

Sunview associate Winstar eyes ACE Market IPO

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PETALING JAYA: Aluminium extrusion firm Winstar Capital Bhd, backed by ACE Market-listed Sunview Group Bhd, is eyeing a listing on the ACE Market.

Winstar, which sits on negative cash and cash equivalents as at end-2023, plans to use the initial public offering (IPO) proceeds to buy four press machines.

This will more than double its aluminium extrusion capacity to 15,285 tonnes per annum.

Part of the proceeds will also be used to purchase the company's main raw material, aluminium billets.

Winstar unveiled yesterday its draft prospectus for the IPO that entails the issuance of 56.55 million new ordinary shares and an offer for sale of 17.4 million existing shares.

Of the new ordinary shares, about 14.5 million will be allocated to the Malaysian public and 15.95 million to eligible persons.

The remaining 26.1 million new shares will be privately placed to selected investors.

Sunview's indirect wholly-owned subsidiary Vafe System Sdn Bhd owns a 30% stake in Winstar currently. Post-IPO, the stake will reduce to 24.15%.

The promoters of Winstar are Chua Nyok Chong, who will control a 26.02% interest post-IPO, followed by Chua Boon Hong (8.63%), Lee Yong Zhi (8.47%) and Khoo Nee Cheng (7.23%).

Based on the audited results for the financial year ended Dec 31, 2023 (FY23), Winstar made a revenue of RM153.69mil, which rose by nearly 40% year-on-year (y-o-y).

The profit after tax (PAT) was recorded at RM8.02mil, about 52% higher y-o-y. The FY23 PAT margin was 5.22%.

In the draft prospectus, Winstar said it plans to declare dividends of 30% of its audited consolidated PAT of each financial year.

"Our board will take into account various factors including the group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant before recommending the dividends."

Winstar has over 20 years of operating

history in the Malaysian aluminium extrusion market since commencing operations in 2002.

It is also involved in the trading and distribution of building materials, as well as solar photovoltaic system installation services which it ventured into in 2023.

The company owns a manufacturing plant in Ijok, Selangor, that houses four aluminium extrusion lines, one automated powder-coating line, four anodising lines, 10 fabrication and assembly tables for aluminium ladders, as well as an on-site warehouse.

Winstar is in the midst of constructing a new plant, adjacent to its Ijok facility. The new Lot 903 facility is expected to house four aluminium extrusion lines.

"We (also) intend to increase our focus on the fabrication of aluminium mounting structures and expand our fabrication activities to include other solar PV-related aluminium accessories such as brackets and clamps," it said.

In 2023, the major customers of Winstar were Hitti Aluminium Sdn Bhd, Kerjaya Prospek (M) Sdn Bhd and Sunway Winstar Sdn Bhd.