i>USD</i>
2.	Lot E-4A1-CN & Lot E-4B-CN, St. NA2, My Phuoc 2 Industrial Park, Ben Cat Town, Binh Duong Province, Vietnam	<p>The property comprises a parcel of land with a site area of approximately 39,993 sq.m. with several buildings and various ancillary structures erected thereon which were completed in various stages between 2007 and 2012.</p> <p>The buildings have a total gross floor area of approximately 5,004.00 sq.m.</p> <p>The buildings mainly include factory, office and warehouse.</p> <p>The property is held under a leasehold interest for a term commencing from 30 November 2006 and expiring on 14 January 2055.</p> <p>The property is located in My Phuoc 2 Industrial Park. The surrounding properties are industrial lands and factories.</p>	The property is currently occupied by the Group for manufacturing purposes.	2,900,000

Notes:

1. Pursuant to a copy of Land Use Right, Ownership of Residential Houses and Other Assets attached to Land Certificate No. CT03752 dated 1 February 2013 and a copy of land lease agreement dated 30 November 2006 between Becamex IDC Corporation (“**The Lessor**”) and OVI Cables (Vietnam) Co., Ltd (“**The Lessee**”), a parcel of land with a site area of approximately 39,993 sq.m. has been leased to OVI Cables (Vietnam) Co., Ltd (a wholly-owned subsidiary of the Group) with an unexpired term until 14 January 2055 for industrial use. The current annual rent is VND5,060/sq.m.
2. Pursuant to 2 copies of Certificate of Ownership of Construction Works Nos. 56/CN-SHCT and 44/CN-SHCT dated 27 February 2009 and 23 November 2009 respectively, the buildings with a total gross floor area of approximately 5,004.00 sq.m. are owned by OVI Cables (Vietnam) Co., Ltd.
3. According to the Zoning Plan of Binh Duong Province, the property is zoned for industrial use.

4. We have been provided with a legal opinion regarding the property interest by the Company's Vietnam legal advisers, which contains, inter alia, the following:
- a. OVI Cables (Vietnam) Co., Ltd has entered into lease agreement with the landlord in respect of the land;
 - b. the lease agreement is valid, subsisting and legally binding and enforceable and is in no way void or voidable;
 - c. it is not required to have the lease agreement registered/filed under the Vietnamese Laws;
 - d. there has been no breach by the landlord of all covenants, obligations, conditions or restrictions imposed upon OVI Cables (Vietnam) Co., Ltd under the lease agreement;
 - e. all necessary approvals, consents, authorisations and permits for the renting of the land have been obtained and are valid and subsisting;
 - f. the landlord is the beneficial and legal holder of the land and has power and authority to lease the land to OVI Cables (Vietnam) Co., Ltd.
 - g. OVI Cables (Vietnam) Co., Ltd has a good, marketable, valid and subsisting title to buildings (pursuant to certificate land use right/certificate of building ownership/certificate of land use right and ownership of building and other assets attached to land) subject to the lease term of the land where the buildings are erected on;
 - h. OVI Cables (Vietnam) Co., Ltd has obtained all necessary rights to use all of the buildings for the purpose for which they are currently used free and clear of all claims, liens, security interests or other encumbrances;
 - i. the buildings are free and clear of all encumbrances, defects and or third parties' rights;
 - j. all the title documents of the buildings have been obtained and are in full force and effect and are in the possession of OVI Cables (Vietnam) Co., Ltd;
 - k. OVI Cables (Vietnam) Co., Ltd has fully paid all the relevant taxes and fees payable in respect of the buildings;
 - l. there are no circumstances which would entitle or require any person to exercise, restrict or terminate the continued possession or occupation of the buildings by OVI Cables (Vietnam) Co., Ltd;
 - m. in respect of the buildings, no contract is entered into by OVI Cables (Vietnam) Co., Ltd to sell, assign, subdivide, let, licence, charge, mortgage, partition, share, grant any easement, right of way or option over or otherwise dispose of any interest in or part with the possession or occupation of the buildings or any part thereof or otherwise encumber the buildings;
 - n. the present use of each of the property is the permitted use under the relevant title document and the applicable law and regulations of Vietnam, including but not limited to, those for the purpose of the planning, building regulations and the relevant approval (if appropriate) and is not adversely affected or likely to be adversely affected by any planning proposals or regulations;
 - o. the property is not affected by any order or notice of or proceedings involving any governmental or local authority or other body or any agreement with any of the same or by any notices served on OVI Cables (Vietnam) Co., Ltd by such authority or body;

- p. there is no compulsory purchase notice, order or resolution affecting the property or any closure, demolition, clearance orders, or other orders of the land bureau, building authority or equivalent body affecting the property, or any circumstances likely to lead to any being made; and
 - q. the Proposed Listing will not result in any breach of the provisions contained in the lease agreement.
5. Our valuation has been made on the following basis and analysis:
- a. we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, figure and accessibility. The selected comparables are vacant industrial lands in the same industrial park or neighbouring towns, which were transacted in 2017. The unit rate of these comparable land sites ranges about USD43 to USD80 per sq.m. on site area basis. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed unit rate.

APPENDIX IV SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 March 2018 under the Cayman Companies Law. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 19 September 2018 and will become effective on the Listing Date. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Cayman Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed

**APPENDIX IV SUMMARY OF THE CONSTITUTION OF THE COMPANY
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at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Cayman Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

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Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

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(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date

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of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) *Appointment, retirement and removal*

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the “retirement by rotation” provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

- (aa) resign;
- (bb) dies;
- (cc) is declared to be of unsound mind and the Board resolves that his office be vacated;
- (dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ee) he is prohibited from being or ceases to be a director by operation of law;
- (ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;
- (gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

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(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

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Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

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Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or

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more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

- (aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

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- (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Cayman Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An “ordinary resolution”, by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

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At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

- (A) at least two members;
- (B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

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(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Cayman Companies Law and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

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All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

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(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarised financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The members may, at a general meeting remove the auditor(s) by a special resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

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The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;
- (ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and
- (iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

- (aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

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Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

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(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The

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liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 13 March 2018 subject to the Cayman Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under Cayman Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

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- (i) paying distributions or dividends to members;
- (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (iii) any manner provided in section 37 of the Cayman Companies Law;
- (iv) writing-off the preliminary expenses of the company; and
- (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the

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manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Cayman Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

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(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

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If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations; and
- (ii) no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company; or
 - (bb) by way of withholding in whole or in part of any relevant payment as defined in the Tax Concessions Law (2018 Revision).

The undertaking for the Company is for a period of 20 years from 28 March 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

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(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Cayman Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

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A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

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(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of Our Company**

We were incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 13 March 2018. Our registered office is situated at Clifton House, P.O. Box 1350, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. We have established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and have registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 19 April 2018. Ms. TSUI Sum Yi has been appointed as one of the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong at the above address.

2. Changes in the Share Capital of Our Company

- (a) As of the date of incorporation of our Company, our Company had an authorised share capital of HK\$380,000, divided into 3,800,000 shares with a par value of HK\$0.1 each.
- (b) On 18 September 2018, the authorised share capital of our Company was increased from HK\$380,000 divided into 3,800,000 ordinary shares of par value HK\$0.1 each to HK\$200,000,000 divided into 2,000,000,000 ordinary shares of par value HK\$0.1 each, by the creation of an additional 1,996,200,000 Shares, each ranking *pari passu* in all respects with the Shares in issue at the date of passing of these resolutions.
- (c) On 18 September 2018, our Company entered into a letter agreement with OSK Industries (“**Second Letter**”) pursuant to which our Company allotted and issued 728,800,000 new Shares, credited as fully paid, to OSK Industries.

Please refer to the section headed “History, reorganisation and group structure” in this prospectus for details relating to the issue and the transfer of shares in the issued capital of our Company.

Save as disclosed above and in this prospectus, there has been no alteration in the share capital of our Company since our incorporation.

3. Written resolutions of our sole Shareholder dated 19 September 2018

Pursuant to the written resolutions of our sole Shareholder dated 19 September 2018:

- (a) our Company approved and adopted the Memorandum of Association and the Articles of Association conditionally upon the fulfilment of the Conditions (as defined below) and with effect from the Listing Date;
- (b) conditional on the same conditions as stated in the section headed “Structure of the Global Offering — Conditions of the Global Offering” in this prospectus (the “**Conditions**”):
 - (i) the Global Offering was approved and our Directors were authorised to allot and issue the Offer Shares subject to the terms and conditions stated in this prospectus;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “D. Share Option Scheme” in this appendix, were approved and adopted and our Directors were authorised to implement the same, grant options to subscribe for shares thereunder and to allot, issue and deal with Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme;
 - (iii) a general unconditional mandate (“**Issue Mandate**”) was given to our Directors to allot, issue and deal with (otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend on shares in accordance with the Articles of Association, or any options which may be granted under the Share Option Scheme or under the Global Offering) unissued Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue and as enlarged immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued by our Company pursuant to any option which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest;
 - (iv) a general unconditional mandate (“**Repurchase Mandate**”) was given to our Directors authorising them to exercise all powers of our Company to buy back Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal

amount of the share capital of our Company in issue immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued by our Company pursuant to any options which may be granted under the Share Option Scheme), until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest; and

- (v) conditional on the passing of the resolutions referred to in sub-paragraphs(iv) and (v) above, the general unconditional mandate mentioned in sub-paragraph (v) above was extended by the addition of the aggregate nominal value of the share capital of our Company which may be allotted, issued or dealt with by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company bought back by our Company pursuant to the mandate to buy back shares referred to in sub-paragraph (v) above.

4. Our Corporate Reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the Listing. Pursuant to the Reorganisation, our Company became the holding company of the companies now comprising our Group on 18 September 2018. Please refer to the section headed “History, reorganisation and group structure” to this prospectus for further details.

5. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries are referred to in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants’ Report, we do not have any other subsidiaries.

Please refer to the section headed “History, reorganisation and group structure” in this prospectus for details relating to the changes to the capital structure of our subsidiaries during the Track Record Period.

Save as disclosed in this prospectus, there has been no alteration in the share capital or registered capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Buy-Back by our Company of its own securities

This section includes information relating to the buy-back of our Shares, including information required by the Stock Exchange to be included in this prospectus concerning such buy-back.

(a) Relevant legal and regulatory requirements

The Listing Rules permit our Shareholders to grant our Directors a general mandate to buy back our Shares that are listed on the Stock Exchange.

(b) Shareholders' approval

All proposed buy-backs of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

The Repurchase Mandate was granted to our Directors by our sole Shareholder pursuant to the written resolutions of our sole Shareholder dated 19 September 2018 authorising them to exercise all powers of our Company to buy back Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued by our Company pursuant to any options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest.

(c) Source of funds

Buy-backs must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and the Articles of Association, the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands and any other laws and regulations applicable to our Company. A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the Listing Rules. Under the Cayman Islands law, any buy-backs or repurchase of Shares by our Company may be made out of profits or the share premium account of our Company, or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital. In case of any premium payable on a repurchase over the par value of the Shares to be bought back, such premium shall be provided for out of either or both of the profits of our Company or the share premium account of our Company, before or at time the shares are repurchased, or if authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

(d) Trading restrictions

Our Company may buy back up to 10% of the number of the issued Shares immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued by our Company pursuant to any options which may be granted under the Share

Option Scheme). Our Company may not issue or announce a proposed issue of our Shares for a period of 30 days immediately following a buy-back of Shares without the prior approval of the Stock Exchange. Our Company is also prohibited from buying back our Shares on the Stock Exchange if the buy-back would result in the number of listed Shares which are in the hands of the public falling below the minimum percentage required by the Stock Exchange. In addition, our Company is prohibited from buying back our Shares on the Stock Exchange if the purchase price is 5% or more than the average closing price for the five consecutive preceding trading days on which our Shares were traded on the Stock Exchange. The broker appointed by our Company to effect a buy-back of our Shares is required to disclose to the Stock Exchange any information with respect to a Share buy-back as the Stock Exchange may require.

(e) Status of bought back Shares

All Shares bought back (whether on the Stock Exchange or otherwise) will be cancelled and the certificates for those Shares must be cancelled and destroyed. Under the Cayman Islands law, a company's shares bought back may be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate nominal value of the shares bought back accordingly although the authorised share capital of the company will not be reduced.

(f) Suspension of buy-back

Buy-backs of Shares are prohibited after a price-sensitive development has occurred or has been the subject of a decision until such time as the price-sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the results of our Company for any year, half-year or quarter-year period or any other interim period (whether or not reported under the Listing Rules); and (bb) the deadline for our Company to announce its results for any year, half-year or quarter-year period under the Listing Rules or any other interim period (whether or not required under the Listing Rules), our Company may not buy back its securities on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit buy-backs of Shares on the Stock Exchange if our Company has breached the Listing Rules.

(g) Reporting requirements

Certain information relating to buy-back of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, our Company's annual report and accounts are required to disclose details regarding buy-backs of Shares made during the financial year under review, including the number of Shares bought back each

month (whether on the Stock Exchange or otherwise) and the purchase price per Share or the highest and lowest prices paid for all such buy-backs, where relevant, and the aggregate prices paid. The Directors' report is also required to contain reference to the buy-backs made during the year and the Directors' reasons for making such buy-backs.

(h) Connected persons

According to the Listing Rules, a company is prohibited from knowingly buying back securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or any of their close associates and a core connected person shall not knowingly sell his/her/its securities to our Company on the Stock Exchange.

(i) Reasons for buy-backs

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to buy back Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and/or earnings per Share and will only be made when our Directors believe that such buy-backs will benefit our Company and our Shareholders.

(j) Funding of buy-backs

In buying back Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands and any other laws and regulations applicable to our Company.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after completion of the Global Offering (without taking into account (i) any Shares which may be allotted and issued by our Company pursuant to any options which may be granted

under the Share Option Scheme; and (ii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate or the Repurchase Mandate respectively), would result in up to 100,000,000 Shares being bought back by our Company during the period in which the Repurchase Mandate remains in force.

(k) General

None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands and any other laws and regulations applicable to our Company.

If, as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not presently aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Repurchase Mandate immediately after the Listing.

No core connected person has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the share sale agreement dated 28 March 2018 and entered into between OCC BHD and OCC Malaysia, pursuant to which OCC Malaysia has agreed to acquire the entire issued and paid up share capital of OCC SB at a cash consideration of RM128,213,000 together with:
 - (i) the promissory note dated 12 September 2018 issued by OCC Malaysia and accepted by OCC BHD, pursuant to which PJDH agreed to assume the entire debt obligation of RM128,213,000 from OSK Industries from 18 September 2018;


- (ii) the letter agreement dated 18 September 2018 entered between the Company and OCC Malaysia, pursuant to which 1,000,000 new ordinary shares of OCC Malaysia, credited as fully paid, were allotted to the Company;
- (iii) the letter agreement dated 18 September 2018 entered between the Company and OSK Industries, pursuant to which 728,800,000 new ordinary shares of par value HK\$0.1 each, credited as fully paid, were allotted to OSK Industries;
- (b) the Deed of Indemnity;
- (c) the Deed of Non-Competition; and
- (d) the Public Offer Underwriting Agreement.

2. Intellectual Property Rights of Our Group


As of the Latest Practicable Date, we have registered or have applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trademarks


- (i) As of the Latest Practicable Date, we have registered the following trademarks:

No.	Trademark	Class	Registered Owner	Place Registration	Registration Number	Effective Date	Expiry Date
1.		9 and 35	OVI	Vietnam	4-2014-09850	2 October 2015	7 May 2024

- (ii) As at the Latest Practicable Date, we have applied for the registration of the following trademarks which we believe are material to our business:

	Trademark	Applicant	Application number	Class	Status
1.	OLYMPIC ELECTRIC CABLE	OCC SB	2013001156	16	Pending registration
2.		OCC SB	2018067844	16	Pending registration

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	<u>Trademark</u>	<u>Applicant</u>	<u>Application number</u>	<u>Class</u>	<u>Status</u>
3.		OCC SB	2018067846	9	Pending registration

(b) Domain Names

As of the Latest Practicable Date, we have registered the following domain names:

<u>No.</u>	<u>Domain Name</u>	<u>Registered Owner</u>	<u>Date of Registration</u>	<u>Expiry Date</u>
1.	www.occ-cables.com	OCC SB	13 February 2018	13 February 2022
2.	www.olympic-cable.com.my . . .	OCC SB	30 September 1998	30 September 2021
3.	www.ovicables.com	OCC SB	3 October 2008	3 October 2021

(c) Patents

As of the Latest Practicable Date, we have not registered any patents.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests of Our Directors of Our Company*

Immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, the interests or short positions of our Directors of our Company in our Shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed, will be as follows:

Name of Directors	Capacity/Nature of interest	Immediately following the completion of the Global Offering (before exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme)	
		Number of Shares directly/indirectly held	Approximate percentage of shareholding
ONG Ju Yan ⁽¹⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Ju Xing ⁽¹⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%

Notes:

- (1) Mr. ONG Ju Yan and Mr. ONG Ju Xing are appointed as our non-executive Directors on 16 March 2018. Persons Acting in Concert, being the ultimately shareholders of our Group, confirms that they have been acting in concert since 9 July 2013, throughout the Track Record Period and up to the Latest Practicable Date and will continue to act in concert in the control and management of our Group, including in the exercise of their voting rights, through their holding companies, namely OSK, PJDH and OSK Industries, in general meetings of our Company. Such acting in concert arrangement will continue to be in effect after the Listing. For details information on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting in Concert”.

(b) Interests of the Substantial Shareholders

So far as is known to any Director of our Company, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of Over-allotment Option and any options which may be granted under the Share Option Scheme, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our subsidiaries:

Name of Shareholders	Capacity/Nature of interest	Immediately following the completion of the Global Offering (before exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme)	
		Number of Shares directly/indirectly held	Approximate percentage of shareholding
OSK Industries ⁽¹⁾	Beneficial owner	730,000,000	73%
PJDH	Interest of controlled corporation	730,000,000	73%
OSK ⁽²⁾	Interest of controlled corporation	707,000,000	70.7%
Tan Sri ONG Leong Huat ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Puan Sri KHOR Chai Moi ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yin Suen, Eliza ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Ju Yan ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Ju Xing ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yee Ching, Cheryl ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
ONG Yee Min, Amelia ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%

Name of Shareholders	Capacity/Nature of interest	Immediately following the completion of the Global Offering (before exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme)	
		Number of Shares directly/indirectly held	Approximate percentage of shareholding
OSK Equity Holdings Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Land Management Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Dindings Consolidated Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Ladang Setia Sdn. Bhd. ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
LAI Han Luong ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Robert Angelo Hendro Santoso Huray ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
Melissa TAN Hui-Ping ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%
CHEW Sue Synn ⁽³⁾	Persons acting in concert, interest of controlled corporation	422,000,000	42.2%

Notes:

- (1) Our Company is a wholly-owned subsidiary of OSK Industries, which in turn wholly owned by PJDH.
- (2) PJDH is owned by OSK, a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 5053), as to approximately 96.9%.
- (3) Persons Acting in Concert, being the ultimately shareholders of our Group, confirms that they have been acting in concert since 9 July 2013, throughout the Track Record Period and up to the Latest Practicable Date and will continue to act in concert in the control and management of our Group, including in the exercise of their voting rights, through their holding companies, namely OSK, PJDH and OSK Industries, in general meetings of our Company. Such acting in concert arrangement will continue to be in effect after the Listing. For details information on the Persons Acting in Concert, please refer to the section headed “Relationship with Controlling Shareholders — Persons Acting in Concert” in this prospectus.

(c) *Interests of the Substantial Shareholders of Any Member of Our Group (other than Our Company)*

Save as set out above, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering, be interested, directly or indirectly, in 10% or more of the nominal amount of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company) or any options in respect of such capital.

2. Directors' Service Contracts

Executive Director

Our executive Director has entered into a service agreement with our Company for an initial term of three years with effect from his date of appointment unless terminated by not less than three months' notice in writing served by such executive Director or our Company.

Under his service contract, our executive Directors is entitled to a fixed basic salary, an annual bonus subject to the fulfilment of certain performance target. In certain other circumstances, the agreement can also be terminated by our Company, including but not limited to certain breaches of our Director's obligations under the agreement or certain misconducts. The appointment of the executive Director is also subject to the provisions of retirement and rotation of Directors under the Articles. Our executive Director is officially stationed in Malaysia, but may be required to work in Hong Kong or in other places, as may be determined by the Board from time to time.

The service contract further provides that during the term of the service contract and within six months upon the termination of service, our executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of our Group.

Non-Executive Directors

Each of our non-executive Directors and independent non-executive Directors has signed an appointment letter with our Company for a term of three years with effect from their respective date of appointment. Each of our independent non-executive Director is entitled to a fixed director's fee. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, none of our Directors has proposed or is proposing to enter into any service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

3. Directors' Remuneration

The aggregate remuneration (including fees, salaries, discretionary bonus and contributions to defined contribution plans and other benefits) paid to our executive Director for the three years ended 31 December 2017 and four months ended 30 April 2018 was approximately RM0.7 million, RM1.0 million, RM0.9 million and RM0.5 million.

No remuneration was paid by our Company to our Directors (a) as an inducement to join or upon joining any member of our Group or (b) as a compensation for loss of officer as director of any member of our Group or any other office in connection with the management affairs of any member of our Group in respect of each of the three years ended 31 December 2015, 2016 and 2017 and four months ended 30 April 2018. Further, none of our Directors waived any remuneration during the same period.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors for the year ending 31 December 2018 is estimated to be approximately RM1.0 million.

Further information regarding our Directors' remuneration during the Track Record Period can be found in Note 11 to the Accountants' Report set out in Appendix I in this prospectus.

4. Directors' Competing Interests

None of our Directors is interested in any business, apart from our Group's business, which competes or is likely to compete, directly or indirectly, with the business of our Group.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;

- (b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (c) none of our Directors nor any of the persons listed in the section headed “— Other Information — Qualification of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors nor any of the persons listed in the section headed “— Other Information — Qualification of Experts” below are materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;
- (e) save as set out in the sections headed “Underwriting” and “Structure of the Global Offering”, none of the persons listed in the section headed “— Other Information — Qualification of Experts” below (i) has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for Shares in any member of our Group; or (ii) is legally or beneficially interested in any securities of any member of our Group;
- (f) none of our Directors have entered or have proposed to enter into any service contracts with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
- (g) none of our Directors or their respective associates (as defined under the Listing Rules), or the existing Shareholders (who, to the knowledge of our Directors, own more than 5% of the issued share capital of our Company) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our then sole Shareholder passed on 19 September 2018.

(i) Purpose

The purpose of the Share Option Scheme is to reward Eligible Participants (as defined in paragraph (ii) below) who have contributed to our Group and to encourage Eligible Participants to work towards enhancing the value of our Company and the Shares for the benefit of our Company and the Shareholders as a whole.

(ii) Who may join

The Board may, at its absolute discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of Shares as the Board may determine at an exercise price determined in accordance with paragraph (vi) below:

- (A) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (B) any directors (including non-executive directors and independent non-executive directors) of our Company or any of its subsidiaries; and
- (C) any advisers, consultants, agents, suppliers, customers, distributors and such other persons who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of its subsidiaries.

(iii) Acceptance of an offer of options

The grantee shall be deemed to have been granted and accepted an option and to have taken effect when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (xii), (xiii), (xiv), (xv) and (xvi), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 10 Business Days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or such independent financial adviser approved by the Board, as the case may be pursuant to paragraph (xviii), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of our Shares so allotted.

The exercise of any option shall be subject to our Shareholders in a general meeting approving any necessary increase in the authorised share capital of our Company.

(iv) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10%, representing 100,000,000 Shares, of the total number of Shares in issue immediately following completion of the Share Offer, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme. Subject to the issue of a circular by our Company to the Shareholders containing the information required under the Listing Rules and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (A) renew this limit at any time to 10% of our Shares in issue as at the date of the approval by our Shareholders in general meeting; and/or
- (B) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company shall not exceed 30% of our Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or such independent financial adviser as approved by the Board, shall certify to be appropriate, fair and

reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (xviii) below whether by way of consolidation of shares, capitalisation issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(v) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to and including the date of grant shall not exceed 1% of our aggregate number of Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (A) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), and/or other information required under the Listing Rules; and
- (B) the approval of our Shareholders in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:
 - (aa) the Eligible Participant's name, address and occupation;
 - (bb) the date on which an option is offered in writing to an Eligible Participant which must be a Business Day;
 - (cc) the date upon which an offer for an option must be accepted by the relevant Eligible Participant;
 - (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (iii);

- (ee) the number of Shares in respect of which the option is offered;
- (ff) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;
- (gg) the date of the expiry of the option in respect of that option;
- (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (iii); and
- (ii) such other terms and conditions relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with the Share Option Scheme and the Listing Rules.

(vi) Price of Shares

Subject to any adjustments made as described in paragraph (xviii) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the highest of:

- (A) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (B) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and
- (C) the nominal value of a Share.

For the purposes of calculating the subscription price of a Share in respect of any particular option granted under the Share Option Scheme where the Company has been listed for less than five Business Days, the Offer Price shall be used as the closing price for any Business Day falling within the period before the Listing Date.

(vii) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder of our Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options, and in the event that the Board offers to grant options to an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant). If the Board determines to grant options to a substantial shareholder or any independent non-executive Director or any of their respective associates which will result in the number of Shares issued and to be issued upon exercise of options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option schemes of our Company in the 12-month period up to and including the date of such grant:

- (A) representing in aggregate over 0.1%, or such other percentage as may be from time to time provided under the Listing Rules, of our Shares in issue on the date of such grant; and
- (B) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of our Shares as stated in the daily quotation sheets of the Stock Exchange at the date of each grant,

such further grant of options will be subject to the issue of a circular by our Company, the approval by the independent non-executive Directors and the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons of our Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

- (A) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before our Shareholders' meeting and the date of Board meeting for proposing such further grant which shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (B) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;

(C) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(D) the information required under Rule 2.17 of the Listing Rules.

(viii) Restrictions on the times of grant of options

A grant of options may not be made after inside information has come to the knowledge of our Company until it has been published pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(A) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

(B) the deadline for our Company to publish an announcement of results for (i) any year or half-year period in accordance with the Listing Rules, and (ii) where our Company has elected to publish them, any quarterly or other interim period, and ending on the date of actual publication of the results announcement.

Where an option is granted to a Director:

(A) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(B) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(ix) Rights are personal to grantee

An option is personal to the grantee and shall not be assignable or transferable. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option held by him or any other relating to the

grant of an option made to him or attempt so to do (save that the grantee may nominate a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(x) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time commencing the date upon which the option is deemed to be granted and accepted and before the expiry of 10 years from that date. The period during which an option may be exercised and the minimum period for which an Option has to be held or other restrictions before its exercise will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period commencing on the Listing Date and ending on the tenth anniversary of the Listing Date (both dates inclusive), after which no further options shall be offered or granted but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme, and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xi) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(xii) Rights on ceasing employment or death

In the event of the grantee of an option ceasing to be an Eligible Participant for any reason other than on his/her death, ill-health, injury, disability or the termination of his/her relationship with our Company and/or any of our subsidiaries on the grounds specified in paragraph (xiii), the grantee may exercise the option up to his/her entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a grantee who is an Eligible Participant by reason of his/her employment with our Company or any of our subsidiaries, the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not).

In the case of the grantee of an option ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his/her relationship with our Company and/or any of our subsidiaries under paragraph (xiii) has occurred, the grantee or his/her personal representative(s) shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the option in full (to the extent not already exercised).

(xiii) Rights on dismissal

In the event of the grantee of an option ceasing to be an Eligible Participant by reason of the termination of his/her relationship with our Company and/or any of our subsidiaries on any one or more of the following grounds:

- (A) that he/she has been guilty of serious misconduct;
- (B) that he/she has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of our Company and/or any of our subsidiaries;
- (C) that he/she has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally; or
- (D) on any other ground as determined by the Board that would warrant the termination of his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Company or the relevant subsidiary,

his/her option will lapse automatically and not be exercisable (to the extent not already exercised) from the date of cessation of being an Eligible Participant.

A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the relationship of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive.

(xiv) Rights on takeover

If a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror, our Company shall use its best endeavours to procure that such offer is extended to all the grantees (on the same terms with the necessary changes having been

made, and assuming that they shall become, by the exercise in full of the options granted to them, Shareholders). If such offer becomes or is declared unconditional, the grantee of an option (or his/her legal representative(s)) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional. For the purposes of this paragraph, “offeror” has the meaning ascribed to this term in the Takeovers Code.

(xv) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all grantees and thereupon, each grantee (or in the case of the death of the grantee, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than two Business Days before the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately before the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(xvi) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members and/or creditors is proposed for the purposes of in connection with a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the Companies Law, our Company shall give notice thereof to all the grantees of the options (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches notice of the meeting to its members and/or creditors summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his/her options in whole or in part at any time before 12:00 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not

approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the grantees to exercise their respective options shall with effect from the date of the making of the order by the relevant court be restored in full) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

(xvii) Ranking of Shares

Our Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, the Shares to be allotted and issued on the exercise of an option will subject to all the provisions of the Articles and carry the same rights with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

(xviii) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company while any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division, consolidation of Shares or reduction of capital of our Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made in the number of Shares subject to any options already granted so far as unexercised and remain exercisable and/or the subscription price per Share of each outstanding option as the auditors of our Company or such independent financial adviser as approved by the Board, shall (other than in respect of an adjustment made on a capitalisation issue) certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 to all issuers relating to share option schemes and/or such other requirements prescribed under the Listing Rules from time to time. The capacity of the auditors of our Company in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an option is entitled to subscribe had he exercised all the options held by him immediately before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same

(and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(xix) Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (A) the date of expiry of the option as may be determined by the Board;
- (B) the expiry of any of the periods referred to in paragraphs (xii), (xiii), (xiv), (xv) or (xvi);
- (C) the date on which the scheme of arrangement of our Company referred to in paragraph (xvi) becomes effective;
- (D) subject to paragraph (xv), the date of commencement of the winding-up of our Company;
- (E) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his or her relationship with our Company and/or any of its subsidiaries on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of our Group, or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally or on any other ground as determined by the Board that would warrant the termination of his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the relationship of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (F) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (ix) above or the options are cancelled in accordance with paragraph (xxi) below.

(xx) Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (A) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; or
- (B) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Share Option Scheme),

shall first be approved by our Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the Share Option Scheme and their respective associates shall abstain from voting, provided that the amended terms of the Share Option Scheme or the options shall remain in compliance with Chapter 17 of the Listing Rules, and if the proposed alteration shall adversely affect the terms of issue of any option granted or agreed to be granted before the date of alteration, or reduce the proportion of equity capital to which any person was entitled pursuant to such option before such alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme.

(xxi) Cancellation of options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (ix).

(xxii) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or of the Board at any time resolve to terminate the Share Option Scheme and in such event no further options shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted before such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xxiii) Administration of the Board

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(xxiv) Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

- (A) the passing of the resolution by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant Options thereunder at their absolute discretion and to allot and issue Shares pursuant to the exercise of any Options; and
- (B) the fulfilment of the conditions set out in the paragraphs headed “Structure and Conditions of the Share Offer — Conditions of the Public Offer” in the prospectus.

(xxv) Disclosure in annual and interim reports

Our Company will disclose details of the Share Option Scheme in its annual and interim reports in compliance with the Listing Rules in force from time to time.

(xxvi) Present status of the Share Option Scheme

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

E. OTHER INFORMATION**1. Estate duty, tax and other indemnity**

The Controlling Shareholders have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 11 of the Laws of Hong Kong) or the equivalent or similar thereof under the laws of any jurisdictions outside Hong Kong) to a member of our Group on or before the Listing; and

- (b) tax liabilities (including all fines, penalties, costs, charges, liabilities, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits or gains, earned, accrued or received on or before the Listing.

The Controlling Shareholders are under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited consolidated accounts of our Company and its subsidiaries as set out in the Accountants' Report set out in Appendix I to this prospectus or in the audited accounts of the relevant members of our Group for the three financial years ended 31 December 2017 and four months ended 30 April 2018;
- (b) to the extent for which any member of our Group is liable as a result of any event occurring or income, profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the date of deed of indemnity; and
- (c) to the extent that such claim arises or is incurred as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the tax authorities or any other authority in the Cayman Islands or Malaysia coming into force after the date of deed of indemnity or to the extent such claim arises or is increased by an increase in the rates of taxation after the date of deed of indemnity with retrospective effect;

Our Directors have been advised that no material liability for estate duty is likely to fall on us or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, save as disclosed in the section headed "Business — Litigation" in this prospectus, no member of our Group was engaged in any litigation, arbitration or administrative proceedings which had a material adverse effect on our financial conditions or results of operations, and no litigation, arbitration or administrative proceedings was known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option). The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor's fees are HK\$4.75 million and are payable by our Company.

4. Shares will be eligible for CCASS

Our Company has applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares.

All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

5. No material adverse change

Our Directors confirm that there has been no material adverse change in our financial or trading position since 30 April 2018 (being the date on which our latest audited combined financial statements was made up) up to the Latest Practicable Date.

6. Qualification of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualifications
Fortune Financial Capital Limited	A licensed corporation to engage in type 6 (advising on corporate finance) regulated activity under the SFO
BDO Limited	Certified Public Accountants
Appleby	Legal advisers to our Company as to the Cayman Islands laws
Mah-Kamariyah & Philip Koh	Legal advisers to our Company as to the Malaysian laws
RHTLaw Taylor Wessing Vietnam	Legal advisers to our Company as to the Vietnamese laws
Frost & Sullivan GIC Malaysia Sdn. Bhd.	Independent industry consultant
Hogan Lovells	Legal advisers to our Company as to International Sanctions Law
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer

7. Consents of experts

Each of the experts whose names are set out in the paragraph headed “6. Qualification of Experts” in this Appendix has given and has not withdrawn their respective consents to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or valuation certificates and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

As at the Latest Practicable Date and save as disclosed in this prospectus, none of the experts named in the paragraph headed “6. Qualification of Experts” in this Appendix has any shareholding interests in any of our Company or any of our subsidiaries or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

8. Agency fees or commissions received

Save as disclosed in the section headed “Underwriting” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years preceding the date of this prospectus.

9. Promoter

Our Company has no promoter for the purpose of the Listing Rules. No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of our Company nor is any cash, securities or benefit intended to be paid, allotted or given in connection with the Global Offering or the related transactions described in this prospectus.

10. Preliminary expenses

The preliminary expenses incurred by our Company in relation to our corporation were approximately US\$37,346.5 and have been paid by our Company.

11. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Taxation of holders of Shares**(a) Hong Kong**

The sale, purchase and transfer of Shares registered with our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of or of the fair value of, the Shares being sold or transferred, whichever is higher. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after 11 February 2006.

(b) Cayman Islands

Under the Cayman Islands law currently in force, there is no stamp duty payable in the Cayman Islands on transfers of our Shares, save for those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercising rights attached to them. It is emphasised that none of our Company, our Directors or the other parties, involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attached to them.

14. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, Chapter 32L of the Laws of Hong Kong.

15. Miscellaneous

- (a) Save as disclosed in this prospectus:
- (i) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of our Company or any of our subsidiaries;

- (iv) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commission to underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;
- (v) no founder shares, management shares or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (vi) there is no arrangement under which future dividends are waived or agreed to be waived;
- (vii) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this prospectus;
- (viii) our Company has no outstanding convertible debt securities or debentures; and
- (ix) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) copies of **WHITE, YELLOW** and **GREEN** Application Forms;
- (b) copies of material contracts referred to in “Statutory and General Information — Further Information About Our Business — Summary of Material Contracts” in Appendix V; and
- (c) the written consents referred to in “Statutory and General Information — Other Information — Consents of experts” in Appendix V.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Wilson Sonsini Goodrich & Rosati, Suite 1509, 15/F Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles;
- (b) the Accountants’ Report for the Track Record Period from BDO Limited, the text of which is set out in Appendix I;
- (c) the report on the unaudited pro forma financial information from BDO Limited, the text of which is set out in Appendix II;
- (d) the industry report prepared by Frost & Sullivan GIC Malaysia Sdn. Bhd.;
- (e) the legal opinions issued by Mah-Kamariyah & Philip Koh, our legal advisers on the Malaysian law in respect of certain aspects of our Group and the property interests of our Group in Malaysia;
- (f) the legal opinions issued by RHTLaw Taylor Wessing Vietnam, our legal advisers on the Vietnam law in respect of certain aspects of our Group and the property interests of our Group in Vietnam;

- (g) the property valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix III;
- (h) the legal memorandum issued by Hogan Lovells, legal advisers to the Company as to International Sanctions law;
- (i) the letter prepared by Appleby, our legal advisers on Cayman Islands law, summarising certain aspects of the Cayman Islands company law referred to in Appendix IV;
- (j) the material contracts referred to in “Statutory and General Information — Further Information About Our Business — Summary of Material Contracts” in Appendix V;
- (k) the written consents referred to in “Statutory and General Information — Other Information — Consents of experts” in Appendix V;
- (l) the service contracts and letters of appointment referred to in “Statutory and General Information — Further Information About Our Directors and Substantial Shareholders — Directors’ Service Contracts” in Appendix V;
- (m) the rules of the Share Option Scheme; and
- (n) the Cayman Companies Law.

OCC Cables Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1791
