

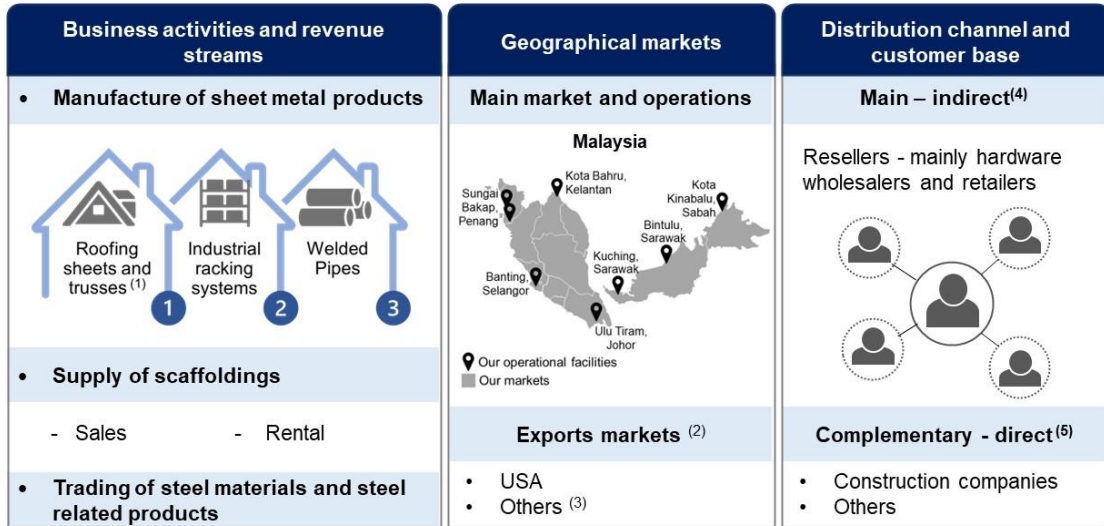
6. INFORMATION ON OUR GROUP *(cont'd)*

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:

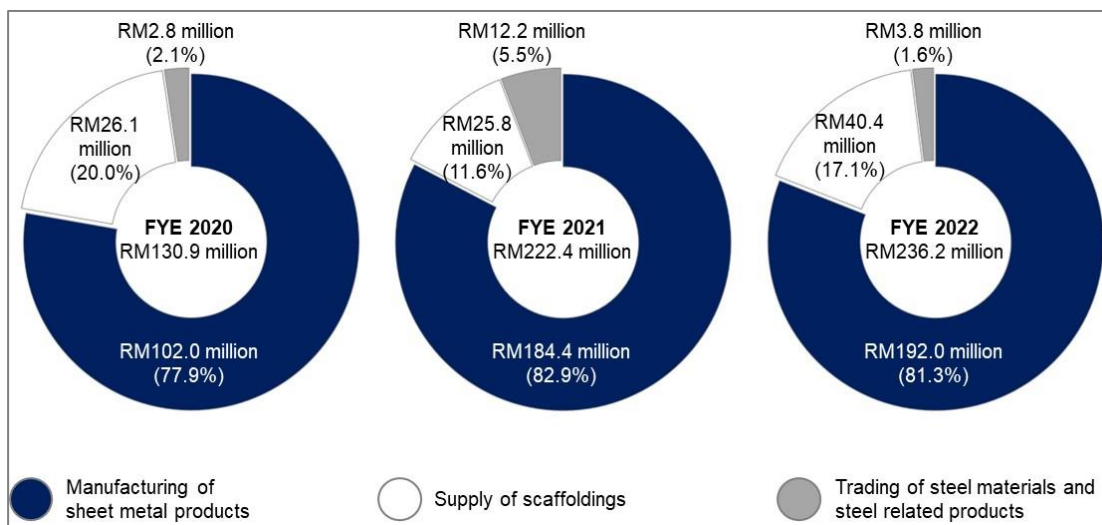
- (1) A small proportion of the revenue for FYE 2020 and FYE 2021 amounting to 0.2% and less than 0.1% of total revenue respectively was from the manufacture of steel building frames. There was no revenue from manufacture of steel building frame in FYE 2022.
- (2) Revenue from exports markets accounted for 1.6%, 8.3% and 4.2% of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.
- (3) Other exports markets include Singapore, Indonesia, Australia, Bangladesh, the Philippines, UAE and Brunei.
- (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	
	RM'000	%*	RM'000	%*	RM'000	%*
Roofing sheets	50,498	38.6	74,050	33.3	65,384	27.7
Roof truss ⁽¹⁾	11,388	8.7	47,829	21.5	49,919	21.1
Revenue from roofing sheets and trusses	61,886	47.3	121,879	54.8	115,303	48.8
Total revenue	130,864	100.0	222,435	100.0	236,231	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.

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

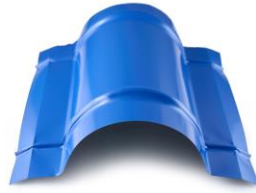


- Roofing sheets with tile-like profiles to enhance the aesthetic appearance of the roof.
- Typically used in residential, commercial and institutional buildings such as bungalows, shop offices and schools.
- We use medium to high tensile mild steel which is aluminium-zinc coated or colour coated.

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

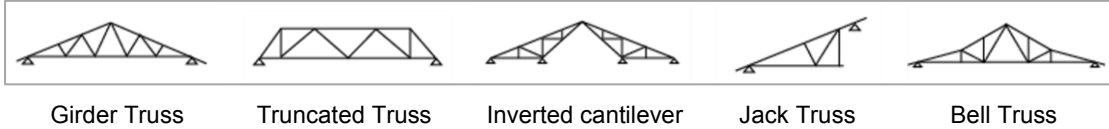
A truss is a rigid framework designed to support a load such as roof. It comprises an assembly of various long materials joined tightly to form a rigid structure.

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 a C-sections and battens in our factory



1st picture: Galvanised or aluminium-zinc coated mild steel is fed into the forming machine; 2nd and 3^d 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 truss



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.

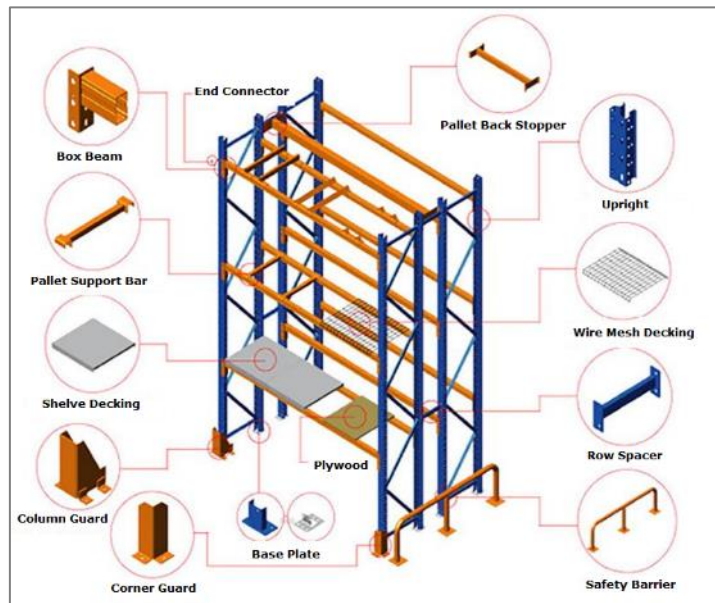
For FYE 2020, FYE 2021 and FYE 2022, our revenue from the manufacture of industrial racking systems amounted to RM18.0 million (13.8%), RM40.6 million (18.3%) and RM48.9 million (20.7%) of our total revenue respectively.

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 and FYE 2022, revenue from our "Metech" brand amounted to RM18.0 million (100.0%), RM22.6 million (55.7%) and RM39.0 million (79.7%) 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%) and RM9.9 million (20.3%) 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.

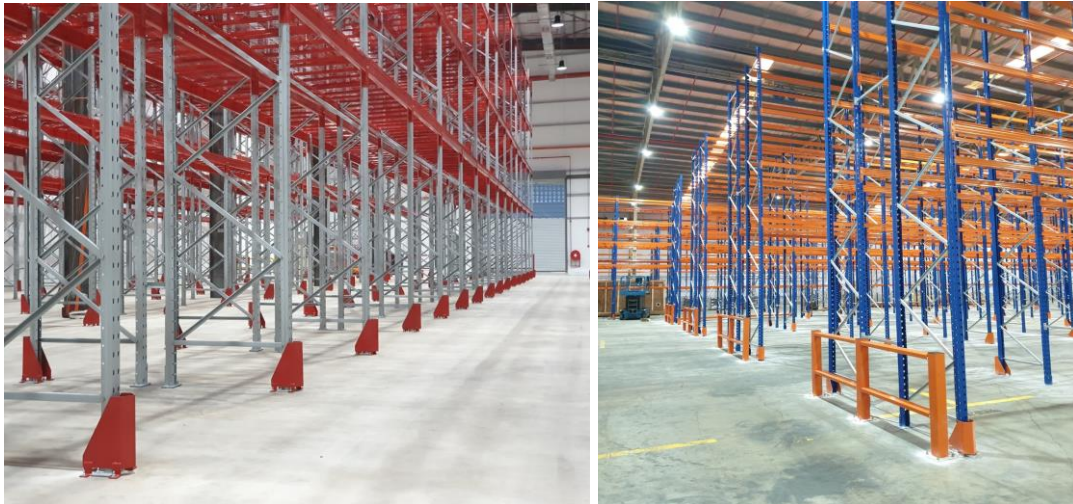
Our industrial racking systems consists of our "Metech" brand and third-party brands. Our industrial racking systems are manufactured based on purchase orders. Our industrial racking components can be used for various types of racking systems as described below.

- (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.
- (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.

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

- (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


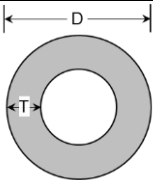

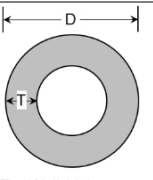
We manufacture both structural and non-structural welded pipes. Our pipes are made from mild steel strips which are formed into round, square or rectangular shapes, and subsequently, the two edges are welded. Sales of welded pipes are based on purchase orders. Commonly, we deliver the welded pipes within 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 and FYE 2022, our revenue from the manufacture of welded pipes amounted to RM22.0 million (16.8%), RM21.9 million (9.8%) and RM27.8 million (11.8%) of our total revenue respectively.

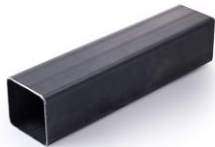
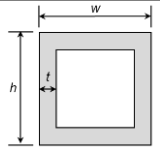

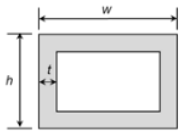
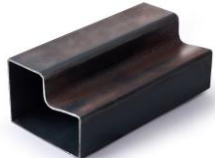
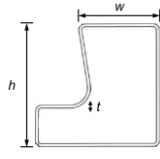
We manufacture welded pipes of various shapes, profiles, grades and surface finishing. Our welded pipes are manufactured using mild steel, where the steel coil goes through a continuous pipe-forming process to achieve the desired shape. We manufacture both structural and non-structural welded pipes. 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
<p data-bbox="296 1317 459 1350">Conduit pipes</p> 	<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 data-bbox="1225 1503 1394 1547">T = Wall thickness. D = Outside diameter.</p>
<p data-bbox="296 1671 539 1704">Circular hollow pipes</p> 	<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 data-bbox="1225 1856 1394 1901">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-125mm • 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.

6. INFORMATION ON OUR GROUP (cont'd)

Pipe welding process in our factory



1st picture: Coil input; 2nd picture: Flattening of coil; 3rd to 6th picture: Roll forming of pipes; 6th picture: Welding of pipes; 7th: Cooling in a bath of coolant; 8th picture: Cutting welded pipes to desired sizes

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6. INFORMATION ON OUR GROUP (cont'd)

(b) Supply of scaffoldings

We supply scaffoldings in loose form and our customers will assemble them on-site. Scaffoldings are 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. They are also used as temporary shoring of structures.

Our revenue streams from this segment are via the sales and rental of scaffoldings. Our scaffoldings are marketed and sold under our brand "BW". Commonly, we deliver the scaffoldings within a week from the receipt of purchase order. However, for purchase orders with specified delivery schedule we will deliver according to the delivery schedule.

Our scaffoldings are accredited with SIRIM product certification for the conformity to the MS 1462 series of standards and also accorded the certificate of standard compliance by CIDB.

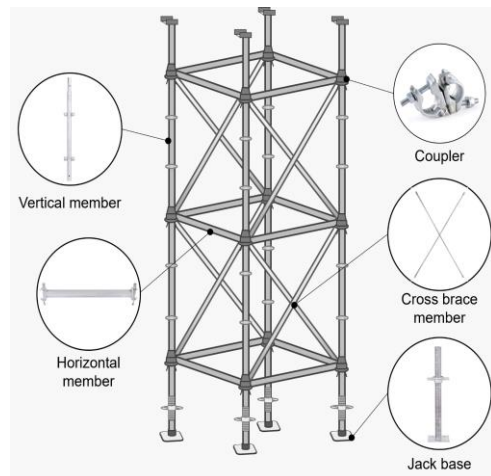
For FYE 2020, FYE 2021 and FYE 2022, our revenue from our supply of scaffoldings amounted to RM26.1 million (20.0%), RM25.8 million (11.6%) and RM40.4 million (17.1%) of our total revenue respectively.

Scaffoldings refer to temporary structures built to support workers, materials and equipment to enable construction, renovation, repair or demolition of buildings, facilities, amenities, infrastructures and other structures. 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.

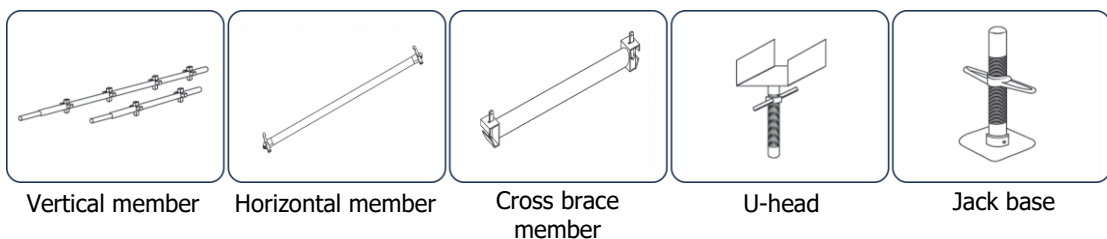
Scaffoldings also include falsework, also known as shoring scaffolds, which refers to temporary structures used to support permanent structures while it is not self-supporting, such as supporting the formwork until the concrete is set and the structure can support itself.

Generally, scaffoldings comprise various components that are assembled. This includes standards (vertical members), ledgers (horizontal members), bracings, frames, jack base, and u-heads as well as accessories such as joints and couplers. Scaffoldings are assembled on-site and can expand vertically and horizontally as the structure to be constructed such as a high-rise building is gradually built from the bottom up. The main part of the scaffolding is the steel pipes used as the vertical and horizontal members, and cross brace members which is made of galvanised iron or painted steel.

Components of scaffoldings



Some of our scaffoldings components for on-site assembly



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

Some of the accessories used in assembling scaffoldings



Swivel coupler

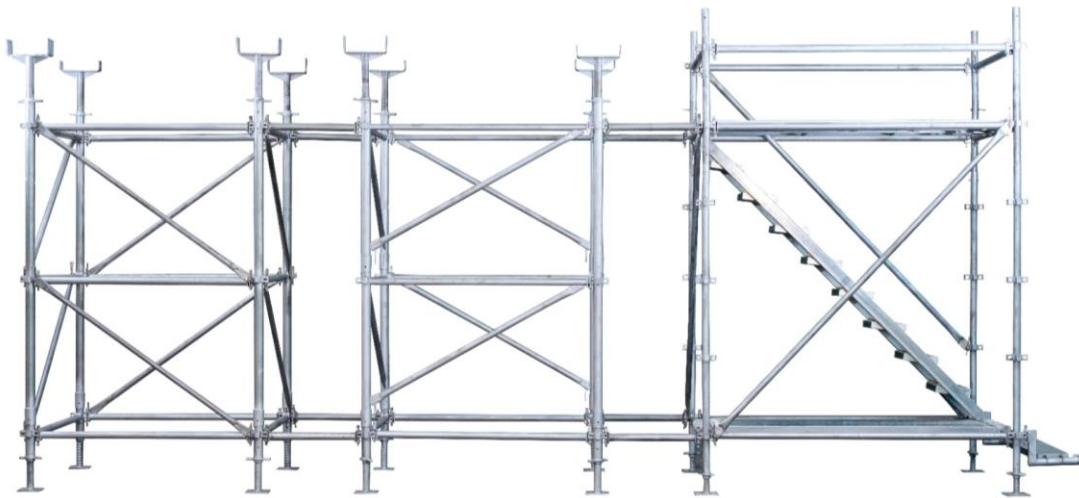
Right angle coupler

Put log coupler

Fixed beam clamp

Swivel clamp

Assembled scaffoldings



Our scaffoldings comply with various standards as follows:

- MS 1462-2-1:2010 Metal Scaffolding – Part 2: Tubular (tube and coupler) scaffold – Section 1: Specification for steel tubes;
- MS 1462-2-3: 2011 Metal Scaffolding – Part 2: Tubular (tube and coupler) scaffold – Section 3: Specification for steel and aluminium couplers, fittings and accessories;
- MS 1462-1:2012 Metal Scaffolding – Part 1: Prefabricated scaffolds – Specifications for steel frame scaffolding;
- MS 1462-3-1:2011: Metal Scaffolding – Part 3: Prefabricated scaffolds – Section 1: Specification for steel and aluminium modular system scaffolding; and
- MS 1462-1:2021: Metal Scaffolding – Part 1: Prefabricated scaffolds – Specifications for steel frame scaffolding (Second revision).

6. INFORMATION ON OUR GROUP (cont'd)

We supply all components of scaffoldings, mainly made of galvanised high-tensile mild steel, required for the assembly at customers' sites. Scaffoldings comprise components that are fabricated in-house as well as sourced from third-party manufacturers or suppliers. The fabrication works are mainly carried out by our employees. In situations where we receive high quantity of orders simultaneously and are unable to meet all orders on time using only in-house resources, we may engage subcontracted labour to increase resources for the fabrication works at our manufacturing facility. Some of the main components of scaffoldings comprised the following:

- Steel frames in semi-finished form such as main frames, ladder frames and horizontal frames are sourced from third party manufacturers based on our specifications. Steel frame are one of the main components in scaffoldings;
- structural steel pipes used to fabricate steel frames such as main frames, ladder frames and horizontal frames, as well as cross brace members of scaffoldings. Structural steel pipes are manufactured in-house as well as sourced from third-party manufacturers. We source third-party structural steel pipes to complement our in-house manufactured structural steel pipes mainly to meet timely delivery to our scaffoldings customers where our in-house manufacturing does not have the capacity at that point in time.
- Other components include walking boards, step ladders, u-head and jack base. These components are fabricated in-house as well as sourced from third-party manufacturers.
- Other accessories such as couplings and hardware are purchased from third-party manufacturers or suppliers. This is mainly because there are many types of components and the processes required to manufacture them are varied and specialised, such as casting, as well as they use different types of steel materials to provide the required strengths and other technical specifications.

We will carry out fabrication including cutting, welding and finishing where necessary, of the steel frames, structural steel pipes as well as other components which will subsequently be assembled together with the accessories that we sourced from third-party manufacturers or suppliers to form the scaffoldings. For the FYE 2022, we fabricated a total of 3,608 tonnes of scaffoldings, where steel frames and structural steel pipes accounted for 86.0% of the total tonnage of scaffoldings, while the remaining 14.0% were other components and accessories. Of the total steel frames and structural steel pipes used for the scaffoldings, approximately 65.1% of them were sourced from third-party manufacturers or suppliers, while the remaining 34.9% of them were fabricated using our in-house manufactured welded pipes.

Our revenue derived from supply and rental of scaffoldings is segmented as follows:

Supply of scaffoldings	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%*	RM'000	%*	RM'000	%*
Sales	18,988	14.5	14,927	6.7	29,117	12.3
Rental	7,134	5.5	10,888	4.9	11,273	4.8
Revenue from supply of scaffoldings	26,122	20.0	25,815	11.6	40,390	17.1
Total revenue	130,864	100.00	222,435	100.00	236,231	100.00

* As a percentage of total Group revenue

6. INFORMATION ON OUR GROUP (cont'd)**(i) Sales of scaffoldings**

We sell scaffoldings or individual scaffoldings components to our customers. We deliver the scaffoldings or scaffoldings components to customers' designated sites where the delivery fees are borne by the customers. We do not carry out the installation of scaffoldings, which is the responsibility of our customers.

(ii) Rental of scaffoldings

Our scaffoldings business includes the rental of scaffoldings which provides us with recurrent revenue. We rent out whole scaffoldings or individual scaffoldings items. Our rental business is synergistic with our sales business as we already have a ready source of all the required components for scaffoldings.

Our rental business also includes the delivery of all scaffoldings components to customers' designated sites where the delivery fees are borne by the customers. Our customers are responsible for returning all rented components to our nearest warehouse and in some situations, we will collect the scaffoldings components from our customers upon request and the delivery fees will be charged to the customers.

Our rental business is based on rental agreement commonly with a minimum rental period of 3 months. The rental period may be extended upon expiry and there is no maximum rental period. We clean, maintain and refurbish the scaffoldings where required when scaffoldings are returned to us after each rental period.

We do not carry out the installation of scaffoldings, which is the responsibility of our customers. When our scaffoldings are fully rented out at any point in time, we will rent scaffoldings from third-party to fulfil our customers' orders.

(c) Trading of steel materials and steel related products

During the Period Under Review, we also derived revenue from trading of steel materials namely steel coils, and steel related products including mainly cabins and metal frames for doors and windows. For FYE 2020, FYE 2021 and FYE 2022, revenue from trading of steel materials and steel related products amounted to RM2.8 million (2.1%), RM12.2 million (5.5%) and RM3.8 million (1.6%) of the total revenue respectively.

Trading of steel materials and steel related products	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%*	RM'000	%*	RM'000	%*
Trading of steel coils	2,175	1.7	11,725	5.3	2,873	1.2
Trading of steel related products ⁽¹⁾	610	0.4	473	0.2	971	0.4
Revenue from trading of steel materials and steel related products	2,785	2.1	12,198	5.5	3,844	1.6
Total revenue	130,864	100.00	222,435	100.00	236,231	100.00

* As a percentage of total revenue

Note:

(1) Including mainly cabins and metal frames for doors and windows.

6. INFORMATION ON OUR GROUP (cont'd)

During the Period Under Review, we offer the following products under trading of steel materials and steel related products:

Types

Description

Steel materials

Steel coils



- Mainly colour coated steel coils

Steel related products

Cabins



- Temporary metal cabins commonly used at construction site
- These cabins are foldable and supplied in flat pack, which require minimal installation on-site

Metal frames for doors and windows



- Commonly used for residential properties

6. INFORMATION ON OUR GROUP (cont'd)

6.5.1.3 Accreditations and certifications

All construction materials listed in the Fourth Schedule of Construction Industry Development Board Act 1994 are required to obtain CIDB's Certificate of Standards Compliance. The Fourth Schedule includes scaffoldings, which requires conformity to the MS 1462 series of standards. Compliance with MS 1462 thus allows our scaffolding products to be used as construction materials in the construction industry in Malaysia.

Our accreditations and certifications for our products are as follows:

Year first obtained	Subsidiary	Certifying party	Accreditations and certifications
2010	BWYS Steel	SIRIM QAS	<ul style="list-style-type: none"> Received the first ISO 9001:2015 certification on 17 December 2010 for the following scope: <ul style="list-style-type: none"> manufacture of metal roofing and accessories, multi truss, scaffolding, racking system, steel hollow section pipes, and clear and colour conduit pipes; trading of scaffolding accessories, galvanised iron and colour coils, and other building-related products; and manufacture of racking system. The current certification is valid from 27 September 2022 to 30 September 2025.
2017	BW Scaffold	SIRIM QAS	<ul style="list-style-type: none"> Received the first product certification licence for MS 1462-1:2012 prefabricated steel frame scaffolding on 4 August 2017. The current certification is valid from 13 December 2022 to 4 August 2023.⁽²⁾
2017	BW Scaffold	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance for MS 1462-1:2012 prefabricated steel frame scaffolding on 24 November 2017. The current certification is valid from 17 January 2023 to 16 January 2024.
2017	BWYS Steel	CREAM	<ul style="list-style-type: none"> Received the first product certificate of conformity MS 1462-2-3:2011 steel coupler for tubular scaffolds on 8 August 2017, and was subsequently renewed with validity up to 7 August 2021.⁽¹⁾
2017	BWYS Steel	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance for MS 1462-2-3:2011 steel coupler for tubular scaffold on 10 November 2017.⁽¹⁾

6. INFORMATION ON OUR GROUP (cont'd)

Year first obtained	Subsidiary	Certifying party	Accreditations and certifications
2018	BWYS Steel	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance MS 1462-1:2012 prefabricated steel frame scaffolding on 15 January 2018 which was valid up to 14 January 2019.⁽¹⁾
2018	BWYS Steel	CREAM	<ul style="list-style-type: none"> Received its first product certificate of conformity MS 1462-2-1:2010 galvanised steel tube for tubular scaffolding on 23 February 2018, and was subsequently renewed with validity up to 22 February 2022.⁽¹⁾
2019	BWYS Steel	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance for MS 1462-2-1:2010 galvanised steel tube for tubular scaffolding on 9 January 2019. The current certification is valid from 3 February 2022 to 2 February 2023.⁽¹⁾
2019	YS Success	SIRIM QAS	<ul style="list-style-type: none"> Received the first product certification licence for JIS G3444:2015 carbon steel tube for general structure on 12 April 2019. The current certification is valid from 19 April 2023 to 12 April 2024.
2020	BW Scaffold	SIRIM QAS	<ul style="list-style-type: none"> Received the first product certification licence for MS1462-3-1:2011 steel modular system scaffolding on 22 September 2020. The current certification is valid from 22 August 2023 to 22 September 2024.
2022	YS Success	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance for JIS G3444:2015 carbon steel tube for general structure on 30 July 2022. The current certificate is valid from 30 July 2023 to 29 July 2024.
2022	BW Scaffold	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance for MS1462-3-1:2011 modular system scaffolding on 14 January 2022. The current certification is valid from 17 January 2023 to 16 January 2024.
2022	BW Scaffold	CREAM	<ul style="list-style-type: none"> Received the first product certificate of conformity MS 1462-2-3:2011 steel coupler for tubular scaffolds on 26 July 2022 and is valid until 25 July 2024.

6. INFORMATION ON OUR GROUP (cont'd)

Year first obtained	Subsidiary	Certifying party	Accreditations and certifications
2022	BW Scaffold	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance MS 1462-2-3:2011 steel coupler for tubular scaffolds on 15 September 2022. The current certification is valid from 22 August 2023 to 21 August 2024.
2022	BW Scaffold	Certibuild (M) Sdn Bhd	<ul style="list-style-type: none"> Received the first certificate of conformity MS 1462-2-1:2010 steel tube for tubular scaffolding on 5 August 2022 and is valid until 4 August 2024.
2022	BW Scaffold	SIRIM QAS	<ul style="list-style-type: none"> Received the first certification for ISO 9001:2015 for the scope of manufacturing scaffolding products and accessories on 1 March 2022. The current certification is valid from 31 May 2022 to 2 May 2025.
2023	BW Scaffold	CIDB	<ul style="list-style-type: none"> Received the first certificate of standard compliance MS 1462-2-1:2010 steel tube for tubular scaffolding on 7 February 2023 and is valid until 6 February 2024.
2023	BW Scaffold	Certibuild (M) Sdn Bhd	<ul style="list-style-type: none"> Received the first certificate of conformity MS 1462-1:2021 prefabricated steel frame scaffolding component on 1 September 2023 and is valid until 31 August 2024.

Notes:

- (1) These certificates of standard compliance were not renewed as these certificates were subsequently obtained by BW Scaffold, which is involved in the supply of scaffoldings.
- (2) We have submitted renewal application 3 weeks prior to the expiry date. The new certification is expected to be issued within 3 months from the date of submission.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.2 Business process

6.5.2.1 Mode of operations

(a) Sheet metal products, sales of scaffoldings, trading of steel materials and steel related products

Purchase orders

Our mode of operation for our manufacture of sheet metal products, sales of scaffoldings as well as trading of steel materials and steel related products are mainly based on confirmed purchase orders.

Our customers will issue purchase orders to us as and when they require them. The purchase order will specify the type of products, specifications, quantity, agreed price, payment term as well as other terms such as delivery address and schedule. We will issue an invoice to our customers upon delivery of the products. We mainly deliver the products to our customers' specified destinations, and the delivery fees are factored into our product pricing. In some situations, our customers will opt to pick up the products from our warehouse.

Contract-based

For roof trusses under projects, we will enter into a contractual agreement with some of our customers where our customer will issue a letter of award or work order to us for the supply and installation of roof trusses. The letter of award or work order will set out the scope of work, contract period, agreed price and payment terms. We will submit progressive claims and issue invoice to our customers upon the delivery of materials to the construction site based on the agreed terms, and the balance will be invoiced upon completion of work.

Typically, the contract period ranges from 6 months to 9 months. However, in some cases we have contracts for up to 2 years. In the event of any delays in the completion of the contract, we may be subjected to liquidated and ascertained damages (LAD) claim by our customer at an agreed fixed rate of damages per day which will be stipulated in the contract. Depending on the contractual agreement, we may be required to provide defect liability period for the rectification of any defects of up to 24 months from the acceptance date or date of certificate of practical completion by the customer. As at the LPD, we have not experienced any LAD claims from our customers.

Warranty

For the roof trusses that we design, supply and/or install, we provide a 10-year warranty based on the design of the roof trusses. During the warranty period, we will provide replacements or rectify any manufacturing or design defects at our costs or reimburse our customer the cost of replacement of the defective products.

For our manufactured industrial racking systems, we provide 5-year warranty for the "Metech" brand industrial racking systems. During the warranty period, we will provide replacements or make good any manufacturing defects at our cost. As at the LPD, we have not experienced any warranty claims from our customers.

We do not provide warranty for the other sheet metal products. However, as a gesture of goodwill towards our customers, we will provide replacements or allow our customers to return the defective or damaged products during transportation and transit of the products within 7 days upon the receipt of the products.

6. INFORMATION ON OUR GROUP (cont'd)

(b) Rental of scaffoldings

For the rental of scaffoldings, we enter into agreements specifying the minimum rental period and rental rates for each type of components. Rates and conditions for any extension of the rental period are also included in the agreements.

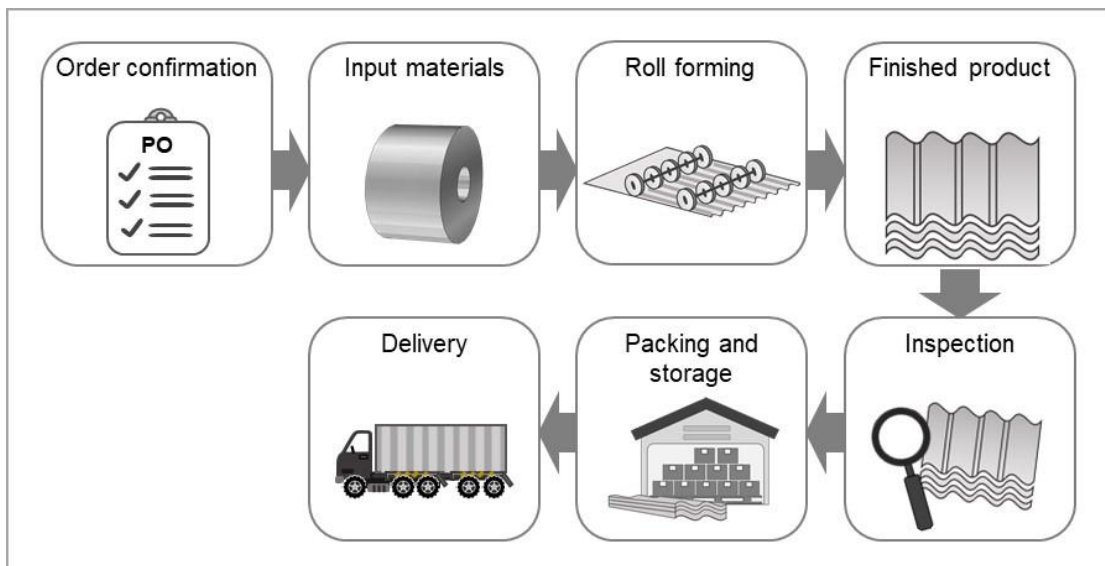
The transportation cost of the rented scaffoldings to the project site, as well as their return to our warehouse, is commonly borne by the customer. Invoices will be issued to our customers on a monthly basis. We will commonly require a 2 months deposit. In the event of any damaged or missing items upon return, we will charge back to our customers.

6.5.2.2 Process flow

(a) Manufacture of roofing sheets and trusses

(i) Manufacture of roofing sheets

Our process flow for the manufacture of roofing sheets is depicted in the diagram as follows:



• **Order confirmation**

The initial process typically begins with customer enquiries, where customers will choose the type of roofing sheets they intend to purchase along with specifications such as length, thickness and surface finishing.

Once a decision has been made, our customer will issue a purchase order with details such as product specification, quantity, pricing, delivery location, delivery date and payment terms. The receipt of purchase orders serves as a basis for us to confirm orders and schedule our production. Our purchase orders are mainly secured through proposals in response to requests for quotations from prospective customers.

6. INFORMATION ON OUR GROUP (cont'd)

- **Input materials**

We would normally have sufficient stocks of input materials in-house to meet most customers' purchase orders. As our input materials are sometimes purchased from foreign countries requiring 6 to 8 weeks lead time, we would normally plan our inventory of input materials to have sufficient buffer stocks to meet most purchase orders.

We use aluminium-zinc coated or colour coils in the manufacture of roofing sheets and these coated coils are available in various thicknesses, widths and grades.

- **Roll forming**

Based on our customer specifications, we will select coated coils of the appropriate length, grade and material coating. The coated coils are loaded onto a decoiler to unwind the sheet metal and fed into the roll-forming machine. As the uncoiled strip enters the roll-forming machine and passes through a series of rollers, the long continuous strip is bent and shaped into the desired profiles according to customer specifications. The profile is automatically cut to the pre-determined length and discharged onto the run-out table before being arranged for delivery or further processing.

- **Inspection**

We will inspect the quality and dimensions of the finished products to ensure they meet our customer specifications and adhere to the relevant standards, where required. Should there be any defects, the defective products including those which were manufactured based on customer specifications will be sold at a discount. For the Period Under Review, defective products accounted for between 0.1% to 0.3% of our total actual output per year.

- **Packing, storage, delivery and installation**

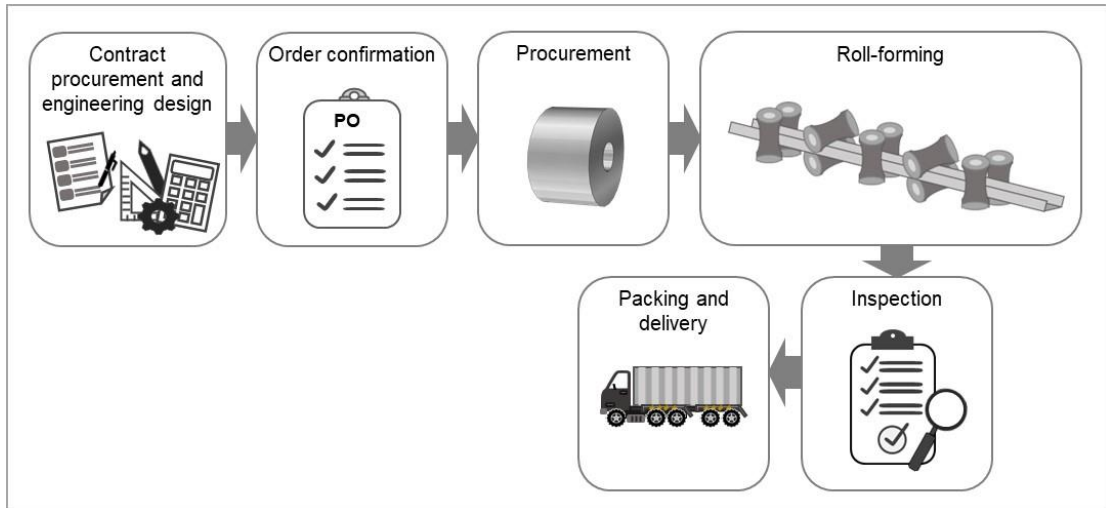
After inspection, we will pack the finished products into stacks for storage or delivery to our customers. We will deliver the finished product to the designated site at the specified date. We do not carry out the installation work.

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6. INFORMATION ON OUR GROUP (cont'd)

(ii) Manufacture of roof trusses

Our process flow for the manufacture of roof trusses is depicted in the diagram as follows:



- **Contract procurement and engineering design**

The initial process begins with contract procurement, whereby the contracts for the manufacture of roof trusses are secured through tendering or quotation. This process is only applicable for roof trusses which require our design.

The tendering or quotation process begins when we receive an invitation to tender or quote from prospective customers. We will carry out a preliminary assessment based on the project requirements and background of the customer before deciding to participate in the tender or quotation. Once we have decided to bid or submit a quotation, we will commence the preparation of the tender or quotation documents which involve considerations including costing, pricing, timing and input material stocks in hand, as well as the preparation of the preliminary engineering design.

Based on the project requirements, we will design the trusses and prepare design drawings indicating the loads, assembly drawings, material specifications and types of joining. Some of the design considerations include load data such as dead load, impose load, wind load and other related loads, as well as the size, length and grade of steel to be used.

- **Order confirmation**

Upon receiving the letter of award or work order from the customer, we will then proceed to finalise the design of the trusses. The calculations and drawing details will be certified by an independent professional engineer. These drawings will need to be accepted by our customers.

For customers who do not require us to design, the customer will issue a purchase order with details including product specification, quantity, pricing, delivery location, delivery date and payment terms. The receipt of purchase orders serves as a basis for us to confirm orders and schedule our production. Our purchase orders are mainly secured through proposals in response to requests for quotations from prospective customers.

6. INFORMATION ON OUR GROUP (cont'd)

- **Procurement**

Upon receiving the letter of award, work orders or purchase orders, we will check our inventory of input materials. In the event of insufficient input materials to fulfil our customer orders, we will procure the necessary input materials from the suppliers. However, we would normally have sufficient stocks of input materials in-house to meet most customers' purchase orders. As our input materials are sometimes purchased from foreign countries requiring 6 to 8 weeks lead time, we would normally plan our inventory of input materials to have sufficient buffer stocks to meet most purchase orders.

Our input material consists of steel coils, which are available in various thicknesses, widths, grades and material coatings such as aluminium-zinc, galvanised iron and colour coated.

- **Roll forming**

Based on our customer specifications, we will select steel coils of the appropriate length, grade and material coating for slitting. The steel coils are slit into narrower coils based on the required widths while the off-cuts are sold as scrap. For the Period Under Review, scrap accounted for between 0.4% to 0.5% of our total actual output per year.

The slitted steel coils are loaded onto a decoiler to unwind the sheet metal and fed into the roll-forming machine. As the uncoiled strip enters the roll-forming machine and passes through a series of rollers, the long continuous strip is bent and shaped into the desired profiles according to customer specifications. The profile is automatically cut to the pre-determined length and discharged onto the run-out table before being arranged for delivery or further processing.

- **Inspection**

We will inspect the steel trusses to ensure they are manufactured based on the specifications and design per the agreed layout. Should there be any defects, the defective products will be sold at a discount. For the Period Under Review, there were no defective products in the manufacture of roof trusses.

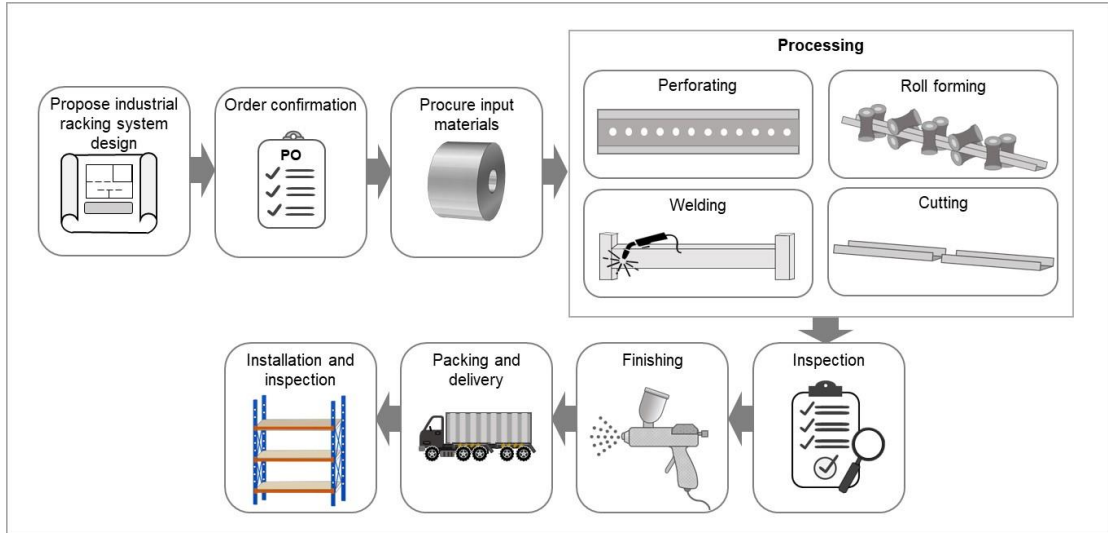
- **Packing, delivery and installation**

After inspection, we will pack the finished products into stacks for storage or delivery to our customers. The installation of roof trusses will either be undertaken by our Group or an external contractor depending on customer requirements. In the event that we do not complete the installation as specified in the contracts, we are subject to liquidated and ascertained damages (LAD). For the Period Under Review and as at the LPD, we have not experienced any LAD claims from our customers.

6. INFORMATION ON OUR GROUP (cont'd)

(b) Manufacture of industrial racking systems

Our process flow for the manufacture of the industrial racking systems is depicted in the diagram as follows:



- **Propose industrial racking systems design**

The initial process begins with customer enquiries, in which we will assess the requirements and background of our prospective customers in terms of their budget, storage needs, type of goods stored, floor space and load bearing, and layout and vehicular flow within the storage area. Based on these considerations, we will design and propose a suitable industrial racking systems for our prospective customers by providing them with a racking layout and a quotation. The proposed racking layout includes information such as upright height, frame depth, beam length, number of beam levels per bay and number of bays.

- **Order confirmation**

Once a decision has been made, our customer will issue a purchase order with details such as the type and specifications of the industrial racking systems to be purchased as well as other terms such as delivery and installation site, delivery date and payment terms. The receipt of purchase orders serves as a basis for us to confirm orders and schedule our production. Our purchase orders are mainly secured through proposals in response to requests for quotations from prospective customers.

- **Procure input materials**

Upon receiving the purchase orders, we will check our inventory of input materials. In the event of insufficient input materials to fulfil our customer orders, we will procure the necessary input materials from suppliers. However, we would normally have sufficient stocks of input materials in-house to meet most customers' purchase orders. As our input materials are sometimes purchased from foreign countries requiring 6 to 8 weeks lead time, we would normally plan our inventory of input materials to have sufficient buffer stocks to meet most purchase orders.

We use galvanised steel coils and uncoated steel coils in the manufacture of industrial racking systems. Some of the components and hardware are also required to be purchased from third-party suppliers.

6. INFORMATION ON OUR GROUP (cont'd)

- **Processing**

Based on our customers' specifications, we will select steel coils of the appropriate length, grade and thickness for slitting. The steel coils are slit into narrower coils based on the required width while the off-cuts are sold as scrap. For the Period Under Review, scrap accounted for between 1.0% to 1.8% of our total actual output per year.

The following processes are carried out for the manufacture of various industrial racking components:

- Perforation: The strip of the slitted steel coil is perforated with holes of various sizes and shapes arranged in several patterns;
- Roll-forming: The perforated slit metal will be roll-formed into various profiles such as C-channels and angles;
- Cutting: The perforated and rolled formed metal is cut to length; and
- Welding: Where required, some components will need to undergo welding.

- **Inspection**

We will inspect the industrial racking components to ensure they are manufactured or procured based on the agreed specifications and design. Should there be any defects, the defective parts will be sold at a discount. For the Period Under Review, there were no defective products in the manufacture of industrial racking systems.

- **Finishing**

After inspection, the industrial racking components undergo surface pre-treatment, namely phosphate conversion coating where they are cleaned, chemically pre-treated, rinsed and dried in preparation for powder coating. During the chemical pre-treatment, the industrial racking components are immersed in an acidic bath to react with the solution. This creates a protective layer of iron phosphate crystals on the surface of the industrial racking components, thereby improving paint adhesion and corrosion resistance.

After undergoing surface pre-treatment, the industrial racking components are electrostatically sprayed with powder paint and placed in a curing oven. In the curing oven, a chemical reaction takes place which bonds the powder paint with the industrial racking components, thus leading to a permanent coating. We will then carry out inspection on the coated industrial racking components to ensure coating uniformity and are fully cured.

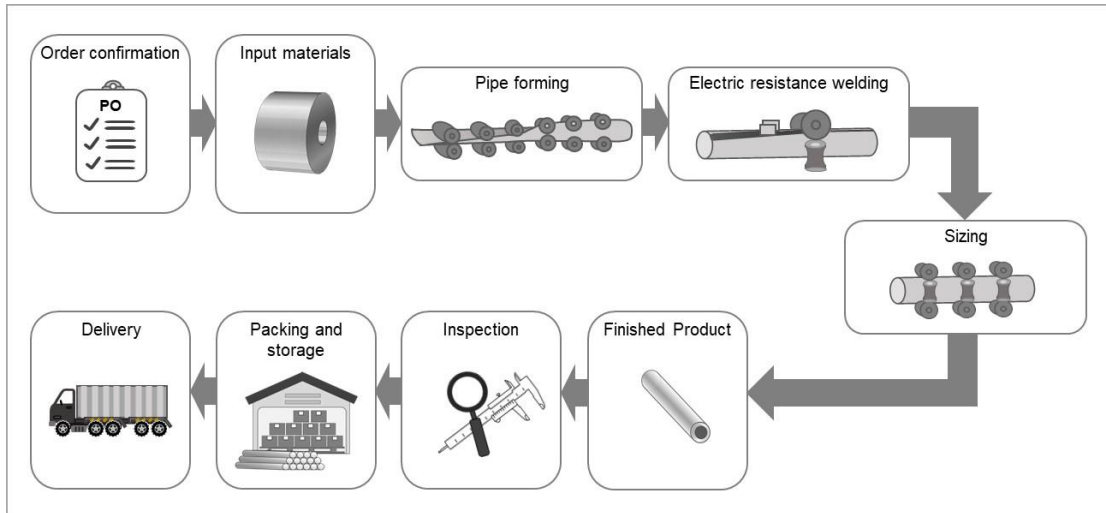
- **Packing, delivery, installation and inspection**

We will then pack the finished products and deliver them to our customer's site for installation. At our customer's site, we will install the industrial racking systems and thereafter inspect the industrial racking systems to ensure it is functional and safe for use.

6. INFORMATION ON OUR GROUP (cont'd)

(c) Manufacture of welded pipes

Our process flow for the manufacture of welded pipes is depicted in the diagram as follows:



- **Order confirmation**

The initial process typically begins with customer enquiries, where customers will choose the type of welded pipes they intend to purchase along with specifications such as pipe dimension, length surface finishing as well as the required tensile and yield strength. We commonly manufacture welded pipes with standard dimensions to replenish our stocks, and fulfil customer orders based on their purchase orders.

Once a decision has been made, our customer will issue a purchase order with details such as product specification, quantity, pricing, delivery location, delivery date and payment terms. The receipt of purchase orders serves as a basis for us to confirm our orders and schedule our production. We will first consider our current level of inventory for finished goods. If the required items are insufficient or not in stock, we will schedule for production. Our purchase orders are mainly secured through proposals in response to requests for quotations from prospective customers.

- **Input materials**

We would normally have sufficient stocks of input materials in-house to meet customers' purchase orders. As our input materials are sometimes purchased from foreign countries requiring 6 to 8 weeks lead time, we would normally plan our inventory of input materials to have sufficient buffer stocks to meet most purchase orders. We use galvanised steel coils and uncoated steel coils in the manufacture of welded pipes.

6. INFORMATION ON OUR GROUP (cont'd)

- **Pipe forming and welding**

Based on our customers' specifications, we will select steel coils of the appropriate length, grade and thickness for slitting. The steel coils are slit into narrower coils based on the required width while the off-cuts are sold as scrap. The slitted steel coils are then loaded onto a decoiler to unwind the coils. For the Period Under Review, scrap accounted for between 0.5% to 0.7% of our total actual output per year.

As the uncoiled strip enters the pipe-forming machine and passes through a series of rollers, the longitudinal ends of the strip progressively curl up to form a tubular section. The size and shape of the tubular section may be in the form of cylindrical, rectangular or square shape. The tubular section then undergoes an automatic electric resistance welding (ERW) process by passing a high-frequency electric current through the sliding contacts on the surface of the tube, thus fusing the edges. This process involves metal inert gas (MIG) welding where a continuous consumable wire electrode is fed into the weld pool and uses carbon dioxide as a shielding gas to protect the arc and weld pool from the environment and contaminants. The welded seam of the pipe is then tightened through the high-pressure rollers.

- **Sizing**

As the welded pipe passes through the sizing section which comprises a series of rollers, the welded pipe is uniformly reduced to the desired diameter, shape and tolerance based on customer requirements. After sizing, the welded pipe is then cut to the required length by the automatic cutting machine.

- **Inspection**

We will then inspect the quality and dimensions of the finished products to ensure they meet our customer specifications and adhere to the relevant standards, where required. Should there be any defects, the defective products will be sold at a discount. For the Period Under Review, defective products accounted for between 2.4% to 3.0% of our total actual output per year.

- **Packing, storage and delivery**

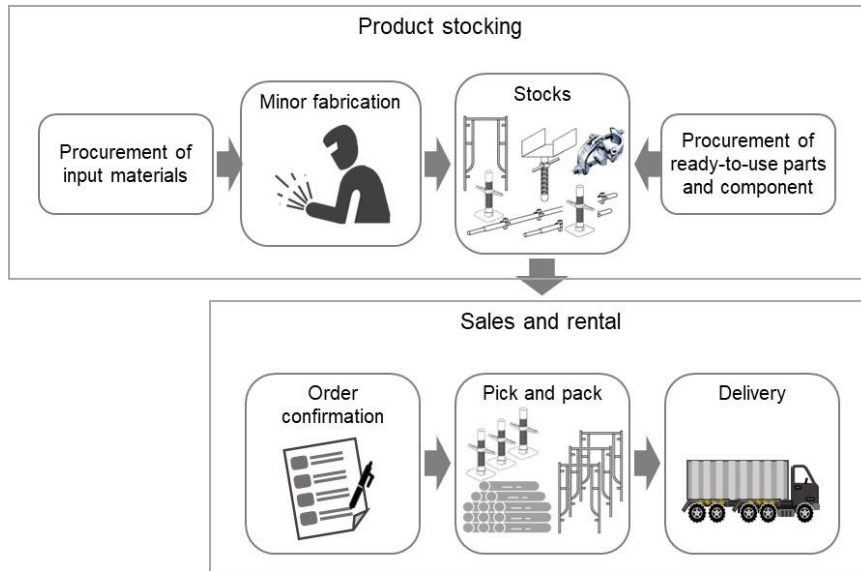
After inspection, we will pack the finished products for storage or delivery to our customers.

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6. INFORMATION ON OUR GROUP (cont'd)

(d) Supply of scaffoldings

Our process flow for the supply of scaffoldings is depicted in the diagram below:



- **Product stocking**

Scaffoldings are assembled at the customer’s project site and we have to stock all the relevant components comprising, among others, vertical and horizontal members (mainly structural pipes), cross brace members, and couplings.

The scaffoldings components comprised those that are fabricated in-house as well as sourced from third-party manufacturers or suppliers. We will then carry out some minor fabrication mainly comprising welding various metal parts together or metal parts to the pipes.

- **Order confirmation**

The initial process begins with customer enquiries, where customers will reach out to us with a list of scaffoldings components they intend to purchase or rent based on their scaffoldings drawings and other project requirements. Based on the customer’s requirements, we will check the availability of our scaffoldings components.

For sales of scaffoldings, our customer will issue a purchase order with details such as the product required, quantity, pricing, delivery location, delivery date and payment terms. The receipt of purchase orders serves as a basis for us to confirm our orders and schedule our picking and packing process. Our purchase orders are mainly secured through proposals in response to requests for quotations from prospective customers.

For rental of scaffoldings, we will prepare a rental contract which include key terms such as the quantity and rental cost per unit of scaffoldings components, rental start date, expected rental period, delivery location, transportation method, payment amount and method as well as the repair and replacements costs for damaged or missing items. Our rental agreements are mainly secured through proposals in response to requests for quotations from prospective customers.

6. INFORMATION ON OUR GROUP (cont'd)

- **Pick and pack**

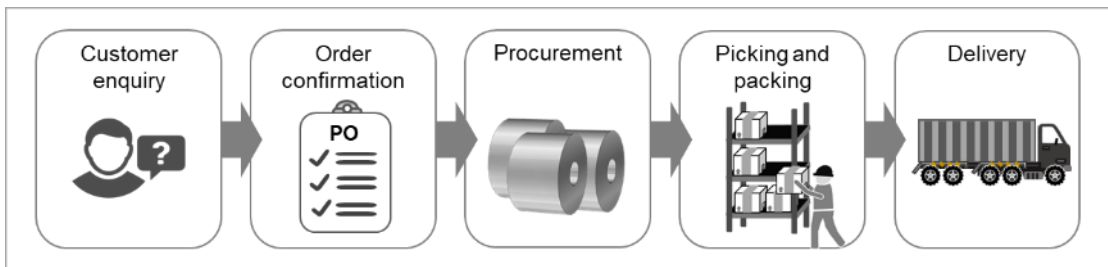
Once we have the purchase order or the rental agreement in hand, our warehouse staff will start picking and packing the required scaffoldings components. These are placed in a temporary storage area before they are loaded onto the lorry for delivery.

- **Delivery**

The scaffoldings components will be delivered to the project site at the specified location and date. At the project site, we will inspect the scaffoldings components for any defects or transport damage as well as the completeness based on a checklist. We will then issue a delivery note to our customer indicating the description and quantity of scaffoldings components delivered, which will be signed and stamped by our customer upon checking and confirming the receipt of the scaffoldings components. We are not responsible for the assembly and erection of the scaffoldings.

(e) Trading of steel materials and steel related products

Our process flow for the trading of steel materials and steel related products is depicted in the diagram as follows:



- **Customer enquiry**

The initial phase typically begins with customer enquiries on the availability of the products they intend to purchase. Customers will specify the type and quantity of products as well as the dimensions and grades, where applicable. We will then check on the availability of stocks in our inventory and their respective prices.

- **Order confirmation**

After reviewing the quotation, our customer will issue purchase orders indicating the type, quantity, dimensions and grades of products. Based on customer's purchase orders, we will issue sales orders to customers confirming the sale of the products per the purchase orders, which would also include terms such as delivery address, delivery date and payment terms.

- **Procurement**

We will source for the products based on our customer's specifications and requirements. Our steel materials and steel related products are sourced from domestic and foreign suppliers. Upon the receipt of products at our warehouses, we will inspect the products in terms of quantity, quality, grades, dimensions and specifications to ensure they are as per the delivery note and delivered in good condition.

6. INFORMATION ON OUR GROUP (cont'd)

- **Picking and packing**

On the delivery date, a picking order will be generated and our warehouse personnel will pick the items from our inventory based on the picking order, inspect the products to ensure there are no defects and pack them into a package to be delivered.

- **Delivery**

Our customers can opt to collect the products from our warehouse or have the products delivered to their address for which a delivery fee will be charged.

Upon the receipt of goods, our customers are required to sign and stamp the delivery note as proof of delivery. The signed delivery note is then returned to us for documentation and record keeping purposes.

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6. INFORMATION ON OUR GROUP (cont'd)

6.5.3 Technologies used or to be used

We do not employ any special technology in our business operations. However, we rely on the manufacturing machinery and equipment to carry out our business operations.

6.5.3.1 Major machinery and equipment

The major machinery and equipment used for our manufacturing operations include the following:

Major machinery and equipment	Number of machines	Brief description	Net book value as at 31 December 2022 RM'000	Average age as at 31 December 2022 years	Year of purchase years
Penang 1571 Factory					
Roll forming machines					
- Roofing sheets	6	Used to roll-form steel sheets into various profiles such as long run, u-roll bond and crimp curve	896	4	2015 - 2022
- Roof truss	9	Used to roll-form C-purlins, C-sections and battens	86	5	2015 - 2017
- Industrial racking systems	12	Used to roll form steel strips into bracing, box beams, row spacers and u-shape	612	4	2013 - 2021
- Welded pipes	3	Used to roll-form steel strips into pipes of various outer diameters and shapes	684	5	2017
Others					
Powder coating line	1	Used to provide surface finishing process comprising a multi-stage treatment process	153	9	2013
Stamping machine	9	Used to punch one or more holes in steel strips	234	3	2012 - 2021
Welding machine	6	Used to join two or more pieces of metal	417	1	2021 - 2022
Bending machine	1	Used to bend steel sheets or strips to desired angles	30	5	2017
Cutting machine	4	Used to cut steel sheets or strips to the required length	89	6	2012 - 2021
Threading machine	2	Used to create threats on pipes	18	5	2017
Penang 1572 Factory					
Roll forming machines					
Industrial racking systems	7	Used to roll form steel strips into bracing, box beams, row spacers and u-shape	1,134	1	2020 - 2021
Others					
Stamping machine	4	Used to punch one or more holes in steel strips	285	1	2021
Welding machine	6	Used to join two or more pieces of metal	448	1	2020 - 2022

6. INFORMATION ON OUR GROUP (cont'd)

Major machinery and equipment	Number of machines	Brief description	Net book value as at 31 December 2022 RM'000	Average age as at 31 December 2022 years	Year of purchase years
Bending machine	1	Used to bend steel sheets or strips to desired angles	103	1	2021
Cutting machine	3	Used to cut steel sheets or strips to the required length	94	1	2021
Shearing machine	2	Used to cut length-wise steel sheets to the required width	106	1	2021
<u>Banting Factory</u>					
<u>Roll forming machines</u>					
- Roofing sheets	5	Used to roll-form steel sheets into various profiles such as long run, u-roll bond and crimp curve	174	5	2015 - 2017
- Roof truss	2	Used to roll-form C-purlins, C-sections and battens	8	5	2017
- Scaffoldings	1	Used to roll-form walking boards for scaffoldings	*	9	2013
<u>Others</u>					
Welding machine	13	Used to weld tubes together or tubes with accessories	79	5	2011 - 2022
Stamping machine	12	Used to punch one or more holes in steel strips	91	9	2012 - 2021
Cutting machine	9	Used to cut pipes to the required length	*	10	2012
Automated cutting and stamping machine	3	Used to cut pipes and punch holes to form cross brace members for scaffoldings	*	10	2012
Bending machine	2	Used to bend tubes into desired shapes	*	10	2012
Grinding machine	1	Used to remove the sharp edges or burrs	9	3	2019
Threading machine	1	Used to create threats on pipes for scaffoldings	*	10	2012
Notching machine	1	Used to cut tubes at precise angles in preparation for welding works	*	10	2012
Automated threading and cutting machine	1	Used to create threats and cut pipes to the required length	*	10	2012
<u>Kota Bharu Factory</u>					
<u>Roll forming machines</u>					
- Roofing sheets	4	Used to roll-form steel sheets into various profiles such as long run, u-roll bond and crimp curve	62	9	2013 – 2015
- Roof truss	2	Used to roll-form C-purlins, C-sections and battens	106	6	2016

* Fully depreciated.

6. INFORMATION ON OUR GROUP (cont'd)

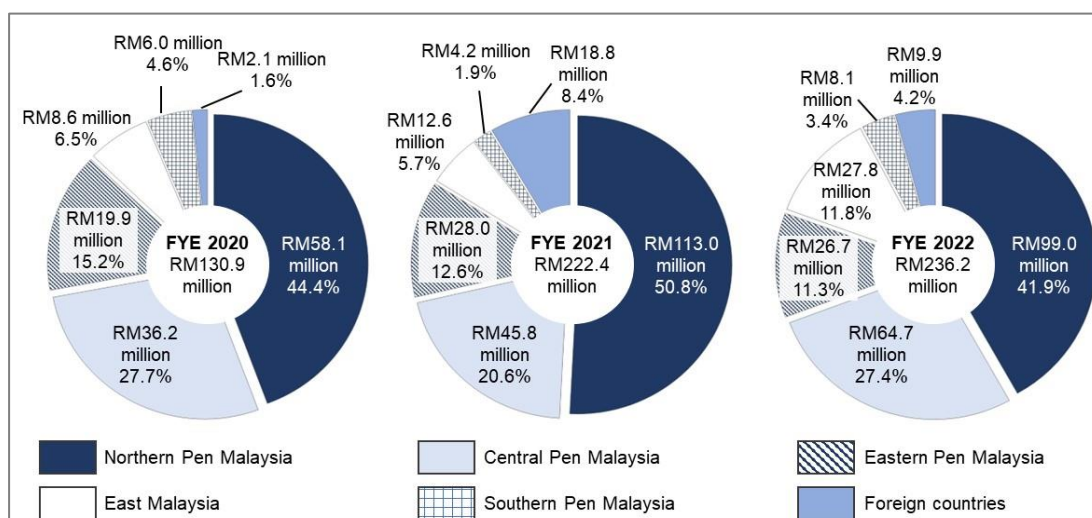
6.5.4 Principal markets

6.5.4.1 Geographical markets and operations

We principally operate in Malaysia where our head office is in Penang. Our operational facilities are located as follows:

Facility	City/town and State	Main operations
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

Our revenue segmentation by geographical markets during the Period Under Review is as follows:



Notes:

Northern Pen Malaysia = Penang, Perak, Kedah and Perlis; Central Pen Malaysia = Selangor, Kuala Lumpur, Negri Sembilan; Eastern Pen Malaysia = Kelantan, Pahang, Terengganu; East Malaysia = Sarawak, Sabah; Southern Pen Malaysia = Johor Malacca; Foreign countries = mainly US and others which include Singapore, Indonesia, Australia, Bangladesh, the Philippines, UAE and Brunei.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.4.2 Operational facilities

The following diagram sets out our operational facilities in Malaysia as at the LPD:



The location of our operational facility is as follows:

Companies within the Group	Main functions	Owned/leased	Address
BWYS; BWYS Steel; YS Success	Head office, warehouse and manufacturing facility	Owned	1571, Jalan Serunai Kawasan Perindustrian Valdor 14200 Sungai Jawi Seberang Perai Selatan Penang
YS Global	Office and warehouse, manufacturing of industrial racking systems facility	Owned	No. 1572 Jalan Besar Valdor Mukim 12 14200 Sungai Bakap Seberang Perai Selatan Pulau Pinang
BW Scaffold; BWYS Steel	Sales office, warehouse and manufacturing facility	Owned	No. 112, Jalan 8 Kawasan Perindustrian Olak Lempit 42700 Banting Selangor
BWYS Timur	Sales office, warehouse and manufacturing facility	Owned	Lot PT 5196 Kawasan Perindustrian Pengkalan Chepa Mukim Panchor Seksyen 23 Daerah Kemumin 16100 Kota Bharu Kelantan

6. INFORMATION ON OUR GROUP (cont'd)

Companies within the Group	Main functions	Owned/leased	Address
BW Scaffold; BWYSSB	Sales office and warehouse	Rented	No. 6, Jalan Perniagaan 1/8 Taman Perniagaan Setia (Setia Business Park II) 81100 Johor Bahru Johor
BWYS Steel; BW Scaffold; YS Success	Sales office and warehouse	Rented	Lot 823, Block 7 Muara Tebas Land District Sejingkat Industrial Park 90350 Kuching Sarawak
BWYS Steel; BW Scaffold; YS Success	Sales office and warehouse	Rented	Lot 2656 Block 20 Kemena Land District Bintulu (Kidurong Gateway Industrial Park) Jalan Tg. Kidurong 97000 Bintulu Sarawak
BWYS Steel; BW Scaffold; YS Success	Sales office and warehouse	Rented	Lot 5B, Industrial Zone 7 Lorong Timur 2B Kota Kinabalu Industrial Park 88460 Kota Kinabalu Sabah

6.5.5 Significant products/services introduced

Other than our business activities as stated in Section 6.5.1 above, we have not introduced any other significant products/services as at the LPD.

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6. INFORMATION ON OUR GROUP (cont'd)

6.5.6 Competitive Strengths

(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 24 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. We have since developed a customer base of approximately 1,039, 1,151 and 1,614 active customers for the FYE 2020, FYE 2021 and FYE 2022 respectively.

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. While our manufacturing activities are carried out in our manufacturing facility in Penang, Selangor and Kelantan, we can store our manufactured products in our various operational facilities to provide prompt delivery to our customers in the respective regions in Malaysia. These are mainly for popular and fast-moving products for respective regions in Malaysia. This serves as a key advantage for many of our customers who are resellers as they can minimise their stock holding and rely on our prompt delivery from our nearest warehouse across Malaysia.

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. These operational facilities provide us with a key advantage of being closer to our customers and be more effective in serving them as opposed to only having one operational facility to service the whole of Malaysia.

(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.

6. INFORMATION ON OUR GROUP (cont'd)

The main user industry of our manufactured roofing sheets and trusses, and welded pipes is the construction industry, where our customers are mainly resellers and construction companies. Resellers who purchase these products from us will subsequently resell the products to their network of customers, while construction companies mainly purchase these products from us for use in their construction projects. The sales of our manufactured metal products to reseller enables us to widen our geographical reach where they may cover the areas where we do not have operational facilities or where we are underrepresented. Within the building construction industry, we serve the new-build and existing building sectors for commercial, industrial and residential applications.

For industrial racking systems, our customers are mainly storage system providers who purchase industrial racking systems from us and subsequently supply them to their customers. In addition, our customer base for industrial racking systems also includes manufacturers and logistic companies who purchase the industrial racking systems for their use in their factories or warehouse.

As for the supply of scaffoldings, besides construction companies who purchase or rent scaffoldings from us for use in their construction projects, we also serve rental service providers of machinery and equipment who purchase or rent our scaffoldings from us and subsequently resell or rent them to their 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 1,614 customers in FYE 2022, and this also provides us with a customer base to expand and grow our business.

(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⁽¹⁾; and
- "Vtruss" for our roof trusses under projects.

Note:

- (1) Our Group has not filed and/or registered the "YS" trademark as Malaysia adopts the first-to-use trademark system. Hence, it is not a mandatory legal requirement to file a trademark application in order to obtain the exclusive right over the use of a mark and that our Group may rely on common law right to assert the trademark rights.

The revenue from our brands of products accounted for RM121.7 million (93.0%), RM181.4 million (81.5%) and RM211.2 million (89.4%) of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 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. These include the "Metech" brand of industrial racking systems sold directly to end-users including manufacturers and logistics companies as well as "Vtruss" brand of roof truss which are mainly sold directly to construction companies.

6. INFORMATION ON OUR GROUP (cont'd)

In addition, as we adopt mostly an indirect distribution channel where we sell our products to resellers such as the "BW" brand of roofing sheets and trusses, "YS Tube" brand of conduit pipes and "YS" brand of welded pipes, we do not come into contact with the ultimate end-users. As such, our branding is important to provide a means for end-users to specify our brands when purchasing products that we manufacture or supply.

One of our business strategies and plans is to expand our sales in foreign markets including several countries in Southeast Asia, Middle East and South America. As such, branding would be important to build market awareness to gradually increase demand for our products in foreign countries.

(e) We have economies of scale for the purchases of sheet coils as input materials for our manufactured products

We mostly use steel coils for our manufactured products. As such we purchase a range of similar input materials used for our manufactured sheet metal products including roofing sheets and trusses, industrial racking systems and welded pipes.

Buying materials in bulk will enable us to obtain better pricing, payment terms and service from our suppliers. For the FYE 2020, FYE 2021 and FYE 2022, the purchases of steel coils accounted for 88.2% (RM75.2 million), 87.7% (RM163.7 million) and 84.5% (RM141.9 million) of our total purchases of input materials and services respectively. Our purchases of steel coils from our top 2 suppliers were RM35.1 million, RM72.1 million and RM93.2 million for the FYE 2020, FYE 2021 and FYE 2022 respectively.

For FYE 2020, FYE 2021 and FYE 2022, our revenue derived from the manufacture of sheet metal products accounted for RM102.0 million (77.9%), RM184.4 million (82.9%) and RM192.0 million (81.3%) of our total revenue respectively.

(f) We have experienced Directors and key senior management to grow our business

We have experienced Directors and key senior management team to grow our business. Our Managing Director, KBH who has more than 30 years of experience in the sheet metal products industry, is responsible for the business strategies, corporate directions and business development of our Group.

Our Managing Director is supported by experienced key senior management as follows:

- Kang Yi Ki, our Executive Director, who brings with her 4 years of experience in sheet metal products industry;
- Lau Ken Wah, our Chief Operating Officer, who brings with him 24 years of experience in operation, information technology, sales and marketing;
- Sim Kay Wah, our Chief Financial Officer, who brings with him 24 years of experience in accounting and finance related functions; and
- Larry Lim Eng Sooi, our Head of Corporate Governance, Affairs and Compliance, who brings with him 31 years of experience in credit administration, corporate governance and compliance.

Please refer to Section 5 of this Prospectus for further details on the profiles of our Directors and key senior management team.

6.5.7 Seasonal or cyclical effects

During the Period Under Review and up to the LPD, we did not experience any material seasonality or cyclical effects in our business.

6. INFORMATION ON OUR GROUP (cont'd)**6.5.8 Types, sources and availability of raw materials**

For the Period Under Review, the input materials and services that we purchased and engaged for our manufacturing business operations are as follows:

Input materials and services	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Steel coils ⁽¹⁾	75,195	88.2	163,712	87.7	141,904	84.5
Other steel products ⁽²⁾	3,502	4.1	12,752	6.8	20,670	12.4
Scaffoldings and related accessories	3,259	3.8	6,343	3.4	2,631	1.6
Coating and painting materials	1,071	1.3	1,775	1.0	511	0.3
Others ⁽³⁾	1,896	2.2	1,884	1.0	1,585	0.9
Input materials	84,923	99.6	186,466	99.9	167,301	99.7
Subcontracted services⁽⁴⁾	359	0.4	224	0.1	533	0.3
Total input materials and services	85,282	100.0	186,690	100.0	167,834	100.0

Notes:

- (1) Including coated cold-rolled steel coils and hot rolled steel coils.
- (2) Including steel pipes, bars and plates.
- (3) Including metal frames for doors and windows, cabins, roofing sheets, wire mesh deckings, bolt and nuts, formwork and plywood.
- (4) Including mainly threading, metal stamping, hot dip galvanising and roll-forming of barrel capping.

For the Period Under Review, our main purchases comprised steel coils which accounted for 88.2%, 87.7% and 84.5% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively. Steel coils are imported materials and during the Period Under Review, 83.4%, 90.9% and 70.4% of the purchases of steel coils for FYE 2020, FYE 2021 and FYE 2022 respectively were sourced from suppliers in foreign countries including China, Korea, Singapore, Taiwan and Japan, while 16.6%, 9.1% and 29.6% of the purchases of steel coils in FYE 2020, FYE 2021 and FYE 2022 respectively were sourced from stockists who import steel coils in Malaysia. For the Period Under Review, these steel coils purchased were used for the manufacture of sheet metal products including roofing sheets and trusses, industrial racking systems and welded pipes.

In addition, we purchased other steel products which are mainly used for the manufacturing of industrial racking systems and fabrication of scaffoldings. The purchase of other steel products accounted for 4.1%, 6.8% and 12.4% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively. Of this, 30.8%, 12.6% and 98.0% of the purchases of other steel products for the FYE 2020, FYE 2021 and FYE 2022 respectively were sourced from suppliers in Malaysia, while the remaining 69.2%, 87.4% and 2.0% of the purchases of other steel products for the FYE 2020, FYE 2021 and FYE 2022 respectively were sourced from suppliers in foreign countries mainly China and Vietnam.

6. INFORMATION ON OUR GROUP (cont'd)

We also purchased scaffoldings and related accessories such as joints and couplers, which accounted for 3.8%, 3.4% and 1.6% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively.

We also purchased coating and painting materials mainly used for the surface finishing of our products. These materials accounted for 1.3%, 1.0% and 0.3% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively. The other materials mainly comprised metal frames for doors and windows, cabins, roofing sheets, wire mesh deckings, bolt and nuts, formwork and plywood used for our manufacturing operations accounted for 2.2%, 1.0% and 0.9% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively.

We also engage subcontracted services mainly for threading, metal stamping, hot dip galvanising and roll-forming of barrel capping. The subcontracted services accounted for 0.4%, 0.1% and 0.3% of our total input materials and services for FYE 2020, FYE 2021 and FYE 2022 respectively.

The prices of our key material which is steel materials including metal coils is a commodity and are therefore subject to price fluctuations as a result of demand and supply conditions. Please refer to Section 8 of this Prospectus for further details on the risks of fluctuations in the prices of steel materials.

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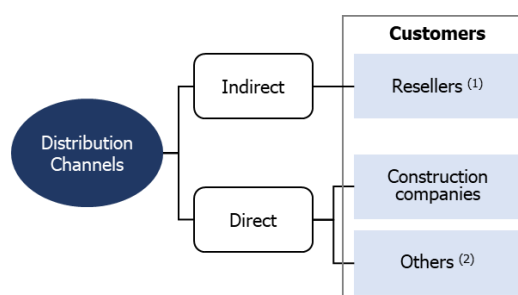
6. INFORMATION ON OUR GROUP (cont'd)

6.5.9 Sales and marketing

6.5.9.1 Distribution channels and customer base

We mainly use indirect distribution channels to market and sell our products.

Indirect distribution channel is where we sell our products to resellers who would subsequently resell them without transformation to end-users or other resellers. Our indirect distribution is mainly sales made to hardware wholesalers and retailers. These resellers mainly serve the trades market involved in new-build or renovation markets in building construction, and warehousing and storage industries.



Through our indirect distribution channel strategy, we can reach a wider end-user market without significant financial investments in sales and support infrastructure and human resources. It also facilitates our products to reach geographical areas domestically and in foreign countries where we do not have operational facilities or are underrepresented.

Notes:

- (1) Mainly hardware wholesalers and retailers.
- (2) Others include manufacturers, property developers, logistics companies, rental service providers of machinery and equipment, restaurants and workshops.

Direct distribution channel is where our customers, mainly construction companies who purchase our manufactured sheet metal, scaffoldings and other products or rent our 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.

The revenue contribution by distribution channels and customer types for the Period Under Review is as follows:

Distribution Channel	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Indirect	109,371	83.6	191,149	85.9	189,515	80.2
Resellers ⁽¹⁾	109,371	83.6	191,149	85.9	189,515	80.2
Direct	21,493	16.4	31,286	14.1	46,716	19.8
Construction companies	17,834	13.6	23,259	10.5	31,342	13.3
Others ⁽²⁾	3,659	2.8	8,027	3.6	15,374	6.5
Total revenue	130,864	100.0	222,435	100.0	236,231	100.0

Notes:

- (1) Mainly hardware wholesalers and retailers.
- (2) Others include manufacturers, property developers, logistics companies, rental service providers of rental of machinery and equipment, restaurants and workshops.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.9.2 Marketing strategies and activities

Our marketing strategies and activities are focused on building our customer base to sustain and grow our business. We are mainly targeted at the building construction industry focusing on resellers such as building material wholesalers and retailers, and industrial users such as building construction contractors, and property developers and owners.

We adopt proactive sales and marketing approach to address business opportunities where we maintain business relationships with existing customers as well as proactively follow up on customer referrals from business partners, suppliers and customers. As of the LPD, we have a total of 80 personnel led by Lau Ken Wah who are involved in sales and marketing activities.

Our marketing positioning and strategies are focused on the following:

- We position ourselves as a manufacturer of sheet metal products supported by our manufacturing and supply capabilities offering a range of products comprising roofing sheets and trusses, industrial racking systems, welded pipes and scaffoldings. Our diversified product portfolio provides convenience to our customers where they can source multiple products from us, and at the same time, we aim to maximise sales from each of our customers.
- We provide flexibility to our customers where we extended our supply of scaffoldings to include rental services. Rental of scaffoldings is an attractive option as construction works are mainly project-based and the use of scaffoldings may be irregular. Rental of scaffoldings would eliminate the need for capital expenses in owning scaffoldings and operating expenses in maintaining and storing scaffoldings between projects. In addition, the number of scaffolds required would depend on the size of the project as well as the number of concurrent projects. Thus, our rental services could serve as a cost-effective solution for construction companies to complement their scaffolds.
- We utilise the networks of resellers, who are our customers, to reach a wider geographical market. Our network of resellers includes hardware wholesalers and retailers who would then resell our products to their respective customers or end-users. In this manner, our products would reach a wider user base without significant investment in resources and facilities.
- We have our own brands of products. Branding provides us with visibility through brand awareness in a market where many products are either not branded or brands that have limited awareness. Branding provides us with the platform to develop customer loyalty, create a positive product image and differentiate our products from the others in the market.

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

6.5.10 Major approvals and licenses

As at the LPD, save as disclosed below, there are no other major approvals, licences and permits issued to our Group in order to carry out our operations:

(i) Manufacturing licenses issued by MITI

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	BWYS Steel	Manufacturing license for "scaffolding, scaffolding tubes, metal roofing, roof truss, purlin and lipped channel" at Penang 1571 Factory	MITI	A020948	22 June 2017 (effective from 6 March 2017) / None	<p>(a) MITI and MIDA shall be notified of any sale of shares in BWYS Steel.</p> <p>(b) BWYS Steel shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in BWYS Steel.</p> <p>(c) BWYS Steel shall ensure that its capital investment per employee is at least RM140,000.00 by the year 2020.</p> <p>(d) The total full-time workforce of BWYS Steel shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies.</p>	<p>To be complied</p> <p>Complied</p> <p>Complied</p> <p>Waived⁽¹⁾</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						(e) BWYS Steel shall implement its projects as approved subject to the conditions of this license and in accordance with other laws and regulations in Malaysia.	Noted
2.	YS Success	Manufacturing license "ERW welded pipes and lipped channel" at Penang 1571 Factory	MITI	A019959	18 April 2017 (effective from 20 December 2016) / None	(a) MITI and MIDA shall be notified of any sale of shares in YS Success. (b) YS Success shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in YS Success. (c) YS Success shall ensure that its capital investment per employee is at least RM140,000.00. (d) The total full-time workforce of YS Success shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies. (e) YS Success shall implement its projects as approved subject to the conditions of this license and in accordance with other laws and regulations in Malaysia.	To be complied Complied Complied Waived ⁽¹⁾ Noted

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
3.	BW Scaffold	Manufacturing license for "scaffolding and metal roofing" at Banting Factory	MITI	A024521	20 July 2022 (effective from 19 May 2022) / None	<p>(a) MITI and MIDA shall be notified of any sale of shares in BW Scaffold.</p> <p>(b) BW Scaffold shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in BW Scaffold.</p> <p>(c) BW Scaffold shall ensure that its capital investment per employee is at least RM140,000.00.</p> <p>(d) The total full-time workforce of BW Scaffold shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies.</p> <p>(e) BW Scaffold shall implement its projects as approved subject to the conditions of this license and in accordance with other laws and regulations in Malaysia.</p>	<p>To be complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
4.	BWYS Timur	Manufacturing license for "metal roofing and accessories" at Kota Bharu Factory	MITI	A024635	7 October 2022 (effective from 21 June 2022) / None	<p>(a) MITI and MIDA shall be notified of any sale of shares in BWYS Timur.</p> <p>(b) BWYS Timur shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in BWYS Timur.</p> <p>(c) BWYS Timur shall ensure that its capital investment per employee is at least RM140,000.00.</p> <p>(d) The total full-time workforce of BWYS Timur shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies.</p> <p>(e) BWYS Timur shall implement its projects as approved subject to the conditions of this license and in accordance with other laws and regulations in Malaysia.</p>	<p>To be complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
5.	YS Global	Manufacturing license for "racking, shelving, steel structural, fencing systems and pipes" at Penang 1572 Factory	MITI	A024841	26 January 2023 (effective from 21 July 2022) / None	<p>(a) MITI and MIDA shall be notified of any sale of shares in YS Global.</p> <p>(b) YS Global shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in YS Global.</p> <p>(c) YS Global shall ensure that its capital investment per employee is at least RM140,000.00.</p> <p>(d) The total full-time workforce of YS Global shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies.</p> <p>(e) YS Global shall implement its projects as approved subject to the conditions of this license and in accordance with other laws and regulations in Malaysia.</p>	<p>To be complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
6.	BWYS Steel	Manufacturing license for "Metal Roofing and Roof Truss" at Banting Factory	MITI	A025070	28 June 2023 (effective from 12 January 2023) / None	<p>(a) MITI and MIDA shall be notified of any sale of shares in BWYS Steel.</p> <p>(b) BWYS Steel shall train its Malaysian employees to ensure that technology and expertise may be transferred to all job levels in BWYS Steel.</p> <p>(c) BWYS Steel shall ensure that its capital investment per employee is at least RM140,000.00.</p> <p>(d) The total full-time workforce of BWYS Steel shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies.</p> <p>(e) BWYS Steel shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and MIDA Act when required by MIDA.</p>	<p>To be complied</p> <p>Complied</p> <p>Complied</p> <p>Waived⁽¹⁾</p> <p>Noted</p>

6. INFORMATION ON OUR GROUP (cont'd)

<u>No.</u>	<u>Company</u>	<u>Description</u>	<u>Authority</u>	<u>License no. / Reference no.</u>	<u>Issuance date / Expiry date</u>	<u>Major conditions imposed</u>	<u>Status of compliance</u>
						(f) BWYS Steel shall implement its projects as approved subject to the conditions of this licence and in accordance with other laws and regulations in Malaysia.	Noted

Note:

- (1) Pursuant to the announcement made by MITI dated 18 July 2022 in which MITI has decided to defer this condition to 31 December 2024, BWYS Steel and YS Success had written to MIDA to seek waiver from having comply with such condition. Accordingly, MIDA has by way of its letters dated 31 May 2023 (BWYS Steel) and 15 June 2023 (YS Success) approved the request for such deferment.

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6. INFORMATION ON OUR GROUP (cont'd)

(ii) Registration with / Certificate issued by CIDB

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	BWYS Steel	CIDB Contractor Registration	CIDB	0120180329-PP010843	20 July 2023 / 25 August 2025	(a) The contractor cannot undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and cannot carry out any construction project outside of its registration category.	Complied
		(a) Grade G6, Category B, Specialisation B02, B04					
		(b) Grade G6, Category CE, Specialisation CE21				(b) The contractor must submit information on any construction work or contract within a period of 14 days after being awarded or before commencement of work or whichever is earlier.	Complied
		(c) Grade G6, Category ME, Specialisation M15				(c) The contractor shall appoint skilled construction workers and site supervisors that are accredited and certified by CIDB.	Complied

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
2.	YS Success	CIDB Contractor Registration	CIDB	0120160803-PP177566	11 October 2022 / 10 October 2024	(a) The contractor cannot undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and cannot carry out any construction project outside of its registration category.	Complied
		(a) Grade G3, Category B, Specialisation B04					
		(b) Grade G3, Category CE, Specialisation CE21				(b) The contractor must submit information on any construction work or contract within a period of 14 days after being awarded or before commencement of work or whichever is earlier.	Complied
						(c) The contractor shall appoint skilled construction workers and site supervisors that are accredited and certified by CIDB.	Complied

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
3.	BW Scaffold	CIDB Certificate of Standards Compliance ("PPS") for iron and steel products	CIDB	1210114SL0562	17 January 2023 / 16 January 2024	<p>(a) Understand and comply with the provisions of the CIDB Act 1994 (Amendment 2011), the regulations made thereunder and any terms, conditions or restrictions imposed by CIDB from time to time.</p> <p>(b) Must not deal or undertake to deal, either directly or indirectly, with the construction materials specified in the Fourth Schedule, unless the construction materials have been certified and a valid PPS (not expired) has been obtained.</p> <p>(c) Ensure that the Product Certification / Full Type Test Report issued by a recognised certification body for the construction materials certified in this certificate is always valid.</p> <p>(d) Submit a copy of this PPS certificate to the buyer during supply, marketing, transfer and sale matters as proof that these building materials have been certified by CIDB.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						(e) Always cooperate in submitting any information required by CIDB from time to time.	Noted
						(f) Notify CIDB if BW Scaffold intends to terminate, transfer or any change related to its operations and location.	Complied
						(g) Understand and be responsible for products that require continuous compliance with standards (renewal), especially those involving the quality and safety of construction works, workers and the public (Example: scaffolding, ready-mix concrete or other related products).	Noted

6. INFORMATION ON OUR GROUP (cont'd)

(iii) Licensed Manufacturing Warehouse (LMW) issued by Royal Malaysian Customs Department

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	YS Global	LMW for "racking, shelving and fencing systems" at Penang 1572 Factory	Royal Malaysian Customs Department	P78G6 2019 00000 022	28 September 2022 (effective from 1 October 2022) / 30 September 2024	<p>(a) No dutiable goods other than raw materials / components and machinery used directly in manufacturing and manufactured goods which have been approved by the State Director of Customs may be stored in the LMW.</p> <p>(b) Changes to the structure of buildings and equipment in the licensed premises are not permitted except with the written approval of the State Director of Customs.</p> <p>(c) At least 80% finished product (by value) are to be exported, and not exceeding 20% of the finished product can be sold in the domestic market as approved. Products sold in the domestic market are subject to any prevailing duties / tax at the time.</p> <p>(d) Disposal of waste including manufacturing waste is subject to the approval of the State Director of Customs.</p> <p>(e) Only one entity is allowed to operate within the premises of LMW. Any partnership with another entity within the same area is not allowed.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

6. INFORMATION ON OUR GROUP (cont'd)

(iv) Business premises and/or trading license issued by the relevant local authorities

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	BWYS Steel	Business premise license at Penang 1571 Factory	Seberang Perai City Council	PRI/02/202212 28/6939	28 December 2022 / 31 December 2023	Nil.	Not applicable
2.	BWYS Steel	Business license for "manufacture of metal roofing, roof truss, cabin and steel hardwares and supply of coils" at Kota Kinabalu warehouse and office	Sabah State Government	719501	08 December 2022 / 31 December 2023	Nil.	Not applicable
3.	BWYS Steel	Trading license for "manufacturing metal iron roofs, steel scaffolding, roof trusses and related steel" at Kuching warehouse and office	Sarawak State Government	1179067	14 April 2023 / 21 May 2024	Nil.	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
4.	BWYS Steel	Trading license for "manufacturing and trading of all kinds of metal sheets and scaffoldings inclusive of all steel related products" at Bintulu warehouse and office	Sarawak State Government	027784	12 September 2023 / 13 October 2024	Nil	Not applicable
5.	BWYS Steel	Business premise license for "manufacturing, processing, selling and provide services" at Banting Factory	Kuala Langat Municipal Council	MPKL/JPL/L68 27(BTG)	18 August 2023 / 31 December 2023	Nil	Not applicable
6.	YS Success	Business premise license at Penang 1571 Factory	Seberang Perai City Council	PRI/02/202212 28/5573	28 December 2022 / 31 December 2023	Nil.	Not applicable
7.	YS Success	Trading license for "supply of scaffolding, cabin and building hardware" at Kota Kinabalu warehouse and office	Sabah State Government	719502	8 December 2022 / 31 December 2023	Nil.	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
8.	YS Success	Trading license for "hardware supply" at Kuching warehouse and office	Sarawak State Government	1175582	14 April 2023 / 20 May 2024	Nil.	Not applicable
9.	YS Success	Trading license for "sale of metal roof sheets and other building related product, and transport agent" at Bintulu warehouse and office	Sarawak State Government	027783	12 September 2023 / 13 October 2024	Nil	Not applicable
10.	BWYS Timur	Business premise license at Kota Bharu Factory	Kota Bharu Municipal Council	01029422	15 December 2022 / 16 January 2024	Nil.	Not applicable
11.	YS Global	Business premise license at Penang 1572 Factory	Seberang Perai Municipal Council	PRI/02/20220704/1447	28 February 2023 / 31 December 2023	Nil.	Not applicable
12.	BW Scaffold	Business premise license at Johor warehouse and office	Johor Bahru City Council	L2023477475	21 May 2023 / 31 December 2023	Nil.	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
13.	BW Scaffold	Trading license for "supply of scaffolding and building materials" at Kota Kinabalu warehouse and office	Sabah State Government	719503	8 December 2022 / 31 December 2023	Nil.	Not applicable
14.	BW Scaffold	Trading license for "as a transportation agent" at Bintulu warehouse and office	Sarawak State Government	021141	10 January 2023 / 9 January 2024	Nil	Not applicable
15.	BW Scaffold	Trading license for "scaffolding" at Bintulu warehouse and office	Sarawak State Government	021140	10 January 2023 / 9 January 2024	Nil	Not applicable
16.	BW Scaffold	Trading license for "trading in scaffolding product" at Kuching warehouse and office	Sarawak State Government	1179066	14 April 2023 / 8 May 2024	Nil	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
17.	BW Scaffold	Business premise license for "factory manufacturing, processing, selling and provide services; research lab; trading office and warehouse" at Banting Factory	Kuala Langat Municipal Council	MPKL/JPL/L64 17(BTG)	18 August 2023 / 31 December 2023	Nil.	Not applicable

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6. INFORMATION ON OUR GROUP (cont'd)

(v) Certificate of Fitness issued by DOSH

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	BW Scaffold	Certificate of Fitness for Hoisting Machine	DOSH	PMA-SL/22 316719	13 November 2022 / 1 February 2024	Nil	Not applicable
2.	BW Scaffold	Certificate of Fitness for Hoisting Machine	DOSH	PMA-SL/22 316720	13 November 2022 / 1 February 2024	Nil	Not applicable
3.	BW Scaffold	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-SL/22 316711	13 November 2022 / 1 February 2024	Nil	Not applicable
4.	BWYS Timur	Certificate of Fitness for Hoisting Machine	DOSH	PMA-KN/23 17362	3 August 2023 / 1 November 2024	Nil	Not applicable
5.	BWYS Timur	Certificate of Fitness for Hoisting Machine	DOSH	PMA-KN/23 17363	3 August 2023 / 1 November 2024	Nil	Not applicable
6.	BWYS Timur	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-KN/23 17364	3 August 2023 / 1 November 2024	Nil	Not applicable
7.	BWYS Timur	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-KN/23 17365	3 August 2023 / 1 November 2024	Nil	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
8.	YS Global	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-PP/23 121030	5 May 2023 / 2 August 2024	Nil	Not applicable
9.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119010	28 March 2023 / 31 May 2024	Nil	Not applicable
10.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119009	28 March 2023 / 31 May 2024	Nil	Not applicable
11.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119008	28 March 2023 / 31 May 2024	Nil	Not applicable
12.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119007	28 March 2023 / 31 May 2024	Nil	Not applicable
13.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119006	28 March 2023 / 31 May 2024	Nil	Not applicable
14.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 119001	28 March 2023 / 31 May 2024	Nil	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
15.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 127201	10 July 2023 / 9 October 2024	Nil	Not applicable
16.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 114823	20 January 2023 / 13 March 2024	Nil	Not applicable
17.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/22 108885	22 September 2022 / 21 December 2023	Nil	Not applicable
18.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 125311	11 July 2023 / 09 October 2024	Nil	Not applicable
19.	YS Success	Certificate of Fitness for Hoisting Machine	DOSH	PMA-PP/23 126431	25 July 2023 / 9 October 2024	Nil	Not applicable
20.	YS Success	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-PP/23 119004	28 March 2023 / 31 May 2024	Nil	Not applicable
21.	YS Success	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-PP/23 119005	28 March 2023 / 31 May 2024	Nil	Not applicable

6. INFORMATION ON OUR GROUP (cont'd)




No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
22.	YS Success	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-PP/23 119002	28 March 2023 / 31 May 2024	Nil	Not applicable
23.	YS Success	Certificate of Fitness for Unfired Pressure Vessel	DOSH	PMT-PP/23 119003	28 March 2023 / 31 May 2024	Nil	Not applicable

6.5.11 Intellectual Property Rights


As at the LPD, save as disclosed below, our Group has not filed for registration and/or registered any brand names, patents, trademarks or other intellectual property rights:

No.	Registered owner	Type of intellectual property Right	Illustration	Application / Registration no.	Issuing authority	Status
1.	BWYS Steel	Trademark		2010050337	Intellectual Property Corporation of Malaysia	<p>This trademark was registered in BW Steel's name for a period of 10 years from 29 April 2010 to 29 April 2020.</p> <p>This trademark has been renewed for a further 10 years from 29 April 2020 to 29 April 2030.</p>

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property Right	Illustration	Application / Registration no.	Issuing authority	Status
2.	YS Success	Trademark		2016071445 ⁽⁴⁾	Intellectual Property Corporation of Malaysia	This trademark was registered in YS Success' name for a period of 10 years from 14 November 2016 to 14 November 2026.
3.	YS Success	Trademark		2011023220	Intellectual Property Corporation of Malaysia	This trademark was registered in YS Success's name for a period of 10 years from 21 December 2011 to 21 December 2021. This trademark has been renewed for a further 10 years from 21 December 2021 to 21 December 2031.
4.	BW Scaffold	Trademark		2018055403 ⁽⁵⁾	Intellectual Property Corporation of Malaysia	This trademark was registered in BW Scaffold's name for a period of 10 years from 14 March 2018 to 14 March 2028.

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property Right	Illustration	Application / Registration no.	Issuing authority	Status
5.	BWYS Steel	Trademark		TM2023021696	Intellectual Property Corporation of Malaysia	Pending ⁽¹⁾
6.	YS Success	Trademark	YS Tube	TM2023023161	Intellectual Property Corporation of Malaysia	Pending ⁽²⁾
7.	BWYS Steel	Trademark	VTRUSS	2014059844	Intellectual Property Corporation of Malaysia	Pending ⁽³⁾

Notes:

- (1) BWYS Steel has filed the trademark application on 26 July 2023. An application to expedite the examination process has been filed by BWYS Steel on 18 August 2023 in which the application is expected to be completed within 6 months and 3 weeks from the date of filing of the prescribed form in a straightforward case.
- (2) YS Success has filed the trademark application on 7 August 2023. In a straightforward trademark application process, a trademark application will be registered within 1 year from the date of filing.

6. INFORMATION ON OUR GROUP (cont'd)

- (3) Notwithstanding that the trademark has been registered in the name of Visage Industries on 7 July 2014, the trademark has been assigned by Visage Industries to BWYS Steel pursuant to a Deed of Assignment dated 16 August 2023, whereby Visage Industries assigned the rights, title and interest of the trademark to BWYS Steel for a cash consideration of RM10.00. The trademark was assigned together with goodwill of the business connected with and symbolised by the trademark on 16 August 2023.

BWYS Steel, being the assignor of the trademark, has filed the assignment and application to the Intellectual Property Corporation of Malaysia to register the title of the trademark to its name on 21 August 2023. Upon the approval of Intellectual Property Corporation of Malaysia, the trademark will then be registered in the name of BWYS Steel.

- (4) The "YSGP" trademark was previously used on carbon steel welded pipes by YS Global (then known as YS Global Pipes Sdn Bhd) when it commenced business operations in 2015 as a manufacturer of carbon steel welded pipes. As at the LPD, our Group does not use "YSGP" for our products.
- (5) The "PIE" trademark was previously used on scaffolding products by Bekalan PIE Sdn Bhd before the change of its name to BW Scaffold. As at the LPD, our Group does not use "PIE" for our products.

In the event the application for Trademark No. TM2023021696 is not approved, we will use the existing trademark of "BW Brilliant at Work" (logo) (Registration No. 2010050337) which is valid till 29 April 2030.

6.5.12 Dependency on contracts, intellectual property rights, licenses or processes

Save for the major licenses and approvals as set out in Section 6.5.10 of this Prospectus, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licenses or processes.

6.5.13 Research and development

For the Period Under Review and up to the LPD, we have not undertaken any research and development activity as this is not relevant to the nature of our business activities.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.14 Regulatory requirements and environmental issues

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business which may materially affect our Group's business or operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations to which our business is subject to.

(i) ICA

Pursuant to the ICA, no person shall engage in any manufacturing activity unless he is issued a license in respect of such manufacturing activity. The ICA defines "manufacturing activity" as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade". Manufacturing companies with shareholders' funds of RM2.50 million and above or that employ 75 or more full-time paid employees are required to apply for a manufacturing license, which are otherwise exempted from having to obtain a manufacturing license pursuant to the Industrial Co-ordination (Exemption) Order 1976 ("**ICA Exemption Order**").

Failure to comply with the aforesaid requirement is an offence under the ICA and, on conviction, the offender is liable to a fine not exceeding RM2,000.00 or to a term of imprisonment not exceeding six (6) months and a further fine not exceeding RM1,000.00 for every day during which such default continues.

As at LPD, our Group holds manufacturing licenses issued by MITI at our manufacturing facilities as follows:

Manufacturing facilities	Companies within our Group which holds manufacturing licenses
Banting Factory	BW Scaffold, BWYS Steel
Kota Bharu Factory	BWYS Timur
Penang 1571 Factory	BWYS Steel, YS Success
Penang 1572 Factory	YS Global

These manufacturing licenses are valid until its respective expiry dates and will subsequently be renewed. The ICA provides that, if there is a breach of any condition imposed in a manufacturing license, the relevant licensing officer may, at his discretion, revoke said manufacturing license.

BWYS Steel commenced its manufacturing activities at the Banting Factory without a manufacturing license on 31 January 2020. BWYS Steel was under the wrong impression that "fewer than 75 employees" qualification under the ICA Exemption Order is determined based on the number of employees located at the manufacturing sites (rather than total employees of BWYS Steel as a whole). BWYS Steel has obtained the manufacturing license on 5 May 2023.

6. INFORMATION ON OUR GROUP (cont'd)

On the other hand, BWYS Timur commenced its manufacturing activities at the Kota Bharu Factory on 25 June 2011. At the commencement of its manufacturing activities, the shareholders' funds of BWYS Timur were below RM2.5 million and it has less than 75 employees. As such, BWYS Timur was not required to have a manufacturing license at that time. In 2014, BWYS Timur's shareholders' funds exceeded RM2.5 million and accordingly, BWYS Timur no longer qualifies for the exemption from the manufacturing license under the ICA Exemption Order. BWYS Timur had failed to keep track of the requirement under the ICA Exemption Order due to oversight by the Company. That said, BWYS Timur has obtained the manufacturing license on 21 June 2022.

As at the LPD, neither BWYS Steel nor BWYS Timur have been fined or issued with any notice of non-compliances from MITI for these past non-compliances. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that MIDA has provided verbal confirmation that no investigation or action will be and/or have been taken.

(ii) Factories and Machinery Act 1967 ("FMA")

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

In addition, no person shall operate or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FMA. In the case of any contravention, an Inspector of Factories and Machinery (as defined under FMA) shall forthwith serve upon the person aforesaid a notice in writing prohibiting the operation of the machinery or may render the machinery inoperative until such time a valid certificate of fitness is issued. Further, no person shall install or cause to be installed any machinery in any factory except with the written approval of the Inspector of Factories and Machinery. Pursuant to the FMA, any person who contravenes this rule shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding two (2) years or to both.

For the purposes of the FMA:

- (a) the term "machinery" includes steam boilers, unfired pressure vessels, fired pressure vessels, pipelines, prime movers, gas cylinders, gas holders, hoisting machines and tackle, transmission machinery, driven machinery, materials handling equipment, amusement device or any other similar machinery and any equipment for the casting, cutting, welding or electro-deposition of materials and for the spraying by means of compressed gas or air of materials or other materials, but does not include:
- (i) any machinery used for the propulsion of vehicles other than steam boilers or steam engines;
 - (ii) any machinery driven by manual power other than hoisting machines;
 - (iii) any machinery used solely for private and domestic purposes; or
 - (iv) office machines; and

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

- (b) the term "materials handling equipment" includes any power driven equipment for handling materials, and includes forklift, conveyor, stacker, excavator, tractor, dumper or bulldozer but does not include hoisting machine.

BW Scaffold has commenced operating the machinery which required CF for its manufacturing activities at the Banting Factory without the required CF from 1 June 2022 until 13 November 2022. On the other hand, YS Global has commenced operating the machinery which required CF for its manufacturing activities at the Penang 1572 Factory without the required CF from 1 June 2022 until 5 May 2023. BW Scaffold and YS Global had obtained the required CF on 13 November 2022 and 5 May 2023 respectively.

As at the LPD, neither BW Scaffold nor YS Global have been fined or issued with any notice of non-compliances from DOSH for these past non-compliances. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that DOSH Selangor and DOSH Penang have provided verbal confirmation that no investigation or action will be and/or have been taken.

Save as disclosed above, since the commencement of operations of our Group and as at the LPD, there has been no non-compliance by our Group in relation to the FMA.

That said, the Factories and Machinery (Repeal) Act 2022 ("**FMA Repeal Act**") received Royal Assent on 4 March 2022 and had been gazetted on 16 March 2022. However, the date on which the FMA Repeal Act comes into operation has yet to be appointed and gazetted. The FMA Repeal Act shall repeal the FMA. Any registration made, or order, notice, direction, written authority, approval, certificate of fitness, special scheme of inspection or certificate of competency given or issued under the FMA shall, on the coming into operation of the FMA Repeal Act, be dealt with under the Occupational Safety and Health Act 1994 and its subsidiary legislations, which shall be the law of reference for all matters related to safety and welfare of persons at work.

(iii) **Occupational Safety and Health Act 1994 ("OSHA")**

The OSHA makes provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, and to promote an occupational environment for persons at work which is adapted to their physiological and psychological needs.

Pursuant to OSHA, it shall be the duty of every employer to conduct his undertaking (including provision and maintenance of systems of work) in such a manner as to ensure, so far as is practicable, that he and other persons, not being his employees, who may be affected thereby are not exposed to risks to their safety or health. Every employer who provides, maintains or imports any machinery, equipment or appliance for use at work shall ensure that the same (and the installation thereof) is safe and without risks to health when properly used, carry out testing and examination as may be necessary, and ensure that the results of such tests are available.

It shall be the duty of every employer to prepare a general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy. Such safety and health policy shall be revised as often as it may be appropriate and shall be brought to the notice of all employees.

The OSHA also requires a company to notify the nearest occupational safety and health office of any accident, dangerous occurrence, occupational poisoning or occupational disease which has occurred or is likely to occur at the place of work.

6. INFORMATION ON OUR GROUP (cont'd)

Similar to the FMA Repeal Act, the Occupational Safety and Health (Amendment) Act 2022 ("**OSH Amendment Act**") had received the Royal Assent on 4 March 2022 and had been gazetted on 16 March 2022. However, the date on which the OSH Amendment Act comes into operation has yet to be appointed and gazetted. The OSH Amendment Act shall provide for, amongst others, the following:

- (a) a right to an employee to remove himself from the danger or the work if he has reasonable justification to believe that there exists an imminent danger at his place of work, and the employer has failed to take any action to remove the danger;
- (b) the obligation of an employer to conduct a risk assessment in respect of the safety and health risk posed to any person who may be affected by his undertaking at the place of work and the implementation of risk control to eliminate or reduce said safety and health risk; and
- (c) provisions relating to notification of occupation of place of work, and installation and inspection of plants, including the prescription of any plant for which a certificate of fitness is required.

Since the commencement of operations of our Group and as at LPD, there has been no non-compliance by our Group in relation to the OSHA 1994. Our Group has formulated and put in place a set of documented standard operating policies and procedure on occupational safety, health and environmental plan. We have established a Safety and Health committees and a certified safety and health officer has been appointed to monitor the safety and health related matter of our Group.

(iv) Street, Drainage and Building Act 1974 ("SDBA")

The SDBA is enforced by the local authorities of Peninsular Malaysia and provides for the requirement of having CCC for the occupation of any building or any part thereof.

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

A CCC had been granted to DNC Asiatic Holdings Sdn Bhd ("**DNC**"), the previous owner of the Banting Factory. Thereafter, BW Scaffold acquired the Banting Factory from DNC on 31 January 2019. Subsequent to the completion of the purchase of the Banting Factory, BW Scaffold has made certain alterations and/or modifications (changes to the interior and facades of the building) to the Banting Factory ("**Modified Site**") which required a new CCC for the Modified Site ("**New CCC**"). BW Scaffold has obtained the New CCC on 31 July 2023.

As at the LPD, BW Scaffold has not been fined or issued with any notice of non-compliances from Kuala Langat Municipal Council for this past non-compliance. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that KLMC has provided verbal confirmation that no investigation or action have been and/or will be taken.

Save as disclosed above, since the commencement of operations of our Group and as at the LPD, there has been no non-compliance by our Group in relation to the SDBA.

(v) Local Government Act 1976 ("LGA")

Pursuant to Section 102(s) of the LGA, the relevant local authorities may control and supervise, by registration, licensing or otherwise, a trade, business or industry. Pursuant to Section 104 of the LGA, any person who breaches any by-law commits an offence and shall, on conviction, be liable to a fine not exceeding RM2,000.00 or imprisonment for a term of not more than one (1) year or both and a fine of RM200.00 every day during which such offence is continued after conviction.

6. INFORMATION ON OUR GROUP (cont'd)

Previously, BW Scaffold and BWYS Steel held temporary business licenses for the operation of their business at the Banting Factory. The temporary business licenses were issued by the Kuala Lumpur Municipal Council to BW Scaffold and BWYS Steel as the issuance of the permanent licences requires the letter of support from the Fire and Rescue Department of Malaysia and Department of Environment, and subsequently the New CCC (as defined in paragraph (iv) above), which were pending. The temporary business license of BW Scaffold had expired on 22 June 2023 whereas the temporary business license of BWYS Steel had expired on 13 May 2023.

The representatives of the Group had submitted applications to renew the temporary business licenses for BW Scaffold on 2 June 2023 and BWYS Steel on 20 April 2023 respectively but the Kuala Langat Municipal Council would only issue the permanent business licenses which application can only be submitted by the Group after receipt of the New CCC (as defined in paragraph (iv) above). The permanent business licenses have been obtained on 18 August 2023.

As at the LPD, neither BW Scaffold nor BWYS Steel have been fined or issued with any notice of non-compliances from the Kuala Langat Municipal Council for these past non-compliances. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that Kuala Langat Municipal Council has provided verbal confirmation that no investigation or action will be and/or have been taken.

As at LPD, our Group holds valid business licenses issued by relevant local authorities. These business licenses are valid until its respective expiry dates and will subsequently be renewed.

Save as disclosed above, since the commencement of operations of our Group and as at the LPD, there has been no non-compliance by our Group in relation to the LGA.

(vi) Environmental Quality Act 1974 ("EQA")

The EQA and the regulations made thereunder provide for the prevention, abatement, control of pollution and enhancement of the environment, and for the purposes connected therewith. Amongst others, the Environmental Quality Act 1974 regulates the discharge of certain categories of waste as set out in the Environmental Quality (Scheduled Wastes) Regulations 2005 ("**Scheduled Wastes Regulations**"), as well as the emission of air pollutants as set out in the Environmental Quality (Clean Air) Regulations 2014 ("**Clean Air Regulations**") which is applicable to industrial plants.

Pursuant to the Scheduled Wastes Regulations, every generator of scheduled wastes shall, within 30 days from the date of generation of scheduled wastes, notify the Director General of Environmental Quality of the new categories and quantities of scheduled wastes which are generated. Further, a generator of scheduled wastes shall keep accurate and up-to-date inventory of the categories and quantities of scheduled wastes being generated, treated and disposed of and of materials or product recovered from such scheduled wastes for a period of up to three (3) years from the date the scheduled wastes were generated.

Pursuant to the Clean Air Regulations, an owner or occupier of a premise shall not, without giving prior written notification to the Director General of Environmental Quality, amongst others, carry out any work on any premises that may result in a source of emission. The written notification shall be submitted to the Director General of Environmental Quality not less than 30 days before the commencement of such work. Further, every premises shall be equipped with an air pollution control system in accordance with the specifications as determined by the Director General of Environmental Quality. The owner or occupier of the premises and the professional engineer shall, within 30 days after the commencement of operations at the premises, submit a written declaration to the Director General of Environmental Quality certifying that the design and construction of the air pollution control system have complied with the required specifications.

6. INFORMATION ON OUR GROUP (cont'd)

On 5 November 2020, YS Success received a compound of RM100,000 from the Department of Environment for failing to notify the Director General of Environmental Quality of the new categories and quantities of scheduled wastes which are generated within 30 days from the date of generation of scheduled wastes. YS Success has fully settled the claimed sum on 10 November 2020 and hence our Directors are of the view this matter will not materially disrupt the business operations or financial condition of the Group.

Save as disclosed above, since the commencement of operations of our Group and as at the LPD, there has been no non-compliance by our Group in relation to the EQA.

(vii) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAAA 1990")

The EMSHAAA 1990 and the regulations made thereunder require employers and centralised accommodation providers to comply with the minimum statutory requirements relating to centralised accommodation provided to employees. The EMSHAAA 1990 defines a "centralised accommodation provider" as any person who provides and manages any building used for the housing of employees employed by one or more employers and supervises the services provided in such building for one or more employees but does not include an employer who provides accommodation for his own employees.

The EMSHAAA 1990 was amended by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 which provides that, effective from 1 June 2020, employers must abide by enhanced minimum standards of accommodation for employees, including obtaining a Certificate of Accommodation ("**COA**") from the Department of Labour Peninsular Malaysia. Further, an employer shall within 30 days from the date an accommodation is occupied by his employee, inform the Director General of Labour of such occupation.

Pursuant to Section 24D(3) of the EMSHAA 1990, an employer who contravenes Section 24D(1) commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00.

The existing building at the Banting Factory was used by BW Scaffold as workers accommodation for its foreign workers from 2 March 2020 to 31 March 2023, without a COA. Following the transfer of foreign workers as disclosed in paragraph (xiii) below, the foreign workers have been staying at the existing building at the Banting Factory, without a COA from December 2022 to March 2023. In light that the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 only came into force on 1 June 2020, the period in which BW Scaffold was not in compliance with the amended act was from 1 June 2020 to 31 March 2023 while BWYS Steel and YS Success were not in compliance with the amended act from December 2022 to 31 March 2023.

To accommodate its foreign workers at the Banting Factory, BW Scaffold has entered into a tenancy agreement dated 1 April 2023 with MBJ Resources Sdn Bhd for the rental of a centralised accommodation which possesses a valid COA for a tenancy period commencing from 1 April 2023 until 30 September 2023 and subsequently renewed for a further term to 31 March 2024. As at the LPD, our Group is in compliance with the EMSHAAA 1990.

As at the LPD, BW Scaffold, BWYS Steel and YS Success have not been fined or issued with any notice of non-compliances from the Department of Labour for this past non-compliance. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that the foreign workers have been relocated to the third-party accommodation provider which possesses a valid COA and that the Department of Labour, Klang, Selangor has provided its verbal confirmation that no investigation or action will be and/or have been taken.

6. INFORMATION ON OUR GROUP (cont'd)

(viii) Fire Services Act 1988 ("FSA")

The FSA provides for the effective and efficient functioning of Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst others, that a fire certificate be issued only after the designated premises (for example, shops and factories) have been inspected and the department is satisfied that there are adequate fire-fighting equipment or fire safety installation in relation to the use of the designated premises.

Where there is no fire certificate in force in respect of a designated premises, the owner of such premises may be liable to a fine of up to RM50,000.00 or imprisonment of up to five (5) years (or both). Fire and Rescue Department also has a general authority to order or direct the owner or occupier of any premises to cease any activities if Fire and Rescue Department is satisfied that, amongst others, any continued activity would constitute an immediate danger of fire prejudicial to the safety of life or property.

In addition, pursuant to the FSA, the owner or occupier of a designated premises shall establish a fire safety organisation.

Since the commencement of operations of our Group and as at the LPD, our Group is in compliance with the relevant laws, rules and regulations under FSA and requirements governing the conduct of our Group's business and environmental issues which may materially affect our Group's business or operations, and where applicable, has complied with the conditions imposed thereunder.

(ix) Customs (Prohibition of Import) Order 2023 ("Order")

The Order sets out that the requirements to be complied by importers in relation to importation of certain goods to Malaysia. Based on the Order, importation into Malaysia of certain goods originating from certain countries is prohibited, except in a specific manner, i.e. "accompanied by a certificate of approval or a letter of exemption issued by or on behalf of the Chief Executive of the Construction Industry Development Board for the construction sector or SIRIM Berhad for non-construction sector." That said, such requirement does not apply to free commercial zones.

Since the commencement of operations of our Group and as at the LPD, our Group is in compliance with the Order.

(x) Construction Industry Development Board Act 1994 ("CIDBA")

The CIDBA was implemented to offer CIDB expertise in the construction industry in Malaysia. All construction materials listed in the Fourth Schedule of CIDBA are required to obtain CIDB's Certificate of Standards Compliance. The Fourth Schedule includes scaffoldings, which requires conformity to the MS 1462 series of standards.

Since the commencement of operations of our Group and as at the LPD, our Group complies with CIDBA and has obtained the relevant certificates from CIDBA. Please refer to Section 6.5.10(ii) of this Prospectus for further details.

(xi) Customs Act 1967 ("CA 1967")

Pursuant to the CA 1967, whenever through inadvertence, error, or for any other reason, misconstruction on the part of any officer of customs, or through unintentional misstatement as to value, quantity or description by any person, or for any other reason, the whole or any part of any customs duty, surcharge, penalty, fee or other money payable under CA 1967 have not been paid, the Director General of RMCD may allow the amount to be paid by instalments, subject to such conditions, in such amounts and on such dates as he may determine.

6. INFORMATION ON OUR GROUP (cont'd)

By way of a letter dated 23 March 2021 issued by the RMCD to YS Success, YS Success is found to have underpaid import duty and goods and services tax ("**GST**") for the taxable period from July 2017 to June 2020. YS Success failed to comply with the conditions for import duty exemption on raw materials / components to produce finished products that are not subject to import duty. Pursuant to Section 17(1) of the CA 1967 and the letter dated 23 March 2021 issued by the RMCD to YS Success, YS Success is required to pay the shortfall in import duty amounting to RM4,898,432.23 pertaining to transactions that occurred in FYE 2018 and FYE 2019. By way of a letter dated 5 September 2022 issued by the Ministry of Finance to YS Success, the Ministry of Finance approved YS Success' application for remission on the excess import duty and GST amounting to RM4,898,432.23, and required YS Success to pay 20% of the value of raw materials used for export amounting to RM97,968.64 instead. By way of a letter dated 6 October 2022 issued by the RMCD to YS Success, RMCD acknowledged that YS Success has settled the claim sum of RM97,968.64 (import duty) and RM76,937.77 (GST) on 5 October 2022, of which RM59,879.32 (import duty) and RM76,937.77 (GST) relates to FYE 2018 and RM38,089.32 (import duty) relates to FYE 2019.

YS Success has fully settled the claimed sum and hence our Directors are of the view that this matter will not materially disrupt the business operations or financial condition of the Group.

Save as disclosed above, since the commencement of operations of our Group and as at the LPD, there has been no non-compliance by our Group in relation to the CA 1967.

(xii) Employment (Restriction) Act 1968 ("ERA")

ERA expressly prohibits a person from employing a non-citizen of Malaysia unless there has been issued in respect of that person a valid employment permit. Failure to obtain the said employment permit is an offence which upon conviction, is punishable by a fine not exceeding RM 5,000 or imprisonment for a term not exceeding one (1) year or both.

Since the commencement of operations of our Group and as at the LPD, our Group is in compliance with ERA.

(xiii) Immigration Act 1959 ("IA")

The employment of foreign workers in Malaysia shall also be subject to the IA that regulates the immigration matters in Malaysia. The IA provides that no person other than a citizen shall enter Malaysia unless he is in possession of a valid entry permit, his name is endorsed upon the said valid entry permit and he is in the company of the holder of the said permit or he is in possession of a valid pass lawfully issued to him to enter Malaysia or exemption is granted to him pursuant to the IA.

Pursuant to Section 55E(1) of the IA, no occupier shall permit any illegal immigrant to enter or remain at any of its premises. As such, a company has an obligation to ensure that the employees that are present at its premises hold valid work permits and have the corresponding right to legitimately be present at the premises to render their services. Pursuant to Section 55E(2) of the IA, an occupier who contravenes Section 55E(1) shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM5,000.00 and not more than RM30,000.00 or to imprisonment for a term not exceeding 12 months or to both for each illegal immigrant found at the premises.

As at December 2022, BWYS Steel and YS Success have collectively employed 32 foreign workers to work at the Penang 1571 Factory. Subsequent thereto, notwithstanding the location that is stipulated in their respective work permits:

6. INFORMATION ON OUR GROUP (cont'd)

- The foreign workers of BWYS Steel were transferred from the Penang 1571 Factory to work at Banting Factory; and
- The foreign workers of YS Success were transferred to BW Scaffold to work at the Banting Factory.

All the foreign workers of BWYS Steel and YS Success had been transferred back from the Banting Factory to the Penang 1571 Factory as per their work permits in July 2023.

As at the LPD, neither BWYS Steel nor YS Success have been fined or issued with any notice of non-compliances from the Department of Immigration for this past non-compliance. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that the foreign workers have been transferred back to the location as per their work permit and the Department of Immigration has provided verbal confirmation that no investigation or action will be and/or have been taken.

Save as disclosed above, there are no non-compliances with the aforesaid laws, regulations, rules and requirements since the commencement of operations of our Group and as at the LPD and there are no other regulatory requirements and/or environmental issues which may materially affect our Group's operations arising from the utilisation of our assets.

6.5.15 Interruptions to our business and operations

Save for the temporary disruptions to our operations arising from the COVID-19 and interruptions in industrial racking systems finishing processing operations as disclosed below, we did not experience any material interruptions to our business and operations during the Period Under Review up to the LPD.

(a) Effects of COVID-19 on our business operations in Malaysia

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the Government of Malaysia implemented measures to reduce COVID-19 transmission in the country, which included, among others, controls on the movement of people within Malaysia, controls on international travel, and restrictions on business, government, educational, cultural, recreational and other activities. Our business operations in Malaysia were temporarily interrupted by these measures.

The first MCO period was from 18 March 2020 to 3 May 2020, and the control measures implemented included, among others, the closure of all businesses except for those classified as essential services or that have received written approval from the MITI to operate, restrictions on the movement of people in Malaysia, and restrictions on international travel into and out of Malaysia.

We closed our operational facilities on 18 March 2020 pursuant to the first MCO. Our staff who performed executive, administrative and sales and marketing functions worked from home, whenever possible, while our trading operations at our warehouses and manufacturing activities at our operational facilities were temporarily halted. Subsequently, we resumed operations on the 20 April 2020 upon receiving the written approvals from MITI to operate while following the relevant standard operating procedures ("**SOP**") and guidelines.

From 4 May 2020 up to June 2021, the MCO went through various phases in Malaysia including Conditional MCO ("**CMCO**"), Recovery MCO ("**RMCO**") and Enhanced MCO ("**EMCO**") where restrictions were relaxed or tightened for specific states, districts and/or locations, based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government of Malaysia announced the National Recovery Plan ("**NRP**"), a phased exit strategy from the COVID-19 pandemic consisting of four phases where restrictions were gradually eased in each phase. Subsequently, on 1 April 2022, the Government of Malaysia announced that

6. INFORMATION ON OUR GROUP (cont'd)

Malaysia was in the "Transition to Endemic" phase where all economic sectors are allowed to operate, and interstate and international travel are allowed, subject to adherence to the relevant SOP and guidelines.

During the various phases of the MCO including CMCO, RMCO and EMCO, the NRP and the Transition to Endemic Phase, we continued to operate according to the specified guidelines and SOP including specified workforce capacity during the respective periods.

(b) Effects of COVID-19 on our supply chain

We manage our supply chain to ensure that we will have sufficient stocks of input materials to meet our manufacturing and processing schedules, as well as sufficient finished products for our trading operations, in order to fulfil the delivery obligations as per our purchase orders.

From 18 March 2020 and up to the LPD, we did not face any material disruptions to our supply chain that were related to COVID-19 due to our inventory forecasting and planning. In addition, our inventory levels were sufficient for normal trading, manufacturing and processing operations and able to meet all customers' orders without undue delays. As at the LPD, we have not experienced any material disruptions in fulfilling our orders.

(c) Effects of COVID-19 on our financial performance

During the various phases of the MCO, our Group incurred COVID-19 related expenses amounting to approximately RM0.2 million for the purchase of personal protective equipment, COVID-19 Antigen Rapid Self-Test kits, body temperature measurement devices, COVID-19 vaccination, COVID-19 tests for our employees, accommodation and transportation for infected employees as well as cleaning agents and sanitisation services for our offices and manufacturing facilities.

We did not experience any material negative impact on our financial performance from the various disruptions on our manufacturing and business activities due to the COVID-19, as demonstrated by our increase in revenue in our sales from RM130.9 million in FYE 2020 to RM 236.2 million in FYE 2022.

Our Group had also received subsidies from the Malaysian government's Wages Subsidy program amounting to approximately RM0.8 million in FYE2020 and RM0.1 million in FYE2021 respectively.

(d) Interruptions in industrial racking systems finishing processing operations due to the breakdown of our automated powder coating line

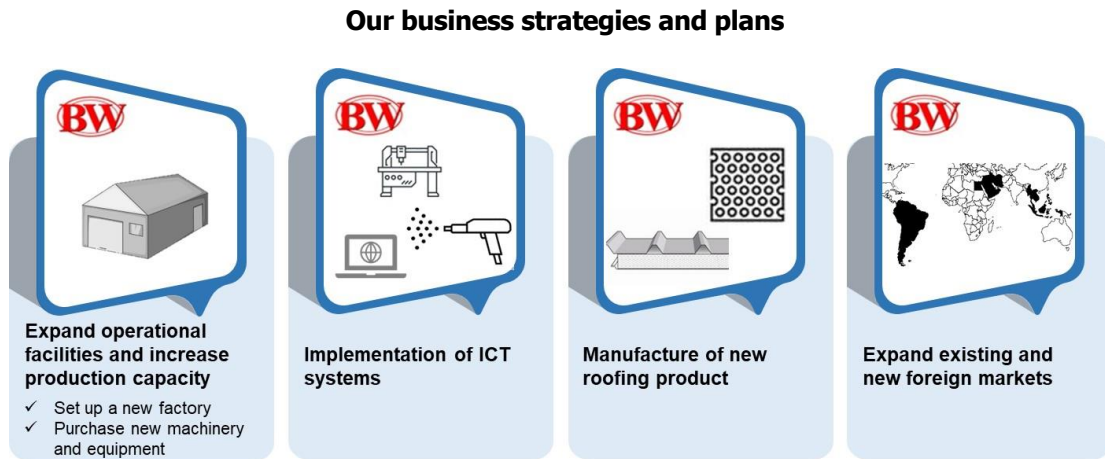
In February 2022, we experienced interruptions in industrial racking systems finishing processing operations due to the gearbox breakdown of our automated powder coating line at our Penang 1571 Factory. The automated powder coating line is to carry out final surface finishing process as part of our industrial racking systems manufacturing.

The automated powder coating line was suspended for approximately 2 weeks and this has consequently impacted our delivery of products to our customers. We engaged with our customers and deferred the delivery of confirmed purchase orders to a later date. The total deferred purchase orders were RM0.45 million, and these deferred purchase orders were subsequently fulfilled in the following month. We were not subjected to any penalty and/or losses as a result of the breakdown of our automated powder coating line. In order to catch up with our delivery schedules including those which have been deferred, we operated 2 shifts for approximately 2 weeks to fulfil the delivery of the deferred purchase orders. The total costs incurred for the repair and replacement of the gearbox for the automated powder coating line was approximately RM43,550.

6. INFORMATION ON OUR GROUP (cont'd)

6.6 BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue our existing business in the manufacturing of sheet metal product and supply of scaffoldings operations. We also have put in place strategies and plans to sustain and grow our business as follows:



6.6.1 Expand operational facilities and increase production capacity

6.6.1.1 Set up a new factory

As at the LPD, we have 4 manufacturing with warehousing facilities, and another 4 warehousing facilities in Malaysia. 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.

Part of our strategies is to expand our sheet metal product manufacturing facilities by constructing a new factory, namely New Penang Factory, on the said 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 consist of 1 block single storey factory with double storey office ("**Block 1**"), as well as 1 block single storey factory and office.

We expect to house our new continuous PU foam sandwich panel production line in Block 1. We also expect to relocate our existing machinery and equipment for our industrial racking systems manufacturing operations in Penang 1572 Factory and our roofing sheets and trusses manufacturing operations in Penang 1571 Factory to Block 1 within 12 months after the completion of the construction of our New Penang Factory. Following the relocation of the roofing sheets and trusses manufacturing operations from Penang 1571 Factory to the New Penang Factory, the Penang 1571 Factory will house the industrial racking systems and welded pipes manufacturing operations.

The increase in warehouse space is partly due to the freeing of space in Penang 1571 Factory following the relocation of existing machinery and equipment to the New Penang Factory. Subsequently, the total warehouse space in Penang 1571 Factory will amount to 57,040 sq ft 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.

6. INFORMATION ON OUR GROUP (cont'd)

In addition, the New Penang Factory will require warehouse space to accommodate the relocated manufacturing activities from the Penang 1571 Factory and Penang 1572 Factory as well as the newly installed production line. The total warehouse space in the New Penang Factory will amount to 93,191 sq ft. The additional warehouse space will allow us to accommodate a higher level of inventories following the increase in production capacity.

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

Please refer to Section 4.9.1(1)(a) for further details on the construction of the New Penang Factory.

6.6.1.2 Purchase new machinery and equipment

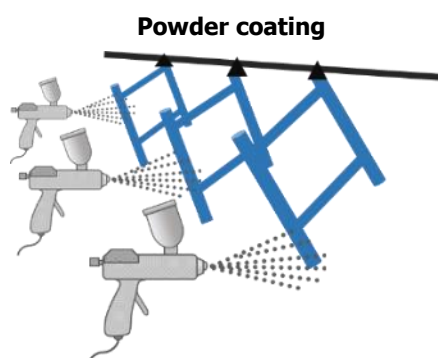
(i) New automated powder coating line

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.

Part of our facility expansion plans is 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.

The new automated powder coating lines 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.



The total cost for the purchase of new automated powder coating lines is estimated at RM[•] million (based on vendor's quotation) which will be fully funded from our IPO proceeds.

(ii) New roll forming machines and related equipment

For the Period Under Review, our revenue contribution from the manufacture of roof trusses accounted for RM11.4 million (8.7%), RM47.8 million (21.5%) and RM49.9 million (21.1%) of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively, while the revenue from the manufacture of industrial racking systems amounted to RM18.0 million (13.8%), RM40.6 million (18.3%) and RM48.9 million (20.7%) of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.

6. INFORMATION ON OUR GROUP (cont'd)

Part of our strategy is to continue leveraging on our competency to expand and grow our business. In this respect, 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 new roll forming machines that we intend to purchase will replace both of our existing roll forming machines for the manufacture of roof trusses at the Banting Factory and this will increase our annual capacity for the manufacture of roof truss at the Banting Factory from 6,444 tonnes to 8,554 tonnes. As for the new roll forming machines for the manufacture of industrial racking systems at the Penang 1571 Factory, these are to retire 2 of our existing roll forming machines with average age of 9 years.

The total cost for the purchase of new roll forming machines and related equipment is estimated at RM[•] million (based on vendor's quotation) which will be funded fully from our IPO proceeds.

Please refer to Section 4.9.1(1)(b) for further details on the purchase of new machinery and equipment.

6.6.2 Implementation of ICT systems

Part of our strategies is to integrate our business processes as well as to digitalise our production and inventory management where the existing administrative processes are primarily manual. In this respect, we intend to invest in ICT systems including new ERP system as well as the implementation of production and inventory management systems to facilitate tracking and tracing of incoming raw materials and finished products to improve our production workflow where we can trace and identify all movements and processes carried out at our manufacturing facility.

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 new ERP system and implementation of the production and inventory management systems is estimated at RM[•] million (based on vendor's quotation) which will be funded fully from our IPO proceeds.

Please refer to Section 4.9.1(1)(c) for further details on the implementation of new ERP system, production and inventory management systems.

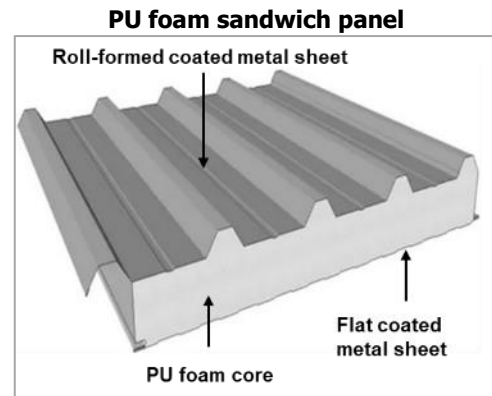
6.6.3 Manufacture of new roofing products

For the Period Under Review, roofing sheets were our major revenue contributors which accounted for RM50.5 million (38.6%), RM74.1 million (33.3%) and RM65.4 million (27.7%) of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.

Part of our strategies is to expand our range of roofing products by venturing into the manufacture of PU 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 sell our products through our resellers' network to gain geographic reach for our products.

6. INFORMATION ON OUR GROUP (cont'd)

Our new PU foam sandwich panels refers to a rigid core made of PU foam which are sandwiched between either two metal sheets or a metal sheet and a polyvinyl chloride (PVC) sheet to provide insulation from heat and noise. Commonly one side of the metal sheet has a profile while the other side is flat. They are commonly used for roofing. Heat insulation in roofing is a major advantage in reducing heat emanating from the roof. Sound insulation for the roof is also a major advantage as it absorbs some of the noise when rain falls on the metal roof. When used as walls, it mainly provides noise insulation as well as physical partitioning.



We intend 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 in Penang with an estimated production capacity of 1,700 tonnes per year for each production line. We intend to purchase and install integrated automated machine with roll-forming, integrated production and application of PU foam for the core, and subsequently sandwiching the PU foam core with a flat metal sheet or PVC sheet.

The production line consists of the following machinery and equipment to perform various processes:

- (i) two decoilers to feed one continuous metal sheet into the roll-forming machine to form the bottom profiled metal sheet and the other to a series of rollers to become the top flat metal sheet;
- (ii) roll forming machine to form the bottom metal sheet into the desired profile;
- (iii) preheating of the rolled-formed metal sheet;
- (iv) PU foaming machine to manufacture and dispense the PU foam onto the underside of the roll-formed metal sheet;
- (v) flat metal sheet is placed on top of the cured PU foam;
- (vi) presser to compress the PU foam between the flat metal sheet or PVC sheet and rolled-formed metal sheets, and side plates to prevent the PU foam from expanding sideways; and
- (vi) completed PU foam panel is cut to length and cooled for subsequent storage.

The total cost for the purchase and installation of the two integrated PU foam sandwich panel production lines is estimated at RM3.0 million (based on vendor's quotation) which will be funded using our internally generated fund. As at the LPD, we have placed order for one production line which is expected to commence installation at the Banting Factory by second quarter of 2024 and complete by fourth quarter of 2024. As for the other production line at the New Penang Factory, the installation is expected to commence in the first quarter of 2026 and complete by third quarter of 2026.

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6. INFORMATION ON OUR GROUP (cont'd)

6.6.4 Expand existing and new foreign market

For the Period Under Review, we mainly serve customers in Malaysia where our domestic revenue contribution accounted for RM128.8 million (98.4%), RM203.7 million (91.6%) and RM226.3 million (95.8%) of our total revenue for the FYE 2020, FYE 2021 and FYE 2022 respectively.

In addition to our domestic revenue, we also generated export earnings which accounted for RM2.1 million (1.6%), RM18.8 million (8.4%) and RM9.9 million (4.2%) of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively. Our export sales were mainly derived from sales of industrial racking systems to the United States in FYE 2021 and FYE 2022, and welded pipes to Singapore in FYE 2020.

Part of our strategies is 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 including existing and new customers to utilise their networks to gain access without our need to invest in resources and facilities in foreign countries.

We have already 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 we had derived a small proportion of our revenues for the Period Under Review. We will continue to target these countries through our existing customers who are mainly resellers, as well as expanding our customer base through proactive sales and marketing as well as participation in exhibitions or trade shows. Please refer to Section 6.5.4.1 of this Prospectus for further details on revenue by geographical markets.

Expansion of our existing and new foreign markets are continuous where we sell our products through our existing customers and at the same time continue our marketing efforts to secure new customers. The estimated cost for foreign market expansion (mainly participation in exhibitions or trade shows) is minimal and we intend to utilise internally generated funds for our foreign market expansion. However, the estimated costs and its breakdown cannot be determined at this juncture and will depend on the requirement of the Group at the relevant time.

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6. INFORMATION ON OUR GROUP (cont'd)

6.7 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group for the Period Under Review and up to the LPD:

- (a) Sale and purchase agreement dated 1 July 2021 entered into between Amanah Raya Berhad (as vendor) and BWYS Steel (as purchaser) for the purchase of Lot 1215 Land, a three storey detached factory cum office building annexed single storey warehouse and ancillary buildings held under freehold land Geran 74361, Lot 1215, Mukim 12, Daerah Seberang Perai Selatan, Negeri Pulau Pinang bearing postal address No. 1572 Jalan Besar Valdor, Mukim 12, 14200 Sungai Bakap, Seberang Perai Selatan, Pulau Pinang measuring approximately 12 acres for a total consideration of RM35,000,000. The purchase consideration had been paid and the sale and purchase had been completed on 1 October 2021.
- (b) Deed of assignment between Visage Industries and BWYS Steel dated 16 August 2023, in which Visage Industries assigned the rights, title and interest, together with the goodwill of the business connected with the "Vtruss" trademark (Registration No: 2014059844) to BWYS Steel for a cash consideration of RM10.00.
- (c) Conditional SSA dated 21 August 2023 entered into between our Company, KBH and KBT for the acquisition of the entire equity interest in BW Scaffold for a total purchase consideration of RM27,226,400. The acquisition was completed on [●].
- (d) Conditional SSA dated 21 August 2023 entered into between our Company, KBH and KBT for the acquisition of entire equity interest in BWYSSB for a total purchase consideration of RM26,408,100. The acquisition was completed on [●].
- (e) Conditional SSA dated 21 August 2023 entered into between our Company, KBH and KMH for the acquisition of entire equity interest in BWYS Steel for a total purchase consideration of RM42,190,478. The acquisition was completed on [●].
- (f) Conditional SSA dated 21 August 2023 entered into between our Company, KBH and KBT for the acquisition of entire equity interest in BWYS Timur for a total purchase consideration of RM19,700,000. The acquisition was completed on [●].
- (g) Conditional SSA dated 21 August 2023 entered into between our Company, KBH and KBT for the acquisition of entire equity interest in YS Success a total purchase consideration of RM30,568,400. The acquisition was completed on [●].
- (h) Underwriting agreement dated [●] entered into between our Company and M&A Securities for the underwriting of 112,773,600 Issue Shares for an underwriting commission of up to 2.5% of the IPO Price multiplied by the number of Issue Shares underwritten. Please refer to Section 4.11 of this Prospectus for the salient terms of the underwriting agreement.

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

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Material Properties

(a) Properties owned by our Group

The summary of the information on the material land and buildings owned by our Group as at the LPD is set out below:

No.	Title / Postal address	Registered owner / Beneficial owner	Description / Existing use	Category of land use / Tenure	Restrictions in interests / Encumbrances	Land area / Approximate built-up area sq ft	Date of issuance of CFO / CCC	NBV as at 31 December 2022 RM'000
1.	(a) Geran 22732, Lot 111 Seksyen 1, Bandar Butterworth, Daerah Seberang Perai Utama, Negeri Pulau Pinang / Nil. ("Property 1")	BWYS Steel	Vacant / Unoccupied	Nil. / Freehold	<u>Restrictions in interests</u> Nil.	78,974 / Nil. (Property 1)	Not applicable ^(a)	8,456
					<u>Encumbrances</u> Both Property 1 and Property 2 are charged to AmBank Islamic Berhad	14,985 / Nil. (Property 2)		
	(b) Geran 22737, Lot 117 Seksyen 1, Bandar Butterworth, Daerah Seberang Perai Utama, Negeri Pulau Pinang / Nil. ("Property 2")							

6. INFORMATION ON OUR GROUP (cont'd)

No.	Title / Postal address	Registered owner / Beneficial owner	Description / Existing use	Category of land use / Tenure	Restrictions in interests / Encumbrances	Land area / Approximate built-up area sq ft	Date of issuance of CFO / CCC	NBV as at 31 December 2022 RM'000
2.	Geran 74361, Lot 1215, Mukim 12, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / No. 1572 Jalan Besar Valdor, Mukim 12, 14200 Sungai Bakap, Seberang Perai Selatan, Pulau Pinang (Lot 1215 Land on which the Penang 1572 Factory is located on)	BWYS Steel	A three-storey detached factory cum office building annexed single storey warehouse and ancillary buildings together with a piece of vacant land (which will be used to construct our New Penang Factory) / Office and warehouse, manufacturing of racking systems	Industrial / Freehold	<u>Restrictions in interests</u> Nil. <u>Encumbrances</u> Charged to AmBank Islamic Berhad	522,373 / 175,428 ^(b)	7 March 2008	35,543

6. INFORMATION ON OUR GROUP (cont'd)

No.	Title / Postal address	Registered owner / Beneficial owner	Description / Existing use	Category of land use / Tenure	Restrictions in interests / Encumbrances	Land area / Approximate built-up area sq ft	Date of issuance of CFO / CCC	NBV as at 31 December 2022 RM'000
3.	Geran Mukim No. 533, Lot No. 1746, Mukim 12, Tempat Valdor, Daerah Seberang Perai Selatan, Negeri Pulau Pinang / 1571, Jalan Serunai, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Seberang Perai Selatan, Pulau Pinang (Penang 1571 Factory)	YS Success	A single-storey factory annexed with a three-storey office building erected thereon /Our head office, warehouse and manufacturing	Nil. / Freehold	<u>Restrictions in interests</u> Nil. <u>Encumbrances</u> Private caveat by and charged to AmBank (M) Berhad	340,785 / 262,560	16 June 2022	24,340
4.	H.S.(M) 20681, PT 404 Seksyen 2 in Pekan Bukit Changgang, Olak Lempit, Daerah Kuala Langat, Negeri Selangor Darul Ehsan / No. 112, Jalan 8, Kawasan Perindustrian Olak Lempit, 42700 Banting, Selangor (Banting Factory)	BW Scaffold	A plot of leasehold industrial land erected upon with 3 blocks of four storey office building, 3 blocks of single storey detached factory and ancillary building / Sales office, warehouse and manufacturing	Industrial / Leasehold of 99 years (expiring on 26 September 2087)	<u>Restrictions in interest</u> The land granted cannot be sold, leased, or transferred in any way, without the permission of the state authority. <u>Encumbrances</u> Private caveat by and charged to Malayan Banking Berhad	339,386 / 241,566	3 October 2014 / 13 July 2023	28,606

6. INFORMATION ON OUR GROUP (cont'd)

No.	Title / Postal address	Registered owner / Beneficial owner	Description / Existing use	Category of land use / Tenure	Restrictions in interests / Encumbrances	Land area / Approximate built-up area sq ft	Date of issuance of CFO / CCC	NBV as at 31 December 2022 RM'000
5.	PN 6387, Lot 5196, Mukim Panchor, Daerah Jajahan Kota Bharu, Negeri Kelantan / Lot PT 5196, Kawasan Perindustrian Pengkalan Chepa, Mukim Panchor Seksyen 23, Daerah Kemumin, 16100 Kota Bharu, Kelantan (Kota Bharu Factory)	BWYS Timur	A parcel of industrial and built-upon with a single storey detached factory with a double storey office annex / Sales office, warehouse and manufacturing	Industrial / Leasehold of 66 years (expiring on 22 May 2065)	Restrictions in interests (a) The land held with this title cannot be transferred, charged, leased or have any arrangement made without the prior written consent of the state authority. (b) The land held with this title cannot be demarcated, subdivided or merged without the prior written consent of the state authority. (c) Restriction (a) is excluded for the purpose of charge of this land to banks or to Financial Institutions listed in Schedule D of the Kelantan	44,250 / 24,984	14 April 2016	2,554

6. INFORMATION ON OUR GROUP (cont'd)

No.	Title / Postal address	Registered owner / Beneficial owner	Description / Existing use	Category of land use / Tenure	Restrictions in interests / Encumbrances	Land area / Approximate built-up area sq ft	Date of issuance of CFO / CCC	NBV as at 31 December 2022 RM'000
					<p>Malay Reserve Land Enactment 1930 and Schedule 26A of the Kelantan Land Enactment 1938 in order to enable the landlord to obtain a personal loan.</p> <p><u>Encumbrances</u> Charged to AmBank (M) Berhad</p>			

Notes:

- (a) Property 1 and Property 2 are unoccupied and vacant as at the LPD. Therefore, a Certificate of Completion and Compliance is not required as at the LPD.
- (b) The total built-up area of the Lot 1215 Land is approximately 175,428 sq ft. As at the LPD, the Penang 1572 Factory has occupied 35,601 sq ft of the Lot 1215 Land, and the remaining 139,827 sq ft is currently vacant.

As at the LPD, the above properties owned by our Group is not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

6. INFORMATION ON OUR GROUP (cont'd)

(b) Properties rented by our Group

The details of material properties rented by us as at LPD are set out below:

No.	Tenant	Landlord	Existing use	Postal address	Description	Period of tenancy	Approximate built-up area sq ft	Date of issuance of CCC	Rental per month RM
1.	BWYS Steel, BW Scaffold, YS Success	YHTJ Sabah	Office and warehouse	Lot 5B, Industrial Zone 7, Lorong Timur 2B, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	A plot of industrial land erected thereon with a one storey open-sided factory annexed with a two-storey office building, a water pump house and a guard house (Kota Kinabalu warehouse and office)	1 December 2021 to 30 November 2023	58,205	14 July 2016	50,405
2.	BWYS Steel, BW Scaffold, YS Success	YHTJ Sarawak	Office and warehouse	Lot 2656, Block 20 Kemena Land District Bintulu (Kindurong Gateway Industrial Park), Jalan Tg. Kindurong, 97000 Bintulu, Sarawak	One unit of double-storeyed detached industrial building consisting of two levels of office and warehouse (Bintulu warehouse and office)	1 January 2022 to 31 December 2023	35,601	16 May 2017	42,500
3.	BWYS Steel, BW Scaffold ; YS Success	Chai Chiang Company Sdn Bhd	Office and warehouse	Lot 823, Block 7 Muara Tebas Land District, Sejingkat Industrial Park, 90350 Kuching, Sarawak	One unit of single-storey warehouse building cum office (Kuching warehouse and office)	1 March 2019 to 29 February 2024	14,434	3 July 2003	10,000

6. INFORMATION ON OUR GROUP (cont'd)

No.	Tenant	Landlord	Existing use	Postal address	Description	Period of tenancy	Approximate built-up area sq ft	Date of issuance of CCC	Rental per month RM
4.	BW Scaffold	Chop Hong Lee Trading Sdn Bhd	Warehouse and sales office	No. 6, Jalan Perniagaan Setia 1/8, Taman Perniagaan Setia (Setia Business Park II), 81100 Johor Bahru, Johor	One unit of single-storey warehouse and double-storey office (Johor warehouse and office)	1 February 2023 to 31 January 2025	13,155	7 July 2015	18,000
5.	YS Success	Icon Trans Sdn Bhd	Foreign workers accommodation	PMT 1596, Jalan Perusahaan Valdor, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Pulau Pinang	10 units of lodging	1 May 2021 to 30 April 2024	327 / unit	11 May 2021	18,000
6.	BW Scaffold	MBJ Resources Sdn Bhd	Foreign workers accommodation	Persiaran Kolej Bbn, Bandar Baru Nilai, 71800 Bandar Baru Nilai, Negeri Sembilan	8 rooms in a 15 floors residential block	1 April 2023 to 31 March 2024	217 / 251 / 259 per room	13 March 2012	7,040

As at the LPD, the above properties rented by our Group is not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

6. INFORMATION ON OUR GROUP (cont'd)**6.8.2 Operating capacities and output****(i) Manufacture of roofing sheets**

We manufacture roofing sheets at the following operational facilities in Penang, Selangor and Kelantan:

- (a) Penang 1571 Factory;
- (b) Banting Factory; and
- (c) Kota Bharu Factory.

The methodologies used to calculate the annual capacity and utilisation rates are as follows:

- annual capacity is calculated based on 20 hours per day for 6 days a week less gazetted public holiday (15 days). However, we normally operate one 8 hour-shift with 2-hours of overtime per working day.
- utilisation rate is calculated by dividing the actual output by the annual capacity.

Actual output is the quantity of roofing sheets that we manufacture during the respective Period Under Review.

	Number of roll forming machines	Annual capacity Tonnes	Actual output Tonnes	Utilisation rate %
<u>FYE 2020</u>				
Penang 1571 Factory	6	19,950	2,778	14
Banting Factory	5	15,158	454	3
Kota Bharu Factory	4	15,158	2,545	17
Total	15	50,266	5,777	11
<u>FYE 2021</u>				
Penang 1571 Factory	6	19,950	3,930	20
Banting Factory	5	15,158	1,071	7
Kota Bharu Factory	4	15,158	2,578	17
Total	15	50,266	7,579	15
<u>FYE 2022</u>				
Penang 1571 Factory	6	19,950	4,367	22
Banting Factory	5	15,158	2,097	14
Kota Bharu Factory	4	15,158	2,564	17
Total	15	50,266	9,028	18

6. INFORMATION ON OUR GROUP (cont'd)**(ii) Manufacture of roof trusses**

We manufacture roof trusses at the following operational facilities in Penang, Selangor and Kelantan:

- (a) Penang 1571 Factory;
- (b) Banting Factory; and
- (c) Kota Bharu Factory.

The methodologies used to calculate the annual capacity and utilisation rates are as follows:

- annual capacity is calculated based on 20 hours per day for 6 days a week less gazetted public holiday (15 days). We operate two 8 hour-shift with 2-hours of overtime per working day at Penang 1571 Factory and Banting Factory, and one 8 hour-shift with 2-hours of overtime per working day at Kota Bharu Factory.
- utilisation rate is calculated by dividing the actual output by the annual capacity.

Actual output is the quantity of roof truss that we manufacture during the respective Period Under Review.

	Number of roll forming machines	Annual capacity Tonnes	Actual output Tonnes	Utilisation rate %
<u>FYE 2020</u>				
Penang 1571 Factory	9	6,830	1,475	22
Banting Factory	2	6,444	-	-
Kota Bharu Factory	2	6,444	916	14
Total	13	19,718	2,391	12
<u>FYE 2021</u>				
Penang 1571 Factory	9	6,830	3,227	47
Banting Factory	2	6,444	-	-
Kota Bharu Factory	2	6,444	1,165	18
Total	13	19,718	4,392	22
<u>FYE 2022</u>				
Penang 1571 Factory	9	6,830	5,257	(1)77
Banting Factory	2	6,444	2,280	35
Kota Bharu Factory	2	6,444	960	15
Total	13	19,718	8,497	43

Note:

- (1) For FYE 2022, the high utilisation rate was mainly attributed to the increase in production output to cater to higher customer orders.

(iii) Manufacture of welded pipes

We manufacture welded pipes at our operational facility in Penang 1571 Factory. The methodologies used to calculate the annual capacity and utilisation rates are as follows:

- annual capacity is calculated based on 20 hours per day for 6 days a week less gazetted public holiday (15 days). However, we normally operate one 8 hour-shift with 2-hours of overtime per working day.
- utilisation rate is calculated by dividing the actual output by the annual capacity.

6. INFORMATION ON OUR GROUP (cont'd)

Actual output is the quantity of welded pipes that we manufacture during the respective Period Under Review.

	<u>Annual capacity</u>	<u>Actual output</u>	<u>Utilisation rate</u>
	Tonnes	Tonnes	%
FYE 2020	21,622	10,091	47
FYE 2021	21,622	6,575	30
FYE 2022	21,622	7,473	35

(iv) Manufacture of industrial racking systems

We manufacture industrial racking systems in-house at our operational facilities at Penang 1571 Factory and Penang 1572 Factory. The methodologies used to calculate the annual capacity and utilisation rates are as follows:

- annual capacity is calculated based on 20 hours per day for 6 days a week less gazetted public holiday (15 days). However, we normally operate one 8 hour-shift with 2-hours of overtime per working day.
- utilisation rate is calculated by dividing the actual output by the annual capacity.

Actual output is the quantity of metal frames for industrial racking systems that we manufacture during the respective Period Under Review.

	<u>Annual capacity</u>	<u>Actual output</u>	<u>Utilisation rate</u>
	Tonnes	Tonnes	%
<u>FYE 2020</u>			
Penang 1571 Factory	5,863	1,016	17
Penang 1572 Factory	1,500	830	(1)55
Total	7,363	1,846	25
<u>FYE 2021</u>			
Penang 1571 Factory	5,863	1,062	18
Penang 1572 Factory	1,500	354	24
Total	7,363	1,416	19
<u>FYE 2022</u>			
Penang 1571 Factory	5,863	3,110	(2)53
Penang 1572 Factory	1,500	1,036	(2)69
Total	7,363	4,146	56

Notes:

- (1) For FYE 2020, the high utilisation rate was mainly attributed to the increase in production output for subsequent delivery in FYE 2021.
- (2) For FYE 2022, the high utilisation rate was mainly attributed to the increase in production output to cater to higher customer orders.

(v) Supply of scaffoldings

Annual capacity and utilisation rate do not apply to our supply of scaffoldings as the main operation is cutting, welding and finishing of various parts, components and products, which are manual processes using tools and equipment.

6.8.3 Material plans to construct, expand and improve our facilities

Save as disclosed in Section 4.9 and 6.6.1 of this Prospectus, our Group has no other immediate plans to construct, expand or improve our facilities as at LPD.

6. INFORMATION ON OUR GROUP (cont'd)

6.9 EMPLOYEES

As at LPD, our Group has a total workforce of 476 employees of which 312 are permanent employees and 164 are contractual workers; which are made up of 321 local employees and 155 foreign workers. As at LPD, all of our foreign workers have valid working permits and are not in breach of any immigration laws.

None of these employees belong to any labour union. Since incorporation and up to the LPD, there has been no industrial dispute pertaining to our employees nor has there been any incidence of work stoppage or labour disputes that have materially affected our operations.

A summary of our Group's total workforce according to job functions as at 31 December 2022 and LPD is as below:

Departments	As at 31 December 2022						Total number of employees
	Permanent employees		Contractual employees		Geographical Location		
	Local	Foreign	Local	Foreign	West Malaysia	East Malaysia	
Management	12	-	4	-	15	1	16
Finance	18	-	1	-	16	3	19
Human resources	15	-	-	-	11	4	15
Information technology	3	-	-	-	3	-	3
Procurement	6	-	-	-	6	-	6
Production	131	-	2	153	269	17	286
Sales and marketing	77	-	-	-	68	9	77
Logistics	39	-	-	11	46	4	50
Total	301	-	7	164	434	38	472

Departments	As at LPD						Total number of employees
	Permanent employees		Contractual employees		Geographical Location		
	Local	Foreign	Local	Foreign	West Malaysia	East Malaysia	
Management	12	-	5	-	16	1	17
Finance	15	-	1	-	13	3	16
Human resources	20	-	-	-	16	4	20
Information technology	5	-	-	-	5	-	5
Procurement	6	-	-	-	6	-	6
Production	141	-	3	146	275	15	290
Sales and marketing	80	-	-	-	72	8	80
Logistics	33	-	-	9	40	2	42
Total	312	-	9	155	443	33	476

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6. INFORMATION ON OUR GROUP (cont'd)

6.10 MAJOR CUSTOMERS

Our Group top 5 major customers for the Period Under Review are as follows:

FYE 2020

No.	Customers	Country	Type of products	⁽¹⁾Length of	Revenue contribution	
				Years	RM'000	⁽²⁾%
(1)	Silver Maxlink Sdn Bhd	Malaysia	Industrial racking systems and welded pipes	1	5,862	4.5
(2)	Yes Group ⁽³⁾	Malaysia	Industrial racking systems	6	4,231	3.2
(3)	Winzu Hardware Sdn Bhd	Malaysia	Welded pipes	6	3,245	2.5
(4)	Hung Tat Trading	Malaysia	Welded pipes	6	3,235	2.5
(5)	CL Hardware Sdn Bhd	Malaysia	Welded pipes	3	2,849	2.2
				Total	19,422	14.9

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6. INFORMATION ON OUR GROUP (cont'd)

FYE 2021

No.	Customers	Country	Type of products	⁽¹⁾Length of	Revenue contribution	
				relationship	RM'000	⁽²⁾%
				Years		
(1)	United Material Handling Inc.	USA	Industrial racking systems	1	17,975	8.1
(2)	Silver Maxlink Sdn Bhd	Malaysia	Industrial racking systems and steel coils	2	7,154	3.2
(3)	Top Megaview Sdn Bhd	Malaysia	Steel coils, roofing sheets and welded pipes	9	4,583	2.1
(4)	Yes Group ⁽³⁾	Malaysia	Industrial racking systems	7	4,350	2.0
(5)	Kim Company Sdn Bhd	Malaysia	Welded pipes	7	3,641	1.6
				Total	37,703	17.0

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6. INFORMATION ON OUR GROUP (cont'd)

FYE 2022

No.	Customers	Country	Type of products	⁽¹⁾Length of	Revenue contribution	
				Years	RM'000	⁽²⁾%
(1)	Inspec Engineering Systems Sdn Bhd	Malaysia	Industrial racking systems	7	13,233	5.6
(2)	United Material Handling Inc	USA	Industrial racking systems	2	9,908	4.2
(3)	Silver Maxlink Sdn Bhd	Malaysia	Industrial racking systems	3	7,288	3.1
(4)	Yes Group ⁽³⁾	Malaysia	Industrial racking systems	8	5,255	2.2
(5)	Winzu Hardware Sdn Bhd	Malaysia	Welded pipes	8	3,616	1.5
				Total	39,300	16.6

Notes:

- (1) Length of relationship is determined as at the respective FYE 2020, FYE 2021 and FYE 2022.
- (2) Our Group's total revenue for the FYE 2020, FYE 2021 and FYE 2022 are RM130.9 million, RM222.4 million and RM236.2 million respectively.

6. INFORMATION ON OUR GROUP (cont'd)

- (3) Refers to revenue from Yes Metal System Sdn Bhd and Yes Storage System (M) Sdn Bhd, which have common shareholders and directors. For the Period Under Review, the revenue from Yes Group comprised the following:

Yes Group	FYE 2020		FYE 2021		FYE 2022	
	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Yes Metal System Sdn Bhd	3,506	2.7	3,550	1.6	2,881	1.2
Yes Storage System (M) Sdn Bhd	725	0.5	800	0.4	2,374	1.0
Total	4,231	3.2	4,350	2.0	5,255	2.2

Our business is not dependent on any of our major customers as none of the top 5 customers contributed more than 10% of our total revenue for each of the Period Under Review. In addition, our Group has a diverse customer base and we served between 1,000 and 1,700 customers during the Period Under Review. As at LPD, our Group has 1,451 active customers.

Save as disclosed in Section 11.3.5 of this Prospectus, there has been no dispute with our customers which has materially affected our operations or financial performance.

We believe that our track record, capabilities and good working relationships with all our customers will continue to grow as we expand our capabilities to service their needs. As at the LPD, none of our Directors, Promoter and/or substantial shareholder has any interest, direct or indirect, in any of our major customers.

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

6.11 MAJOR SUPPLIERS

Our Group top 5 major suppliers for the Period Under Review are as follows:

FYE 2020

No.	Suppliers	Country	Main raw materials sourced	⁽¹⁾ Length of	Total purchases	
				relationship	RM'000	⁽²⁾ %
				Years		
(1)	Shanghai Hui Yi International Trading Co., Ltd	China	Coated cold-rolled steel coils	1	18,070	21.2
(2)	Samsung C & T Corporation ⁽³⁾	Korea	Hot rolled steel coils	3	17,041	20.0
(3)	Silver Maxlink Sdn Bhd ⁽⁴⁾	Malaysia	Coated cold-rolled steel coils	4	7,261	8.5
(4)	Changzhou Lingdi International Trading Co Ltd	China	Coated cold-rolled steel coils	3	5,882	6.9
(5)	Mareso Pte Ltd	Singapore	Coated cold-rolled steel coils	1	5,791	6.8
				Total	54,045	63.4

6. INFORMATION ON OUR GROUP (cont'd)

FYE 2021

No.	Suppliers	Country	Main raw materials sourced	(1)Length of	Total purchases	
				relationship	RM'000	(2)%
				Years		
(1)	Art Rising (HK) Co, Limited	Hong Kong	Coated cold-rolled steel coils	1	41,559	22.3
(2)	Samsung C & T Corporation ⁽³⁾	Korea	Hot rolled steel coils	4	30,499	16.3
(3)	Boxing Tonghe International Supply Chain Finance Co. Ltd	China	Coated cold-rolled steel coils	1	14,978	8.0
(4)	Top Megaview Sdn Bhd	Malaysia	Coated cold-rolled steel coils	9	13,095	7.0
(5)	LS Shanghai International Trading Co. Ltd	China	Coated cold-rolled steel coils	1	11,914	6.4
				Total	112,045	60.0

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6. INFORMATION ON OUR GROUP (cont'd)**FYE 2022**

No.	Suppliers	Country	Main raw materials sourced	(1)Length of	Total purchases	
				Years	RM'000	(2)%
(1)	Top Megaview Sdn Bhd	Malaysia	Coated cold-rolled steel coils, scaffoldings components and accessories	10	52,791	31.5
(2)	Liuyang Shui De Trade Co. Ltd	China	Coated cold-rolled steel coils	Less than 1	40,449	24.1
(3)	Hebei Ever-Shine Building Materials Import & Export Co. Ltd	China	Coated cold-rolled steel coils	2	15,081	9.0
(4)	Samsung C & T Corporation ⁽³⁾	Korea	Hot rolled steel coils	5	14,950	8.9
(5)	Posco International Corporation ⁽³⁾	Korea	Hot rolled steel coils	Less than 1	5,125	3.1
Total					128,396	76.6

Notes:

- (1) Length of relationship is determined as at the respective FYE 2020, FYE 2021 and FYE 2022.
- (2) Our Group's total purchases for the FYE 2020, FYE 2021 and FYE 2022 are RM85.3 million, RM186.7 million and RM167.8 million respectively.
- (3) A company listed on the Korea Exchange. Samsung C & T Corporation is primarily involved in tourist facilities, golf course services, construction, civil engineering, plant building, housing, development business, technology services, landscaping, energy conservation, environment development, fashion, retail business of various merchandise and project organising businesses in global market, while Posco International Corporation is involved in various business activities including providing international trade, export agency services, intermediary trading, manufacturing, distribution, natural resource development and lease service.
- (4) Silver Maxlink Sdn Bhd is principally involved in the trading of all kinds of steel products. During the Period Under Review, our Group purchased coated cold-rolled steel coils from them for our manufacturing of sheet metal products. Silver Maxlink Sdn Bhd is also one of our major customers for the Period Under Review and they mainly purchased our industrial racking systems for their export market's customers.

6. INFORMATION ON OUR GROUP (cont'd)

While our purchases from several suppliers are in excess of 10.0% of our total purchases of input materials and subcontracted services for the Period Under Review, we are not dependent on any one of them as our purchases are commodities, namely steel coils. Steel materials are purchased based on specifications and are easily available domestically as well as several foreign countries such as China and Korea. However, we are still exposed to risks associated with supply chain disruptions as we mainly purchased imported steel coils including those steel coils imported directly from suppliers in foreign countries as well as purchased domestically from stockists in Malaysia who buy the imported steel coils.

In addition, we are able to purchase from alternative suppliers at costs that are not expected to materially impact total purchases and financial profitability. One of the reasons that we buy large quantities from some suppliers are mainly due to commercial reasons such as favourable commercial terms and to build strong customer-supplier relationships.

We have major suppliers of hot rolled steel coils and coated cold-rolled steel coils with a shorter length of relationship of 1 year or less. The reason for the change in our suppliers was mainly due to commercial reasons where we were able to obtain more favourable prices for our steel materials from another supplier. As our main input materials are mainly steel coils which are commodities and easily available, we were able to source our steel materials from an alternative supplier which offers better commercial terms. As such, we do not foresee any issues arising on the continuity of our suppliers. Save as disclosed in Section 11.2.2 of this Prospectus, there were no other incidences of quality issues with our major suppliers which had affected us during Period Under Review.

Save for Samsung C & T Corporation and Posco International Corporation which are involved in various business activities as disclosed in Note 3 above, our major suppliers of coated cold-rolled steel coils and hot rolled steel coils during the Period Under Review are trading companies.

As at LPD, there has been no dispute with our suppliers which has materially affected our operations or financial performance. As at the LPD, none of our Directors, Promoter and/or substantial shareholder has any interest, direct or indirect, in any of our major suppliers.

6.12 EXCHANGE CONTROLS

Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital or remittance of profits by or to our Group.

6.13 ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

Our Board takes cognizance of the sustainability governance as set out in the Listing Requirements in Relation to Sustainability Reporting Framework, Bursa Securities' Sustainability Reporting Guide (3rd Edition) and Malaysian Code on Corporate Governance 2021.

Our Group has adopted some ESG practices in ensuring environmentally responsible operations, conducting business responsibly and providing conducive workplaces for employees.

Our Board oversees the governance of our Group's sustainability matters while management is responsible for overseeing the implementation of sustainability-related initiatives within the purview of their respective departments. The management is responsible for executing, monitoring and reporting sustainability-related initiatives which assist senior management in making informed decisions to achieve the Group's sustainability goals.

6. INFORMATION ON OUR GROUP (cont'd)

We are committed to setting up an overall Sustainability Framework for our Group based on the following guidelines and standards;

- Listing Requirements in Relation to Sustainability Reporting Framework;
- Bursa Securities' Sustainability Reporting Guide (3rd Edition); and
- Malaysian Code on Corporate Governance 2021.

In terms of implementing and managing sustainability matters, we are and will focus on the following:

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 our suppliers to adhere to ESG principles ensuring that the entire supply chain contributes to sustainability goals.

Environmental Practices:

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

Social Practices:

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

Governance Practices:

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

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