



BWYS GROUP BERHAD (Registration No. 202301000310 (1494229-W))

PROSPECTUS



BWYS GROUP BERHAD
(Registration No. 202301000310 (1494229-W))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF BWYS GROUP BERHAD (“COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

- (I) PUBLIC ISSUE OF 256,303,000 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) IN THE FOLLOWING MANNER:
- 51,260,800 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 61,512,800 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
 - 128,151,700 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
 - 15,377,700 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- (II) OFFER FOR SALE OF 100,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN IPO PRICE OF RM0.22 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



M&A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bursa Securities has approved our admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval of our IPO and registration of this Prospectus, should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 212.

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

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA (“SC”) UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

This Prospectus is dated 18 June 2024



BWYS GROUP BERHAD
1571, Jalan Serunai, Kawasan Perindustrian Valdor, Mukim 12
14200 Sungai Bakap, Seberang Perai Selatan, Penang
☎ 604-585 9999
✉ corporate@bwysgroup.com

<https://bwysgroup.com>

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

M&A Securities Sdn Bhd, being our Principal Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 7 March 2024. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

SC has on 13 March 2024 approved the resultant equity structure of our Company under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

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

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

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

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

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

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

ELECTRONIC PROSPECTUS

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

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

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

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with Bursa Securities shall prevail.

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

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

Where an Electronic Prospectus is hosted on the websites of the Internet Participating Financial Institutions, you are advised that:

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

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

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus / Opening of Application	18 June 2024
Closing Date / Closing of Application	5 July 2024
Balloting of Application	11 July 2024
Allotment / Transfer of IPO Shares to successful applicants	18 July 2024
Date of Listing	22 July 2024

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "**BWYS**" and "**Company**" in this Prospectus are to BWYS Group Berhad (Registration No: 202301000310 (1494229-W)). Unless otherwise stated, references to "**Group**" or "**BWYS Group**" are to our Company and our subsidiaries taken as a whole; and references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "**Management**" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "**approximately**" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "**Definitions**" and "**Technical Glossary**" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

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

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding the growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from the Management. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Business and Market Research Consultants. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

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

Forward-looking statements can be identified by the use of forward-looking terminology such as "**may**", "**will**", "**would**", "**could**", "**believe**", "**expect**", "**anticipate**", "**intend**", "**estimate**", "**aim**", "**plan**", "**forecast**", "**project**" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) Demand for our products and services;
- (b) Our business strategies and prospects;
- (c) Our future plans;
- (d) Our financial position;
- (e) Our future earnings, cash flows and liquidity; and
- (f) Our ability to pay future dividends.

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

- (a) The ongoing COVID-19 and possible similar future outbreaks;
- (b) The economic, political and investment environment in Malaysia and globally; and
- (c) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 8 – "Risk Factors" and Section 11– "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment / transfer of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA, Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines of the SC and Appendix 3B of the Listing Requirement.

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

BW Scaffold	:	BW Scaffold Industries Sdn Bhd (Registration No: 198801003058 (170415-K))
BWYSSB	:	BWYS Sdn Bhd (<i>formerly known as YHTJ Services Sdn Bhd and BWYS Services Sdn Bhd</i>) (Registration No: 200901037644 (880775-A))
BWYS Steel	:	BW Yee Seng Steel Industries Sdn Bhd (Registration No: 199901015292 (490192-D))
BWYS Timur	:	BW Yee Seng (Timur) Sdn Bhd (Registration No: 201101007342 (935480-U))
YS Global	:	YS Global Industries Sdn Bhd (Registration No: 201101007345 (935483-A))
YS Success	:	YS Success Industries Sdn Bhd (Registration No: 200801009666 (810954-P))
BWYS or Company	:	BWYS Group Berhad (Registration No: 202301000310 (1494229-W))
BWYS Group or Group	:	BWYS and its subsidiaries, collectively

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DEFINITIONS (cont'd)

GENERAL:

ACE Market	: ACE Market of Bursa Securities
Acquisition of BW Scaffold	: Acquisition by BWYS from KBH and KBT of the entire equity interest of BW Scaffold for a total purchase consideration of RM27,226,400 to be satisfied via the issuance of 143,296,832 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM2 to KBT, which was completed on 2 April 2024
Acquisition of BWYSSB	: Acquisition by BWYS from KBH and KBT of the entire equity interest of BWYSSB for a total purchase consideration of RM26,408,100 to be satisfied via the issuance of 138,988,610 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM264 to KBT, which was completed on 2 April 2024
Acquisition of BWYS Steel	: Acquisition by BWYS from KBH and KMH of the entire equity interest of BWYS Steel for a total purchase consideration of RM42,190,478 to be satisfied via the issuance of 222,055,070 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM14 to KMH, which was completed on 2 April 2024
Acquisition of BWYS Timur	: Acquisition by BWYS from KBH and KBT of the entire equity interest of BWYS Timur for a total purchase consideration of RM19,700,000 to be satisfied via the issuance of 103,683,174 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM197 to KBT, which was completed on 2 April 2024
Acquisition of YS Success	: Acquisition by BWYS from KBH and KBT of the entire equity interest of YS Success for a total purchase consideration of RM30,568,400 to be satisfied via the issuance of 160,886,313 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM1 to KBT, which was completed on 2 April 2024
Acquisitions	: Acquisition of BW Scaffold, Acquisition of BWYSSB, Acquisition of BWYS Steel, Acquisition of BWYS Timur, and Acquisition of YS Success, collectively
Act	: Companies Act 2016 as amended from time to time and any re-enactment thereof
ADA	: Authorised Depository Agent
AGM	: Annual General Meeting
Application	: Application for Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	: Printed application form for the application of Issue Shares accompanying this Prospectus
ATM(s)	: Automated Teller Machine(s)
Board	: Board of Directors of BWYS

DEFINITIONS (cont'd)

Bursa Depository	or	Bursa Malaysia Depository Sdn Bhd (Registration No: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No: 200301033577 (635998-W))
BW Scaffold Share(s)	:	Ordinary share(s) in BW Scaffold
BWYSSB Share(s)	:	Ordinary share(s) in BWYSSB
BWYS Steel Share(s)	:	Ordinary share(s) in BWYS Steel
BWYS Timur Share(s)	:	Ordinary share(s) in BWYS Timur
CAGR	:	Compounded annual growth rate
Capitalisation in BW Scaffold	:	Capitalisation of debt owing to KBH amounting to RM2,218,497 via issuance of 11,676,300 new BW Scaffold Shares at an issue price of RM0.19 per BW Scaffold Share, which was completed on 14 August 2023
Capitalisation in BWYS Steel	:	Capitalisation of debt owing to KBH amounting to RM11,082,073 via issuance of 58,326,700 new BWYS Steel Shares at an issue price of RM0.19 per BWYS Steel Share, which was completed on 14 August 2023
Capitalisation in YS Success	:	Capitalisation of debt owing to KBH amounting to RM9,068,890 via issuance of 47,731,000 new YS Success Shares at an issue price of RM0.19 per YS Success Share, which was completed on 14 August 2023
Capitalisations	:	Capitalisation in BW Scaffold, Capitalisation in BWYS Steel, Capitalisation in YS Success, collectively
CCC	:	Certificate of completion and compliance
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
CF	:	Certificate of fitness
China	:	The People's Republic of China
CIDB	:	Construction Industry Development Board
Closing Date	:	The date adopted in this Prospectus as last date for acceptance and receipt of Application
CMSA	:	Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
Constitution	:	Constitution of our Company

DEFINITIONS (cont'd)

COVID-19	:	Coronavirus disease 2019, an infectious disease which affects the respiratory system, and it is a global pandemic
Depository Rules	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
Director(s)	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
DOSH	:	Department of Occupational Safety and Health
EBIT	:	Earnings before interest and tax
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Eco High	:	Eco High Formwork Sdn Bhd (Registration No: 201701026664 (1240830-W))
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
Electronic Share Application	:	Application for Issue Shares through a Participating Financial Institution's ATM(s)
Eligible Persons	:	Eligible Directors, employees and persons who have contributed to the success of our Group, collectively
EPS	:	Earnings per share
ERP	:	Enterprise resource planning
FYE(s)	:	Financial years ended/ending 31 December, as the case may be
GP	:	Gross profit
ICA	:	Industrial Co-Ordination Act 1975
ICT	:	Information and communications technology
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report titled Independent Assessment of the Sheet Metal Product Industry in Malaysia prepared by Vital Factor as set out in Section 7 of this Prospectus
Internet Participating Financial Institution(s)	:	Participating financial institutions for Internet Share Application as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
Initial Public Offering or IPO	:	Our initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	Issue/offer price of RM0.22 per Issue/Offer Share

DEFINITIONS (cont'd)

IPO Share(s)	: The Issue Share(s) and Offer Share(s), collectively
ISO	: International Organisation for Standardisation
Issue Share(s)	: New Share(s) to be issued under the Public Issue
Issuing House and/or Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No: 197101000970 (11324-H))
JIS	: Japanese Industrial Standard
KBH	: Kang Beng Hai, our Promoter, Specified Shareholder, substantial shareholder, Managing Director and Selling Shareholder
KBT	: Kang Beng Teong
KMH	: Kang Meng Huat
Listing	: Listing of and quotation for our entire enlarged share capital comprising 1,025,213,000 Shares on the ACE Market
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Listing Scheme	: The Public Issue, Offer for Sale and Listing, collectively
Lot 1215 Land	: A piece of freehold land held under Geran 74361 Lot 1215, Mukim 12, Daerah Seberang Perai Selatan, Negeri Pulau Pinang, measuring approximately 12 acres which was acquired pursuant to the sale and purchase agreement dated 1 July 2021 entered into between Amanah Raya Berhad and BWYS Steel
LPD	: 20 May 2024, being the latest practicable date for ascertaining certain information contained in this Prospectus
M&A Securities	: M & A Securities Sdn Bhd (Registration No: 197301001503 (15017-H))
Malaysian Public	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	: Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
MCO	: Movement control order
MFRS	: Malaysian Financial Reporting Standards
MIDA	: Malaysian Investment Development Authority
MITI	: Ministry of Investment, Trade and Industry, Malaysia
MS	: Malaysian Standard

DEFINITIONS (cont'd)

mm	:	Millimetre
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
New Penang Factory	:	The new factory to be constructed on Lot 1215 Land which consist of 1 block single storey factory and double storey office, as well as 1 block single storey factory and office with a total built-up area of approximately 197,153 sq ft
Offer for Sale	:	Offer for sale of 100,000,000 Offer Shares by our Selling Shareholder at the IPO Price
Offer Share(s)	:	Existing Share(s) to be offered under the Offer for Sale
Participating Financial Institution(s) or Participating Securities Firm(s)	:	Participating financial institution(s) or Participating Securities Firm(s) for Electronic Share Application as listed in Section 15 of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
Period Under Review	:	FYE 2020, FYE 2021, FYE 2022 and FYE 2023, collectively
Pink Form Allocations	:	Allocation of 61,512,800 Issue Shares to our Eligible Persons, which forms part of our Public Issue
Principal Adviser or Sponsor or Placement Agent or Underwriter	:	M & A Securities
Promoter	:	KBH
Prospectus	:	This prospectus dated 18 June 2024 in relation to our IPO
PU foam	:	Polyurethane foam
Public Issue	:	Public issue of 256,303,000 Issue Shares at our IPO Price
Reporting Accountants or BDO	:	BDO PLT 201906000013 (LLP0018825-LCA & AF 0206)
RFID	:	Radio frequency identification
RM and sen	:	Ringgit Malaysia and sen, respectively
RMCD	:	Royal Malaysian Customs Department
ROC	:	Registrar of Companies

DEFINITIONS (cont'd)

SC	:	Securities Commission Malaysia
Selling Shareholder	:	KBH (who is undertaking the Offer for Sale)
Share(s) or BWYS Share(s)	:	Ordinary share(s) in BWYS
SICDA or Depository Act	:	Securities Industry (Central Depositories) Act, 1991 as amended from time to time
Specified Shareholders	:	KBH and Kang Yi Ki, collectively
sq ft	:	Square feet
UAE	:	United Arab Emirates
USA	:	United States
Underwriting Agreement	:	Underwriting agreement dated 17 May 2024 entered into between our Company and M&A Securities for the purpose of our IPO
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd (Registration No: 199301012059 (266797-T)), an independent business and market research consulting company
Visage Global	:	Visage Global Sdn Bhd (Registration No: 201401018341 (1094428-W))
Visage Industries	:	Visage Industries Sdn Bhd (Registration No: 199501041775 (370979-T))
YHTJ R&D	:	YHTJ R & D Sdn Bhd <i>(formerly known as Visage R & D Sdn Bhd)</i> (Registration No: 201601035422 (1206363-P))
YHTJ Sabah	:	YHTJ (Sabah) Sdn Bhd <i>(formerly known as BW Yee Seng (Sabah) Sdn Bhd)</i> (Registration No: 200601020482 (740235-K))
YHTJ Sarawak	:	YHTJ (Sarawak) Sdn Bhd <i>(formerly known as BW Yee Seng (Sarawak) Sdn Bhd)</i> (Registration No: 200901014928 (857998-M))
YS Success Share(s)	:	Ordinary share(s) in YS Success

DEFINITIONS (cont'd)

OPERATIONAL FACILITIES:

- Banting Factory : Refers to our sales office, warehouse and manufacturing facility located at No. 112, Jalan 8, Kawasan Perindustrian Olak Lempit, 42700 Banting, Selangor
- Bintulu warehouse and office : Refers to our warehouse and sales office located at Lot 2656, Block 20 Kemena Land District Bintulu (Kidurong Gateway Industrial Park), Jalan Tg. Kidurong, 97000 Bintulu, Sarawak
- Johor warehouse and office : Refers to our warehouse and sales office located at No 6, Jalan Perniagaan 1/8, Setia Business Park 2, 81100 Johor Bahru, Johor
- Kota Bharu Factory : Refers to our sales office, warehouse and manufacturing facility located at Lot PT 5196, Kawasan Perindustrian Pengkalan Chepa, Mukim Panchor Seksyen 23, Daerah Kemumin, 16100 Kota Bharu, Kelantan
- Kota Kinabalu warehouse and office : Refers to our warehouse and sales office located at Lot 5B, Industrial Zone 7, Lorong Timur 2B, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah
- Kuching warehouse and office : Refers to our warehouse and sales office located at Lot 823, Block 7 Muara Tebas Land District, Sejingkat Industrial Park, 90350 Kuching, Sarawak
- Penang 1571 Factory : Refers to our head office, warehouse and manufacturing facility located at 1571, Jalan Serunai, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Seberang Perai Selatan, Penang
- Penang 1572 Factory : Refers to our office, warehouse and manufacturing of industrial racking systems facility located at No. 1572, Jalan Besar Valdor, Mukim 12, 14200 Sungai Bakap, Seberang Perai Selatan, Penang

TECHNICAL GLOSSARY

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

Battens	:	A horizontal piece of metal used to connect or join one or several parts. It is used in roofing applications
Beam	:	A structural horizontal member made of metal, timber or some other materials that spans an opening and is designed to carry a load and transfer the weight of the load to a vertical load bearing support or member
Carbon steel	:	In the context of this Prospectus, it refers to non-stainless steel
Coil	:	In the context of this Prospectus, it refers to long steel sheets rolled into a cylindrical shape
Column	:	A structural vertical member made of metal, timber or some other materials designed to carry a load and to transfer the weight to the foundation, ground or another area
Conduit	:	In the context of this Prospectus, it refers to a welded metal pipe used for routing electrical cables and wires
Cross brace member	:	It refers to two diagonal members which cross each other in the middle and the sides connecting two vertical members. The objective is to resist sideways forces. In the context of this Prospectus, cross braces member is used in scaffoldings to hold two vertical pipes
C-purlin	:	Long strip of metal rolled into a squared-off C-shaped with inward-facing lips at the end of both sides. In the context of this Prospectus, it is lightweight used as a horizontal beam to support roofing
Falsework system or shoring system	:	Falsework system consists of temporary framework structures that are used in the construction of permanent structure in order to hold the items in place until the permanent structure is able to support itself. This is usually used in concrete casting to support the formwork until the concrete is set and the structure is able to support itself
Galvanised	:	A protective coating made of zinc. Mainly to protect against corrosion
High-tensile steel	:	Steel which can withstand a relative high level of strain without breaking or becoming deformed
Metal roofing	:	Metal roofing refers to roofing materials made of metal materials such as steel, aluminium, zinc and copper materials, which come in variety of gauge/thickness, profile types and colour selections
Mild steel	:	A type of steel with low carbon content

TECHNICAL GLOSSARY (cont'd)

Profile	:	In the context of this Prospectus, it refers to a uniform cross-section shape of a sheet metal
Reseller	:	Entities that buy and sell the purchased products without transformation
Roll forming	:	Roll forming process here refers to cold roll forming process which is a continuous process to form a sheet of metal strip into specific shapes through multiple sets of rollers at room temperature
Scaffoldings	:	Scaffoldings refer to temporary structures built for the purpose of supporting workers, materials and equipment to enable construction, renovation, repair or demolition work to be performed. It includes any working platform, gangway, skip, ladder or step-ladder which does not form part of such structure as well as other components including guard rail, toe boards or other safeguards
Section	:	A general term used to describe a long strip rolled into various shapes such as angles, C-shaped, T-shaped or I-shaped. They are available in many sizes and thickness and are used for structural purposes in buildings, walls, roofs and ceilings
Sheet metal products	:	Metal products whose input materials are steel sheets or strips formed into many flat products with profile such as roofing sheets and trusses, industrial racking systems and welded pipes
Truss	:	It refers to a framework comprising connected vertical, horizontal and diagonal members designed to carry loads and to provide stability to the overall structure. In the context of this Prospectus, it refers to steel roof truss used to carry the load and to provide lateral stability to the entire roof

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality	Gender
Dato' Saidi bin Ismail	Independent Non-Executive Chairman	62, Jalan 5A, Taman Mawar Bandar Baru Salak Tinggi 43900 Sepang Selangor	Malaysian	Male
Kang Beng Hai	Non-Independent Executive Director / Managing Director	17 Lagenda @ Southbay Jalan Lagenda 2 11960 Bayan Lepas Pulau Pinang	Malaysian	Male
Kang Yi Ki	Non-Independent Executive Director	17 Lagenda @ Southbay Jalan Lagenda 2 11960 Bayan Lepas Pulau Pinang	Malaysian	Female
See Swee Sie	Independent Non-Executive Director	57, Reservoir Crescent 11500 Ayer Itam Pulau Pinang	Malaysian	Female
Teresa Tan Siew Kuan	Independent Non-Executive Director	No. 12, Halaman Bukit Gambir 9 11700 Gelugor Pulau Pinang	Malaysian	Female
Lim Chee Hoong	Independent Non-Executive Director	1, Jalan Sri Klebang 7 Bandar Baru Sri Klebang 31200 Chemor Perak	Malaysian	Male

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Lim Chee Hoong	Chairman	Independent Non-Executive Director
See Swee Sie	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
See Swee Sie	Chairperson	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director
Lim Chee Hoong	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Teresa Tan Siew Kuan	Chairperson	Independent Non-Executive Director
See Swee Sie	Member	Independent Non-Executive Director
Lim Chee Hoong	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (cont'd)

COMPANY SECRETARIES

: Wong Youn Kim
1041, Jalan Kuang Gunung 4
Taman Kepong, 52100 Kuala Lumpur

Professional qualification:
Chartered Secretary and Chartered Governance Professional,
Fellow of the Malaysia Institute of Chartered Secretaries and
Administrators and Master of Corporate Governance
(MAICSA No.: MAICSA 7018778)
(SSM PC No.: 201908000410)

Lim Li Heong
641/2, Jalan Melang
Taman Sema
72000 Kuala Pilah
Negeri Sembilan

Professional qualification:
Chartered Secretary, Malaysian Institute of Chartered
Secretaries and Administrators
(MAICSA No.: MAICSA 7054716)
(SSM PC No.: 202008001981)

Wong Mee Kiat
No. 9, Jalan SJ16A
Taman Selayang Bahagia
68100 Batu Caves
Selangor

Professional qualification:
Chartered Secretary, Malaysian Institute of Chartered
Secretaries and Administrators
(MAICSA No.: MAICSA 7058813)
(SSM PC No.: 202008001958)

REGISTERED OFFICE

: Level 5, Tower 8, Avenue 5
Horizon 2, Bangsar South City
59200 Kuala Lumpur

Telephone: 03-2280 6388

HEAD OFFICE

: 1571, Jalan Serunai
Kawasan Perindustrian Valdor
Mukim 12, 14200 Sungai Bakap
Seberang Perai Selatan
Penang

Telephone: 04-585 9999

1. CORPORATE DIRECTORY (*cont'd*)

EMAIL ADDRESS AND WEBSITE

: Email address: corporate@bwysgroup.com
Website: <http://www.bwysgroup.com>

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT

: M&A Securities Sdn Bhd
(Registration No: 197301001503 (15017-H))

45 & 47, Levels 3 and 7
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone: 03-2284 2911

SOLICITORS FOR OUR LISTING

: Jeff Leong, Poon & Wong

B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur

Telephone: 03-2203 3388

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO

: BDO PLT
Registration number: 201906000013
LLP No. : LLP0018825-LCA
Firm No. : AF 0206

51-21-F, Menara BHL
Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Telephone: 04-222 0288

Partner-in-charge: Koay Theam Hock
Approval number: 02141/04/2025 J

Professional qualification:
Chartered Accountant,
Malaysian Institute of Accountants
(Membership No. 6420)

1. CORPORATE DIRECTORY (cont'd)

- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : Vital Factor Consulting Sdn Bhd
(Registration No: 199301012059 (266797-T))
- V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
- Telephone: 03-7931 3188
- Person-in-charge: Wooi Tan
- (Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from The University of New South Wales, Australia and a Fellow of the Australian Marketing Institute, and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management))*
- ISSUING HOUSE AND SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
(Registration No: 197101000970 (11324-H))
- Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
- Telephone: 03-2783 9299
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by the Shariah Advisory Council of the SC

2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 7 March 2024, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of moratorium of each block of Shares;	Complied
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved / exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of BWYS on the first day of Listing;	To be complied
6.	In relation to the Public Issue to be undertaken by BWYS, to announce at least 2 market days prior to the Listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the prescribed format; and (iv) Disclosure of placees who become substantial shareholders of BWYS arising from the Public Issue, if any; and	To be complied
7.	BWYS / M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of BWYS to the Official List of the ACE Market.	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of conditions imposed	Status of compliance
8.	BWYS and M&A Securities are required to ensure full compliance with all requirements as provided under the Listing Requirements at all times.	Noted

2.1.2 SC

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

The SC had, vide its letter dated 13 March 2024, approved the resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies. The approval from the SC is subject to the following conditions:

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

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

Category of shareholders	As at 31 August 2023		After IPO	
	No. of Shares	%	No. of Shares	%
<u>Bumiputera</u>				
- Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 128,151,700	12.5
- Bumiputera public investors via balloting	-	-	⁽¹⁾ 25,630,400	2.5
- Others	-	-	⁽²⁾ 300,000	*
Total Bumiputera	-	-	154,082,100	15.0
Non-Bumiputera	1	100.0	871,130,900	85.0
Malaysian	1	100.0	1,025,213,000	100.0
Foreigners	-	-	-	-
Total	1	100.0	1,025,213,000	100.0

Notes:

* Negligible

(1) Based on the assumption that Shares offered to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.

(2) Based on the assumption that Shares offered under Pink Form Allocations shall be fully subscribed.

The Shariah Advisory Council of the SC had, vide its letter dated 4 June 2024 classified our Shares as Shariah-compliant based on the audited combined financial statements for the FYE 2023.

2. APPROVALS AND CONDITIONS (Cont'd)

2.1.3 MITI

The MITI had, vide its letter dated 4 December 2023, taken note and has no objection to our Listing.

2.2 MORATORIUM ON OUR SHARES

2.2.1 Specified Shareholders

As at the date of submission of our listing application to Bursa Securities, we have met the quantitative criteria for admission to the Main Market of Bursa Securities. Hence, a moratorium will be imposed on the sale, transfer or assignment of Shares on the entire shareholdings held by our Specified Shareholders for a period of six (6) months from the date of our admission to the ACE Market ("**Moratorium Period**") in accordance with Rule 3.19(1A)(b) of the Listing Requirements.

M&A Securities, as a Sponsor, confirms that our Group has met the quantitative criteria for admission to the Main Market of the Bursa Securities as at the date of submission of the listing application to the Bursa Securities pursuant to Rule 3.19 (1A)(b) of the Listing Requirements.

Details of our Specified Shareholders and their Shares which will be subject to the abovementioned moratorium, are set out below:

Specified Shareholders	No. of Shares	(1)%
KBH	⁽²⁾ 668,910,000	65.2
Kang Yi Ki ⁽³⁾	1,000,000	~
Total	669,910,000	65.2

Notes:

~ less than 0.1%.

(1) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

(2) After the Offer for Sale.

(3) Assuming Kang Yi Ki will fully subscribe for her entitlement under the Pink Form Allocations.

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

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by KBH and Kang Yi Ki to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS RELATING TO OUR IPO

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

Allocation	No. of Shares	Amount to be raised	
		RM	(1)%
Public Issue			
Malaysian Public	51,260,800	11,277,376	5.0
Pink Form Allocations	61,512,800	13,532,816	6.0
Private placement to Bumiputera investors approved by MITI	128,151,700	28,193,374	12.5
Private placement to selected investors	15,377,700	3,383,094	1.5
Offer for Sale			
Private placement to selected investors	100,000,000	22,000,000	9.8
Enlarged total number of Shares upon Listing	1,025,213,000		
IPO Price per Share		RM0.22	
Market capitalisation upon Listing		RM225,546,860	
Total gross proceeds to be raised by our Company from the Public Issue		RM56,386,660	
Total gross proceeds to be raised by our Selling Shareholder from the Offer for Sale		RM22,000,000	

Note:

(1) Based on our enlarged share capital of 1,025,213,000 Shares after our IPO.

Further details of our IPO are set out in Section 4 of this Prospectus.

As at the date of submission of our listing application to Bursa Securities, we have met the quantitative criteria for admission to the Main Market of Bursa Securities. Hence, a moratorium will be imposed on the sale, transfer or assignment of Shares on the entire shareholdings held by our Specified Shareholders for the Moratorium Period in accordance with Rule 3.19(1A)(b) of the Listing Requirements.

Further details on the moratorium on our Shares are set out in Section 2.2 of this Prospectus.

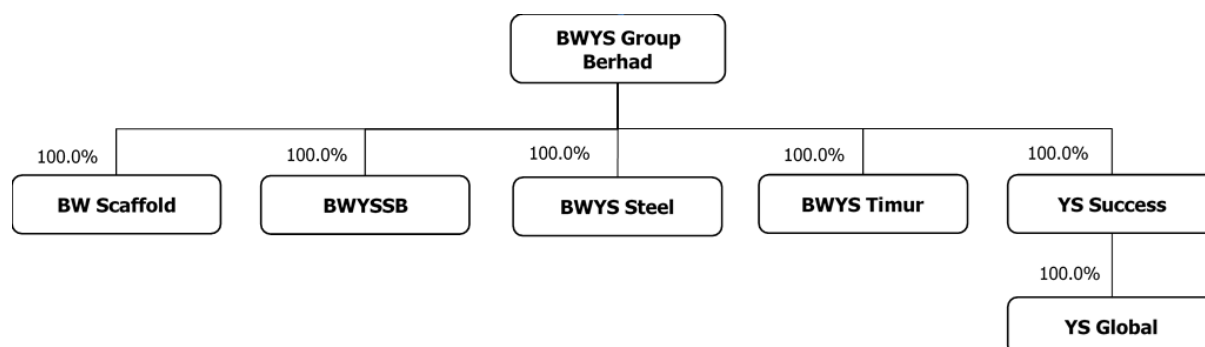
3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 4 January 2023 as a public limited company under the name of BWYS Group Berhad.

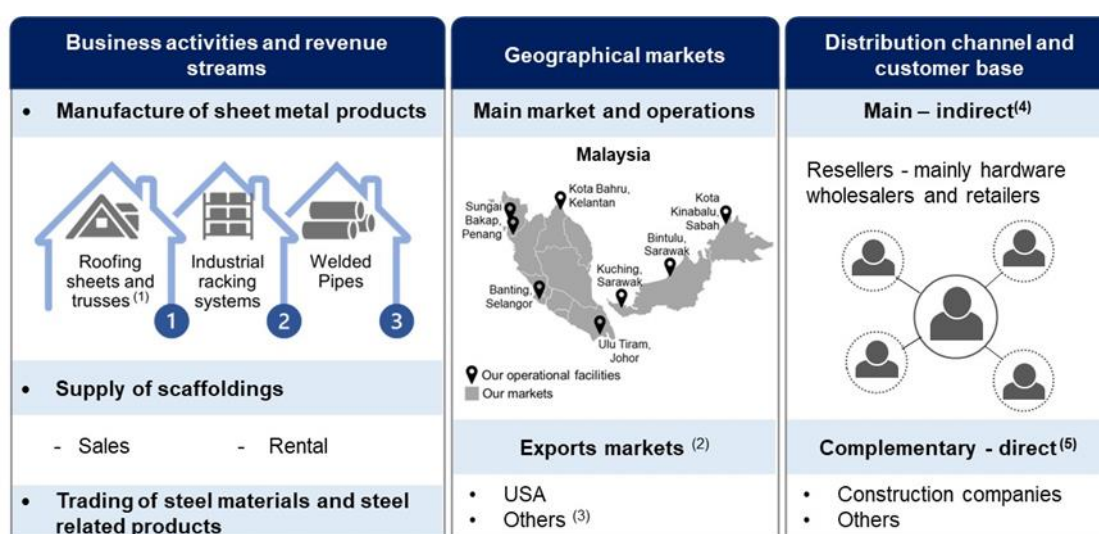
We are principally an investment holding company. Through our subsidiaries, we are principally involved in manufacturing of sheet metal products and supply of scaffoldings. To complement our manufacturing of sheet metal products and supply of scaffoldings, we also engage in trading of steel materials and steel related products.

3. PROSPECTUS SUMMARY (cont'd)

Our Group's structure after our IPO is as follows:



The following diagram illustrates our Group's business model:



Notes:

- (1) A small proportion of the revenue for FYE 2020 and FYE 2021 amounting to 0.2% and less than 0.1% of total revenue respectively was from the manufacture of steel building frames. There was no revenue from manufacture of steel building frame in FYE 2022 and FYE 2023.
- (2) Revenue from exports markets accounted for 1.6%, 8.4%, 4.2% and 4.4% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.
- (3) Other export markets include Singapore, Indonesia, Australia, Bangladesh, the Philippines, UAE, Brunei and Kuwait.
- (4) We mainly use indirect distribution channels to market and sell our products to our customers who are resellers including hardware wholesalers and retailers. These resellers would subsequently resell the products without transformation to their customers who are end-users or other resellers. Please refer to Section 6.5.9.1 of this Prospectus for further details.
- (5) Direct distribution channel includes construction companies as well as manufacturers, property developers, logistics companies, rental service providers of machinery and equipment, restaurants and workshops who purchase our products for their own use. Please refer to Section 6.5.9.1 of this Prospectus for further details.

Further details of our Group and our business model are set out in Section 6 of this Prospectus.

3. PROSPECTUS SUMMARY (cont'd)

3.3 COMPETITIVE POSITION AND BUSINESS STRATEGIES

3.3.1 Competitive strengths

Our Group's competitive advantages are set out below:

(a) We have an established track record in the sheet metal product industry since 1999 to serve as a platform to sustain and grow our business

We have an established track record of approximately 25 years in the sheet metal product industry since the commencement of operations in 1999. We commenced the trading of steel products in 1999, supply of scaffoldings in 2006, and manufacture of roofing sheets in 2011 and welded pipes in 2014 where our products are mainly used in the construction industry. In addition, we have acquired a manufacturing of industrial racking systems business in 2012 and the industrial racking systems are mainly used in the warehousing and storage industry.

Our established track record in the manufacture of sheet metal products and supply of scaffoldings provide confidence to our customers in our products. This would help build our brand and corporate awareness among operators in the construction, and warehousing and storage industry to serve as a platform to secure new customers to sustain and grow our business.

(b) We have operational facilities in various locations to provide market coverage across Malaysia to grow our business

As at the LPD, we have 8 operational facilities in Malaysia. Our head office, main warehouse and manufacturing facility is located in Penang, while our other operational facilities are located in Penang, Selangor, Johor, Kelantan, Sarawak and Sabah respectively. Our operational facilities enable us to access wide geographic markets in Peninsular and East Malaysia to grow our business.

Our operational facilities located in various locations also enable us to carry out marketing, sales and customer support activities for existing customers as well as to secure new customers to expand our business base.

(c) We have a range of sheet metal products and scaffoldings to provide us with several areas of business diversity and growth opportunities as well as provide convenience to our customers

We manufacture a range of sheet metal products comprising roofing sheets and trusses, industrial racking systems and welded pipes. In addition, we also supply scaffoldings. Each of these categories of products will provide us with their respective revenue streams to sustain and grow our business.

Our portfolio of products also enables us to serve two main industries, namely building construction as well as warehousing and storage industries. In addition, this provides convenience to our customers as they can source multiple products from us, and at the same time, we aim to maximise sales from each of our customers.

Our range of products and user industries will provide us with the platform to sustain and grow our business. Our ability to serve different groups of customers is evidenced by our customer base of 1,686 customers in FYE 2023, and this also provides us with a customer base to expand and grow our business.

3. PROSPECTUS SUMMARY (cont'd)

(d) Our product branding will serve as the platform to increase market awareness of our products to grow our business

We brand and market our metal products as follows:

- "BW" for our roofing sheets, sections and battens and scaffoldings;
- "Metech" for our industrial racking systems;
- "YS Tube" for our conduit pipes;
- "YS" for our welded pipes; and
- "Vtruss" for our roof trusses under projects.

The revenue from our brands of products accounted for RM121.7 million (93.0%), RM181.4 million (81.5%), RM211.2 million (89.4%) and RM209.9 million (85.3%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.

Having our brands provide us with product visibility through brand awareness, allows us to create product differentiation and a positive product image, and build customer loyalty to encourage return customers and referrals.

For further details, please refer to Section 6.5.6 of this Prospectus.

3.3.2 Business strategies

Our business objectives are to maintain sustainable growth in our business and to create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 36 months from the date of our Listing:

- (a) We intend to expand our operating facilities and increase production capacity, which include:
 - (i) set up a new factory, namely the New Penang Factory which have a total built-up area of approximately 197,153 sq ft, which consist of 1 double storey factory and office, as well as 1 single storey warehouse and office. It will house our new continuous PU foam sandwich panel production line, a new automated powder coating line for our industrial racking systems, the existing machinery and equipment for our industrial racking system manufacturing operations from the Penang 1572 Factory and the existing machinery and equipment for our roofing sheets and truss manufacturing operations from the Penang 1571 Factory; and
 - (ii) purchase new machinery and equipment which includes a new automated powder coating line at our New Penang Factory to cater for expected business expansion for our industrial racking systems. We also intend to purchase new machines mainly roll forming machines to replace our existing machines in the Banting Factory and retire our existing machines in the Penang 1571 Factory, as well as new related equipment for the manufacture of roof trusses and industrial racking systems.
- (b) We intend to invest in ICT systems including new ERP system as well as implementation of production and inventory management systems to facilitate tracking and tracing of incoming raw materials and finished products to improve our production workflow.
- (c) We intend to expand our range of roofing products by venturing into the manufacture of PU foam sandwich panels. Our target customers for this new range of PU foam sandwich panels are existing and new customers who will mainly be resellers such as hardware wholesalers and retailers. This will enable us to address opportunities by utilising resellers' network to gain geographic reach for our products.

3. PROSPECTUS SUMMARY (cont'd)

- (d) We intend to expand our reach into foreign countries to grow our business in various regions including Southeast Asia (SEA), the Middle East and South America. Our strategies are to sell our products to resellers to utilise their networks to gain access without our need to invest in resources and facilities in foreign countries.

For further details, please refer to Section 6.6 of this Prospectus.

3.4 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 8 of this Prospectus. Some of the more important risk factors are summarised below:

- (a) Our business and financial performance are subject to fluctuations of steel prices as the price of our steel products are associated to the prevailing global steel prices, and our financial performance will be affected if we sell our steel products at a lower price than our purchase cost of steel**

Our main input materials are steel based materials including hot rolled steel coils and coated cold-rolled steel coils as well as other steel products such as steel pipes, bars and plates. The steel based materials are subject to market price fluctuations where increase in the steel prices will result in higher costs of purchases of our steel based materials. In 2021, global hot-rolled and cold-rolled coil prices have been trending upwards, reaching USD1,481/tonne and USD1,658/tonne respectively in September 2021 before tapering in the fourth quarter of 2021. In 2022, global hot-rolled and cold-rolled coil prices increased to USD1,345/tonne and USD1,546/tonne respectively in April 2022 (*Source: IMR Report*). Generally, we price our products based on the prevailing market price of steel as well as considering the demand from our customers. A decrease in the global prices of steel may result in a situation where the prevailing prices that our customers are willing to pay may be lower compared to the average cost of purchase for the corresponding products in our inventory. In the event that our selling price of steel products is lower than the cost of our purchases of the input steel materials, it may result in low profit or losses from the sale which will negatively affect our financial performance. As our financial performance was affected by the fluctuations in steel prices during the Period Under Review, there can be no assurance that our business and financial performance would not be affected by the fluctuations in steel prices.

- (b) We are reliant on imports of mainly steel materials which expose us to risks associated with supply chain disruptions and increases in sea freight rate**

For the Period Under Review, we mainly purchased imported steel coils. During the Period Under Review, 83.4%, 90.9%, 70.4% and 98.7% of the purchases of steel coils for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 were mainly sourced from suppliers in foreign countries including China, Korea, Singapore, Taiwan and Japan. In addition, we purchased other steel products such as steel pipes, bars and plates which accounted for 4.1%, 6.8% and 12.4% and 8.2% of our total purchases of input materials and services for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. Of this, 69.2%, 87.4%, 2.0% and 38.7% of the purchases of other steel products for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively were sourced from suppliers in foreign countries mainly China and Vietnam.

In this respect, if there are any disruptions in the supply chain of these steel materials from foreign countries, it would interrupt our manufacturing and supply operations, and we would be unable to fulfil our customers' orders in a timely manner. This would adversely affect our market reputation and our financial performance. There is no assurance that our operations would not be affected by any prolonged disruptions in the supply chain.

3. PROSPECTUS SUMMARY (cont'd)

(c) Our financial performance is subject to unfavourable foreign exchange fluctuations

We are exposed to foreign exchange fluctuations including USD arising from our purchases of input materials. For FYE 2020, FYE 2021, FYE 2022 and FYE 2023, 77.9%, 86.2%, 61.5% and 79.3% of our total purchases were transacted in foreign currencies which are mainly in USD. Any adverse fluctuations in USD against RM may affect our financial performance. In addition, our export sales were transacted in foreign currencies which are mainly in USD and this accounted for 1.6%, 8.4%, 4.2% and 4.4% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.

As at the LPD, we have not entered into any forward exchange contracts to hedge against negative foreign currency movements. There is no assurance that our financial performance would not be materially affected by any adverse movements in USD against the RM.

(d) The continuing success of our Group depends on the expertise of our Managing Director and key senior management team

Our business operations are dependent on the experience, knowledge and skills of our Managing Director as well as key senior management team. Our Managing Director, KBH is responsible for the overall strategic direction of our Group. He is supported by our Executive Director and key senior management team comprising Kang Yi Ki (Executive Director), Lau Ken Wah (Chief Operating Officer), Sim Kay Wah (Chief Financial Officer) and Larry Lim Eng Sooi (Head of Corporate Governance, Affairs and Compliance).

Our day-to-day business operations and the successful implementation of our business strategies may be adversely affected if we lose the services of one or more of the Directors or key senior management team and are unable to engage a suitable replacement promptly.

(e) We are dependent on foreign workers to undertake our manufacturing activities

Most of our foreign workers are employed mainly for our manufacturing operations. We may experience a shortage of production workers from time to time due to several factors which affect our supply of both domestic and foreign workers. Some of the factors affecting the hiring of domestic production workers include the metal working environment and conditions, salary and benefit package offered, and location of the operation.

The number of foreign workers we may hire and our ability to obtain or renew work permits for our foreign workers are subject to regulations and approvals from the Ministry of Home Affairs, as well as policies implemented by other regulatory authorities, such as MITI.

3. PROSPECTUS SUMMARY *(cont'd)*

3.5 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Dato' Saidi bin Ismail	Independent Non-Executive Chairman
Kang Beng Hai	Non-Independent Executive Director / Managing Director
Kang Yi Ki	Non-Independent Executive Director
See Swee Sie	Independent Non-Executive Director
Teresa Tan Siew Kuan	Independent Non-Executive Director
Lim Chee Hoong	Independent Non-Executive Director

Key Senior Management

Lau Ken Wah	Chief Operating Officer
Sim Kay Wah	Chief Financial Officer
Larry Lim Eng Sooi	Head of Corporate Governance, Affairs and Compliance

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

3.6 PROMOTER AND SUBSTANTIAL SHAREHOLDER

The shareholdings of our Promoter and substantial shareholder in our Company before and after IPO are set out below:

Name	Nationality	Before IPO⁽¹⁾				After IPO⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
KBH	Malaysian	768,910,000	100.0	-	-	668,910,000	65.2	-	-

Notes:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.
- (2) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

Further details of our Promoter and substantial shareholder is set out in Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (cont'd)

3.7 UTILISATION OF PROCEEDS

The total estimated gross proceeds to be raised by our Company from the Public Issue of RM56.4 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	Estimated timeframe for utilisation from Listing
Capital Expenditure:			
- Construction of New Penang Factory	22,840	40.4	Within 36 months
- Purchase of new machinery and equipment	7,716	13.7	Within 36 months
- Implementation of new ERP system, production and inventory management systems	10,831	19.2	Within 36 months
Repayment of bank borrowings	4,000	7.1	Within 12 months
Working Capital	5,500	9.8	Within 12 months
Estimated listing expenses	5,500	9.8	Within 3 months
Total	56,387	100.0	

There is no minimum subscription to be raised from our IPO. Detailed information on our utilisation of proceeds is set out in Section 4.9 of this Prospectus.

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of approximately RM22.0 million shall accrue entirely to the Selling Shareholder who shall bear the entire incidental expenses and fees in relation to the Offer for Sale.

3.8 FINANCIAL AND OPERATIONAL INFORMATION

The selected historical financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

3.8.1 Historical combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for the Period Under Review.

	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000
Revenue	130,864	222,435	236,231	246,078
GP	25,257	52,168	56,450	50,673
PBT	5,301	29,602	33,453	24,329
PAT	3,311	24,839	23,511	17,649
Adjusted GP ⁽⁴⁾	25,257	57,066	51,650	50,673
Adjusted PBT ⁽⁴⁾	5,301	34,500	28,653	24,329
Adjusted PAT ⁽⁴⁾	3,311	29,737	18,711	17,649
Basic and diluted EPS (sen) ⁽¹⁾	0.3	2.4	2.3	1.7
GP margin (%) ⁽²⁾	19.3	23.5	23.9	20.6
PBT margin (%) ⁽³⁾	4.1	13.3	14.2	9.9
PAT margin (%) ⁽³⁾	2.5	11.2	10.0	7.2

3. PROSPECTUS SUMMARY (cont'd)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000
Adjusted GP margin (%) ⁽⁴⁾	19.3	25.7	21.9	20.6
Adjusted PBT margin (%) ⁽⁴⁾	4.1	15.5	12.1	9.9
Adjusted PAT margin (%) ⁽⁴⁾	2.5	13.4	7.9	7.2

Notes:

- (1) Calculated based on PAT for the Period Under Review over the enlarged share capital of 1,025,213,000 Shares upon Listing. There are no potential dilutive securities in issue during the respective Period Under Review.
- (2) GP margin is calculated based on GP over revenue.
- (3) PBT and PAT margin is calculated based on respective PBT and PAT for the Period Under Review over revenue.
- (4) In FYE 2021, our Group received a bill of claim from RMCD amounting to RM4.9 million, resulting from an audit on the import duty on steel coils purchased for the taxable period from July 2017 to June 2020. Our Group has accrued the Additional Import Duty while pending further clarification from RMCD in FYE 2021. In FYE 2022, our Group has reached an agreement with RMCD on a final settlement of RM0.1 million. As such, the overaccrual of RM4.8 million was reversed in FYE 2022. Please refer to Section 6.5.14(xi) of this Prospectus for further details.

There were no exceptional or extraordinary items during the Period Under Review. Our audited financial statements for the Period Under Review were not subject to any audit qualifications.

3.8.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group to show the effects of the adjustments for other material transactions, Capitalisations, Acquisitions and IPO. It is presented for illustrative purposes only and should be read together with the pro forma combined statements of financial position as set out in Section 13 of this Prospectus.

	As at 31 December 2023	I	II
	RM'000	After adjustments for Acquisitions	After I and IPO
		RM'000	RM'000
ASSETS			
Total non-current assets	158,122	158,122	158,122
Total current assets	179,676	179,676	227,568
TOTAL ASSETS	337,798	337,798	385,690
EQUITY AND LIABILITIES			
Equity			
Invested equity/Share capital	30,357	146,092	200,499
Merger reserve	-	(115,735)	(115,735)
Retained earnings	125,343	125,343	122,828
TOTAL EQUITY	155,700	155,700	207,592

3. PROSPECTUS SUMMARY (cont'd)

	As at 31 December 2023	I After adjustments for Acquisitions	II After I and IPO
	RM'000	RM'000	RM'000
Total non-current liabilities	67,835	67,835	63,835
Total current liabilities	114,263	114,263	114,263
TOTAL LIABILITIES	182,098	182,098	178,098
TOTAL EQUITY AND LIABILITIES	337,798	337,798	385,690
No. of Shares in issue ('000)	30,357	768,910	1,025,213
NA per Share (RM)	5.13	0.20	0.20
Total borrowings (RM'000)	138,637	138,637	134,637
Gearing ratio (times) ⁽¹⁾	0.89	0.89	0.65
Current ratio (times) ⁽²⁾	1.57	1.57	1.99

Notes:

- (1) Computed based on total borrowings divided by total equity as at the end of each financial year.
- (2) Computed based on current assets over current liabilities as at the end of each financial year.

Further details on the financial information are set out in Sections 11 and 12 of this Prospectus.

3.9 DIVIDEND POLICY

Our Company does not have any formal dividend policy. As we are a holding company, our Company's income and therefore our ability to pay dividends are dependent upon the dividends we receive from our subsidiaries, present or future. The payment of dividends or other distributions will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Further details of our dividends are set out in Section 11.7 of this Prospectus.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 18 June 2024 and will remain open until 5.00 p.m. on 5 July 2024. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/Opening of Application	18 June 2024
Closing Date/Closing of Application	5 July 2024
Balloting of Application	11 July 2024
Allotment/Transfer of IPO Shares to successful applicants	18 July 2024
Date of Listing	22 July 2024

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

4.3 LISTING SCHEME

4.3.1 Public Issue

A total of 256,303,000 Issue Shares representing 25.0% of our enlarged share capital are offered at the IPO Price and shall be allocated in the following manner:

(a) Malaysian Public

51,260,800 Issue Shares, representing 5.0% of our enlarged share capital are made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 25,630,400 Issue Shares made available to public investors; and
- (ii) 25,630,400 Issue Shares made available to Bumiputera public investors.

(b) Pink Form Allocations

61,512,800 Issue Shares, representing 6.0% of our enlarged share capital are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3 of this Prospectus.

(c) Private placement to Bumiputera investors approved by MITI

128,151,700 Issue Shares, representing 12.5% of our enlarged share capital are reserved for private placement to Bumiputera investors approved by MITI.

(d) Private placement to selected investors

15,377,700 Issue Shares, representing 1.5% of our enlarged share capital are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (cont'd)

Our Public Issue is expected to raise gross proceeds of RM56.4 million and will accrue entirely to our Company.

The basis of allocation of our Issue Shares shall take into account the distribution of the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements and to establish a liquid market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or 'greenshoe' option that will increase the number of our Issue Shares. Our Public Issue is subject to the terms and conditions of this Prospectus.

4.3.2 Offer for Sale

Our Selling Shareholder will undertake an offer for sale of 100,000,000 Offer Shares, representing 9.8% of our enlarged share capital at the IPO Price, by way of private placement to selected investors. The details of our Selling Shareholder is as follows:

Name/ Address	Relationship with our Group	Before IPO		Offer Shares offered		After IPO	
		No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
KBH / 17 Lagenda @ Southbay Jalan Lagenda 2 11960 Bayan Lepas Pulau Pinang	Promoter, Specified Shareholder, substantial shareholder and Managing Director	768,910,000	100.0	100,000,000	9.8	668,910,000	65.2

Notes:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.
- (2) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

The Offer for Sale is subject to the terms and conditions of this Prospectus.

Further details of our Selling Shareholder, who is also our Promoter, Specified Shareholder and Managing Director are set out in Sections 5.1.2 of this Prospectus.

4. DETAILS OF OUR IPO (cont'd)

4.3.3 Pink Form Allocations

We have allocated 61,512,800 Issue Shares to Eligible Persons under the Pink Form Allocations as follows:

Categories	No. of eligible persons	Aggregate no. of Issue Shares
Eligible Directors	5	2,200,000
Eligible key senior management	3	6,000,000
Other eligible employees	510	33,312,800
Persons who have contributed to our success	20	20,000,000
Total	538	61,512,800

(a) Allocation to our eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Our Managing Director has opted not to participate in the Pink Form Allocations as he is already our shareholder. Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares
Dato' Saidi bin Ismail	Independent Non-Executive Chairman	300,000
See Swee Sie	Independent Non-Executive Director	300,000
Teresa Tan Siew Kuan	Independent Non-Executive Director	300,000
Lim Chee Hoong	Independent Non-Executive Director	300,000
Kang Yi Ki	Executive Director	1,000,000
	Total	2,200,000

(b) Allocation to eligible employees

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

- (i) our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) full time employee of at least 18 years of age; and
- (iii) the number of Shares allocated to our eligible employees is based on their seniority, position, length of service and/or respective contribution to our Group as well as other factors deemed relevant by our Board.

4. DETAILS OF OUR IPO (cont'd)

Details of the proposed allocation to our key senior management are as follows:

Names	Designation	No. of Issue Shares
Key senior management		
Lau Ken Wah	Chief Operating Officer	2,000,000
Sim Kay Wah	Chief Financial Officer	2,000,000
Larry Lim Eng Sooi	Head of Corporate Governance, Affairs and Compliance	2,000,000
Total		6,000,000

(c) Allocation to persons who have contributed to our success

Persons who have contributed to our success include business associates, customers and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to our success are based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

Any of our Issue Shares not subscribed for under Sections 4.3.1(a) and 4.3.1(b) above shall be subject to the following clawback and reallocation provisions:

- (i) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated to our Eligible Persons. Likewise, any Issue Shares which are not taken up by our Eligible Persons will be allocated to the Malaysian Public.
- (ii) Subject to (i) above and Section 4.3.3 of this Prospectus, in the event there are Issue Shares not subscribed by the Malaysian Public as well as our Eligible Persons, the remaining portion will be made available for application by way of private placement to selected investors to be identified under Section 4.3.1(d) of this Prospectus. Thereafter, any remaining Issue Shares that are still not subscribed for will be underwritten based on the terms and conditions of the Underwriting Agreement.
- (iii) The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via public balloting, and thereafter to the other public investors via public balloting.
- (iv) In the event of an oversubscription by the Malaysian Public and a corresponding under-subscription under Sections 4.3.1(b), 4.3.1(d) and/or 4.3.2 of this Prospectus, the remaining portion will be clawed-back and be allocated to the Malaysian Public to increase the participation of retail investors.
- (v) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

The clawback and reallocation shall not apply in the event of over-application under Sections 4.3.1(a), 4.3.1(b), 4.3.1(c), 4.3.1(d) and 4.3.2 of this Prospectus. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

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

As at the LPD, to the extent known to our Company:

- (a) Save for the Pink Form Allocations, there are no substantial shareholder, Directors, or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4.3.4 Minimum and over-subscription

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

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

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4. DETAILS OF OUR IPO (cont'd)

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Principal Adviser, Sponsor, Placement Agent and Underwriter, after taking into consideration the following factors:

- (a) PE Multiple of approximately 12.9 times based on our audited pro forma EPS of 1.7 sen for FYE 2023, calculated based on our audited combined PAT of our Group of RM17.6 million and enlarged share capital of 1,025,213,000 Shares upon Listing;
- (b) our pro forma combined NA per Share of 20 sen as at 31 December 2023 after the adjustments for Acquisitions and IPO, calculated based on our pro forma combined NA as at 31 December 2023 of RM207.6 million and enlarged share capital of 1,025,213,000 Shares upon Listing;
- (c) our historical financial track record as summarised below:

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	130,864	222,435	236,231	246,078
GP	25,257	52,168	56,450	50,673
PAT	3,311	24,839	23,511	17,649
Basic and diluted EPS (sen) ⁽¹⁾	0.3	2.4	2.3	1.7

Note:

- (1) Calculated based on PAT for the Period Under Review over the enlarged share capital of 1,025,213,000 Shares upon Listing. There are no potential dilutive securities in issue during the respective Period Under Review.

- (d) our competitive strengths as set out in Section 6.5.6 of this Prospectus;
- (e) our Group's business strategies as set out in Section 6.6 of this Prospectus; and
- (f) an overview and outlook of the industry in which our Group operates as set out in Section 7 of this Prospectus.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our Issue Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

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

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	768,910,000	146,092,901
To be issued under Public Issue	256,303,000	56,386,660
Enlarged share capital upon Listing	1,025,213,000	202,479,561

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

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

Our Offer Shares will rank equally in all respects with our existing Shares, including voting rights, and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Depository Rules.

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

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

4.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.9 of this Prospectus;
- (b) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our services, retention of our employees, expansion of our client base and to attract new talents;
- (c) to increase the visibility of our Group in the sheet metal products industry in Malaysia;
- (d) to provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to our success to participate in our equity growth; and
- (e) to enable us to access the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (cont'd)

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 1,025,213,000 Shares, our total market capitalisation is estimated to be RM225,546,860 upon Listing.

4.8 DILUTION

4.8.1 NA per Share

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

	<u>RM</u>
IPO Price	0.22
Pro forma combined NA per Share as at 31 December 2023 after the Acquisitions but before IPO	0.20
Pro forma combined NA per Share as at 31 December 2023 after the Acquisitions and IPO	0.20
Increase in pro forma combined NA per Share attributable to existing shareholders	-
Dilution in pro forma combined NA per Share to new public investors	0.02
Dilution in pro forma combined NA per Share as a percentage of IPO Price	9.1%

Further details of our pro forma combined NA per Share as at 31 December 2023 is set out in Section 13 of this Prospectus.

4.8.2 Effective cost per Share

Save as disclosed below, there is no substantial disparity between our IPO Price and effective cash cost of our Shares acquired by our Promoter, Directors, substantial shareholder or key senior management, or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares during the past 3 years to the date of this Prospectus:

<u>Name</u>	<u>No. of Shares held before our IPO</u>	<u>Total consideration RM</u>	<u>Average effective cost per Share RM</u>
KBH	768,910,000	146,092,901	0.19

4. DETAILS OF OUR IPO (cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds arising from our Public Issue of RM56.4 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of IPO proceeds	Notes	RM'000	%	Estimated timeframe for utilisation from Listing
Capital Expenditure:				
- Construction of New Penang Factory	1(a)	22,840	40.4	Within 36 months
- Purchase of new machinery and equipment	1(b)	7,716	13.7	Within 36 months
- Implementation of new ERP system, production and inventory management systems	1(c)	10,831	19.2	Within 36 months
Repayment of bank borrowings	2	4,000	7.1	Within 12 months
Working Capital	3	5,500	9.8	Within 12 months
Estimated listing expenses	4	5,500	9.8	Within 3 months
Total		56,387	100.0	

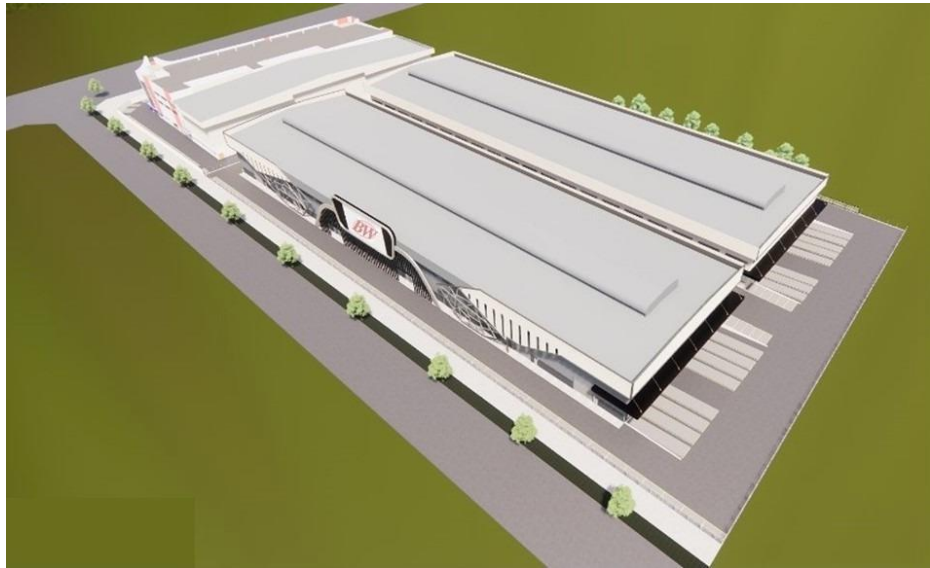
Notes:**(1) Capital Expenditure****(a) Construction of New Penang Factory**

Our Group plans to allocate RM22.8 million or 40.4% from our IPO proceeds to partially finance the construction of the New Penang Factory.

In 2021, we acquired Lot 1215 Land with a total land area of approximately 12 acres comprising 1 factory building on a 4-acre land, namely Penang 1572 Factory, and the remaining 8-acre vacant land. The New Penang Factory will be constructed on 4.5-acre of the remaining vacant land, which will be adjacent to our existing Penang 1572 Factory, while the remaining 3.5-acre land will comprise the car park area, access road, guard house and electric supply substation. The New Penang Factory will have a total built-up area of approximately 197,153 sq ft, which consists of 1 block single storey factory with double storey office ("**Block 1**"), as well as 1 block single storey factory and office.

4. DETAILS OF OUR IPO (cont'd)

An illustration of New Penang Factory is as follows:



Our main rationale for the setting up of the New Penang Factory is to address the building layout limitations of Penang 1572 Factory particularly with regard to the building length of 111 metres which is not able to accommodate a new continuous production line. In this respect, the New Penang Factory is designed with the building length of 180 metres to house our new continuous PU foam sandwich panel production line in Block 1.

In addition to house the new continuous PU foam sandwich panel production line in Block 1, we also plan to house the following machinery and equipment for our manufacturing operations:

- a new automated powder coating line for our industrial racking systems.
- the existing machinery and equipment for our industrial racking systems manufacturing operations will be relocated from the Penang 1572 Factory to Block 1. Subsequently, we intend to rent out the vacant Penang 1572 Factory after the relocation.
- the existing machinery and equipment for our roofing sheets and trusses manufacturing operations from Penang 1571 Factory will be relocated to Block 1. Subsequently, this will free up the space in Penang 1571 Factory which will be used as storage facilities for our raw materials as well as finished goods for our sheet metal product manufacturing mainly welded pipes.

We expect to relocate our existing machinery and equipment as mentioned above to Block 1 within 12 months after the completion of the construction of our New Penang Factory. In addition, we expect to incur a relocation cost of RM1.00 million which will be funded through internally generated funds.

4. DETAILS OF OUR IPO (cont'd)

The following table shows the usage and size of our head office, warehouse and manufacturing facilities located in Penang before and after the construction of the New Penang Factory:

Buildings	Usage	Before	After
		Size (sq ft)	
Penang 1571 Factory	• Office	39,000	39,000
	• Manufacturing floor space	218,820	166,520
	• Warehouse	4,740	57,040
Penang 1572 Factory	• Office	555	(1)-
	• Manufacturing floor space	26,602	(1)-
	• Warehouse	8,443	(1)-
New Penang Factory	• Office	-	11,961
	• Manufacturing floor space	-	92,001
	• Warehouse	-	93,191
	Total production capacity (MT)	138,747	147,147
	Total warehouse capacity (sq ft)	13,183	150,231

Note:

- (1) We intend to rent out Penang 1572 Factory which will be vacant after the completion of the New Penang Factory and relocation of our existing machinery and equipment for our industrial racking systems manufacturing operations to the New Penang Factory.

In November 2022, we have obtained the approval of the building plan for the construction of our planned New Penang Factory. The key milestones for the construction of our planned New Penang Factory are as follows:

- First quarter of 2024 : Commenced construction of factory
- First quarter of 2026 : Complete physical building construction and submission for CCC
: Commence installation and commissioning of machinery and equipment
: Submission of manufacturing and other relevant licences
- First quarter of 2027 : Commence commercial production

The total cost for the above setting up of New Penang Factory including construction and renovation is estimated at RM43.0 million (based on quotations obtained from respective contractors and suppliers for the construction and renovation work) which will be partially funded via RM22.8 million from our IPO proceeds while the remaining via bank borrowings and internally generated funds.

Our Group had commenced the construction of the New Penang Factory in first quarter of 2024 by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue are received, we will use the proceeds allocated to replenish our internally generated funds.

4. DETAILS OF OUR IPO (cont'd)

Details are set out below:

	Estimated cost	Funding	
		IPO Proceeds	⁽ⁱ⁾Bank borrowings / Internally generated funds
	RM'000	RM'000	RM'000
New Penang Factory			
Preliminary works	2,786	2,786	-
Piling works	9,321	9,321	-
Construction of factory building	21,165	10,733	10,432
Road and drainage works	4,769	-	4,769
Electrical works	2,100	-	2,100
Others ⁽ⁱⁱ⁾	2,890	-	2,890
Total	43,031	22,840	20,191

Notes:

(i) BWYS Steel has received an offer letter dated 4 June 2024 (which was accepted on 6 June 2024) from Ambank Islamic Berhad for a term financing facility of up to RM18.4 million to partially finance the remaining construction costs of the New Penang Factory. The remaining RM1.8 million will be financed through our internally generated funds.

(ii) This consists of firefighting system installation, external works, water supply and plumbing installation as well as sanitary installation works.

(b) Purchase of new machinery and equipment

Our Group plans to allocate RM7.7 million or 13.7% from our IPO proceeds for the purchase of new machinery and equipment. The total cost for the purchase of new machinery and equipment (based on respective vendor's quotations) are as follows:

	Note	Quantity Unit/line	Estimated cost RM'000
New powder coating line	(i)	1	4,784
New roll forming machines and related equipment	(ii)	9	2,932
			7,716

Notes:

(i) New powder coating line

As at the LPD, we have one automated powder coating line which is installed at our Penang 1571 Factory used for our industrial racking systems. Our powder coating system provides decorative finishes as well as resistance to corrosion and abrasion.

We have earmarked RM4.8 million from our IPO proceeds to purchase and install a new automated powder coating line at our New Penang Factory to cater for expected business expansion for our industrial racking systems.

4. DETAILS OF OUR IPO (cont'd)

The new automated powder coating line will use a conveyor system to transport the metal parts from one station to the next station as follows:

- preparation station including loading area for the metal parts to be coated;
- pre-treatment station using vertical spray shower type;
- drying oven before coating using hot air circulation method to eliminate residual moisture and prepare the parts for powder coating;
- powder spray booth using compressed air powder guns;
- curing oven; and
- unloading area of coated metal parts.

(ii) New roll forming machines and related equipment

We intend to purchase new machines mainly roll forming machines to replace our existing machines for the manufacture of roof trusses in the Banting Factory and retire some of our existing machines in the Penang 1571 Factory, as well as new related equipment for the manufacture of roof trusses and industrial racking systems.

The annual capacity for the manufacture of roof trusses is expected to increase from 29,394 tonnes to 32,594 tonnes, while the annual capacity for the manufacture of industrial racking systems is expected to increase from 22,991 tonnes to 24,791 tonnes.

The total cost for the purchase of new roll forming machines and related equipment is estimated at RM2.9 million which will be fully funded from our IPO proceeds. The details are set out below:

	Quantity	Estimated cost
	Unit	RM'000
Roof trusses		
Roll forming machine ⁽¹⁾	2	761
Packing machine	4	304
Industrial racking systems		
Roll forming machine ⁽²⁾	2	1,392
Container loading system	1	475
Total	9	2,932

Notes:

- (1) These 2 new units of roll forming machine will be used to replace 2 existing roll forming machines for the manufacture of roof trusses in the Banting Factory. The new roll forming machines can operate at a higher speed at 70 metres/minute as compared to the existing roll forming machines at 15 metres/minute.
- (2) These 2 new units of roll forming machine will be used to retire 2 existing roll forming machines with an average age of 9 years and are no longer cost efficient for the manufacture of industrial racking systems in the Penang 1571 Factory.

We plan to purchase the new roll forming machines as disclosed above within 36 months from our Listing. The new roll forming machines acquired in FYE 2023 do not form part of the new roll forming machines which we intend to purchase with our IPO proceeds.

4. DETAILS OF OUR IPO (cont'd)**(c) Implementation of new ERP system, production and inventory management systems**

Our Group plans to allocate RM10.8 million or 19.2% from our IPO proceeds for the implementation of new ERP system, production and inventory management systems. This is to integrate our business processes as well as to digitalise our production and inventory management where the existing administrative processes are primarily manual.

With the implementation of the new systems, we will be able to monitor every stage of the manufacturing process, beginning from the incoming raw materials till the delivery of the finished goods to our customers. The implementation of the systems will create a network to link our manufacturing facility including the manufacturing execution system and inventory management system, which will enable us to monitor and trace the entire manufacturing process in real-time as well as movement of our inventories.

The total cost for the implementation of new ERP system, production and inventory management systems is estimated at RM10.8 million (based on vendor's quotation). The details are set out below:

	Note	Estimated cost RM'000
ERP system	(i)	5,063
Production and inventory management systems	(ii)	3,206
Collaboration software	(iii)	562
ICT hardware	(iv)	2,000
Total		10,831

Notes:**(i) ERP system**

We intend to replace our existing accounting system to provide additional functions and features as well as to integrate our business processes across key departments including accounting, order entry and processing, purchasing and inventory and warehouse management. The new ERP system is to enhance our basic data collection and analysis, transaction processing, and management reporting functions for our business operations.

We intend to install a new ERP system comprising the following key modules:

- manufacturing module to plan for production including generate the bill of materials and order document picking list for materials;
- purchasing module to manage the purchase process including registration of suppliers and issuing purchase orders to our suppliers;
- sales module to manage all functionality relating to sales and customer information including registration of customers, quotations sent, register customers and issuing invoices;
- stock module to monitor inventory level;
- time recording module for human resources purposes; and
- accounting module for accounting and finance functions.

4. DETAILS OF OUR IPO (cont'd)

(ii) Production and inventory management systems

(aa) RFID system

We intend to implement RFID technology for the following systems:

- raw materials, work in progress and finished goods inventory management systems for 2 main operational facilities, namely at the Penang 1571 Factory and Banting Factory;
- raw materials and finished goods inventory management systems for the other 5 operational facilities including the Kota Bharu Factory, warehouse and office located at Johor, Kuching, Bintulu and Kota Kinabalu; and
- rental asset management systems for the 7 operational facilities (excluding Penang 1572 Factory).

It will include relevant hardware, software and communications devices, including the following:

- RFID reader which will be installed in our manufacturing facility to provide real time location tracking of our inventories including raw materials, work-in-progress and finished goods;
- RFID tags with running serial numbers and barcodes for identification, which will be tagged on our inventories for us to trace movements of the items; and
- RFID handheld reader to scan and register the RFID tags for all incoming raw materials as well as outgoing products.

RFID related hardware



(bb) Manufacturing execution system (MES)

We also plan to implement a new manufacturing execution system (MES) to manage and monitor the production progress. The management execution system will integrate various software modules and hardware to provide real time production data, monitor production output, equipment monitoring to provide data on overall equipment effectiveness, tracking of production process, production planning and scheduling, as well as report generation and analysis.

4. DETAILS OF OUR IPO (cont'd)(iii) Collaboration software

We also intend to subscribe to a collaboration software which is a cloud-based collaboration tool to enhance communications between department and project management. The software includes customisable workflow template which will allow us to manage our projects, delegate tasks, project scheduling, as well as facilitate communications among participants.

(iv) ICT Hardware

As part of our upgrade and implementation plan of the above ERP and other IT systems, we also intend to upgrade and replace some of our existing ICT hardware and we plan to purchase new ICT hardware including server, firewall and switches.

(2) Repayment of bank borrowings

We plan to allocate RM4.0 million or 7.1% of our IPO proceeds to pare down and reduce our bank borrowings as follows:

<u>Type of banking facilities</u>	<u>Purpose</u>	<u>Interest rate per annum</u>	<u>Maturity date</u>	<u>Balance as at the LPD RM'000</u>	<u>Amount to be repaid from IPO proceeds RM'000</u>
Term loan – Malayan Banking Berhad ⁽ⁱ⁾	Working capital	3.5%	2026	902	800
Term loan – Malayan Banking Berhad ⁽ⁱⁱ⁾	Working capital	BLR+2.0%	2027	574	300
Term loan – Ambank Berhad ⁽ⁱ⁾	Working capital	3.5%	2026	394	300
Term loan – Ambank Berhad ⁽ⁱⁱ⁾	Working capital	BLR+0%	2026	2,834	2,600
				4,704	4,000

Notes:

- (i) Based on fixed interest rate.
- (ii) Based on floating interest rate. The Base Lending Rate (“BLR”) for Malayan Banking Berhad and Ambank Berhad is 6.65% per annum and 6.70% per annum respectively with effect from May 2023 as published on their websites.

We have identified the abovementioned bank borrowings for repayment as these bank borrowings consists of Credit Corporate Guarantee (CGC) loans as well as loans obtained under the Special Relief Facility Scheme (SRF) by Syarikat Jaminan Pembiayaan Perniagaan (SJPP). In light that we will no longer be eligible under CGC and SRF schemes upon Listing, we plan to utilise part of our IPO proceeds to repay these borrowings. We will use our internally generated funds to repay any shortfall from our IPO proceeds to fully settle the bank borrowings above.

4. DETAILS OF OUR IPO (cont'd)

The repayment of bank borrowings will also result in an expected total interest savings of RM0.2 million per annum, based on the average interest rate of 5.0% per annum multiplied by the amount to be utilised from our IPO proceeds. However, the actual interest savings may vary depending on the then applicable interest rate.

(3) Working capital

We plan to allocate RM5.5 million or 9.8% of our IPO proceeds to fund our working capital requirements for the purchase of raw materials such as steel materials and steel related products.

For the Period Under Review, raw materials are the main component of our cost of sales, representing approximately 77.4% to 84.2% of the total cost of sales and they are expected to increase in tandem with the expected growth in scale of our operations.

(4) Estimated listing expenses

We plan to allocate RM5.5 million or 9.8% of our IPO proceeds to meet the estimated expenses of our Listing. The following summarise the estimated listing expenses incidental to our Listing to be borne by us:

Utilisation	RM'000
Professional fees ⁽¹⁾	3,100
Underwriting, placement and brokerage fees	1,800
Fees to authorities	100
Printing, advertising fees and contingencies ⁽²⁾	500
Total	5,500

Notes:

- (1) Includes advisory/professional fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Pending deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions as our Directors may deem appropriate.

Any variations from the amounts budgeted for (1) and (2) above, shall be adjusted towards or against, as the case may be, the proceeds allocated for working capital requirements as stated in (3) above. Pending the receipt of proceeds from our Public Issue, we may proceed with our plans as set out in (1), (2) and (3) above by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue are received, we will use the proceeds allocated to replenish our internally generated funds.

Where applicable and required under Rule 8.24 of the Listing Requirements, our Group will seek the shareholders' approval for any material variation to the utilisation of proceeds raised from our Listing.

The financial impact of the utilisation of proceeds from the Public Issue on our pro forma combined financial information is set out in Section 13 of this Prospectus.

4. DETAILS OF OUR IPO (cont'd)

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM22.0 million which will accrue entirely to our Selling Shareholder and we will not receive any of the proceeds. Our Selling Shareholder shall bear all of the expenses such as stamp duty, placement fees and miscellaneous fees relating to the Offer Shares, the aggregate of which are estimated to be approximately RM0.6 million.

4.10 UNDERWRITING, PLACEMENT AND BROKERAGE

4.10.1 Underwriting arrangement and commission

(a) Underwriting arrangement

Our Underwriter will underwrite 112,773,600 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 143,529,400 Issue Shares and 100,000,000 Offer Shares reserved for private placement to selected investors and Bumiputera investors approved by MITI will be fully placed out by our Placement Agent and will not be underwritten.

(b) Underwriting commission

Our Underwriter will underwrite 112,773,600 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 2.5% of the total value of the underwritten Issue Shares at our IPO Price.

4.10.2 Placement arrangement and fee

Our Placement Agent will place out a total of 143,529,400 Issue Shares and 100,000,000 Offer Shares to selected investors and Bumiputera investors approved by MITI, respectively.

We will pay our Placement Agent a placement fee of 2.5% of our IPO price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out to selected investors by our Placement Agent, will be borne entirely by our Selling Shareholder.

4.10.3 Brokerage fee

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

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

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 112,773,600 Issue Shares ("**Underwritten Shares**") as set out in Section 4.10.1.

The salient terms of the Underwriting Agreement are as follows:

Conditions precedent

The obligations of the Underwriter under this Agreement are conditional upon:

- (a) the delivery by the Company to the Underwriter before last date and time for applications and payment for the IPO in accordance with the Prospectus and Application Form ("**Closing Date**") or extended Closing Date as mutually agreed in writing by the Company and the Underwriter and subject to the prior written approval of the relevant authorities ("**Extended Closing Date**"), a written confirmation by the Company that there having been on or prior to the Closing Date or Extended Closing Date, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial, business, operations or otherwise) of the Group, which is material in the context of the IPO as set out in this Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect which makes any of the representations and warranties contained in the Underwriting Agreement untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in the Underwriting Agreement and the said written confirmation shall be in the form and substance as attached in the Underwriting Agreement;
- (b) the delivery by the Company to the Underwriter prior to the date of the registration of this Prospectus with Bursa Securities, two (2) copies (certified as true by the company secretary of the Company) of the extracts of all the resolutions of the board of Directors of the Company:
 - (i) approving the IPO and the Listing and the transactions contemplated by each of the same;
 - (ii) approving and authorising the execution of the Underwriting Agreement and authorising such person(s) as the board of Directors may resolve to execute the Underwriting Agreement for and on behalf of the Company;
 - (iii) approving the issue and allotment of the Issue Shares under the IPO;
 - (iv) approving and authorising the issuance of this Prospectus; and
 - (v) confirming that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus;
- (c) the delivery by the Company to the Underwriter, a written confirmation that all the resolutions referred in Clause (b) above are in full force and effect as at the Closing Date or Extended Closing Date (as the case may be) and have not been rescinded, revoked, or varied;
- (d) this Prospectus being in the form and substance satisfactory to the Underwriter;

4. DETAILS OF OUR IPO (cont'd)

- (e) the delivery by the Company to the Underwriter on the Closing Date or Extended Closing Date (as the case may be) of such reports and confirmations dated the Closing Date or Extended Closing Date (as the case may be) from the Directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will materially and adversely affect the performance or financial position of the Group;
- (f) that arrangements have been made by the Company to ensure payment of the expenses referred to in the Underwriting Agreement;
- (g) on the Closing Date or Extended Closing Date (as the case may be), the IPO is not being prohibited or impeded by any statute, order, rule, regulation or directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia, including but not limited to Bursa Securities and the SC;
- (h) this Prospectus having been issued within two (2) months after the date of the Underwriting Agreement or within such extended period as may be agreed in writing by the Underwriter;
- (i) the Underwriting Agreement has been duly executed and stamped and the Company has complied with and there is no breach of, or failure on the part of the Company to comply with, any of their obligations under the Underwriting Agreement, and that on the Closing Date or Extended Closing Date (as the case may be), the Company has complied with, and that the IPO (including the offer, sale and issue of Public Issue Shares and the Offer Shares), the Listing and the transactions contemplated under the Underwriting Agreement are in compliance with, all relevant laws;
- (j) the acceptance for registration by Bursa Securities of this Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO and the lodgement of this Prospectus with the CCM on or before their release under the IPO or in accordance with Section 154 of the Act and the CMSA together with copies of all documents required under the Act and CMSA; and
- (k) all approvals required in relation to the IPO, the admission and the Listing, including but not limited to approvals from Bursa Securities and the MITI having been obtained and are in full force and effect as at the Closing Date or Extended Closing Date (as the case may be) and that all conditions of the Approvals (except for any which can only be complied with after the IPO has been completed) have been complied with and such Approvals have not been withdrawn, amended, suspended, terminated, lapsed or been revoked.

(Collectively referred to as the "**Conditions Precedent**")

4. DETAILS OF OUR IPO (cont'd)

Termination

The Underwriter may by notice in writing to the Company given at any time before the Closing Date or Extended Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:

- (a) any of the approvals of Bursa Securities for the Listing is revoked, withdrawn; or
- (b) there is any breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Underwriter within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach, or by the Closing Date or Extended Closing Date, whichever is earlier; or
- (c) there is withholding of information by the Company which is required to be disclosed to the Underwriter pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach, which would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Issue Shares; or
- (d) there shall have occurred, happened or come into effect any material and adverse change to the business or financial conditions of the Company or the Group; or
- (e) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Underwriter and which would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or operations of the Company, the success of the IPO, the distribution or sale of the Issue Shares or the performance of any material part of this Agreement;
- (f) there is a failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;
- (g) any of the Conditions Precedent are not duly satisfied by the Closing Date or Extended Closing Date (as the case may be).

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

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

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

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

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT

5.1 PROMOTER AND SUBSTANTIAL SHAREHOLDER

5.1.1 Promoter's and substantial shareholder's shareholdings

The shareholdings of our Promoter and substantial shareholder in our Company before and after our IPO are set out below:

Name	Nationality	Before IPO ⁽¹⁾		After IPO ⁽²⁾	
		Direct	Indirect	Direct	Indirect
		No. of Shares	%	No. of Shares	%
KBH	Malaysian	768,910,000	100.0	668,910,000	65.2

Notes:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.
- (2) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

Our Promoter and substantial shareholder do not have different voting rights from the other shareholders of our Group.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.1.2 Profiles of Promoter and substantial shareholder

(a) Kang Beng Hai

Non-Independent Executive Director, Managing Director, Promoter and substantial shareholder

KBH, a Malaysian male, aged 51, is our Non-Independent Executive Director and Managing Director. He was appointed to our Board on 4 January 2023. He is also our Promoter and substantial shareholder. KBH has more than 30 years of experience in manufacturing and trading of sheet metal products, scaffoldings and steel-related products. He is principally responsible for overseeing the day-to-day operations and implementation of the business strategies, corporate directions and business development of our Group.

KBH had his secondary education interrupted in December 1987 to assist in his family poultry-farm in Kepala Batas, Penang. In August 1999, he co-founded BW Yee Seng Hardware Sdn Bhd (now known as BWYS Steel) with two other unrelated parties (Yap Kock Wah and Vu Chee Keong) where he was responsible for the sales of steel products as well as overseeing the operations of the company. During this period, he is able to gain valuable knowledge and management experience as well as access to business networks within the steel products trading business.

In March 2008, he established Prima Max Scaffold System Sdn Bhd (now known as YS Success) which commenced operations in the sales of roofing sheets and other building materials and subsequently ventured into manufacturing of roofing sheets business in 2011. He then expanded our Group's business to include manufacture of roof trusses, industrial racking systems, welded pipes and supply of scaffoldings. He continues to spearhead our Group's business.

Details of which his involvements in other companies outside of our Group are set out in Section 5.2.2(b) of this Prospectus.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.1.3 Changes in the Promoter's and substantial shareholder's shareholdings

The changes in our Promoter and substantial shareholder's respective shareholdings since our incorporation are as follows:

Name	As at incorporation			Before IPO ⁽¹⁾			After IPO ⁽²⁾				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
KBH	-	-	-	-	768,910,000	100.0	-	-	668,910,000	65.2	-

Notes:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.
- (2) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

5.1.4 Persons exercising control over the corporation

Save for our Promoter as set out in Section 5.1.1 of this Prospectus, we are not aware of any other person(s) who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.5 Benefits paid or intended to be paid

Save for the dividends declared and paid to our Promoter and substantial shareholder as disclosed below and the aggregate remuneration and benefits in-kind paid or to be paid to our Promoter and substantial shareholder as disclosed in Section 5.5 of this Prospectus, there are no amount or benefit paid and intended to be paid or given to our Promoter and substantial shareholder within the 2 years preceding the date of this Prospectus and up to the LPD.

KBH	Dividends declared and paid		
	FYE 2021	FYE 2022	1 January 2024 up to the LPD
	RM'000	RM'000	RM'000
	1,600	11,135	3,000
			-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

5.2 DIRECTORS

5.2.1 Profiles of Directors

The profiles of our Directors are as follows:

(a) Dato' Saidi bin Ismail
Independent Non-Executive Chairman

Dato' Saidi bin Ismail, a Malaysian male, aged 64, is our Independent Non-Executive Chairman and was appointed to our Board on 1 August 2023.

He graduated with a Bachelor of Islamic Studies at University Kebangsaan Malaysia in August 1983. He obtained his Master of Public Administration from University Sains Malaysia in August 2002.

In September 1983, he began his career as a Superintendent of Customs of the enforcement unit at the Royal Malaysia Customs in Johor. He was then transferred to the Enforcement Unit of the Royal Malaysia Customs, Kedah and Perlis in April 1990 and August 2001 respectively, holding the same position, where he was principally involved in enforcing customs regulations. In September 2005, he was transferred to the Human Resources and Organisational Division at Putrajaya where he assisted in managing the personnel in the customs department and evaluating their performance.

He was transferred to Seremban in December 2005 and to Kuala Lumpur in December 2006, to lead the respective enforcement units. In November 2009, he was promoted to Senior Customs Assistant (Grade W52) where he was responsible for leading and managing customs operations. In April 2011, he was assigned the role of Deputy of Customs Director in the Indirect Tax Division in Kedah where he mainly assisted in administration of matters in relation to indirect taxes. In April 2013, he was transferred to Putrajaya where he assumed the position of Head of Branch in the Import / Export Division where he was responsible in overseeing and regulating the movement of goods across borders. In August 2014, he served as a Deputy Director at the Academic Customs Malaysia in Melaka.

His last role at the Royal Malaysian Customs, starting from July 2017, was as a Customs Director in Penang, leading and managing various departments including Human Resources, Indirect Tax and Import and Export. He was responsible for overseeing and managing customs operations, strategies and policies. During his 37 years tenure with Royal Customs Malaysia, he held various positions until his retirement in February 2020.

In March 2021, he was also appointed as a director of Prompt Dynamic Logistics Sdn Bhd where he was responsible for overseeing customs and logistics matters and he subsequently resigned in February 2023.

Details of which his involvements in other companies outside of our Group are set out in Section 5.2.2(a) of this Prospectus.

(b) Kang Beng Hai
Non-Independent Executive Director, Managing Director, Promoter and substantial shareholder

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

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

(c) Kang Yi Ki

Non-Independent Executive Director

Kang Yi Ki, a Malaysian female, aged 28, is our Non-Independent Executive Director and was appointed to our Board on 1 August 2023. She has 5 years of experience in the business of manufacturing and trading of sheet metal products. She is responsible for overseeing our Group's human resources division.

She graduated with a Bachelor of Business from La Trobe University Australia in December 2018.

She began her career with our Group in June 2019 as a Business Development Manager where she was responsible for export sales of the racking division. Since then, she underwent rotations through various departments within our Group including purchasing, sales and marketing and production departments, which allowed her to gain exposure and experience in the entire spectrum of our Group's business.

She was later re-designated to Head of Racking Division of YS Global in April 2022 where she was mainly responsible for all sales for the industrial racking systems division. In April 2023, she was re-designated to Senior Vice President and assumed her current responsibilities where she is mainly responsible for overseeing strategic planning, execution and management of human resources.

She does not have any present or past involvements in other companies outside of our Group.

(d) See Swee Sie

Independent Non-Executive Director

See Swee Sie, a Malaysian female, aged 59, is our Independent Non-Executive Director and was appointed to our Board on 1 August 2023. She is the Chairperson of our Nomination Committee as well as a member of our Audit and Risk Committee and Remuneration Committee.

She graduated with an LLB (Hons) degree from the University of London in August 1990. She obtained her Certificate of Legal Practice (CLP) from the Legal Profession Qualifying Board, Malaysia in November 1991. She was admitted as an Advocate & Solicitor of the High Court of Malaya in October 1992.

She joined Messrs Shearn Delamore & Co in November 1991 to undertake her pupillage. In August 1992, she left Messrs Shearn Delamore & Co and joined Messrs Onn Hussein & Yee as an Associate in November 1992. During her tenure there, she practised in the area of banking litigation. In October 1994, she left Messrs Onn Hussein & Yee to join Messrs Chung, Huang & Khalid as an Associate where she was responsible for handling banking litigation files. In December 1995, she left Messrs Chung, Huang & Khalid to join Messrs Eugene Lye & Co in March 1996 as an Associate where she managed both conveyancing and litigation files for the firm. She then left Messrs Eugene Lye & Co in November 1997 to set up her own legal firm, Messrs S S See & Associates (now known as Messrs Anoop & See) where she holds the position of Managing Partner.

She is a certified adjudicator as well as a sports arbitrator empanelled by the Asian International Arbitration Centre. She is also an adjudicator and mediator of the Asian Institute of Alternative Dispute Resolution in which she has been admitted as a pioneer member.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Currently, she is the President of the Federation of Women Lawyers, Penang. She is the legal adviser of the National Council of Women's Organisations in Penang and International Women's Association, Penang, Malaysia Semiconductor Industry Association and Penang Mental Health Advisory Council (PgCare Society).

She does not have any past involvements in other companies outside our Group. Details of which her present involvements in other companies outside of our Group are set out in Section 5.2.2(c) of this Prospectus.

(e) Teresa Tan Siew Kuan
Independent Non-Executive Director

Teresa Tan Siew Kuan, a Malaysian, aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 1 August 2023. She is the Chairperson of our Remuneration Committee as well as a member of our Audit and Risk Committee and Nomination Committee.

She graduated with a Bachelor of Economics from the University of Adelaide, Australia in April 1992. She is a member of the Certified Practising Accountant ("CPA") (Australia) since August 1997 and the Malaysian Institute of Accountants since March 2012.

She started her career in February 1992 at Kassim Chan + Co (now known as Deloitte) as an Audit Assistant where she was mainly responsible for external audit fieldwork for financial statements. In October 1993, she left Kassim Chan + Co and joined Coopers & Lybrand (now known as PricewaterhouseCoopers) as a Tax Assistant where she was tasked with the preparation of tax returns and tax computation. In June 1995, she left Coopers & Lybrand and joined Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) in the same month as an Executive of Corporate Finance where she was responsible for the execution and submission of initial public offerings exercises to the relevant authorities and several fund-raising exercises for public listed companies in the Northern Region of Peninsular Malaysia. She was holding her final post in Malaysian International Merchant Bankers Berhad as an Assistant Vice President of Corporate Finance where she led the corporate advisory team in the Penang branch in various corporate exercises.

In July 2004, she left Malaysian International Merchant Bankers Berhad and joined K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) in August 2004 as a Senior Manager of Corporate Finance in the Penang branch where she was mainly involved in providing corporate advisory services to corporate/institutional clients and public listed companies. She left K&N Kenanga Berhad as Senior Manager in August 2007 and took a career break until August 2008.

In August 2008, she joined KDU College Penang (now known as UOW Malaysia KDU Penang University College) as a lecturer and was mainly lecturing in subjects of accounting and auditing. She left KDU College Penang in November 2009 and rejoined K&N Kenanga Berhad in February 2010 as a Senior Manager of the investment banking division where she was responsible for marketing the group's products and services. In March 2014, she was transferred to Kenanga Investors Berhad as the Vice President of Business Development, responsible for marketing and distribution of products and services to the retail market segment and the financial operational and administrative matters of the Penang branch.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

In November 2017, she left Kenanga Investors Berhad and joined TT Vision Holdings Berhad as its Chief Finance Officer where she was responsible for the overall finance and accounts of the group and handling the listing exercise of TT Vision Holdings Berhad on the LEAP Market of Bursa Securities. In September 2019, she left TT Vision Holdings Berhad and she currently provides management and business consultancy services mainly in the Northern Region of Peninsular Malaysia on a freelance basis.

She is currently the Independent Non-Executive Director of PLB Engineering Berhad, IQ Group Holdings Berhad and 3Ren Berhad.

She does not have any past involvements in other companies outside our Group. Details of which her present involvements in other companies outside of our Group are set out in Section 5.2.2(d) of this Prospectus.

(f) Lim Chee Hoong
Independent Non-Executive Director

Lim Chee Hoong, a Malaysian, aged 64, is our Independent Non-Executive Director and was appointed to our Board on 1 August 2023. He is the Chairman of our Audit and Risk Committee as well as a member of our Nomination Committee and Remuneration Committee.

He completed his Sijil Pelajaran Malaysia (SPM) with Sekolah Menengah Jenis Kebangsaan Hua Lian at Taiping, Perak in December 1978. In November 1980, he completed his Upper Form VI at Han Chiang High School and obtained his Higher School Certificate after having passed the University of Cambridge Local Examinations Syndicate in collaboration with the University of Malaya.

He has more than 40 years of experience in the field of accounting. He is a member of the Malaysian Association of Certified Public Accountants since January 1993 and a member of the Malaysian Institute of Accountants since July 1993. In January 2007, he obtained his Practising Certificate as a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Taxation since September 2008. In December 2010, he obtained his Practising Certificate as a Chartered Accountant with the Malaysian Institute of Accountants to engage in public practice and provision of regulated services such as audit, taxation and liquidation.

He started his career as an Articled Clerk in May 1981 with Coopers & Lybrand (now known as PricewaterhouseCoopers) where his main roles include assisting in audit engagements and supporting the audit teams. In August 1988, he left Coopers & Lybrand and joined Seal Incorporation Berhad as an Accountant Supervisor in the same month where he was responsible for the preparation of accounting reports to the management. In January 1990, he left Seal Incorporation Berhad and joined Kinta Properties Sdn Bhd as a Senior Accounts Executive in the same month where he assisted with financial tasks and perform routine accounting duties.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

In March 1991, he left Kinta Properties Sdn Bhd and joined Kassim Chan + Co (now known as Deloitte) as an Audit Senior in the same month where he was primarily responsible for the planning of audits, supervision of field teams, review of audit work papers and finalisation of accounts. In June 1993, he left Kassim Chan + Co and joined Syuen Corporation Sdn Bhd in the same month as Group Financial Controller and Group Company Secretary where he was in charge of finance and accounting matters while also handling company secretary matters. In June 1997, he left Syuen Corporation Sdn Bhd and joined Transcyber Management Sdn Bhd in July 1997 as an Accountant where he was responsible for handling finance and accounting matters. He left Transcyber Management Sdn Bhd in May 1998.

In November 1997, he had set up his own audit firm, Messrs Lim Chee Hoong & Company (now known as Messrs CHI-LLTC) which commenced operations in June 1998 where he was responsible for overseeing the audit team for statutory audit services. Messrs CHI-LLTC assumed its present name after admitting several other partners to the firm beginning from January 2001 including Tang Boon Hiap, Lam Foong Kei, Wu Thien Loong and Ong Sheik Yoong. In December 2001, he joined Messrs Lee Teik Swee & Co where he served as one of the partners for overseeing the operation of the audit firm from December 2001 to October 2013. He was also a partner of an audit firm, TNL Partners PLT, from June 2020 to December 2022. He currently also serves as the Executive Director of Lim Tang Tax Services Sdn Bhd, a company providing tax advisory services, in which he is also the sole shareholder.

He is currently the Independent Non-Executive Director of Pelikan International Corporation Berhad, OKA Corporation Bhd and Ritamix Global Limited, a public limited company listed on the Hong Kong Stock Exchange and a Non-Independent Non-Executive Director of PRG Holdings Berhad.

Details of his involvements in other companies outside of our Group are set out in Section 5.2.2(e) of this Prospectus.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.2.2 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Dato' Saidi Bin Ismail

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
HK Setia Security Services Sdn Bhd	Provision of security services, security systems and private security activities	Director	3 July 2023	-	70.0	-

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Prompt Dynamics Logistics Sdn. Bhd.	Transportation services for containers	Director	1 March 2021	3 February 2023	-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(b) KBH

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
YHTJ (Sabah)	Investment holdings in properties, previously involved in sales and rental of scaffoldings and other steel related products	Director	7 July 2006	-	85.0	-
YHTJ (Sarawak)	Investment holdings in properties, previously involved in buying, selling, renting and operating of self-owned or leased real estate for non-residential buildings	Director	22 May 2009	-	99.0	-
Kang BH Holdings Sdn Bhd	Investment holdings in shares. The company is currently dormant	Director	31 October 2012	-	90.0	-
Visage Global Sdn Bhd	Subcontractor services for construction and trading of construction materials	Director	10 July 2014	-	70.0	-
Visage Industries	Investment holdings in properties, previously involved in provision of design, manufacture, supply and installation of light weight steel roof truss system and metal roofing	Director	26 May 2014	-	100.0	-
YHTJ R&D	Research and development on engineering and technology	Director	24 October 2016	-	100.0	-
Hektar Emas Sdn Bhd	Investment holdings in properties	Director	17 March 2023	-	100.0	-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
BW Yee Seng (M) Sdn Bhd	Trading and renting in scaffoldings and related products	Director	26 April 2002	(1)-	(1)-
Solid Recycle Sdn Bhd	Dealing with building materials, scaffolding hardware and machinery	Director	25 September 2012	26 June 2023	(2)Shareholder with 40% equity interest
Eco High	Manufacturing and renting of construction material and products, to involve in all kinds of construction works	-	-	-	(3)Shareholder with 44% Indirect equity interest via BWYS Steel
SNT Industries Sdn Bhd	To carry on the business in manufacture of carpentry products and materials for industrial and home improvement, such as lego box kitchens, plywood doors and all kinds of building materials related to same	N/A	N/A	-	(4)Shareholder with 75% equity interest

Notes:

- (1) He has ceased to be the director and shareholder of BW Yee Seng (M) Sdn Bhd with the dissolution of the company on 18 January 2019.
- (2) He has ceased to be a shareholder of Solid Recycle Sdn Bhd on 21 July 2023.
- (3) He has ceased to be an indirect shareholder of Eco High on 8 December 2022.
- (4) He has ceased to be a shareholder of SNT Industries Sdn Bhd on 14 August 2023.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(c) See Swee Sie

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Anoop & See Advocates & Solicitors ⁽¹⁾	Legal Services	Partner ⁽¹⁾	3 January 1998	-	50.0	-
Mount Miriam Cancer Hospital	Operating hospital	Director	10 November 2023	-	-	-

Note:

(1) See Swee Sie set up her legal firm, Messrs S S See & Associate in January 1998, as a sole proprietor. In January 2008, Messrs S S See & Associates was converted to a partnership and underwent a change of name to Messrs Anoop & See and See Swee Sie has held the position of managing partner since then.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(d) Teresa Tan Siew Kuan

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
PLB Engineering Berhad	Investment holding company and provides management services to its subsidiaries which principally involved in construction and property development	Independent Non-Executive Director	5 October 2022	-	-	-
IQ Group Holdings Berhad	Investment holding company and provides management services to its subsidiaries which principally involved in design and manufacture of lighting, security and convenience products	Independent Non-Executive Director	1 March 2023	-	-	-
3Ren Berhad	Investment holding company whilst its wholly-owned subsidiary companies are principally involved in the provision of automation solutions and engineering services	Independent Non-Executive Director	20 March 2024	-	-	-

(e) Lim Chee Hoong

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
CHI-LLTC ⁽¹⁾	Providing audit services	Partner ⁽¹⁾	3 November 1997	-	-	-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
PRG Holdings Berhad	Investment holding company and provision of management services. The principal activities of the subsidiaries are mainly property development, provision of smart energy solving solution and manufacturing and sale of upholstery and safety webbings	Non-Independent Non-Executive Director ⁽²⁾	25 May 2023 ⁽²⁾	-	~	~
Lim Tang Tax Services Sdn Bhd	Taxation, accounting and financial consultancy services	Director	1 June 2005	-	100.0	-
Modular Management Services Sdn Bhd	Provision of business advisory and management services	-	-	-	0.1	-
Pelikan International Corporation Berhad	Investment holding company where its subsidiaries is principally involved in manufacturing and sales of inkjet cartridges, toner and stationery products	Independent Non-Executive Director	3 June 2019	-	-	-
Ritamix Global Limited	(i) Distribution of animal feed additives and, to a lesser extent, human food ingredients; and (ii) Manufacturing of animal feed additives premixes	Independent Non-Executive Director	8 April 2021	-	-	-
OKA Corporation Bhd	Investment holding company where its subsidiaries is principally involved in manufacture and sale of pre-cast concrete products	Independent Non-Executive Director	1 June 2023	-	-	-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Choo Bee Metal Industries Berhad	Processing of steel coils into steel products, fabrication of steel products and trading of hardware products	Independent Non-Executive Director	1 July 2011	31 May 2023	-
TNL Partners PLT ⁽³⁾	Providing audit services	Partner	22 June 2020	20 December 2022	-

Notes:

~ Represents amount less than 0.1%.

- (1) Lim Chee Hoong incorporated Messrs Lim Chee Hong & Company in November 1997. After forming a partnership, Messrs Lim Chee Hoong & Company underwent a name change to Messrs CHI-LLTC and he has held the position of partner since November 1997.
- (2) Lim Chee Hoong was appointed as the Independent Non-Executive Director of PRG Holdings Berhad on 21 July 2003 and he was later designated to the position of Non-Independent Non-Executive Director on 25 May 2023.
- (3) Lim Chee Hoong incorporated TNL Partners PLT on 22 June 2020 together with two other partners, namely Tang Boon Hiap and Ng Leong Teck. He subsequently withdrew from the partnership on 20 December 2022.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

As at LPD, the directorships of our Directors in other listed companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

The involvements of our Directors in those business activities outside our Group do not give rise to any conflict of interest situation with our business activities, after taking into consideration the following factors:

- (a) the involvement of our Independent Non-Executive Directors will not affect their contributions to our Group as they only attend board meetings to provide oversight and check-and-balance to our Group's affairs. Their roles are to ensure that our Group has the proper corporate governance in conducting our business activities from time to time; and
- (b) the involvement of our Executive Director in those business activities do not require significant amount of their management time as they are not involved in the management and day-to-day operations of these business, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management.

Based on the above considerations, our Board is of the view that the involvements of the Directors in other companies do not affect their abilities to perform their executive roles and responsibilities to our Group. Our Executive Directors spend most of their time in the operations and affairs of our Group. As such, their involvements in other businesses and operations outside of our Group are not expected to have any effect on their contribution to our Group.

5.2.3 Board practice**(A) Board**

Our Board members are from diversified backgrounds in terms of age and expertise. They have professional experience ranging from corporate, accounting and consulting as well as industry experience. Our Board is of the opinion that at present there is adequate diversity in skills, experience, age, cultural background and gender in its composition.

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (a) Our Board shall assume ultimate accountability and responsibility for the performance and affairs of our Group. Our Board is collectively responsible for meeting the objectives and goals of our Group and shall in so doing effectively represent and promote the legitimate interests of our Group and its shareholders. Our Board, at all times, shall retain full and effective control over our Group and shall direct and supervise the business and affairs of our Group.
- (b) Our Board shall ensure that management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. Our Board shall work with management as collaborators in advancing the interests of our Group.
- (c) Our Board has delegated certain responsibilities to committees which operate in accordance with the Board Charter and delegated the day-to-day management of our Group's business to our Executive Directors and the key senior management, subject to an agreed authority limit.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

- (d) The principal roles and responsibilities of our Board are:
- (i) ensure that all its directors are able to understand financial statements and form a view on the information presented;
 - (ii) together with key senior management, promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
 - (iii) set the strategic plan including setting performance objectives and approving operating budgets for our Group and ensuring that the strategies promote sustainability within the aspects of environment, social and economy and necessary resources are in place for our Group to meet its objectives. Our Board is also responsible for monitoring the implementation of the strategic plan by the key senior management;
 - (iv) overseeing the conduct of our Group's business and build sustainable value for our shareholders by monitoring financial performance against approved budget, determine dividend policy and the amount, nature and timing of dividends to be paid and also to conduct a review of our Group's funding requirements on a continuing basis, including significant treasury matters, approval of financing arrangements, or payment authority and other signatories;
 - (v) identifying principal risks on a continuous basis and ensuring the implementation of appropriate internal controls and mitigation measures such as to establish an internal audit function which reports directly to the Audit and Risk Management Committee, oversight of the Audit and Risk Management Committee's evaluation of auditor's performance and independence, and reviews relevant arrangements brought forth by the Audit and Risk Management Committee;
 - (vi) overseeing the development and implementation of a corporate disclosure policy (including an investor relations program or shareholder communications policy) for our Group;
 - (vii) succession planning, including appointing, assessing, training, fixing the compensation of and where appropriate, replacing Executive Directors and the key senior management and overseeing our Group's human capital development process, monitor and compensate against pre-determined evaluation criteria;
 - (viii) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines to ensure an effective framework for internal controls and risk management;
 - (ix) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
 - (x) ensuring that our Group's financial statements are true and fair and conform with the accounting standards;
 - (xi) monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations;
 - (xii) ensuring that our Group adheres to high standards of ethics and corporate behaviour;

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

- (xiii) periodically review an anti-bribery and anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk; and
 - (xiv) approve the Whistleblowing Policy and Procedures to encourage reporting of any legitimate concerns over any wrongdoing in our Group.
- (e) In overseeing the conduct of our Group's business, our Board shall ensure that an appropriate financial planning, operating and reporting framework as well as risk management framework is established. Elements under this combined framework include the business plan, the budget, financial statements, divisional strategic/performance reviews reports and risk management reports.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Save for KBH who was appointed on 4 January 2023, all our other Directors were only appointed to our Board on 1 August 2023 and have served for less than one year on our Board as at LPD. All our Directors will retire and be eligible for re-election at our forthcoming first annual general meeting. The members of our Board are set out in Section 5.2.1 of this Prospectus.

(B) Audit and Risk Management Committee

The members of our Audit and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Lim Chee Hoong	Chairman	Independent Non-Executive Director
See Swee Sie	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities on financial reporting and risk management. Our Audit and Risk Management Committee has full access to all information and documents/resources as well as to the internal and external auditors as well as our key senior management team.

The key duties and responsibilities of our Audit and Risk Management Committee include, amongst others, the following:

- (a) review our Group's quarterly results and year-end financial statements before submission to the Board;
- (b) review with the external auditors and report to the Board on the audit plan, audit report and evaluation on internal controls and co-ordination of the external auditors;
- (c) review with the internal auditors and report to the Board on the internal audit process including the internal audit plan, the adequacy and effectiveness of the internal audit function and the implementation of the recommendations of the internal audit function;

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

- (d) review any related party transactions and conflict of interest situations that may arise and make recommendation to Board that such transactions are at arm's length and in the best interest of our Group including any transaction, procedure or course of conduct that raises question of management integrity; and
- (e) establish, maintain and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks.

External Auditors

- (a) nominate and recommend the appointment of external auditors, to consider the adequacy of experience, resources and audit fees of the external auditors;
- (b) to review any letter of resignation from the external auditors and any questions of resignation or dismissal;
- (c) to discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
- (d) to review major audit findings arising from the interim and final external audits, the audit report and the assistance given by our Group's officers to the external auditors;
- (e) to review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
- (f) to review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- (g) assess the suitability, objectivity and independence of the external auditor on an annual basis based on established policies and procedures, and the annual performance evaluation of the external auditor undertaken by the Audit and Risk Management Committee.

Internal Auditors

- (a) review the adequacy of scope, functions and resources of the internal auditors (that was engaged to undertake the internal audit function), and that it has the necessary authority to carry out its work;
- (b) review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (c) review the major findings of internal audit investigations and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
- (d) review and approve any appointment, termination or resignation of the internal auditors.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

Risk Management

- (a) to review the adequacy of Group's risk management framework and assess the resources and knowledge of the management and employees involved in the risk management process;
- (b) to review the effectiveness of internal control systems deployed by the management to address those risks;
- (c) to review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
- (d) to review and further monitor principal risks that may affect our Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks;
- (e) to communicate and monitor the risk assessment results to the Board; and
- (f) to highlight actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting our Group.

Conflict of Interest and Related Party Transactions

- (a) to review any related party transactions including recurrent related party transactions or conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity and report the same to our Board; and
- (b) to establish policies and procedures to manage potential conflict of interest situations including potential conflict of interest between any director and our Company as well as between our Company and its subsidiaries.

Others

- (a) to maintain and keep under review the whistle-blowing mechanism of our Group which shall be in accordance with the Whistle-blowing Policy, which aims to provide protection and confidentiality;
- (b) to discuss and review the major findings of any internal investigations and the management's response;
- (c) to perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities;
- (d) where the Audit and Risk Management Committee is of the view that a matter reported by it to our Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit and Risk Management Committee must promptly report such matter to Bursa Securities; and
- (e) if applicable, to review the allocation of options during the year if any, under any of our Company's employee share issuance scheme to ensure that this was in compliance with the allocation criteria determined by the scheme committee set up for that purpose and in accordance with any related by-laws.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(C) Nomination Committee

The members of our Nomination Committee as at the LPD are as follows:

Name	Designation	Directorship
See Swee Sie	Chairperson	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director
Lim Chee Hoong	Member	Independent Non-Executive Director

The key duties and responsibilities of our Nomination Committee include the following:

- (a) identify, consider and recommend to our Board suitable candidates for appointment as Directors. Our Nomination Committee shall not solely rely on recommendations from our existing Board members, management or substantial shareholders, but will also utilise independent sources to identify suitably qualified candidates;
- (b) develop and implement the fit and proper policy for the appointment and re-election of Directors of our Group that addresses the board quality and integrity;
- (c) review and recommend to our Board the re-election of Directors who retired by rotation pursuant to our Constitution and re-appointment of Directors who retired pursuant to relevant sections of the Act, subject to the conduct of the fit and proper assessment;
- (d) recommend to our Board, Directors to fill the vacancies on Board committees and recommend to our Board in respect of Directors' independence and conflicts of interests, if any, the steps to be taken to manage potential conflicts of interest;
- (e) develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors, of which there should be a formal, rigorous and transparent process for the appointment of directors (including re-appointments) and key senior management;
- (f) establish a policy on Board composition having regard to the mix of skills, independence, experience, age, cultural background and diversity (including gender diversity) required to meet the needs of our Group;
- (g) assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director including his time commitment, character, experience and integrity;
- (h) consider the size and balance of our Board with a view to determine the impact of the number upon our Board's effectiveness and recommend it to our Board;
- (i) recommend to our Board on our Group's gender diversity policies, targets and discuss measures to be taken to meet those targets while ensuring the Board comprises sufficient women directors as recommended by the latest Malaysian Code on Corporate Governance and to review the participation of women in key senior management to ensure there is healthy talent pipeline;
- (j) recommend to Board, protocol for accepting new directorships; and
- (k) review and recommend the extension of contracts of the Executive Directors, key senior management and any other person our Board so determines.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(D) Remuneration Committee

The members of our Remuneration Committee as at the LPD are as follows:

Name	Designation	Directorship
Teresa Tan Siew Kuan	Chairperson	Independent Non-Executive Director
See Swee Sie	Member	Independent Non-Executive Director
Lim Chee Hoong	Member	Independent Non-Executive Director

The key duties and responsibilities of our Remuneration Committee include the following:

- (a) review our Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and key senior management, and recommend to our Board for approval;
- (b) recommend to our Board the remuneration of executive Directors, non-executive Directors and key senior management in all its forms and to review our Group's remuneration policies and procedures which should be disclosed in the annual report;
- (c) determine a fair remuneration of Executive Directors and key senior management to attract, retain and motivate Executive Directors and key senior management and in doing so, the Remuneration Committee shall set performance measures for incentive plans which should be aligned with the business strategy and long-term objectives of our Group, complexity of our Group's activities, and reflects the experience and level of responsibilities;
- (d) ensure fees and benefits payable to the Directors, and any compensation for loss of employment of Executive Directors are approved by the shareholders at general meetings; and
- (e) review and recommend to our Board, the remuneration packages of Non-Executive Directors for shareholders' approval at our general meeting in accordance with the Act and ensure that remuneration and incentives for Non-Executive Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

5.2.4 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements entered into between the companies within our Group with our Directors.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.2.5 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO, assuming that our Directors (except for KBH) will fully subscribe for their respective entitlements under the Pink Form Allocations, are set out below:

Names	Designation / Nationality	Before IPO ⁽¹⁾			After IPO ⁽²⁾				
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Saidi bin Ismail	Independent Non-Executive Chairman / Malaysian	-	-	-	-	300,000	~	-	-
KBH	Non-Independent Executive Director / Managing Director / Malaysian	768,910,000	100.0	-	-	668,910,000	65.2	-	-
Kang Yi Ki	Non-Independent Executive Director / Malaysian	-	-	-	-	1,000,000	~	-	-
See Swee Sie	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	~	-	-
Teresa Tan Siew Kuan	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	~	-	-
Lim Chee Hoong	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	~	-	-

Notes:

~ less than 0.1%.

(1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.

(2) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Profiles of key senior management

(a) Lau Ken Wah
Chief Operating Officer

Lau Ken Wah, a Malaysian, aged 48, is the Chief Operating Officer of our Group. He is responsible for overseeing our Group's day-to-day operations and sales including managing all production activities, manufacturing processes and allocation of resources within our Group and ensuring our Group meets production targets efficiently and effectively.

He graduated with a Bachelor's degree in Commerce majoring in Accounting and Information Systems from the Curtin University of Technology, Australia in December 2000.

Prior to passing his final paper for Bachelor's degree in Commerce majoring in Accounting and Information Systems, he began his career in July 1999 as a project coordinator at Applied Computers Sdn Bhd where he was responsible for technical and support for projects. He was then promoted to Account Manager in July 2000 where he was responsible for client relationship management. He left Applied Computers Sdn Bhd in February 2001.

In February 2001, he co-founded Te-Base Technology Sdn Bhd where he was responsible for overseeing the day-to-day operations, managing sales and marketing activities, and spearheading the development and implementation of effective marketing strategies. In January 2007, as part of a merger exercise, some projects and the development team under Te-Base Technology Sdn Bhd were transferred to Spartan System Solution Sdn Bhd pursuant to which he assumed the role of Principal Consultant at Spartan System Solution Sdn Bhd. During this period, he was responsible for executing and managing key project operations of Spartan System Solution Sdn Bhd while also overseeing the operations of Te-Base Technology Sdn Bhd. In February 2008, he left Spartan System Solution Sdn Bhd.

He joined Smartag Solution Sdn Bhd (now known as SMTrack Berhad) in March 2008 as Sales and Marketing Director where he was mainly responsible for the sales revenue and budget forecast, as well as the development and execution of the marketing strategies. He left Smartag Solution Sdn Bhd as Chief Marketing Officer in August 2010. Thereafter, he managed a children creative development centre operated by Synoray Ventures Sdn Bhd from November 2006 when he became a director and shareholder until the dissolution of Synoray Ventures Sdn Bhd in May 2016. He joined EP-TEC Solutions Sdn Bhd as a Business Development Manager in December 2011. His role included leading the development and implementation of marketing programs and strategising sales activities. He left EP-TEC Solutions Sdn Bhd in July 2016.

In July 2016, he joined NEC Corporation of Malaysia Sdn Bhd as a Senior Account Manager, where he was responsible for managing and developing the company's key accounts in the retail vertical segment, overseeing profit and loss for all accounts and creating and developing new business strategies for existing and new key enterprise accounts. He was subsequently promoted as Account Director in July 2017.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

He left NEC Corporation of Malaysia Sdn Bhd and joined Xangars Solutions Sdn Bhd in May 2018 as the Director of Sales and Operations. He was responsible for leading and managing the day-to-day operations of the company, as well as developing and implementing the operational procedures, business strategies and sales strategies of the company. He left Xangars Solutions Sdn Bhd in July 2019 and took a career break.

In February 2020, he joined ENClip Solution Sdn Bhd as the Sales Director where he was responsible for overseeing and managing sales and marketing activities. During his time at ENClip Solution Sdn Bhd, he also co-founded 3Logic Technologies Sdn Bhd in November 2021, a company established to complement and support ENClip Solution Sdn Bhd's operations, in providing the software solutions and products. At 3Logic Technologies Sdn Bhd, he served as a director where he was responsible for overseeing the day-to-day operations and executing telecommunication and cloud software solutions. He left ENClip Solution Sdn Bhd in January 2022 and also resigned as a director of 3Logic Technologies Sdn Bhd in June 2022.

In January 2022, he joined our Group as Senior Vice President (Group Operations) and was subsequently reassigned as our Chief Operating Officer in March 2023 where he assumed his current responsibilities.

Details of his involvements in other companies outside of our Group are set out in Section 5.3.2(a) of this Prospectus.

(b) Sim Kay Wah
Chief Financial Officer

Sim Kay Wah, a Malaysian, aged 48, is the Chief Financial Officer of our Group. He is responsible for overseeing our Group's overall accounting and financial matters including financial reporting and planning, corporate finance, taxation, treasury management and internal audit.

He graduated with a Bachelor degree in Accountancy from Royal Melbourne Institute of Technology, Australia ("**RMIT**") in November 1999. He obtained his certificate for CPA from CPA Australia and became a member of CPA in April 2003. He was subsequently admitted as a Fellow of CPA Australia in August 2022. He is also a member of the Malaysian Institute of Accountants since May 2003. Thereafter, he obtained his Master degree in Finance from RMIT in April 2004. He obtained his qualification as a Chartered Management Accountant from the Chartered Institute of Management Accountants in January 2017.

Prior to graduating from RMIT, he began his career as a consultant specialising in auditing and corporate finance at Hanifah Teo & Associate in October 1999 and was later transferred to BDO Capital Consultants Sdn Bhd in May 2000. He left BDO Capital Consultants Sdn Bhd in June 2001. He then joined Deloitte KassimChan (now known as Deloitte Malaysia) as a consultant in corporate restructuring, corporate finance and auditing from July 2001 to May 2003. Thereafter, he joined Naza Motor Trading Sdn Bhd as an Assistant Manager in Corporate Finance Department from May 2003 to June 2004 where he was responsible for group accounts reporting.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

He left Naza Motor Trading Sdn Bhd and joined PM Securities Berhad as an Assistant Manager in September 2004, where he led a team of corporate finance professionals in serving clients in the area of equity financing, restructuring, and advisory. He left PM Securities Berhad to join Limahsoon Berhad as its Financial Controller in May 2007, where he was responsible for the financial infrastructure support including financial systems, procedures, human capital, and accounting policies, as well as the development of business strategies and financial models.

He left Limahsoon Berhad to join Smartag Solutions Berhad as Chief Financial Officer in November 2009, where he was involved in the listing of Smartag Solutions Berhad on the Bulletin Board of the United States. He left Smartag Solutions Berhad to join RCG Matrix Sdn Bhd as a Financial Controller in September 2010. He was appointed as the Deputy Chief Financial Officer of RCG Holdings Limited in December 2010 and was promoted to Chief Financial Officer of China eWallet Payment Group Limited (formerly known as RCG Holdings Limited) in March 2014. He was responsible for the corporate finance, corporate strategies and planning, accounting and finance, and investor relations division of China eWallet Payment Group Limited. In January 2022, he left China eWallet Payment Group Limited and joined our Group as Senior Vice President (Group Finance) and was subsequently redesignated as Chief Financial Officer where he assumed his current responsibilities.

Since November 2015, he serves as an Independent Non-Executive Director of Bahvest Resources Berhad as well as its Audit Committee Chairman.

Details of his involvements in other companies outside of our Group are set out in Section 5.3.2(b) of this Prospectus.

(c) Larry Lim Eng Sooi

Head of Corporate Governance, Affairs and Compliance

Larry Lim Eng Sooi, a Malaysian, aged 60, is the Head of Corporate Governance, Affairs and Compliance of our Group. He is responsible for corporate affairs, administering and overseeing our Group's corporate governance policies and procedures as well as internal control systems.

He completed his secondary education at St. Xavier's Institution, Penang in December 1981. In May 1982, he joined Kah Motor Company Sdn Bhd as a wages clerk at Permatang Pauh, Butterworth. He joined Public Finance Berhad as a clerk (now known as Public Bank Berhad) in September 1983 and was subsequently promoted to Officer Trainee in October 1991 where he was responsible for frontline products such as savings accounts, fixed deposit accounts, automated teller machine cash replenishment and hire purchase collections. In October 1992, he was promoted to Operations Officer in the hire purchase collections and recovery department. In August 1995, he was further promoted to Senior Operations Officer in the hire purchase collections and recovery department. Thereafter, he became the Head of the Credit Administration Centre, Seberang Jaya in November 1999 where he was in charge of the hire purchase collections and recovery department.

In September 2004, he was transferred to the Hire Purchase Credit Control department in Public Bank Berhad's Credit Administration Centre in Butterworth retaining his designation. In October 2008, he was promoted to Head of the Credit Administration Centre.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

In March 2011, he left Public Bank Berhad to join our Group as the Senior Vice President (Sales) where he was responsible for all sales and marketing activities. In March 2014, he was also appointed as the Occupational Safety and Health Committee Chairperson where he was responsible for overseeing the safety and health performance of BWYS Steel and the same for YS Success in September 2015. In July 2014, he was redesignated to Senior Vice President (Head, Credit Administration and Compliance) where he was responsible for all credit administration, credit risk management and upkeeping our Group's Standard of Conduct compliance.

In January 2017, he was appointed as our Senior Vice President, Plant Operations and Credit Administration in which his roles include overseeing the production, maintenance, quality control, quality management systems, warehouse, logistics, safety and health, as well as formulating credit administration and compliance policies. In June 2019, he was appointed as our Senior Vice President overseeing the entire operations and profitability of business activities including scaffoldings and metal roofing as well as specific areas of the plant operations. He was subsequently redesignated as our Corporate Governance, Affairs and Compliance in March 2023 where he assumed his current responsibilities.

He does not have any present involvements in other companies outside our Group. Details of which his past involvements in other companies outside of our Group are set out in Section 5.3.2(c) of this Prospectus.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.3.2 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Lau Ken Wah

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Te-Base Technology Sdn Bhd	Dormant with no intended activities	Director	10 February 2001	-	60.0	-

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
3logic Technologies Sdn Bhd	General trading	Director	26 November 2021	28 June 2022	⁽¹⁾ Shareholder with 40% equity interest

Note:

(1) He had ceased to be a shareholder of 3logic Technologies Sdn Bhd on 21 July 2022.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

(b) Sim Kay Wah

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Bahvest Resources Berhad	Investment holding company which its subsidiaries are principally involved in gold mining activities	Independent Non-Executive Director	20 November 2015	-	-	-

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Tag Station MSC Sdn Bhd	Provision of IT and IT-related products	Director	1 August 2011	(1)-	(1)-
RCG (Malaysia) Sdn Bhd	Investment holding in shares. The subsidiaries are principally involved in provision of IT and IT-related products, trading and distribution of computer technology products	Director	1 August 2011	(2)-	(2)-
RCG Matrix Sdn Bhd	Trading and distribution of computer technology products	Director	1 August 2011	1 October 2021	-
RCG Land Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate	Director	1 August 2011	1 October 2021	-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
TT Life Holdings (M) Berhad	Activities of holding companies, export and import of a variety of goods without any particular specialisation, buying, selling, renting and operating of self-owned or leased real estate	Director	25 September 2020	28 February 2022	-

Notes:

- (1) He had ceased to be the director of Tag Station MSC Sdn Bhd with the dissolution of the company on 24 January 2022.
- (2) He had ceased to be the director of RCG (Malaysia) Sdn Bhd with the dissolution of the company on 23 March 2022.

(c) Larry Lim Eng Sooi

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Eco High	Manufacturing and renting of construction material and products; to involve in all kinds of construction works	Director	31 July 2017	19 January 2022	⁽¹⁾ Shareholder with 3% equity interest

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
SNT Industries Sdn Bhd	To carry on the business in manufacture of carpentry products and materials for industrial and home improvement, such as lego box kitchens, plywood doors and all kinds of building materials related to same	Director	31 October 2013	1 August 2023	⁽²⁾ Shareholder with 15% equity interest

Notes:

- (1) He had ceased to be a shareholder of Eco High on 8 December 2022.
- (2) He had ceased to be a shareholder of SNT Industries Sdn Bhd on 14 August 2023.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

5.3.3 Existing or proposed service agreements

As at the LPD, save for the service agreements of Lau Ken Wah and Sim Kay Wah as disclosed below, there are no existing or proposed service agreements (contracts for services) entered into between the companies within our Group with our key senior management.

- (a) The salient terms of the service contract of Lau Ken Wah dated 14 December 2023 as our Chief Operating Officer are as follows:
- (i) The duration of the service contract shall commence on 14 December 2023 and shall terminate on 13 December 2026; and
 - (ii) The service contract may be terminated by either party giving to their 3 months' notice in writing or 3 months' salary in lieu of such notice.
- (b) The salient terms of the service contract of Sim Kay Wah dated 14 December 2023 as our Chief Financial Officer are as follows:
- (i) The duration of the service contract shall commence on 14 December 2023 and shall terminate on 13 December 2026; and
 - (ii) The service contract may be terminated by either party giving to their 3 months' notice in writing or 3 months' salary in lieu of such notice.

5.3.4 Key senior management's shareholdings

The shareholdings of our key senior management in our Company before and after our IPO are set out below:

Names / Designation / Nationality	Before IPO				After IPO ⁽¹⁾⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lau Ken Wah / Chief Operating Officer / Malaysian	-	-	-	-	2,000,000	0.2	-	-
Sim Kay Wah / Chief Financial Officer / Malaysian	-	-	-	-	2,000,000	0.2	-	-
Larry Lim Eng Sooi / Head of Corporate Governance, Affairs and Compliance / Malaysian	-	-	-	-	2,000,000	0.2	-	-

Notes:

- (1) Based on the enlarged share capital of 1,025,213,000 Shares after our IPO.
- (2) Assuming our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations.

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

5.4 RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships or association between or amongst our Promoter, substantial shareholder, Directors and key senior management as at the LPD:

- (a) KBH, our Promoter, substantial shareholder, Non-Independent Executive Director and Managing Director, is the father of Kang Yi Ki, our Non-Independent Executive Director.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.5 REMUNERATION AND BENEFITS

5.5.1 Directors

The aggregate remuneration and benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

Paid FYE 2021 Director	Directors fees RM'000	Salaries RM'000	Bonuses RM'000	(1)Statutory contributions RM'000	Benefits -in-kind RM'000	Total RM'000
KBH	-	794	212	128	-	1,133
Kang Yi Ki	-	61	18	14	-	94

Paid FYE 2022 Director	Directors fees RM'000	Salaries RM'000	Bonuses RM'000	(1)Statutory contributions RM'000	Benefits -in-kind RM'000	Total RM'000
KBH	-	862	159	165	-	1,185
Kang Yi Ki	-	64	12	14	-	90

Paid FYE 2023 Director	Directors fees RM'000	Salaries RM'000	Bonuses RM'000	(1)Statutory contributions RM'000	Benefits -in-kind RM'000	Total RM'000
Dato' Saidi bin Ismail	(2)-	-	-	-	-	(2)-
KBH	-	940	110	185	-	1,235
Kang Yi Ki	-	102	14	16	-	132
See Swee Sie	(2)-	-	-	-	-	(2)-
Teresa Tan Siew Kuan	(2)-	-	-	-	-	(2)-
Lim Chee Hoong	(2)-	-	-	-	-	(2)-

Proposed FYE 2024 Director	Directors fees RM'000	Salaries RM'000	Bonuses RM'000	(1)Statutory contributions RM'000	Benefits -in-kind RM'000	Total RM'000
Dato' Saidi bin Ismail	(2)-	-	-	-	-	(2)-
KBH	-	1,800	(3)-	289	-	2,089
Kang Yi Ki	-	210	(3)-	26	-	236
See Swee Sie	(2)-	-	-	-	-	(2)-
Teresa Tan Siew Kuan	(2)-	-	-	-	-	(2)-
Lim Chee Hoong	(2)-	-	-	-	-	(2)-

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT *(cont'd)*

Notes:

- (1) Including contributions to Employee Provident Fund, SOSCO and Employment Insurance System.
- (2) Dato' Saidi bin Ismail, See Swee Sie, Teresa Tan Siew Kuan and Lim Chee Hoong were appointed to our Board on 1 August 2023. These Independent Non-Executive Directors are not entitled to any fees until after our Listing. Their monthly fees are as follows:

Directors	RM
Dato' Saidi bin Ismail	6,000
See Swee Sie	4,000
Teresa Tan Siew Kuan	4,000
Lim Chee Hoong	4,000

- (3) The final bonuses for FYE 2024 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.

The remuneration for our Directors must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders through an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 14.4.1 of this Prospectus for further details.

5.5.2 Key senior management

The aggregate remuneration and benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
FYE 2021			
Lau Ken Wah	⁽¹⁾ N/A	⁽¹⁾ N/A	⁽¹⁾ N/A
Sim Kay Wah	⁽¹⁾ N/A	⁽¹⁾ N/A	⁽¹⁾ N/A
Larry Lim Eng Sooi	300 – 350	0 – 50	300 – 350

	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
FYE 2022			
Lau Ken Wah	300 – 350	0 – 50	300 – 350
Sim Kay Wah	300 – 350	0 – 50	300 – 350
Larry Lim Eng Sooi	300 – 350	0 – 50	350 – 400

5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

FYE 2023	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
Lau Ken Wah	350 – 400	0 – 50	350 – 400
Sim Kay Wah	350 – 400	0 – 50	350 – 400
Larry Lim Eng Sooi	300 – 350	0 – 50	300 – 350

Proposed for FYE 2024	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
Lau Ken Wah	500 – 550	0 – 50	500 – 550
Sim Kay Wah	500 – 550	0 – 50	500 – 550
Larry Lim Eng Sooi	300 – 350	0 – 50	300 – 350

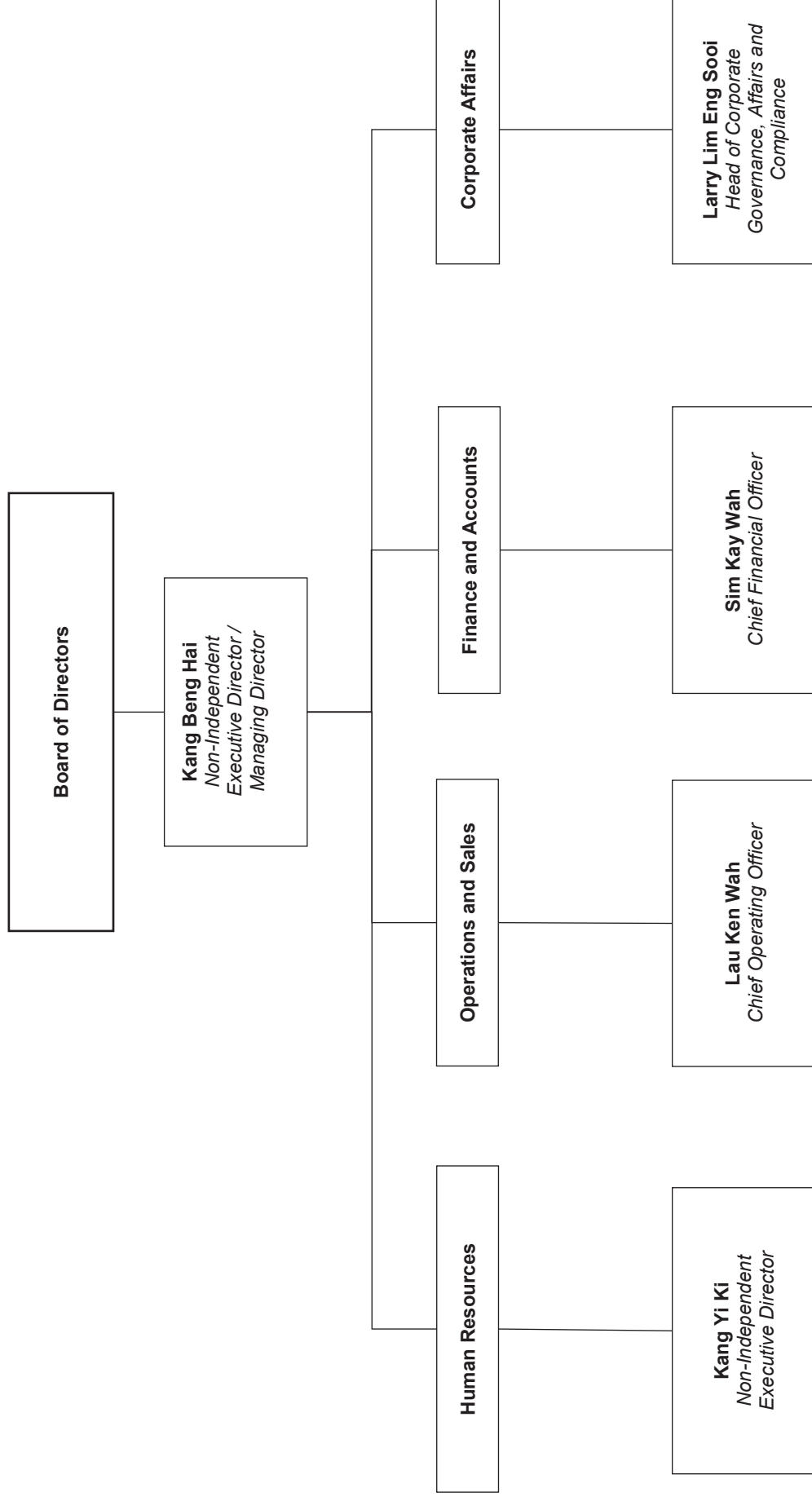
Note:

(1) Joined our Group during FYE 2022.

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5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (cont'd)

5.6 MANAGEMENT REPORTING STRUCTURE



5. INFORMATION ON PROMOTER, DIRECTORS, SUBSTANTIAL SHAREHOLDER AND KEY SENIOR MANAGEMENT (*cont'd*)

5.7 DECLARATION FROM PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoter, Directors and key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (a) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) being the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (h) have any unsatisfied judgment against him/her.

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6. INFORMATION ON OUR GROUP

6.1 BACKGROUND INFORMATION

6.1.1 Incorporation

Our Company was incorporated in Malaysia under the Act on 4 January 2023 as a public limited company under the name of BWYS Group Berhad.

We are principally an investment holding company. Through our subsidiaries, we are principally involved in manufacturing of sheet metal products and supply of scaffoldings. To complement our manufacturing of sheet metal products and supply of scaffoldings, we also engage in trading of steel materials and steel related products.

6.1.2 History and development

The history of our business can be traced back to the incorporation of BW Yee Seng Hardware Trading Sdn Bhd (now known as BWYS Steel) in 1999 by our Managing Director, KBH, and two other unrelated parties (Yap Kock Wah and Vu Chee Keong) where each party held 33.33% of equity interests in the company. In 2000, the two unrelated parties divested their equity interests to KBH and KMH (brother of KBH) for a total consideration of RM2.

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

Year	Key Events and Milestones
1999	<ul style="list-style-type: none"> BWYS Steel was incorporated under its former name of BW Yee Seng Hardware Trading Sdn Bhd before changing to its present name in 2015. BWYS Steel commenced operations and was mainly involved in the trading of steel products.
2006	<ul style="list-style-type: none"> BWYS Steel acquired a 3-acre land in Bukit Mertajam, Penang and commenced the sales and rental of scaffoldings in the same year.
2008	<ul style="list-style-type: none"> YS Success was incorporated under the name Prima Max Scaffold System Sdn Bhd before assuming its present name in 2009. Through YS Success, we commenced operations in the sales of roofing sheets and other building related materials in 2010.
2009	<ul style="list-style-type: none"> As part of our business expansion to other states in Malaysia through acquisition, KBH acquired 50.00% equity interest for a total consideration of RM4.0 million in Bekalan PIE Sdn Bhd, a company involved in the trading of iron and steel products and reconditioning of scaffoldings in Klang, Selangor. The remaining 50.00% equity interest was then held by two unrelated parties (Goh Eng Thye and Tan Lai Huat). In 2018, the two unrelated parties divested their equity interest to KBH for a total consideration of RM7.0 million. The company later changed its name to BW Scaffold in 2019. BWYSSB was incorporated under the name BW Yee Seng Steel (M) Sdn Bhd before assuming its present name in 2023. BWYSSB established a branch office in Johor in the same year to cater for customers in Southern Peninsular Malaysia and subsequently BWYSSB commenced operations in 2010 where it was principally involved in the trading of building materials and hardware.

6. INFORMATION ON OUR GROUP (cont'd)

Year	Key Events and Milestones
2011	<ul style="list-style-type: none"> • As part of our product expansion, YS Success invested in 2 roll forming machines for the manufacturing of roofing sheets and commenced the manufacture of roofing sheets in our manufacturing facility in Bukit Mertajam, Penang. • To further expand our business geographically, we incorporated BWYS Timur to carry out the manufacturing of roofing sheets at the Kota Bharu Factory. BWYS Timur commenced operations in the same year and mainly serves customers in the East Coast of Peninsular Malaysia. • YS Success acquired the "Metech" brand from Mefu Industries Sdn Bhd, a manufacturer of industrial racking systems and we commenced the manufacturing of industrial racking systems in 2012. • YS Global was incorporated under the name BW Yee Seng (Perlis) Sdn Bhd and changed its name to YS Global Pipes Sdn Bhd in 2014. YS Global commenced business operations in 2015 as a manufacturer of carbon steel welded pipes in Penang 1571 Factory. YS Success held 80.0% of equity interest in YS Global and the remaining 20.0% were held by two unrelated parties (Lim Saw Hong and Chuah Choon Lim) in 2014. In 2021, the two unrelated parties divested their equity interest to YS Success for a total consideration of approximately RM0.4 million.
2013	<ul style="list-style-type: none"> • YS Success acquired the Penang 1571 Factory and we moved our head office from Bukit Mertajam to Penang 1571 Factory.
2017	<ul style="list-style-type: none"> • YS Global Pipes Sdn Bhd disposed the pipe manufacturing business including all the machinery and equipment to YS Success. Pursuant to the disposal of the pipe manufacturing business, YS Global Pipe Sdn Bhd ceased its business operation. • We restructured our business operations where our roofing sheets and trusses manufacturing operations were placed under BWYS Steel, and our sales of scaffoldings were placed under BW Scaffold while rental of scaffoldings were undertaken by BW Scaffold and BWYSSB. Meanwhile, our welded pipe manufacturing operations were placed under YS Success and our industrial racking systems manufacturing operations were placed under YS Success and YS Global. BWYS Timur continued its business operation in the manufacturing of roofing sheets and trusses. • Through YS Success, we made our first export sales where we exported industrial racking systems to Bangladesh. We continued to export industrial racking systems to other countries including the Philippines and Australia in the same year, and several other countries including Saudi Arabia, UAE, Sri Lanka and Singapore between 2018 and 2019.
2019	<ul style="list-style-type: none"> • BW Scaffold acquired Banting Factory and subsequently relocated BW Scaffold's operations from Klang, Selangor to this premises in 2020. • Through BWYS Steel, we expanded our presence to the East Malaysia and established branch offices in Kuching and Bintulu in Sarawak to serve our customers in Sarawak.

6. INFORMATION ON OUR GROUP (cont'd)

Year	Key Events and Milestones
2020	<ul style="list-style-type: none"> YS Global Pipes Sdn Bhd changed its name to YS Global and recommenced business in the same year for the manufacture of industrial racking systems at Bukit Minyak and later relocated to Penang 1572 Factory in 2022. Through YS Global, we secured our first export sales of industrial racking systems to a storage system provider in the USA in 2020 which was subsequently delivered in 2021. We started carrying out the manufacture of roofing sheets at the Banting Factory.
2021	<ul style="list-style-type: none"> Through BW Scaffold, we made our first export of scaffoldings to a trading company in Singapore. BWYS Steel acquired the Lot 1215 Land comprising 1 factory building on a 4-acre land, namely Penang 1572 Factory, and the remaining 8-acre vacant land which we plan to construct New Penang Factory for business expansion. Please refer to Section 6.6 for further details of our business strategies and plans. Through BWYS Steel, we established a branch office in Kota Kinabalu to serve our customers in Sabah.

6.1.3 Pre-IPO Exercises

In preparation for our Listing, we have undertaken a series of internal restructuring exercises, as follows:

(a) Capitalisations

As at 31 July 2023, the amount due to KBH amounted to RM2,218,541, RM11,082,097 and RM9,068,926 for BW Scaffold, BWYS Steel and YS Success respectively. The advances provided by KBH was for working capital of our Group. KBH had decided to accept the repayment by way of BW Scaffold Shares, BWYS Steel Shares and YS Success Shares as set out below:

(i) Capitalisation in BW Scaffold

On 14 August 2023, BW Scaffold capitalised the amount owing to KBH of RM2,218,497 via the issuance of 11,676,300 BW Scaffold Shares at an issue price of RM0.19 per BW Scaffold Share and the remaining balance of RM44 was fully satisfied via cash as set out below:

Existing Shareholder	Advances RM	Amount capitalised RM	Cash payment RM	No. of new BW Scaffold Shares
KBH	2,218,541	2,218,497	44	11,676,300
Total	2,218,541	2,218,497	44	11,676,300

The Capitalisation in BW Scaffold was completed on 14 August 2023 and the issued share capital of BW Scaffold had increased from RM2,488,000 comprising 2,488,000 BW Scaffold Shares to RM4,706,497 comprising 14,164,300 BW Scaffold Shares.

6. INFORMATION ON OUR GROUP (cont'd)

The shareholding structure of BW Scaffold before and after the Capitalisation in BW Scaffold is as set out below:

Existing shareholders	Before the Capitalisation in BW Scaffold		After the Capitalisation in BW Scaffold	
	No. of shares	%	No. of shares	%
KBH	2,487,999	99.9	14,164,299	99.9
KBT	1	<0.1	1	<0.1
Total	2,488,000	100.0	14,164,300	100.0

(ii) Capitalisation in BWYS Steel

On 14 August 2023, BWYS Steel capitalised the amount owing to KBH of RM11,082,073 via the issuance of 58,326,700 BWYS Steel Shares at an issue price of RM0.19 per BWYS Steel Share and the remaining balance of RM24 was fully satisfied via cash as set out below:

Existing Shareholder	Advances RM	Amount capitalised RM	Cash payment RM	No. of new BWYS Steel Shares
KBH	11,082,097	11,082,073	24	58,326,700
Total	11,082,097	11,082,073	24	58,326,700

The Capitalisation in BWYS Steel was completed on 14 August 2023 and the issued share capital of BWYS Steel had increased from RM2,000,000 comprising 2,000,000 BWYS Steel Shares to RM13,082,073 comprising 60,326,700 BWYS Steel Shares.

The shareholding structure of BWYS Steel before and after the Capitalisation in BWYS Steel is as set out below:

Existing shareholders	Before the Capitalisation in BWYS Steel		After the Capitalisation in BWYS Steel	
	No. of shares	%	No. of shares	%
KBH	1,999,980	99.9	60,326,680	99.9
KMH	20	<0.1	20	<0.1
Total	2,000,000	100.0	60,326,700	100.0

(iii) Capitalisation in YS Success

On 14 August 2023, YS Success capitalised the amount owing to KBH of RM9,068,890 via the issuance of 47,731,000 YS Success Shares at an issue price of RM0.19 per YS Success Share and the remaining balance of RM36 was fully satisfied via cash as set out below:

Existing Shareholder	Advances RM	Amount capitalised RM	Cash payment RM	No. of new YS Success Shares
KBH	9,068,926	9,068,890	36	47,731,000
Total	9,068,926	9,068,890	36	47,731,000

6. INFORMATION ON OUR GROUP (cont'd)

The Capitalisation in YS Success was completed on 14 August 2023 and the issued share capital of YS Success had increased from RM2,000,000 comprising 2,000,000 YS Success Shares to RM11,068,890 comprising 49,731,000 YS Success Shares.

The shareholding structure of YS Success before and after the Capitalisation in YS Success is as set out below:

Existing shareholders	Before the Capitalisation in YS Success		After the Capitalisation in YS Success	
	No. of shares	%	No. of shares	%
KBH	1,999,999	99.9	49,730,999	99.9
KBT	1	<0.1	1	<0.1
Total	2,000,000	100.0	49,731,000	100.0

(b) Acquisitions

In conjunction with our Listing, our Company entered into the following conditional share sale agreements ("SSA") upon completion of the Capitalisations:

(i) Acquisition of BW Scaffold

On 21 August 2023, our Company had entered into a conditional SSA with KBH and KBT to acquire the entire issued share capital of BW Scaffold comprising 14,164,300 BW Scaffold Shares for a total purchase consideration of RM27,226,400. The total purchase consideration is to be satisfied via the issuance of 143,296,832 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM2 to KBT as follows:

Shareholders	No. of BW Scaffold Shares to be acquired	Shareholdings held in BW Scaffold %	Purchase consideration RM	No. of Shares to be issued	Cash settlement RM
KBH	14,164,299	99.9	27,226,398	143,296,832	-
KBT	1	<0.1	2	-	2
Total	14,164,300	100.0	27,226,400	143,296,832	2

The total purchase consideration of RM27,226,400 was arrived at on a willing buyer-willing seller basis and after taking into consideration the adjusted audited NA of BW Scaffold as at 31 December 2022 after Capitalisation in BW Scaffold of RM27,226,437.

6. INFORMATION ON OUR GROUP (cont'd)

(ii) Acquisition of BWYSSB

On 21 August 2023, our Company had entered into a conditional SSA with KBH and KBT to acquire the entire issued share capital of BWYSSB comprising 1,000,000 BWYSSB Shares for a total purchase consideration of RM26,408,100. The total purchase consideration is to be satisfied via the issuance of 138,988,610 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM264 to KBT as follows:

Shareholders	No. of BWYSSB Shares to be acquired	Shareholdings held in BWYSSB %	Purchase consideration RM	No. of Shares to be issued	Cash settlement RM
KBH	999,990	99.9	26,407,836	138,988,610	-
KBT	10	<0.1	264	-	264
Total	1,000,000	100.0	26,408,100	138,988,610	264

The total purchase consideration of RM26,408,100 was arrived at on a willing buyer-willing seller basis and after taking into consideration the audited NA of BWYSSB as at 31 December 2022 of RM26,408,128.

(iii) Acquisition of BWYS Steel

On 21 August 2023, our Company had entered into a conditional SSA with KBH and KMH to acquire the entire issued share capital of BWYS Steel comprising 60,326,700 BWYS Steel Shares for a total purchase consideration of RM42,190,478. The total purchase consideration is to be satisfied via the issuance of 222,055,070 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM14 to KMH as follows:

Shareholders	No. of BWYS Steel Shares to be acquired	Shareholdings held in BWYS Steel %	Purchase consideration RM	No. of Shares to be issued	Cash settlement RM
KBH	60,326,680	99.9	42,190,464	222,055,070	-
KMH	20	<0.1	14	-	14
Total	60,326,700	100.0	42,190,478	222,055,070	14

The total purchase consideration of RM42,190,478 was arrived at on a willing buyer-willing seller basis and after taking into consideration the adjusted audited NA of BWYS Steel as at 31 December 2022 after Capitalisation in BWYS Steel of RM42,191,750.

6. INFORMATION ON OUR GROUP (cont'd)

(iv) Acquisition of BWYS Timur

On 21 August 2023, our Company had entered into a conditional SSA with KBH and KBT to acquire the entire issued share capital of BWYS Timur comprising 500,000 BWYS Timur Shares for a total purchase consideration of RM19,700,000. The total purchase consideration is to be satisfied via the issuance of 103,683,174 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM197 to KBT as follows:

Shareholders	No. of BWYS Timur Shares to be acquired	Shareholdings held in BWYS Timur %	Purchase consideration RM	No. of Shares to be issued	Cash settlement RM
KBH	499,995	99.9	19,699,803	103,683,174	-
KBT	5	<0.1	197	-	197
Total	500,000	100.0	19,700,000	103,683,174	197

The total purchase consideration of RM19,700,000 was arrived at on a willing buyer-willing seller basis and after taking into consideration the audited NA of BWYS Timur as at 31 December 2022 of RM19,700,000.

(v) Acquisition of YS Success

On 21 August 2023, our Company had entered into a conditional SSA with KBH and KBT to acquire the entire issued share capital of YS Success comprising 49,731,000 YS Success Shares for a total purchase consideration of RM30,568,400. The total purchase consideration is to be satisfied via the issuance of 160,886,313 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM1 to KBT as follows:

Shareholders	No. of YS Success Shares to be acquired	Shareholdings held in YS Success %	Purchase consideration RM	No. of Shares to be issued	Cash settlement RM
KBH	49,730,999	99.9	30,568,399	160,886,313	-
KBT	1	<0.1	1	-	1
Total	49,731,000	100.0	30,568,400	160,886,313	1

The total purchase consideration of RM30,568,400 was arrived at on a willing buyer-willing seller basis and after taking into consideration the adjusted audited NA of YS Success as at 31 December 2022 after Capitalisation in YS Success of RM30,568,466.

6. INFORMATION ON OUR GROUP (cont'd)

KBH's shareholding in our Company before and after the completion of the Acquisitions as follows:

Name	Before completion of Acquisitions		After completion of Acquisitions and transfer of 1 subscriber Share but before our IPO	
	No. of Shares	%	No. of Shares	⁽¹⁾%
KBH	-	-	768,910,000	100.0

Note:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.

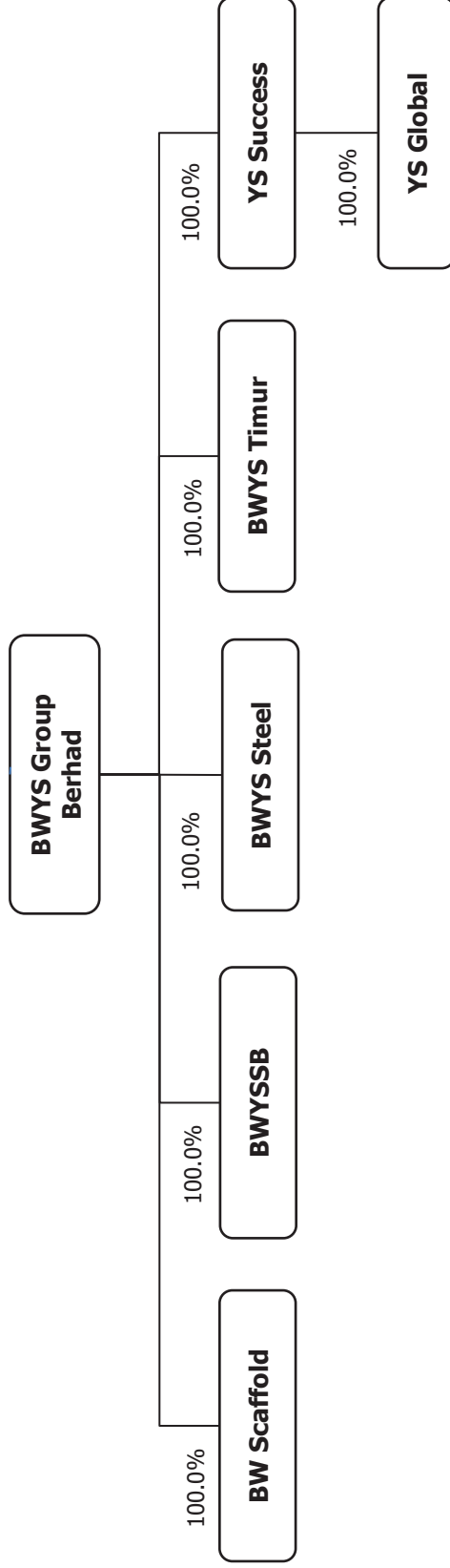
The Acquisitions are conditional upon obtaining the approval of Bursa Securities for the Listing, which was obtained on 7 March 2024. Thereafter, BW Scaffold, BWYSSB, BWYS Steel, BWYS Timur and YS Success will become our wholly-owned subsidiaries.

The new Shares issued under the Acquisitions shall rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

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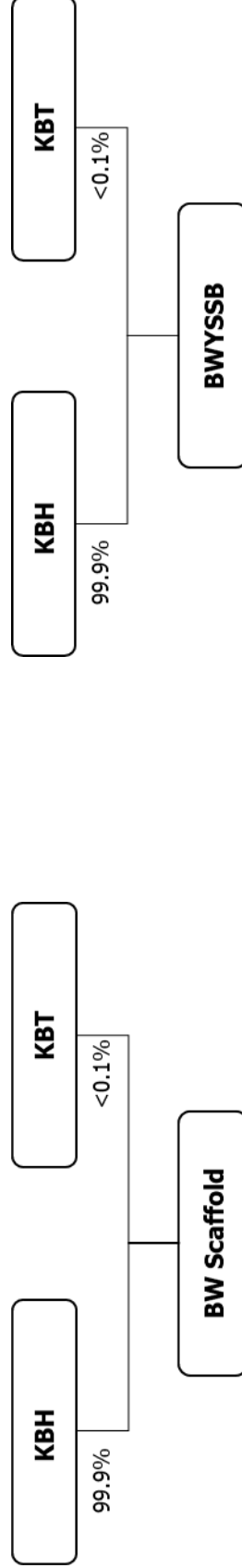
6. INFORMATION ON OUR GROUP (cont'd)

6.1.4 Group structure



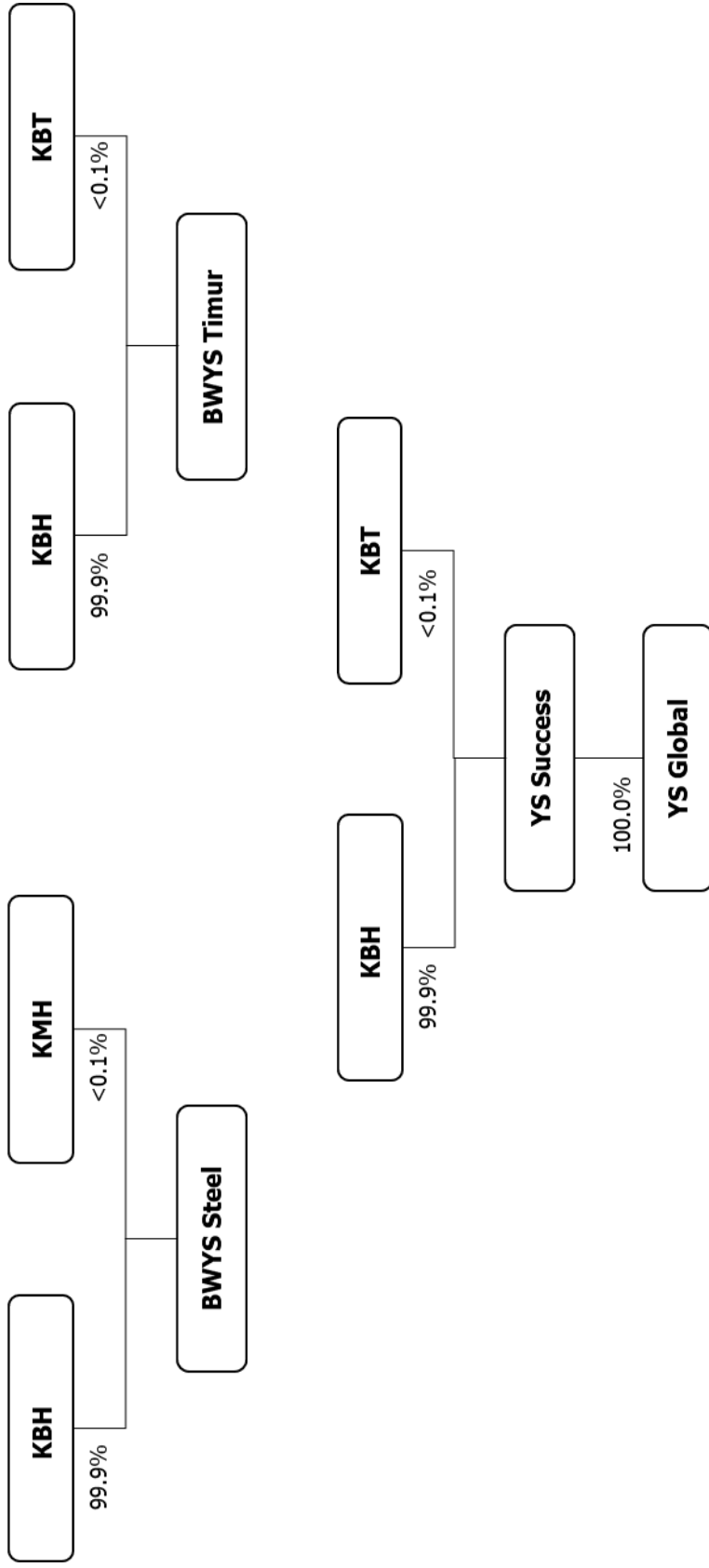
Our Group structure before and after the Acquisitions and IPO is as follows:

(a) Before the Acquisitions and IPO



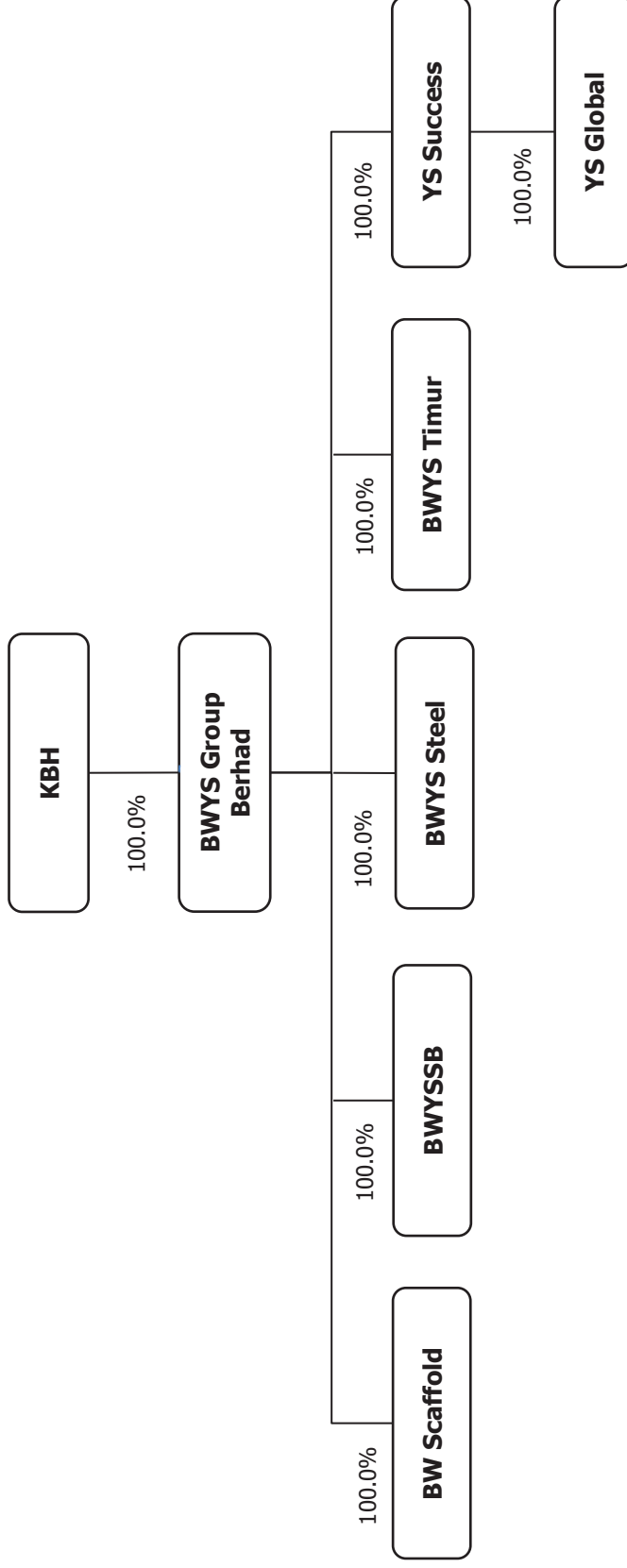
Registration No : 202301000310 (1494229-W)

6. INFORMATION ON OUR GROUP (cont'd)



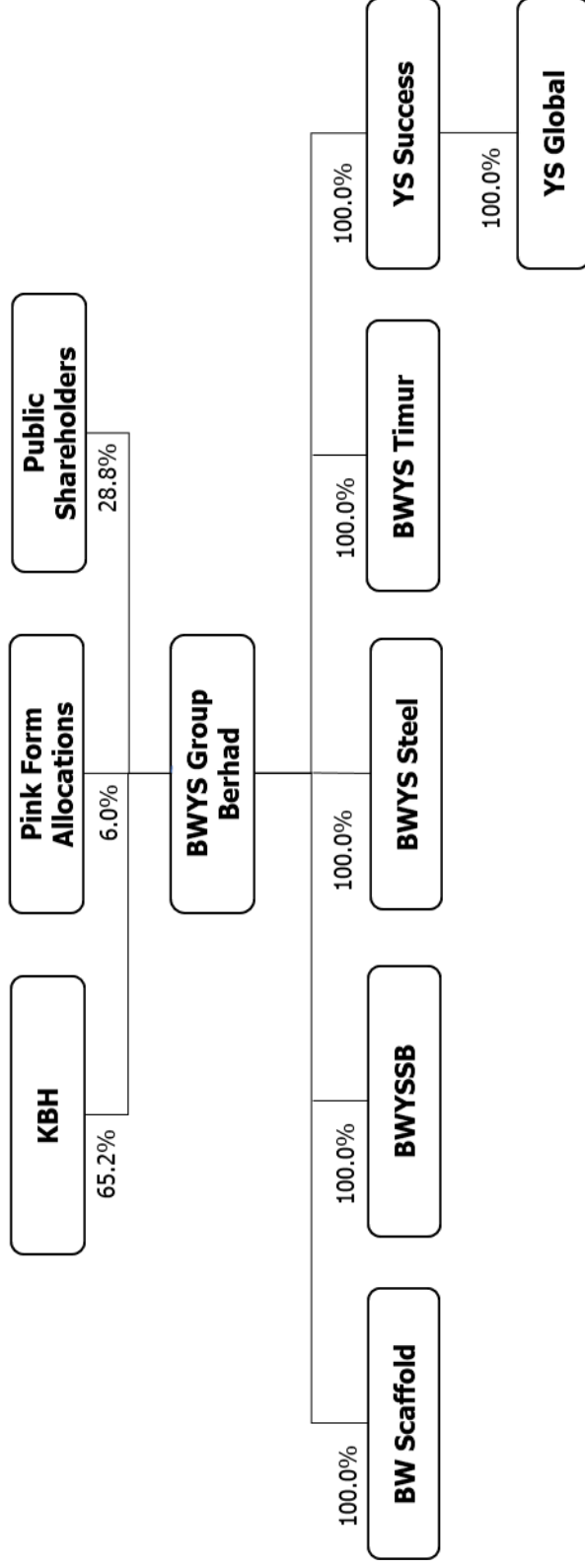
6. INFORMATION ON OUR GROUP (cont'd)

(b) After the Acquisitions and before the IPO⁽¹⁾



6. INFORMATION ON OUR GROUP (cont'd)

(c) After the Acquisitions and IPO⁽²⁾



Notes:

- (1) Based on the share capital of 768,910,000 Shares after completion of the Acquisitions and transfer of 1 subscriber Share to KBH but before our IPO.
- (2) Based on our enlarged share capital of 1,025,213,000 Shares after our IPO.

6. INFORMATION ON OUR GROUP (cont'd)

6.2 OUR SUBSIDIARIES

As at the LPD, details of our subsidiaries are summarised as follows:

Company	Registration No.	Date / Place of incorporation	Principal place of business	Effective equity interest	Principal Activities
BW Scaffold	198801003058 (170415-K)	5 May 1988 / Malaysia	Malaysia	100.0	Sales and rental of scaffoldings
BWYSSB	200901037644 (880775-A)	16 November 2009 / Malaysia	Malaysia	100.0	Rental of scaffoldings
BWYS Steel	199901015292 (490192-D)	2 August 1999 / Malaysia	Malaysia	100.0	Manufacture of sheet metal products, and trading of steel materials and steel related products
BWYS Timur	201101007342 (935480-U)	9 March 2011 / Malaysia	Malaysia	100.0	Manufacture of sheet metal products, and trading of steel materials and steel related products
YS Success	200801009666 (810954-P)	25 March 2008 / Malaysia	Malaysia	100.0	Manufacture of industrial racking systems and welded pipes, and trading of steel materials and steel related products

Subsidiary of YS Success

YS Global	201101007345 (935483-A)	9 March 2011 / Malaysia	Malaysia	100.0	Manufacture of industrial racking systems
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Further details of our subsidiaries are set out in Section 14 of this Prospectus.

6. INFORMATION ON OUR GROUP (cont'd)**6.3 MATERIAL INVESTMENTS AND DIVESTITURES****6.3.1 Material investments**

Material investments made by us during the Period Under Review and up to the LPD are as follows:

	Original cost of investment				
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	Up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
- Freehold lands	-	(1)16,500	-	-	-
- Buildings	1,138	(1)19,841	485	742	-
- Plant and machinery ⁽²⁾	981	4,406	1,278	4,261	471
- Motor vehicles ⁽³⁾	311	1,012	-	-	-
- Furniture, fittings and office equipment	138	462	437	532	110
- Electrical fitting, equipment and renovation	290	826	744	1,252	469
- Equipment for rent ⁽⁴⁾	3,550	6,090	797	845	1,496
- Capital work-in-progress	-	1,103	151	-	12
Sub Total	6,408	50,240	3,892	7,632	2,558
Right-of-use assets comprising:					
- Motor vehicles ⁽³⁾	368	1,790	2,605	1,199	81
- Plant and machinery ⁽²⁾	2,418	395	-	2,614	644
- Premises ⁽⁵⁾	90	619	2,008	1,209	-
Sub Total	2,876	2,804	4,613	5,022	725
Other investment ⁽⁶⁾	-	109	-	-	-
Total	9,284	53,153	8,505	12,654	3,283

Notes:

- (1) In FYE 2021, we acquired Lot 1215 Land with a total land area of approximately 12 acres comprising 1 factory building on a 4-acre land, namely Penang 1572 Factory, and the remaining 8-acre vacant land.
- (2) This relates to the purchase of plant and machineries such as roll forming machines, cutting machines, stamping machines, welding machines, slitting line machines and shearing machines.
- (3) This relates to the purchase of new motor vehicles such as forklifts, commercial vehicles and passenger cars.
- (4) This relates to the purchase of scaffoldings for rental purposes.
- (5) This mainly relates to rental of the Bintulu warehouse and office, Kota Kinabalu warehouse and office as well as Kuching warehouse and office.
- (6) In FYE 2021, BWYS Steel acquired 225,500 ordinary shares in Eco High for a total consideration of RM108,707.

The above capital expenditures were made in Malaysia. They were primarily financed by a combination of bank borrowings and internally generated funds.

6. INFORMATION ON OUR GROUP (cont'd)**6.3.2 Material divestitures**

Material divestitures made by us during Period Under Review and up to the LPD are as follows:

	At NBV				
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	Up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
- Plant and machinery	-	299	78	-	-
- Motor vehicles	135	52	152	-	-
- Furniture, fittings and office equipment	2	9	-	1	-
- Equipment for rent ⁽¹⁾	1,326	-	2,502	1,661	1,481
Sub Total	1,463	360	2,732	1,662	1,481
Right-of-use assets comprising:					
- Motor vehicles	207	-	-	-	-
Other investments ⁽²⁾	-	1	11,549	-	-
Total	1,670	361	14,281	1,662	-

Notes:

- (1) This relates to our customers not returning the rented scaffoldings upon the expiry of rental period. We will impose additional charges to our customers as a result of lost and deemed the scaffoldings to have been sold.
- (2) In FYE 2021, BWYS Steel had disposed the entire equity interest in YHTJ R&D for the total consideration of RM1. In FYE 2022, BWYS Steel had disposed the entire equity interest in Visage Industries and Eco High for the total consideration of RM11.1 million and RM0.4 million respectively.

The above capital divestitures involve assets located in Malaysia and were carried out in the ordinary course of business as part of our review of our fixed asset register to identify and eliminate those assets which have been fully depreciated and are no longer in use or obsolete or have surpassed their useful lives.

6.3.3 Material commitment

Save for the proposed utilisation of proceeds from our Public Issue and our material commitment for our capital expenditure as disclosed in Sections 4.9 and 11.3.4 of this Prospectus, we confirm that we do not have any material commitments contracted and divestitures currently in progress, within or outside Malaysia, which may have a material impact on our Group's financial position or business as at the LPD. All the above material commitments are located in Malaysia.

6.4 PUBLIC TAKE-OVERS

Since our incorporation and up to the LPD, there has been:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

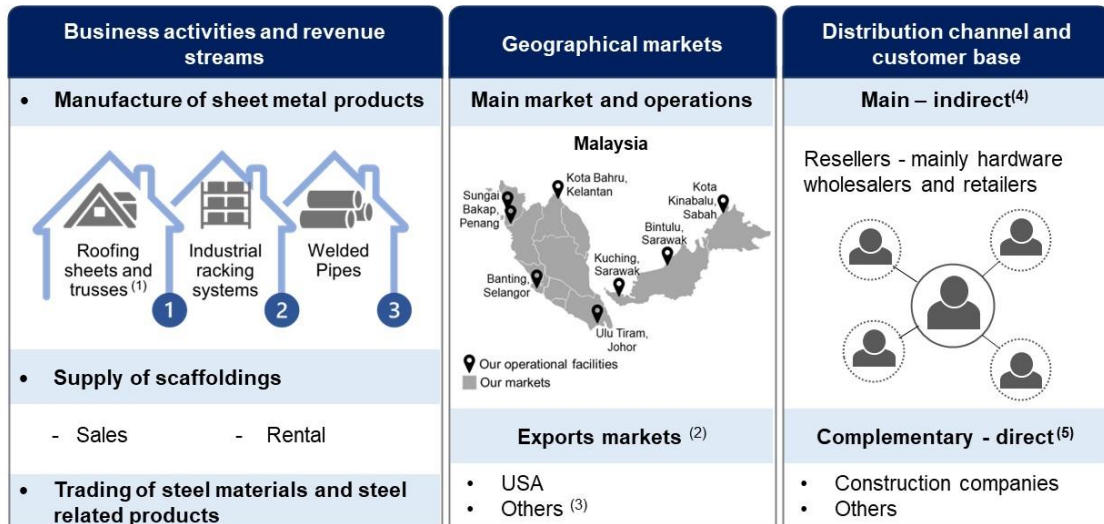
6. INFORMATION ON OUR GROUP (cont'd)

6.5 BUSINESS OVERVIEW

6.5.1 Description of our business

6.5.1.1 Our business model

Our business model is as follows:



Notes:

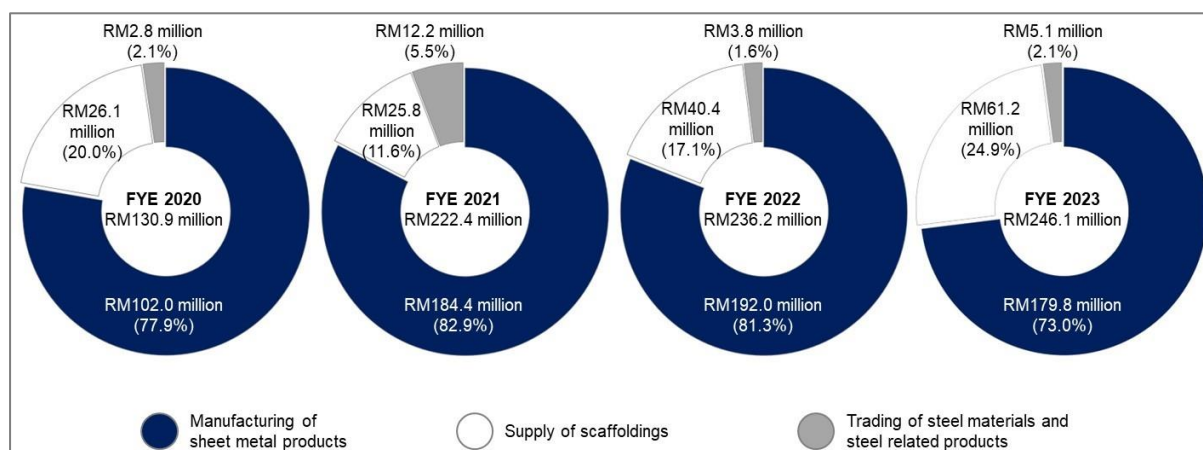
- (1) A small proportion of the revenue for FYE 2020 and FYE 2021 amounting to 0.2% and less than 0.1% of total revenue respectively was from the manufacture of steel building frames. There was no revenue from manufacture of steel building frame in FYE 2022 and FYE 2023.
- (2) Revenue from exports markets accounted for 1.6%, 8.4%, 4.2% and 4.4% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.
- (3) Other exports markets include Singapore, Indonesia, Australia, Bangladesh, the Philippines, UAE, Brunei and Kuwait.
- (4) We mainly use indirect distribution channels to market and sell our products to our customers who are resellers including hardware wholesalers and retailers. These resellers would subsequently resell the products without transformation to their customers who are end-users or other resellers. Please refer to Section 6.5.9.1 of this Prospectus for further details.
- (5) Direct distribution channel includes construction companies as well as manufacturers, property developers, logistics companies, rental service providers of machinery and equipment, restaurants and workshops who purchase our products for their own use. Please refer to Section 6.5.9.1 of this Prospectus for further details.

6.5.1.2 Our products and services

We are principally an investment holding company. Through our subsidiaries, we are principally involved in manufacturing of sheet metal products and supply of scaffoldings. To complement our manufacturing of sheet metal products and supply of scaffoldings, we also engage in trading of steel materials and steel related products.

6. INFORMATION ON OUR GROUP (cont'd)

For the Period Under Review, our revenue segmentation by business activities are as follows:



(a) Manufacture of sheet metal products

We mainly use mild steel including hot-rolled and cold-rolled coils for the manufacture of sheet metal products, comprising the following:

- (i) roofing sheets and trusses;
- (ii) industrial racking systems; and
- (iii) welded pipes.

We use hot-rolled coils for the manufacture of welded pipes and industrial racking systems, and coated cold-rolled coils for the manufacture of roofing sheets and trusses, as well as industrial racking systems. Our revenue stream from this segment is via the sale of products to our customers mainly in the construction, warehousing and storage industry.

(i) Roofing sheets and trusses

We manufacture rolled-form steel products mainly for use as roofs used in residential, commercial and industrial buildings. Our roofing sheets are made of mild steel sheet that is aluminium-zinc coated or colour coated and rolled to form profiles or shapes onto a flat metal sheet.

We also manufacture roof trusses mainly for residential properties. The components of our roof trusses are made from high-tensile mild steel strips that are bent into various section profiles including C-purlins and C-sections and battens to be fabricated into roof trusses.

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Roofing sheets	50,498	38.6	74,050	33.3	65,384	27.7	101,554	41.3
Roof truss ⁽¹⁾	11,388	8.7	47,829	21.5	49,919	21.1	15,311	6.2
Revenue from roofing sheets and trusses	61,886	47.3	121,879	54.8	115,303	48.8	116,865	47.5
Total revenue	130,864	100.0	222,435	100.0	236,231	100.0	246,078	100.0

* As a percentage of total revenue

6. INFORMATION ON OUR GROUP (cont'd)

Note:

- (1) A small proportion of the revenue for FYE 2020 and FYE 2021 amounting to 0.2% and less than 0.1% of total revenue respectively was from manufacture of steel building frames. There was no revenue from manufacture of steel building frame in FYE 2022 and FYE 2023.

Roofing sheets

We manufacture roofing sheets of various profiles and sizes. The input coated steel coil goes through a continuous roll-forming process to achieve the desired profile. Roofing sheets have wide building applications but are largely used for commercial and industrial buildings, and in some situations used for residential roofing and awnings. Sales of roofing sheets are based on purchase orders. Commonly, we deliver the roofing sheets within the next business day from the receipt of purchase order.

During the Period Under Review, we offer the following range of roofing sheets and materials as follows:

Types

Description and materials used

Long-run roofing sheet



- Long metal sheets with ribbed profiles.
- Typically used for industrial and commercial building applications.
- We use medium to high tensile mild steel which is aluminium-zinc coated or colour coated.

Crimp curved roofing sheet



- Long-run roofing sheets with curved ends.
- Typically used in canopies, roofs, facades, conveyor covers, tunnel inners, shelters, sheds, containers and inners for concrete form works.
- We use medium to high tensile mild steel which is aluminium-zinc coated or colour coated.

Uroll bond roofing sheet

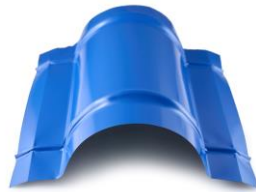


- Roofing sheets with tile-like profiles to enhance the aesthetic appearance of the roof.
- Typically used in residential, commercial and institutional buildings such as bungalows, shop offices and schools.
- We use medium to high tensile mild steel which is aluminium-zinc coated or colour coated.

6. INFORMATION ON OUR GROUP (cont'd)

Types

Flashing/capping



Flashing



Capping

Description and materials used

- Metal strips used to mainly to cover the joints or edges of roofing to prevent water seepage.
- We use medium to high tensile mild steel which is aluminium-zinc coated or colour coated.

Process of forming roofing sheets in our factory



1st picture: Medium to high tensile mild steel which is aluminium-zinc coated or colour coated is fed into the forming machine; 2nd picture: A series of rollers to form a desired profile; 3rd picture: The roofing sheet is then cut to the desired length.

Roof truss

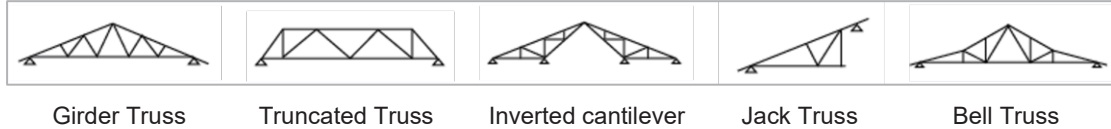
A truss is a rigid framework designed to support a load such as roof. It comprises an assembly of various long materials joined tightly to form a rigid structure.

We manufacture sections and battens which are then joined to form the truss framework for roofing purposes. Our sections and battens are made of high-tensile mild steel strips and are lightweight for ease of transportation and installation. For roof trusses under projects which require our design, we will enter into contractual agreements with our customers. The delivery of roof trusses under projects will be based on the delivery schedule as stipulated in the contractual agreement. Typically, the contract period for roof trusses under project ranges from 6 months to 9 months. As for customers who do not require our design, the sales of roof trusses will be based on purchase orders. Commonly, we deliver the roof trusses within the next business day from the receipt of purchase order. However, for purchase orders with specified delivery schedule we will deliver according to the delivery schedule.

6. INFORMATION ON OUR GROUP (cont'd)

Our sections and battens can be used to form various roof truss designs as indicated in the diagram below.

Some examples of roof designs that can be constructed using our truss materials



The sections and battens that we manufacture for the truss framework are as follows:

Types

C-Purlins



Description and materials used

- We manufacture a range of C-shaped channels referred to as C-purlins. They are used for structural building construction purposes and are used for our roofing construction.
- Our C-purlins are plain or textured, with or without pre-punched holes, and galvanised for surface finishing.
- We use galvanised high-tensile mild steel that complies with JIS G3302.
- We have a Class "O" fire rating according to British Standard (BS) 476: Part 6 and 7 independently tested by SIRIM QAS International Sdn Bhd (SIRIM).

C-Sections and battens



- We manufacture a range of lightweight C-sections and battens used for building construction purposes and are used for our roofing construction.
- Our C-sections and battens are made using galvanised or aluminium-zinc coated mild steel.
- We use high-tensile steel that complies with Australian Standard (AS) 1397/MS 1196/JIS G3302
- We have a Class "O" fire rating according to BS 476: Part 6 independently tested by SIRIM.

6. INFORMATION ON OUR GROUP (cont'd)

Process of forming C-sections and battens in our factory



1st picture: Galvanised or aluminium-zinc coated mild steel is fed into the forming machine; 2nd and 3rd picture: A series of rollers will form a pattern as well as bend both side to form the C-shaped profile; 4th picture: The C-sections and battens is then cut to the desired length.

Our sections and battens used in roof trusses



We can provide a one-stop roof truss solution incorporating the following:

- (i) design of roof truss including technical specifications for all sections and battens;
- (ii) manufacture and cut to length of various dimension sections and battens;
- (iii) supply of inhouse manufactured as well as third-party hardware;
- (iv) packaged them in kit form for ease of identification and installation; and
- (v) delivery of the total package to the designated construction site.

The components such as connecting plates, brackets, bolts and nuts are purchased from third-party suppliers. In some situations, we also provide installation services depending on customer requirements which is carried out by subcontractors.

Our roof truss is regarded as an industrialised building system (IBS) which provides our customers with the following benefits compared to conventional roof construction:

- (i) faster installation using less labour;
- (ii) fewer human errors as all parts and components are provided in kit form for ease of identification and installation; and
- (iii) reduced wastage at the construction site thus reducing obstacles and the need for temporary waste storage.

We are registered as a supplier of roof truss with Jabatan Kerja Raya Malaysia for 'Prefabricated cold formed steel roof trusses' which complies with the JKR 20601-0186-11 specifications.

6. INFORMATION ON OUR GROUP (cont'd)

(ii) Industrial racking systems

We manufacture industrial racking systems mainly for use as multi-level supporting structures for the storage of goods. The components of our industrial racking systems are made from mild steel strips that are perforated and bent into beams and columns for use as industrial racking systems. They are made of galvanised or uncoated mild steel and after forming will be powder coated to provide colour as well as protection against scratches and abrasions. Our industrial racking systems comply with the European Standard - EN 15512:2009 (Steel Static Storage Systems. Adjusted Pallet Racking Systems. Principles For Structural Design) standard. The European Standard specifies the structural design to ensure quality and safety of the industrial racking systems.

Sales of industrial racking systems are based on purchase orders. As our industrial racking systems are manufactured upon the receipt of purchase orders, the finished products will be delivered to our customers between 4 to 8 weeks depending on the size of the purchase order, from the receipt of purchase orders.

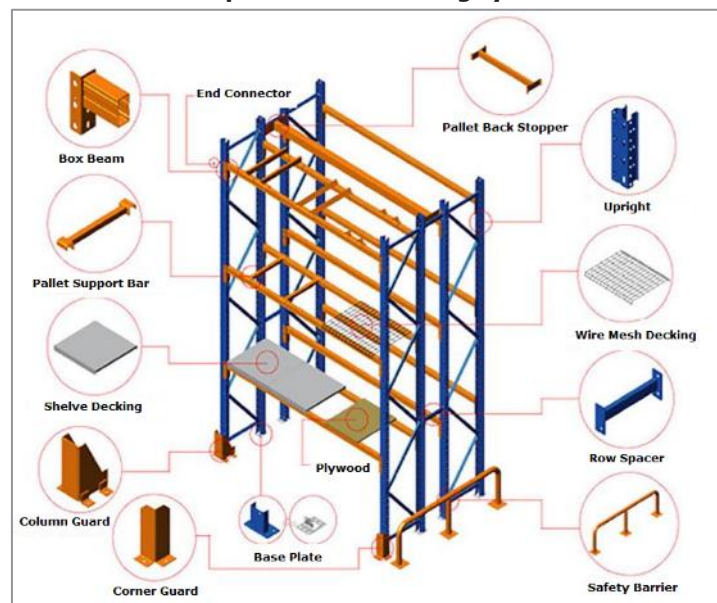
For FYE 2020, FYE 2021, FYE 2022 and FYE 2023, our revenue from the manufacture of industrial racking systems amounted to RM18.0 million (13.8%), RM40.6 million (18.3%), RM48.9 million (20.7%) and RM37.7 million (15.3%) of our total revenue respectively.

Racking systems are metal frameworks designed for the storage of goods. They are mainly used in industrial and commercial operations.

A racking system comprises metal frames to form rows of empty shelving space with or without vertical separation within each row. The height of each row or width of each separated shelf space is dictated by the types of goods to be stored such as goods in loose form, packed in bins or cartons, or goods or cartons stacked on pallets.

The final configuration and specification of the racking system will need to consider the physical condition and space of the site. Some of these considerations include the clear height of the ceiling, floor space dimension, maximum load bearing of the floor and type of vehicles used for loading and unloading.

Components of a racking system



A racking system comprises many components which are assembled on-site. We manufacture most of the metal components of our industrial racking systems, while other components such as wire mesh decking and plywood are purchased from third-party suppliers. The components of the industrial racking systems are wrapped separately for protection and ease of transportation. We will package the whole industrial racking systems and deliver it to the designated site.

6. INFORMATION ON OUR GROUP (cont'd)

In some situations, we also carry out the installation of the industrial racking systems depending on customer orders and requirements. The installation works are mainly carried out by our employees. In situations where we have concurrent installations, or a large order, we may engage third party contractors to carry out the installation works. Our industrial racking systems are made of high-tensile mild steel and are designed to carry an average load of up to 24 tonnes per bay for our industrial heavy-duty racking systems.

Our industrial racking systems components packed ready for delivery to customer's installation site



Surface finishing

Surface finishing is done in-house which comprises a multi-stage treatment process where the surface is chemically coated with a layer of iron phosphate crystals as well as paint. This crystalline layer prevents corrosion and provides resistance to scratches. We have an automated powder coating line at our Penang 1571 Factory. Prior to the coating process, the square pipes will go through a chemical wash to remove residue on the surface to ensure that the coating are able to adhere to the surface. In some situations, we use pre-galvanised sheets for our industrial racking systems manufacturing and in this case the square pipes will not be required to undergo the coating process.

Our inhouse coating process



1st picture: Square pipes to be painted are hung on a conveyor system; 2nd picture: Square pipes are spray coated with finishing materials and subsequently baked in an oven; 3rd picture: The coated and baked square pipes are ready for collection from the conveyor system.

6. INFORMATION ON OUR GROUP (cont'd)

Manufacturing and support services

While we carry out the manufacturing of all the key components used in our industrial racking systems, we also provide relevant supporting services as a total solution for the convenience of our customers.

Our industrial racking system solutions include the following:

- (i) design a suitable racking system including all technical specifications of the metal frame;
- (ii) design layout of the industrial racking systems within the available space at the installation site;
- (iii) manufacture and cut to the desired length of various dimension metal frames;
- (iv) supply of inhouse manufactured as well as third-party hardware and components;
- (v) package them in kit form for ease of identification and installation;
- (vi) deliver the total package to the installation site;
- (vii) install the industrial racking systems depending on customer orders and requirements; and
- (viii) inspection for our installed systems and certification of completion will be provided.

We provide support services for all our domestic and foreign customers with the exception that we do not carry out the installation in foreign countries.

Our industrial racking systems is mainly marketed and sold under our brand, "Metech" and we provide a 5-year warranty for the "Metech" brand industrial racking systems. For those industrial racking systems that we manufactured under third-party brand, we do not provide warranty.

For FYE 2020, FYE 2021, FYE 2022 and FYE 2023, revenue from our "Metech" brand amounted to RM18.0 million (100.0%), RM22.6 million (55.7%), RM39.0 million (79.7%) and RM27.6 million (73.1%) of our total revenue from industrial racking systems respectively. For FYE 2021 and FYE 2022, revenue from the third-party brand amounted to RM18.0 million (44.3%), RM9.9 million (20.3%) and RM10.1 million (26.9%) of our total revenue from industrial racking systems respectively.

Our industrial racking systems components can be used for many types of configurations according to:

- (i) customers' warehouse or storage space parameters;
- (ii) types, size, turnover and diversity of goods; and
- (iii) the movement of goods within the warehouse.

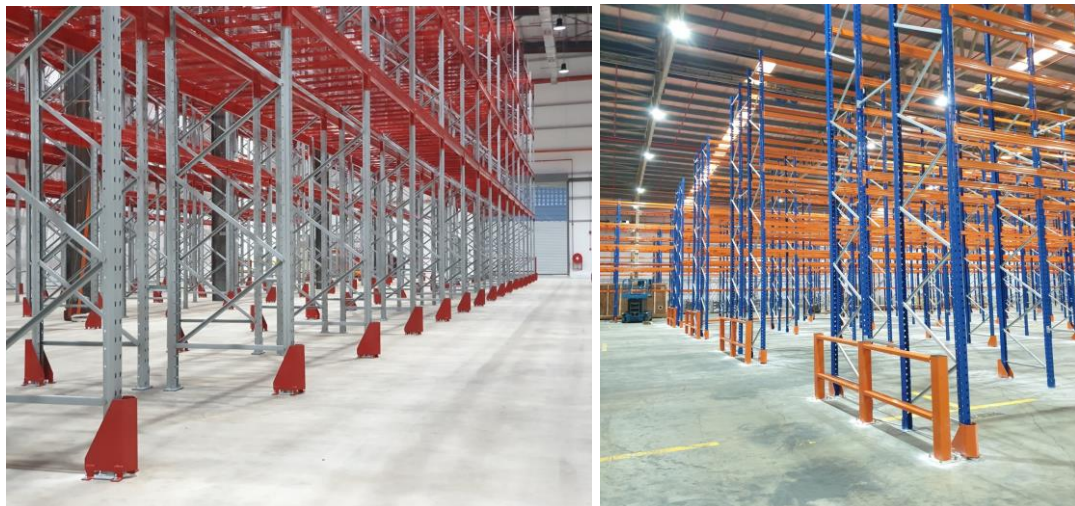
Our industrial racking systems consists of our "Metech" brand and third-party brands. Our industrial racking systems are manufactured based on purchase orders. Our industrial racking components can be used for various types of racking systems as described below.

- (a) **Selective racking**, which is based on a single row of racking where all stored goods are directly accessible from the aisle.
- (b) **Double deep racking**, where 2 loads are placed in tandem within one long bay, where the front load would hinder direct access to the back load.
- (c) **Drive-in racking**, which consists of multiple rows of racking with no aisle between each row. Vehicular access is only from the front end of each row of the racks while there is no access from the back end. The width within each row of racking is wide enough for vehicular access such as a forklift to drive into the row to load/unload goods. Loads are stored in tandem within each row of racks thus facilitating last-in-first-out inventory movement.

6. INFORMATION ON OUR GROUP (cont'd)

- (d) **Drive-through racking**, which is similar to drive-in racking with the exception that vehicular access is also provided at the back end, thus facilitating first-in-first-out or last-in-first-out inventory movement.
- (e) **Multi-tier racking**, which comprises 2 or more floor levels of racking accessible via structural steel staircase to optimise vertical spaces.
- (f) **Live carton storage**, which incorporates inclined roller beds that allow the cartons to slide from the loading area to the unloading area once a carton is removed from the rack, thus speeding up picking and loading speed.
- (g) **Live storage racking**, which is a compact structure with a slight incline and roller conveyors to slide palletised products freely, where loaded pallets enter the higher end of the racks and move securely along the roller conveyors by the force of gravity, at a safe and controlled speed with the help of the braking and safety systems until they reach the other end and is ready to be removed.
- (h) **Mobile racking**, which is an electrically operated racking system where pallet racks are placed on chassis or mobile bases guided through fixed tracks on the floor, allowing the racks to move along the tracks.
- (i) **Cantilever racking**, which is designed for the storage of long items such as beams and pipes.
- (j) **Satellite system**, which is a semi-automated system where pallet racks are stored or retrieved using a pallet carrier that is driven by an electric motor and runs on rails installed onto the racking system. Operators are required to use forklifts to move the shuttles between different levels and control the motorised carrier's activity through a handheld remote.

Some examples of our assembled industrial racking systems



6. INFORMATION ON OUR GROUP (cont'd)

(iii) Welded Pipes


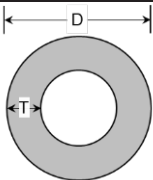

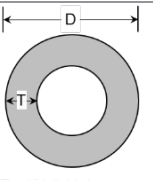
We manufacture both structural and non-structural welded pipes. Our pipes are made from mild steel strips which are formed into round, square or rectangular shapes, and subsequently, the two edges are welded. Sales of welded pipes are based on purchase orders. Commonly, we deliver the welded pipes within the next business day from the receipt of purchase order. However, for purchase orders with specified delivery schedule we will deliver according to the delivery schedule.

For FYE 2020, FYE 2021, FYE 2022 and FYE 2023, our revenue from the manufacture of welded pipes amounted to RM22.0 million (16.8%), RM21.9 million (9.8%), RM27.8 million (11.8%) and RM25.2 million (10.2%) of our total revenue respectively.

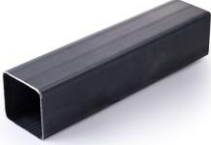
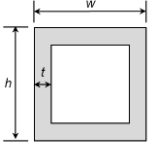

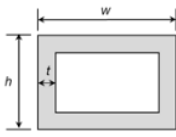
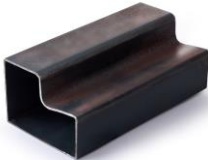
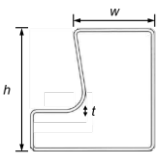
We manufacture welded pipes of various shapes, profiles, grades and surface finishing. Our welded pipes are manufactured using mild steel, where the steel coil goes through a continuous pipe-forming process to achieve the desired shape. We manufacture both structural and non-structural welded pipes. Generally, structural pipes are used for civil engineering, architecture, steel towers, scaffoldings, struts, piles for suppression of landslides and other structures. Our structural welded pipes comply with the JIS G3444:2015 (carbon steel tubes for general structural purposes) standard. This Japanese Industrial Standard outlines the specifications for carbon steel tubes used for civil engineering and architecture such as steel towers, scaffoldings, footing piles, foundation piles, and piles for landslide suppression to ensure the quality and safety of the welded pipes when used in the various applications.

Our non-structural pipes, also referred to as ornamental welded pipes are commonly used for various applications mainly used for wiring conduits used in buildings and structures, furniture and greenhouse watering system.

During the Period Under Review and as at LPD, we manufacture the following types of welded pipes:

Types	Applications and finishing	Standard dimensions
Conduit pipes 	<ul style="list-style-type: none"> Used for the protection and routing of electrical wiring in a building or structure. Made of galvanised mild steel or uncoated mild steel which are painted for surface finishing. Threaded ends. 	<ul style="list-style-type: none"> Outer diameter: 18.8mm-25.4mm Length: 3.81m Wall thickness: 1.5mm-1.6mm  <p>T = Wall thickness. D = Outside diameter.</p>
Circular hollow pipes 	<ul style="list-style-type: none"> Used for structural purposes such as for scaffoldings, and non-structural purposes such as furniture, hand rail support and fencing pole. Made of galvanised or uncoated mild steel. 	<ul style="list-style-type: none"> Outer diameter: 21.45mm-76.2mm Length: 6m Wall thickness: 1.2mm-3.2mm  <p>T = Wall thickness. D = Outside diameter.</p>

6. INFORMATION ON OUR GROUP (cont'd)

Types	Applications and finishing	Standard dimensions
<p>Square hollow sections</p> 	<ul style="list-style-type: none"> • Used for general non-structural purposes such as machine frame, furniture and guard rail. • Made of galvanised or uncoated mild steel. 	<ul style="list-style-type: none"> • Outside height and width: 25mm-100mm • Length: 6m • Wall thickness: 1.2mm-3.2mm  <p><small>t = Wall thickness. h = Outside height. w = Outside width.</small></p>
<p>Rectangular hollow sections</p> 	<ul style="list-style-type: none"> • Used for general non-structural purposes such as machine frame, furniture and guard rail. • Made of galvanised or uncoated mild steel. 	<ul style="list-style-type: none"> • Outside height: 25mm-50mm • Outside width: 50mm-150mm • Length: 6m • Wall thickness: 1.2mm-3.2mm  <p><small>t = Wall thickness. h = Outside height. w = Outside width.</small></p>
<p>P-shaped hollow pipe*</p> 	<ul style="list-style-type: none"> • Used for industrial racking systems • Made of uncoated mild steel 	<ul style="list-style-type: none"> • Outside height: 63.5mm-127mm • Outside width: 63.5mm • Length: 6m • Wall thickness: 1.5mm  <p><small>t = Wall thickness h = Outside height w = Outside width</small></p>

* As at the LPD, this type of pipe is currently manufactured for our manufacture of industrial racking systems and we intend to sell to external customers.