



IPO STATISTICS

IPO Price (RM)	0.22
Fund Raised (RM Million)	56.39 from new issue 22.00 from offer for sale TOTAL: 78.39
Enlarged issued share capital upon listing (million shares)	1,025.21
IPO Market Capitalisation (RM million)	225.55
Price Earnings Ratio (PER)	12.90x

Use of Proceed (RM56.39 million from new issue)

Proceed Utilisation	RM million
Capital Expenditure:	41.39
i. Construction of New Penang Factory	22.84
ii. Purchase of new machinery and equipment	7.72
iii. Implementation of new ERP system, production and inventory management systems	10.83
Repayment of bank borrowings	4.00
Working Capital	5.50
Estimated listing expenses	5.50
Total	56.39

BUSINESS OVERVIEW

Business Activities

BWYS Group Berhad is an investment holdings company and through its subsidiaries, the Group is principally involved in manufacturing of sheet metal products and supply of scaffoldings. To complement its manufacturing and supplying activities, the Group also engages in trading of steel materials and steel related products. BWYS Group’s business activities are segmented as follow:

1. Manufacture of sheet metal products

- Uses mild steel to manufacture roofing sheets and trusses, industrial racking systems and welded pipes.
- Products are sold to its customers mainly in the construction, warehousing and storage industry.

1.1. Roofing sheets and trusses

- Roofing sheets are mainly used as roofs used in residential, commercial and industrial buildings. A truss is a rigid framework designed to support a load such as roof.
- Sales are normally based on purchase orders.
- The Group is also capable of providing a one-stop roof truss solution incorporating design, manufacture, supply, package and delivering the total package to the construction site.
- For roof trusses under projects, the Group will enter into contractual agreements with its customers. Typically, the contract period for roof trusses under project ranges from 6 months to 9 months.
- Its roof truss is also considered as an industrialised building system (IBS) which provides customers faster installation, fewer human errors when installation and reduce wastage at construction site.
- The Group is 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.
- Products are sold under its house brand ‘BW’ and ‘Vtruss’.

1.2. Industrial racking systems

- Mainly used as multi-level supporting structures for the storage of goods in industrial and commercial operations.
- Sales are based on purchase orders.
- Offers on-site assembly.
- Provides relevant supporting services as a total solution, including design, manufacture, supply, package, delivery, installation and inspection.
- Products comply with the European Standard - EN 15512:2009 (Steel Static Storage Systems. Adjusted Pallet Racking Systems. Principles For Structural Design) standard.
- Products are marketed under its ‘Metech’ in-house brand and third-party brands.

1.3 Welded Pipes

- Manufacture both structural and non-structural welded pipes.
- Structural pipes are used for civil engineering, architecture, steel towers, scaffoldings, struts, piles for suppression of landslides and other structures. Non-structural pipes are commonly used for various applications mainly used for wiring conduits used in buildings and structures, furniture and greenhouse watering system.
- Its structural welded pipes comply with the JIS G3444:2015 (carbon steel tubes for general structural purposes) standard.
- Products are sold under house brand ‘YS Tube’ and ‘YS’.

2. Supply of scaffoldings

- Temporary structures mainly used in construction for new as well as existing buildings, infrastructures and structures, especially for renovations and installation of structures and fittings.
- Revenue streams from this segment are via the sales and rental of scaffoldings.
- Deliver the scaffoldings within a week from the receipt of purchase order unless with specified delivery schedule.
- Rental of scaffoldings is based on agreement commonly with a minimum rental period of 3 months which may be extended upon expiry. There is no maximum rental period.
- Its scaffoldings are accredited with SIRM product certification for the conformity to the MS 1462 series of standards and also accorded the certificate of standard compliance by CIDB.
- These supplied products are marketed and sold under in-house brand ‘BW’.

3. Trading of steel materials and steel related products

Products include steel coils, cabins and metal frames for doors and windows under third-party.

Business Model



Operating Facilities

Facilities	Location	Function
Penang 1571 Factory	Sungai Bakap, Penang	Head office, warehouse and manufacturing
Penang 1572 Factory	Sungai Bakap, Penang	Office, warehouse and manufacturing
Banting Factory	Banting, Selangor	Sales office, warehouse and manufacturing
Johor warehouse and office	Johor Bahru, Johor	Sales office and warehouse
Kota Bharu Factory	Kota Bharu, Kelantan	Sales office, warehouse and manufacturing
Kuching warehouse and office	Kuching, Sarawak	Sales office and warehouse
Bintulu warehouse and office	Bintulu, Sarawak	Sales office and warehouse
Kota Kinabalu warehouse and office	Kota Kinabalu, Sabah	Sales office and warehouse

Manufacturing Capacities, Output and Utilisation Rate (FYE2023)

	Number of roll forming machines	Annual capacity (Tonnes)	Actual output (Tonnes)	Utilisation rate (%)
Manufacture of roofing sheets				
Penang 1571 Factory	7	21,616	5,908	27
Banting Factory	5	15,158	2,544	17
Kota Bharu Factory	4	15,158	2,598	17
Total	16	52,932	11,050	21
Manufacture of roofing trusses				
Penang 1571 Factory	9	11,148	8,257	74
Banting Factory	4	9,684	2,914	30
Kota Bharu Factory	2	6,444	1,250	19
Total	15	27,276	12,421	46
Manufacture of industrial racking systems				
Penang 1571 Factory	-	7,757	2,266	29
Penang 1572 Factory	-	4,390	1,651	38
Total	-	12,147	3,917	32

Manufacture of welded pipes at Penang 1571 Factory

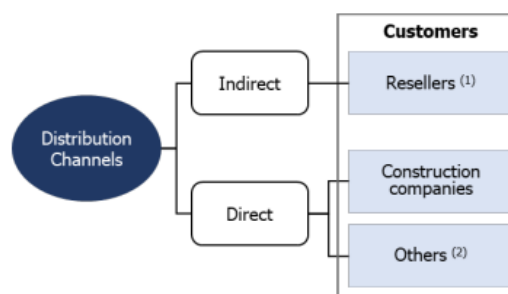
	FYE2020	FYE2021	FYE2022	FYE2023
Annual capacity (tonnes)	21,622	21,622	21,622	33,056 ⁽¹⁾
Actual output (tonnes)	10,091	6,575	7,473	7,494
Utilisation rate (%)	47	30	35	23

⁽¹⁾ For FYE 2023, the capacity for the manufacture of welded pipes included the pro-rated capacity of the addition of 1 new roll forming machine which commenced production in February 2023.

Warranty

The Group provides a 10-year warranty for the roof trusses that it designs supplies and/or install, and a 5-year warranty for its "Metech" brand industrial racking systems.

Distribution Channels and Customers



The Group mainly uses indirect distribution channels where it sells its products to resellers (mainly hardware wholesalers and retailers) who would subsequently resell them without transformation to end-users or other resellers. Indirect distribution channel strategy allows the Group to reach a wider end-user market without significant financial investments in sales and support infrastructure and human resource.

The Group also use direct distribution channel to market their products where the customers, mainly construction companies who purchase manufactured sheet metal, scaffoldings and other products or rent scaffoldings for use in their construction projects, as well as manufacturers and logistic companies who purchase mainly industrial racking systems for their use in their factories or warehouses. Other clients include rental service providers of machinery and equipment, restaurant and workshops.

Competitive Strengths

- **Established track record** of about 25 years of experience in the sheet metal product industry with a wide customer base of approximately 1,039, 1,151, 1,614 and 1,686 active customers for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.
 - **Market coverage with operational facilities across Malaysia** with its 8 operational/ manufacturing facilities located in Penang, Selangor, Johor, Kelantan, Sarawak and Sabah, allowing the Group to provide prompt delivery to its customers and carry out marketing, sales and customer support activities for existing customers as well as to secure new customers.
 - **Wide range of sheet metal products and scaffoldings** serves as a platform to sustain and grow its business, as evidenced by its customer base of 1,686 customers in FYE2023.
 - **Product branding to increase market awareness.** Having its brands provide the Group with product visibility through brand awareness. The Group brands and markets its metal products as follow:
 - "BW" for its roofing sheets, sections and battens and scaffoldings;
 - "Metech" for its industrial racking systems;
 - "YS Tube" for its conduit pipes;
 - "YS" for its welded pipes; and
 - "Vtruss" for its roof trusses under projects
- Revenue from its 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 its total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively.
- **Economies of scale for the purchases of sheet coils as input materials.** Buying materials in bulk will enable the Group to obtain better pricing, payment terms and service from its suppliers. For the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, the purchases of steel coils accounted for 88.2% (RM75.2 million), 87.7% (RM163.7 million), 84.5% (RM141.9 million) and 74.9% (RM131.4 million) of its total purchases of input materials and services respectively.
 - **Experienced Directors and key senior management team.**

GROWTH STRATEGIS AND FUTURE PLANS

- **Construction of new Penang Factory** to expand sheet metal manufacturing facilities (New Penang Factory) on the 4.5-acre of the vacant land adjacent to its existing Penang 1572 Factory, while 3.5-acre land will comprise the car park area, access road, guard house and electric supply substation.
 - i. This new facility will house a PU foam sandwich panel production line. The Group also plans to relocate its machinery and equipment for its industrial racking system in Penang 1572 Factory and its roofing sheets and trusses manufacturing operations in Penang 1571 to the new facilities within 12 months after the completion of construction the New Penang Factory.
 - ii. After the relocation, the total warehouse space in Penang 1571 Factory will amount to 57,040 sq ft which will be used as storage facilities for raw materials as well as finished goods for sheet metal product manufacturing mainly welded pipes.
 - iii. Total cost for the setting up of new facilities is estimated at RM43.0 million. RM22.8 million from the Public Issue has been earmarked for this plan whilst the remaining costs to be funded via bank borrowings.
- **Purchase new machinery and equipment, including:**
 - i. Install a new automated powder coating line at New Penang Factory to meet expected business expansion for industrial racking system;
 - ii. Purchase new roll forming machines and related equipment to replace existing machines for manufacture of roof trusses in the Banting Factory and Penang 1571 Factory as well as new related equipment for manufacture industrial racking system. The new roll forming machines could increase the annual capacity for manufacture roof trusses at Banting Factory from 10,332 tonnes to 13,532 tonnes.
 - iii. Total cost for the purchase is estimated at RM2.9 million which will be funded fully from its IPO proceeds.
- **Implementation of ICT systems** including new ERP system as well as the implementation of production and inventory management system to facilitate tracking and tracing of incoming raw materials and finished products to improve production workflow.
 - i. With the new systems, the Group able to monitor and trace the entire manufacturing process in real-time as well as movement of its inventories, including the manufacturing execution system and inventory management system.
 - ii. Total cost for the new ERP system and implementation of the production and inventory management systems is estimated at RM10.8 million which will be funded fully from its IPO proceeds.
- **Manufacture of new roofing products** by venturing into the manufacture of PU sandwich panels targeting existing and new customers who will mainly be resellers such as hardware wholesalers and retailers.
 - i. The Group intends to install two integrated PU foam sandwich panel production lines and the new PU foam sandwich panels be manufactured at the Banting Factory and New Penang Factory with an estimated production capacity of 1,700 tonnes per year for each production line.
 - ii. The production line at Banting Factory is expected to commence installation by end-June 2024 and complete by 4th quarter of 2024.
 - iii. The other production line at the New Penang Factory is expected to commence in the first quarter of 2026 and complete by third quarter of 2026.
 - iv. Total cost for the purchase and installation of the two integrated PU foam sandwich panel production lines is estimated at RM3.0 million which will be fully funded using its internally generated fund.
- **Expanding its geographical footprint in existing and new foreign markets** by expanding its reach in various regions including Southeast Asia, the Middle East and South America.
 - i. The Group has started to gain some access to countries including Indonesia, Singapore, the Philippines and Brunei within the SEA region, as well as the UAE and Saudi Arabia within the Middle East region where it had derived a small proportion of its revenues for the Period Under Review.
 - ii. The Group will continue to expand their presence through proactive sales and marketing as well as participation in exhibitions or trade shows.
 - iii. The estimated cost for foreign market expansion (mainly participation in exhibitions or trade shows) is minimal and it intends to utilise internally generated funds for the plan.

PROMOTERS & SUBSTANTIAL SHAREHOLDERS

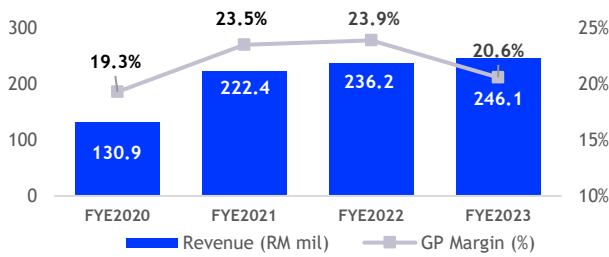
Promoter/ Substantial Shareholder	Designation	Shareholding after IPO (%)	
		Direct	Indirect
Kang Beng Hai ⁽¹⁾	Promoters and substantial shareholders. Non-Independent Executive Director / Managing Director	65.2	-

⁽¹⁾ A moratorium will be imposed on the sale, transfer or assignment of shares on the entire shareholding for a period of six months from the date of admission to the ACE Market in accordance with Rule 3.19(1A)(b) of the ACE Market Listing Requirements.

FINANCIAL PERFORMANCE

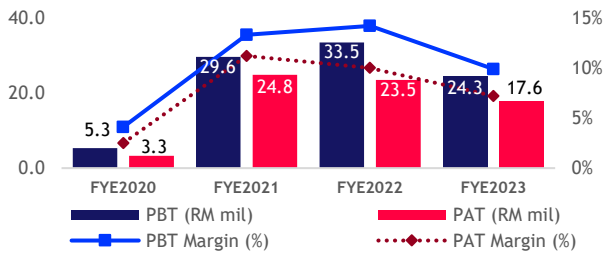
FYE - Financial year ended/ending 31 December

Revenue and GP Margin

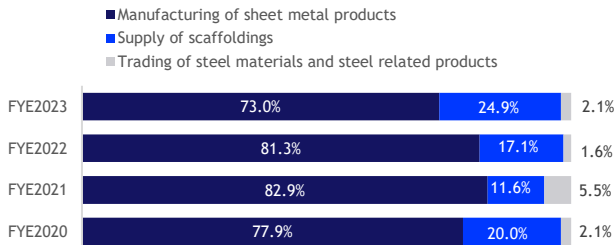


- Increase in revenue and margin from FYE2020 to FYE2021 was attributed to the resumption of building construction activities resulting from the progressive relaxation of MCO, as well as the rise in global steel prices leading to higher selling prices, coupled with the higher volume sold.
- Other than that, trading of steel materials and steel related products also recorded an increase in revenue owing to higher demand from its customers following the shortage of steel coils in Malaysia resulting from the global supply chain disruption attributed to the COVID-19.

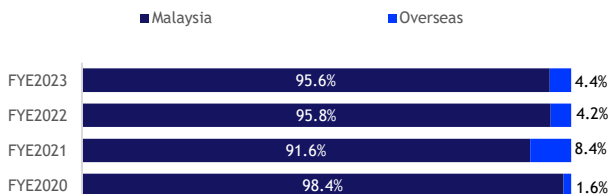
Profit and Margin



Revenue Breakdown by Business Segment

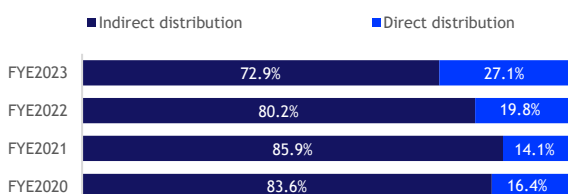


Revenue Breakdown by Geographical Market



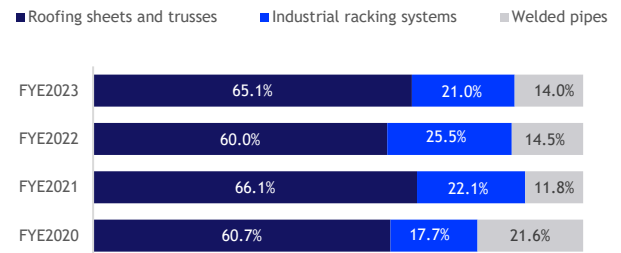
⁽¹⁾ Export markets include US, Singapore, Indonesia, Australia, Bangladesh, the Philippines, UAE, Brunei and Kuwait.

Revenue Breakdown by Distribution Channels

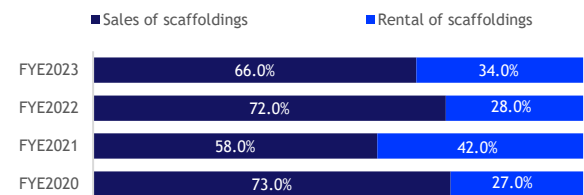


⁽¹⁾ Indirect distribution channel comprises mainly hardware wholesalers and retailers. Direct distribution channel comprises mainly construction companies, manufacturers, property developers, logistics companies, rental service providers of rental of machinery and equipment, restaurants and workshops.

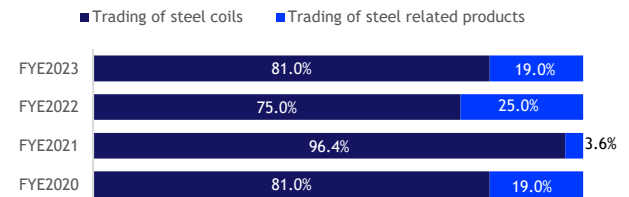
Breakdown of Sheet Metal Products Manufacturing Revenue



Breakdown of Scaffoldings Supply Revenue

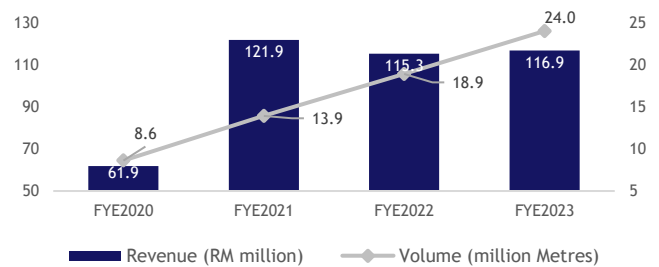


Breakdown by Trading Revenue

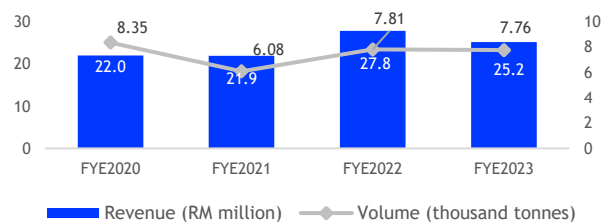


⁽¹⁾ Trading of steel related products including mainly cabins and metal frames for doors and windows.

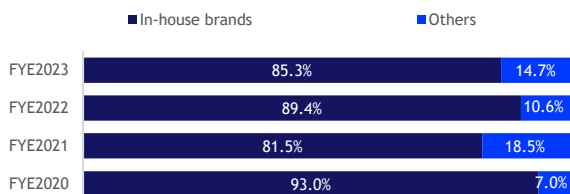
Roofing Sheets and Trusses - Revenue versus Volume



Welded Pipes - Revenue versus Volume



Revenue Breakdown by Brands



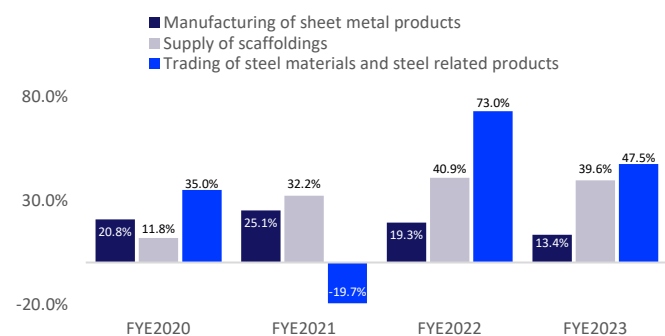
⁽¹⁾ In-house brands include BW, Metech, YS Tube, YS and Vtruss.

Dividend Policy

The Group does not have any formal dividend policy. Dividends declared and paid by during FYE2020 to 2023 are as follows:

RM'000	FYE2020	FYE2021	FYE2022	FYE2023
Dividends declared and paid	220	1,600	11,135	3,000

GP Margin by Business Segment



- GP for the trading of steel materials and steel related products was RM2.8 million in FYE 2022 (FYE 2021: gross loss of RM2.4 million) as there was a one-off revenue from sales of steel coils that do not meet its manufacturing specifications in FYE 2021 which was sold at a loss. As such, GP margin for the trading of steel materials and steel related products improved to 73.0% in FYE 2022 (FYE 2021: gross loss of 19.7%).
- The higher GP margin of 73.0% for FYE 2022 as compared to the adjusted GP margin of 58.4% was mainly due to the sales of steel coils at a higher price to local customers as the Group was able to meet their demand for specified steel coils.

Order Book

Total secured order for roof trusses amounted to RM8.8 million as summarised below:

Total secured orders	Total secured orders up to 20 May 2024	Revenue recognition		
		FYE2024	FYE2025	FYE2026
		RM million	RM million	RM million
Roof trusses under projects	8.8	8.5	0.3	-

Key Financial Ratios

	FYE2020	FYE2021	FYE2022	FYE2023
Trade receivables turnover period (days)	104	55	55	64
Trade payables turnover period (days)	25	31	35	21
Inventories turnover period (days)	159	149	184	162
Current ratio (times)	1.47	1.25	1.40	1.58
Gearing ratio (times)	0.98	1.44	1.15	0.89

Impact of Foreign Exchange Rates

Sales denominated in (%)	FYE2020	FYE2021	FYE2022	FYE2023
RM	98.4	91.6	95.8	95.6
USD	0.1	8.4	4.2	4.6
SGD	1.5	*	-	0.1

* Less than 0.1%

Purchases denominated in (%)	FYE2020	FYE2021	FYE2022	FYE2023
USD	77.9	86.2	56.8	78.9
RM	22.1	13.8	38.5	20.7
RMB	-	-	4.7	0.4

RM'000	FYE2020	FYE2021	FYE2022	FYE2023
Realised gain/(loss) on foreign exchange	176	(344)	1,330	374
Unrealised gain/(loss) on foreign exchange	(26)	(192)	(464)	774
Net gain/(loss)	150	(536)	866	1,148

From time to time, the Group uses hedging instruments to manage its foreign exchange exposure from overseas purchases denominated in USD to mitigate the adverse effect on its financial performance. The gains and losses arising from hedging instruments are summarised below:

RM'000	FYE2020	FYE2021	FYE2022	FYE2023
Gain from hedging instruments	-	37	244	-

Market Share

- Based on the Independent Market Research report, there were 299 iron and steel-based product manufacturers registered with the Department of Mineral and Geoscience Malaysia in 2022.
- For the FYE 31 December 2023, BWYS Group commanded a 11% share in the metal roofing sheets and trusses manufacturing value of RM1.1 billion in 2023. Estimation based on the Independent Market Research report.

Peer Analysis

Company	PAT Margin (%)	PER (x)
Astino Bhd	4.58	8.24
Hiap Teck Venture Bhd ⁽¹⁾⁽⁵⁾	1.95	10.75
Ajiya Bhd	18.18	-
Asteel group Bhd	Loss Making	-
BWYS Group	17.60	12.90
SKB Shutters Corporation Bhd	13.37	6.11
Prestar Resources Bhd ⁽²⁾	4.91	6.78
BlueScope Steel Limited ⁽³⁾	5.54	10.85
Eonmetall Group Bhd ⁽⁴⁾	Loss Making	16.26
Mayu Global Group Bhd ⁽⁶⁾	7.67	10.88

- Comparable through its subsidiary, Alpine Pipe Manufacturing Sdn Bhd
- Comparable through its subsidiary, Prestar Storage System Sdn Bhd
- Comparable through its subsidiary, NS BlueScope Lysaght
- Comparable through its subsidiary, Eonmetall Systems Sdn Bhd
- Comparable through its subsidiary, Huatraco Scaffold Sdn Bhd
- Comparable through its subsidiary, Duro Metal Industrial (M) Sdn Bhd

Notes: i. Selected peers as identified in the Independent Market Research Report. PAT margin based on prospectus and company announcements. BWYS Group Berhad PER at IPO.
ii. 12M forward PE of KLIND: 19.04x

KEY RISK FACTORS

- **Fluctuations of steel prices.** The Group prices its products based on the prevailing market price of steel which form its base price and it will mark up the price of its products taking into consideration the demand from its customers. During the Period Under Review, its financial performance was affected by the price fluctuations of steel-based materials.

	FYE2020	FYE2021	FYE2022	FYE2023
Revenue (RM'000)	130,864	222,435	236,231	246,078
Adjusted GP (RM'000) ⁽¹⁾	25,257	57,066	51,650	50,673
Adjusted GP margin (%) ⁽¹⁾	19.3	25.7	21.9	20.6

⁽¹⁾ In FYE 2021, the Group received a bill of claim from Royal Malaysian Customs Department (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 (Additional Import Duty). The Group has accrued the Additional Import Duty while pending further clarification from RMCD in FYE 2021. In FYE 2022, the 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. The adjusted GP and adjusted GP margin excludes the impact of the Additional Import Duty and Overaccrued Import Duty which are one-off in nature.

The Group generally maintains a stock holding policy for raw input materials for at least 8 to 12 weeks as most of its raw input materials mainly steel coils require a delivery lead time of 6 to 8 weeks upon the order being placed. Its financial performance including revenue, margins and profitability will be affected when the Group sells its steel products at prevailing global steel prices which may be lower compared to its purchase cost of steel-based materials.

- Increased by 125.9% and 25.7% respectively for FYE2021 despite rise in global steel prices as the Group had purchased its raw materials, which are mainly steel-based materials before the significant increase in steel prices.
- Adjusted GP and margin decreased by 9.5% and 21.9% respectively in FYE2022 primarily due to the decline in global steel prices. The Group had lowered the price of its products following the decline in steel prices, whereas raw materials which are mainly steel-based materials were purchased prior to the decline in steel prices, resulting in the Group's adjusted GP margin to decline in line with the fall in steel prices.
- GP decreased by 1.9% in FYE2023 as a result of lower selling prices of its roofing sheets and industrial racking systems, resulting from competitive prices in the market driven by the decrease in steel prices.
- **Risk associated with supply chain disruptions and increases in sea freight rate arising from its reliance on imports of steel materials.**
 - The Group mainly purchased imported steel coils which accounted for 88.2%, 87.7%, 84.5% and 74.9% of its total purchases of input materials and services for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. 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.
 - The Group purchased other steel products such as steel pipes, bars and plates which accounted for 4.1%, 6.8%, 12.4% and 8.2% of its 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.
- **Risk of foreign exchange rate fluctuations**
 - For FYE 2020 to 2023, majority of its purchases are denominated in USD which accounted for 77.9%, 86.2%, 61.5% and 79.3% to the Group's total purchases respectively. However, most of its revenue generated from sales to local customers are transacted in RM. Further, the Group has not entered into any forward exchange contracts to hedge against negative foreign currency movements.
 - The Group recorded a net loss of RM0.54 million in its foreign currency exchange for FYE2021, while a net gain of RM0.15 million, RM0.87 million and RM1.15 million in FYE2020, FYE2022 and FYE2023 respectively.
- **Dependency on its Executive Director and key senior management** for continued success and growth of its business.
- **Dependency on foreign workers.** 38.8% of its total 510 employees are foreign workers. The number of foreign workers it may hire and its ability to obtain or renew work permits for its foreign workers are subject to regulations and approvals from the Ministry of Home Affairs.
- **Subject to compliance with health, safety and environment (HSE) laws and regulations.** For the past four FY, the Group did not experience any material injuries or harm that affected the employees or contract workers.
- **May not be able to successfully implement its business strategies and plans.**
- Risk of inadequate insurance coverage.
- **Exposure to unexpected interruptions arising from machinery and equipment failure, accidents and natural disasters,** which are beyond its control. In FYE2022, the Group experienced interruptions in industrial racking system finishing processing operations due to the breakdown of its automated powder coating line at its Penang 1571 Factory. The automated powder coating line was suspended for approximately 2 weeks and the delivery of confirmed purchase orders were deferred to a later date.
- **Risk of write-down of inventory value arising from slow-moving inventory.** Its inventories amounted to RM43.8 million, RM95.0 million, RM86.2 million and RM86.7 million as at the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively, and its inventory turnover periods were 159 days, 149 days, 184 days and 162 days as at the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. Input materials comprise of 38.6%, 50.2%, 57.3% and 56.8% of its inventories for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. As the value of its inventory is high, the Group is exposed to the risks of write-down or higher holding costs of inventory if its input materials remain unused or its finished goods remain unsold for an extended time. Nonetheless, the Group does not have any inventories written down during the period under review and up to 20 May 2024.
- **Exposure to credit risks arising from default payment by customers.** During the Period Under Review, the normal credit term granted ranges from 30 days to 90 days. Its trade receivables turnover period was 104 days, 55 days, 55 days and 64 days for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. The Group recorded impairment loss on trade receivables of RM0.6 million, RM2.9 million, RM1.1 million and RM1.3 million of its total trade receivables for the FYE2020, FYE2021, FYE2022 and FYE2023. There were also bad debts wrote off accounted for 0.5%, 6.1%, 0.4% and 1.6% of total its PBT for FYE2020, FYE2021, FYE2022 and FYE2023.

ESG PRACTISES

The Group has implemented, and are in the midst of implementing, the following practices:

Environmental Practices

- **Energy Efficiency:** Implement energy-efficient manufacturing processes and equipment to reduce energy consumption;
- **Waste Reduction:** Implement strategies to waste reduction and recycling during production processes;
- **Recycling Programs:** Develop recycling initiatives for end-of-life solar panels and other components; and
- **Water Conservation:** Implement water-saving measures to minimise water usage in their operation.

Governance Practices

- **Board Diversity:** Ensure a diverse board of directors to bring varied perspectives and promoting a range of experience, knowledge and skills;
- **Stakeholder Engagement:** Engage with stakeholders including shareholders, customers and employees) to address concerns and incorporate feedback; and
- **Ethical Business Practices:** Maintain a strong code of ethics and anti-bribery and anti-corruption policies to ensure integrity in business operations.

Social Practices

- **Employee Health and Safety:** Prioritise worker safety through comprehensive safety and health training programs, safety protocols and equipment upgrades;
- **Diversity and Inclusion:** Foster a diverse and inclusive workplace that values individuals from different backgrounds regardless of gender, race or other factors; and
- **Labour Standards:** Adhere to labour laws including providing the conducive working environment, reasonable working hours and employee benefits.

Economics Practices

- **Technological Advancements:** continuously looking into enhancing and developing innovative manufacturing processes that reduce environmental impact;
- **Product Innovation:** continuously enhancing product designs such as pipes with improved durability, reduced material use and easy installation and dismantling for reusing;
- **Material Sourcing:** Encouraging its suppliers to adhere to ESG principles ensuring that the entire supply chain contributes to sustainability goals;

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