



BWYS GROUP BERHAD

Registration No. 202301000310 (1494229-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

BWYS GROUP BERHAD

Registration No. 202301000310 (1494229-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2025⁽¹⁾

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		Current Quarter 30.06.2025 Unaudited RM'000	Preceding Corresponding Quarter 30.06.2024 Unaudited RM'000	Current Period-to- date 30.06.2025 Unaudited RM'000	Preceding Period-to- date 30.06.2024 Unaudited RM'000
Revenue	A9	69,502	58,473	126,831	123,857
Cost of sales		(55,706)	(47,180)	(100,596)	(100,179)
Gross profit		13,796	11,293	26,235	23,678
Other operating income		3,447	1,211	5,737	2,972
Impairment losses on trade and other receivables, net		(538)	-	(538)	-
Administrative and distribution expenses		(9,016)	(8,568)	(17,898)	(17,180)
Operating profit		7,689	3,936	13,536	9,470
Finance costs		(1,779)	(1,804)	(3,423)	(3,506)
Profit before tax	B12	5,910	2,132	10,113	5,964
Tax expense	B5	(1,946)	(671)	(3,521)	(1,830)
Profit after tax/ Total comprehensive income		3,964	1,461	6,592	4,134
Profit attributable to:					
- Owners of the Company		3,964	1,461	6,592	4,134
Total comprehensive profit attributable to:					
- Owners of the Company		3,964	1,461	6,592	4,134
Basic and diluted earnings per share ("EPS") (sen) ⁽²⁾⁽³⁾	B11	0.39 ⁽²⁾	0.14 ⁽³⁾	0.64 ⁽²⁾	0.40 ⁽³⁾

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2025⁽¹⁾ (CONT'D)**Notes:**

- (1) The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by weighted average number of ordinary shares of 1,025,213,000 shares as at 30 June 2025. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review (refer to Note B11).
- (3) Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by expected number of ordinary shares of 1,025,213,000 shares upon completion of the Listing. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the preceding financial quarter under review (refer to Note B11).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025⁽¹⁾

		Unaudited As at 30.06.2025 RM'000	Audited As at 31.12.2024 RM'000
	Note		
Non-current assets			
Property, plant and equipment		150,429	145,408
Right-of-use assets		25,060	20,709
Goodwill on consolidation		87	-
		<u>175,576</u>	<u>166,117</u>
Current assets			
Inventories		87,447	92,165
Trade and other receivables		83,549	61,590
Current tax assets		6,121	6,031
Cash and bank balances		61,599	75,463
		<u>238,716</u>	<u>235,249</u>
Total assets		<u>414,292</u>	<u>401,366</u>
Equity attributable to owners of the Company			
Share capital		200,540	200,540
Merger reserve		(115,735)	(115,735)
Retained earnings		139,613	133,021
Total equity		<u>224,418</u>	<u>217,826</u>
Non-current liabilities			
Borrowings	B8	53,231	53,205
Lease liabilities		6,712	5,480
Deferred tax liabilities		3,789	4,027
		<u>63,732</u>	<u>62,712</u>
Current liabilities			
Trade and other payables		31,851	23,774
Borrowings	B8	84,462	90,131
Lease liabilities		5,988	3,296
Provisions		987	987
Current tax liabilities		2,854	2,640
		<u>126,142</u>	<u>120,828</u>
Total liabilities		<u>189,874</u>	<u>183,540</u>
Total equity and liabilities		<u>414,292</u>	<u>401,366</u>
Net assets per share (RM) ⁽²⁾		<u>0.22</u>	<u>0.21</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025⁽¹⁾ (CONT'D)**Notes:**

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's issued share capital of 1,025,213,000 ordinary shares as at 30 June 2025 and 31 December 2024.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025⁽¹⁾

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total Equity RM'000
Unaudited				
Balance as at 1 January 2025	200,540	(115,735)	133,021	217,826
Total comprehensive income for the financial period	-	-	6,592	6,592
Balance as at 30 June 2025	200,540	(115,735)	139,613	224,418
Audited				
Balance as at 1 January 2024	30,357	-	125,344	155,701
Total comprehensive income for the financial year	-	-	7,677	7,677
<u>Transactions with owners</u>				
Issuance of shares pursuant to:				
- acquisitions of subsidiaries in business combination under common control	115,735	(115,735)	-	*
- initial public offering	56,387	-	-	56,387
Share issuance expenses	(1,939)	-	-	(1,939)
Balance as at 31 December 2024	200,540	(115,735)	133,021	217,826

Note:

* Negligible

- (1) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025⁽¹⁾

	Current Year-to-date 30.06.2025 RM'000	Preceding Year-to-date 30.06.2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,113	5,964
Adjustments for:		
Bad debts recovered	(66)	(37)
Depreciation of:		
- property, plant and equipment	4,765	3,746
- right-of-use assets	2,558	1,736
Income distribution on short term fund	(60)	-
Gain on disposals of property, plant and equipment	(355)	(1,199)
Gain on fair value adjustment on short term fund	(449)	-
Gain on lease termination	-	(27)
Impairment losses on trade and other receivables	538	-
Interest expenses	3,423	3,506
Interest income	(396)	(295)
Property, plant and equipment written off	708	141
Unrealised (gain)/loss on foreign exchange	(97)	158
Operating profit before changes in working capital	20,682	13,693
Changes in working capital:		
Inventories	(6,862)	(107)
Trade and other receivables	(22,282)	(2,265)
Trade and other payables	8,026	(7,631)
Cash generated (used in)/from operations	(436)	3,690
Tax paid	(4,133)	(3,488)
Tax refunded	497	-
Net cash (used in)/from operating activities⁽²⁾	(4,072)	202
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary	(87)	-
Net withdrawals from short term fund	509	-
Interest received	396	295
Proceeds from disposals of property, plant and equipment	2,978	3,201
Purchase of:		
- property, plant and equipment	(1,537)	(4,559)
- right-of-use assets	(6)	(35)
Net cash from/(used in) investing activities	2,253	(1,098)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025⁽¹⁾ (CONT'D)

	Current Year-to-date 30.06.2025 RM'000	Preceding Year-to-date 30.06.2024 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers' acceptances	(3,933)	9,288
Drawdown of term loans	2,619	-
Interest paid	(3,054)	(3,201)
Repayments of:		
- term loans	(2,818)	(2,632)
- lease liabilities	(3,347)	(2,263)
Net changes in deposits pledged to licensed banks	3,163	(749)
Net cash (used in)/from financing activities	(7,370)	443
Net changes in cash and cash equivalents	(9,189)	(453)
CASH AND CASH EQUIVALENTS AT BEGINNING	53,043	6,119
CASH AND CASH EQUIVALENTS AT END	43,854	5,666
Cash and cash equivalents comprised of:		
Cash and bank balances	27,345	6,212
Deposits with licensed banks	17,745	19,755
Short-term investments	16,509	-
	61,599	25,967
Less:		
Bank overdrafts	-	(19,755)
Deposits pledged to licensed banks	(17,745)	(546)
	43,854	5,666

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) In the current financial period-to-date ended 30 June 2025, operating activities posted a net cash outflow of RM4.07 million as compared to an inflow of RM0.20 million in preceding year-to-date ended 30 June 2024. The decline was mainly attributed to the reclassification of RM11.58 million worth of scaffoldings from inventories to property, plant and equipment for rental purposes. As this transfer is a non-cash adjustment, it reduced inventory levels without generating immediate cash inflow, thereby impacting operating cash flow.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of BWYS Group Berhad (“**BWYS**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRSs**”) No. 134: *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB which are applicable to the financial statements and are relevant to the operations:

(i) Adoption of amendments

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 *Lack of Exchangeability*

The adoption of the above amendment does not have significant financial impact to the Group’s consolidated financial statements for the current quarter.

(ii) Standards and amendments issued but not yet effective

Effective for annual periods beginning on or after 1 January 2026

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

Amendments to MFRS 9 and 7 *Contracts Referencing Nature-dependent Electricity*

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above standards and amendments is not expected to have any material impact on the financial statements in the period of initial adoption.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2024.

A4. SEASONAL OR CYCLICAL FACTORS

The Group’s operation was not significantly affected by any unusual seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in the current quarter and financial period-to-date under review.

A7. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. DIVIDEND PAID

There was no dividend paid by the Company during the current financial quarter under review.

A9. SEGMENTAL INFORMATION

The Group operates predominantly in a single operating segment, namely the manufacturing, sale and rental of steel and metal related products.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the information by operating segments has not been reported separately.

Segmental information is provided based on contribution by geographical factors.

Majority of the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/detail of the segment assets of the Group.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**A9. SEGMENTAL INFORMATION (CONT’D)****Revenue contribution by geographical factors**

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
Countries	RM’000	RM’000	RM’000	RM’000
Malaysia	66,008	53,680	121,110	113,953
United States of America	1,478	4,218	2,617	9,028
Others ⁽¹⁾	2,016	575	3,104	876
Total	69,502	58,473	126,831	123,857

Notes:

(1) Other countries include Singapore, Bangladesh and the Philippines.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current financial quarter under review, where the revaluation surplus or deficit will be incorporated in the financial statements of the Group.

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report:

- (i) On 28 July 2025, the Board of Directors of the Company announced that its wholly-owned subsidiary, BW Yee Seng Steel Industries Sdn. Bhd. had entered into a sale and purchase agreement for the disposal of two (2) parcels of freehold properties in Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang, for a total cash consideration of Ringgit Malaysia Eleven Million Two Hundred Seventy Five Thousand (RM11,275,000.00). This transaction is pending completion.
- (ii) On 1 August 2025, M & A Securities Sdn Bhd had, on behalf of the Board of Directors of the Company, announced that BW Scaffold Industries Sdn Bhd, a wholly-owned subsidiary of the Company had entered into the sale and purchase agreement with Yusin Machinery (Malaysia) Sdn Bhd, for the disposal of a parcel of leasehold industrial land with three (3) blocks of four storey office buildings, three (3) blocks of single storey detached factory buildings and ancillary building held under H.S.(M) 20681, PT404, Seksyen 2, Pekan Bukit Changgang, Tempat Olak Lempit, Daerah Kuala Langat, Negeri Selangor Darul Ehsan for a total cash consideration of RM67,000,000.00. This transaction is subject to the Company’s shareholders’ approval at a forthcoming extraordinary general meeting to be convened and is pending completion.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**A12. CHANGES IN COMPOSITION OF THE GROUP**

Save as disclosed below, there were no other material changes in the composition of the Group and for the current financial quarter under review.

On 13 February 2025, BWYS Sdn. Bhd. (“**BWYSSB**”), a wholly-owned subsidiary of the Company, had incorporated BW Prestige Properties Sdn. Bhd. (“**BWPP**”) with paid up share capital of RM10 comprising of 10 ordinary shares. BWYSSB subscribed 4 ordinary shares for a total consideration of RM4, representing 40% equity interest in BWPP. Subsequently, on 24 June 2025, BWYSSB had acquired the remaining 60% equity interest in BWPP comprising 6 ordinary shares, for a cash consideration of RM81,000, following which BWPP became a wholly-owned subsidiary of BWYSSB.

A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Save for the material litigation as disclosed in Note B9, there were no contingent liabilities or contingent assets in the Group as at the date of this interim report.

A14. CAPITAL COMMITMENTS

Saved as disclosed below, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group’s financial position as at the date of this interim financial report.

Unaudited
As at 30.06.2025
RM'000

Capital expenditure in respect of purchase of property, plant and equipment

- contracted but not provided for

25,082

A15. RELATED PARTY TRANSACTIONS DISCLOSURES

The Group has carried out the following transactions with related parties during the financial period:

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Sales	-	223	-	319
Purchases	-	-	-	(10)
Lease payment	(116)	(143)	(232)	(286)
Rental expenses - short term leases	(124)	(124)	(248)	(248)

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. REVIEW OF PERFORMANCE**

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	69,502	58,473	126,831	123,857
Profit before tax	5,910	2,132	10,113	5,964
Profit after tax	3,964	1,461	6,592	4,134

Current Quarter

In the current financial quarter under review, the Group recorded revenue of RM69.50 million, representing an increase of RM11.03 million or 18.86% as compared to the revenue of RM58.47 million for the preceding year corresponding quarter. The increase in revenue was mainly contributed by higher overall sales performance, which was supported by growing demand from construction sector and existing customers in Malaysia market.

Malaysia was the Group's largest overall market, recording revenue of RM66.01 million or 94.97% (2024: RM53.68 million or 91.80%) of the Group's revenue for the current financial quarter under review.

United States of America was the Group's largest foreign market and recorded revenue of RM1.48 million or 2.13% (2024: RM4.22 million or 7.21%) of the Group's revenue for the current financial quarter under review.

Period-To-Date Ended

In the current financial period-to-date ended 30 June 2025, the Group recorded revenue of RM126.83 million, representing an increase of RM2.97 million or 2.40% as compared to the revenue of RM123.86 million for the preceding year corresponding financial period. The increase in revenue was mainly contributed by higher sales performance on rental scaffoldings and trading of steel materials and related products, which was supported by growing demand from construction sector and existing customers in Malaysia market as explained above.

Malaysia was the Group's largest overall market, recording revenue of RM121.11 million or 95.49% (2024: RM113.95 million or 92.00%) of the Group's revenue for the current financial period-to-date under review.

United States of America was the Group's largest foreign market and recorded revenue of RM2.62 million or 2.06% (2024: RM9.03 million or 7.29%) of the Group's revenue for the current financial period-to-date under review.

Profit before tax

The Group has recorded the profit before tax of RM5.91 million and RM10.11 million respectively for the current financial quarter and financial period-to-date, representing an increase of RM3.78 million or 177.20% and RM4.15 million or 69.57% as compared to the preceding year corresponding quarter and financial period. The increase in profit before tax primarily attributable to the following factors:

- i. Higher gross profit which was mainly due to increase in revenue.
- ii. Increased in other operating income was mainly due to rental of factory and machinery.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

	Individual Quarter Ended			
	30.06.2025	31.03.2025	Variance	%
	Unaudited RM'000	Unaudited RM'000		
Revenue	69,502	57,329	12,173	21.23
Profit before tax	5,910	4,203	1,707	40.61

The Group recorded revenue of RM69.50 million for the current financial quarter representing an increase of RM12.17 million or 21.23% as compared to RM57.33 million in the preceding financial quarter. The improvement in sales performance was mainly contributed by higher sales volume on overall segments, which was supported by growing demand from construction sector and existing customers.

The Group has recorded the profit before tax of RM5.91 million for the current financial quarter representing an increase of RM1.71 million or 40.61% as compared to RM4.20 million in the preceding financial quarter. The increase in profit before tax was primarily attributable to the higher other operating income which mainly due to the rental of factory and gain on disposal of rental scaffoldings.

B3. PROSPECTS OF THE GROUP

Steel prices remained subdued due to ongoing global market uncertainties and supply-demand imbalances. Additionally, the imposition of a 19% tariff on Malaysian exports to the United States, effective 7 August 2025, adds further volatility to international trade dynamics. The Group will continue to monitor how this development may affect global supply conditions and local steel pricing trends.

Domestically, the latest figures released by the Department of Statistics Malaysia (DOSM) indicate that the construction sector maintained strong momentum, recording a double-digit year-on-year growth of 11.0% in the second quarter of 2025. This growth was primarily driven by sustained activity in the non-residential building segment and continued strength in specialised construction activities.

Looking ahead, the Group is strategically positioned to capitalise on key infrastructure developments such as the Penang Light Rail Transit (LRT), East Coast Rail Link (ECRL), Mass Rapid Transit 3 (MRT3), Penang International Airport expansion and more. The Group continues to maintain a state of operational readiness and will proactively pursue participation in upcoming large-scale projects where appropriate.

In support of our long-term growth strategy, the construction of our new Penang factory is progressing on schedule, with operations targeted to commence in the first quarter of 2026. Once operational, the new factory will expand production capacity, improve operational efficiency, broaden product offerings, and enable adoption of more advanced technologies.

To navigate current market challenges, the Group is intensifying efforts to streamline operations, strengthen cost discipline, and manage inventory more effectively to preserve financial stability. At the same time, we are actively pursuing product development initiatives and investing in advanced manufacturing technologies to enhance productivity and sharpen our competitive edge.

Although global steel market conditions remain uncertain, the Group takes a measured view of the future and sees long-term opportunities underpinned by domestic construction activity and the Group's ongoing strategic execution.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B4. VARIANCE OF ACTUAL PROFITS FROM FORECAST PROFITS**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. INCOME TAX EXPENSES

	Quarter Ended		Period-To-Date Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Income tax expenses				
- Current tax	2,183	671	3,759	1,830
- Deferred tax	(237)	-	(238)	-
Total income tax expense	1,946	671	3,521	1,830
Effective tax rate (%)	32.93	31.47	34.82	30.68
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The Group's effective tax rate was higher than statutory tax rate mainly due to certain expenses not being deductible for tax purposes.

B6. STATUS OF CORPORATE PROPOSALS

Save as disclosed in A11, there were no corporate proposals announced but not completed as at the date of this interim report.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B7. UTILISATION OF PROCEEDS FROM IPO**

The status of utilisation of gross proceeds of RM56.39 million from Public Issue are as follows:

Utilisation of proceeds ⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Estimated timeframe for utilisation from Listing ⁽²⁾
Capital expenditure:				
- Construction of New Penang factory	22,840	17,320	5,520	Within 36 months
- Purchase of new machinery and equipment	7,716	2,925	4,791	Within 36 months
- Implementation of new ERP system, production and inventory management systems	10,831	-	10,831	Within 36 months
Repayment of bank borrowings	4,000	956	3,044	Within 12 months
Working capital	5,500	5,500	-	Within 12 months
Estimated listing expenses	5,500	5,500	-	Within 3 months
Total	56,387	32,201	24,186	

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 18 June 2024.
- (2) From the date of Listing of the Company on 22 July 2024.

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BWYS GROUP BERHAD

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B8. GROUP BORROWINGS AND DEBTS SECURITIES**

The Group's bank borrowings were as follows:

	<u>Unaudited</u> As at 30.06.2025 RM'000	<u>Audited</u> As at 31.12.2024 RM'000
<u>Current</u>		
<i>Secured</i>		
Bank overdrafts	-	1,511
Bankers' acceptances	77,449	81,383
Revolving credit	1,000	1,000
Term loans	6,013	6,237
	<u>84,462</u>	<u>90,131</u>
<u>Non-current</u>		
<i>Secured</i>		
Term loans	<u>53,231</u>	<u>53,205</u>
Total	<u>137,693</u>	<u>143,336</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

B9. MATERIAL LITIGATION

Save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect its position or business as at the date of this interim report:

BW Yee Seng Steel Industries Sdn Bhd ("BWYS Steel") vs Mentari Arus Sdn Bhd, Kong Bee Kai & Thau Po Been ("Mentari")

BWYS Steel, pursuant to a sale agreement dated 22 October 2019 entered into with Mentari, sold and delivered certain products and rental services, including those related to VFrame Wall Framing System V70 ("Products"), to Mentari.

On 27 September 2021, Mentari claimed for the sum of RM987,402, alleging that the supply of Products were defective and they have suffered substantial damages as a result of the breach of the agreements.

On 5 July 2022, BWYS Steel filed a Statement of Claim against Mentari for claims arising from the supply of Products for a sum of RM155,321 together with interest of 1.5% per annum thereon from the date of filing until the full settlement of the sum.

This matter is fixed for decision on 21 August 2025.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. MATERIAL LITIGATION (CONT'D)

BW Scaffold Industries Sdn Bhd (“BW Scaffold” or “Plaintiff”) vs Ding Chang Construction Sdn Bhd (“Ding Chang”) & Chung Yin Yung @ Alexander (“Alexander”) (collectively, referred to as “Defendants”)

BW Scaffold, pursuant to rental agreements dated 26 June 2023 and 7 July 2023 entered into with Ding Chang (hereinafter referred as “Rental Agreements”), had rented and/or delivered goods including but not limited to scaffolding accessories (hereinafter referred as “the Goods”) to Ding Chang in relation to two projects known as Centro JBCC and Diamond City. In addition, Alexander had on 8 June 2023 provided a Continuing Guarantee and Indemnity. As such, Alexander, being the guarantor, is unconditionally jointly and severally liable for the amount due or owing by Ding Chang to BW Scaffold in consideration of the Rental Agreements.

On 29 May 2024, BW Scaffold vide a Notice of Demand, claimed the sum of RM758,066.47 from Ding Chang and Alexander, being a sum for outstanding rental charges together with the interest accrued thereon. On 3 July 2024, Ding Chang by way of a letter to BW Scaffold, proposed to settle the outstanding sum by paying the sum of RM718,741.64 (being the settlement sum upon deducting the interest rate) via 10 installments. However, the proposal was rejected by BW Scaffold with the reason that the proposed settlement sum of RM718,741.64 is deemed low.

On 4 December 2024, BW Scaffold has vide a Notice of Termination, terminated the Rental Agreements and claimed the sum of RM931,936.38 and requested for the Goods to be returned to BW Scaffold, failing which Ding Chang and Alexander shall be jointly and severally liable to pay the sum of RM1,265,141.59 being the replacement costs of the Goods.

On 18 December 2024, BW Scaffold, vide a Final Notice to Ding Chang, claimed the total outstanding sum of RM2,197,077.97 (including the outstanding rental charges and interest accrued thereon as at 29 November 2024 together with the replacement costs of the Goods).

On 13 June 2025, BW Scaffold, has filed a writ action against Ding Chang and Alexander to claim for the sum of RM2,086,633.84 together with the interest of 1.5% per month accrued on it until full settlement.

Pursuant to the court's instructions given during the case management on 15 July 2025, the Defendants are to file their defence on 28 July 2025. Nevertheless, Defendants' solicitors had requested for an extension of time until 31 July 2025. On 31 July 2025, the Defendants' solicitors emailed BW Scaffold's solicitor and requested for relevant documents and no defence has been filed. BW Scaffold is currently awaiting the court's further instructions for the Defendants to file their defence.

The Company is not expected to have any material financial impact and operational impact arising from the outcome of this Claim.

B10. DIVIDENDS

No dividend has been proposed or declared for the current financial quarter under review.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B11. EARNINGS PER SHARE (“EPS”)**

The basic and diluted EPS for the current quarter and financial period-to-date are computed as follows:

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
Profit attributable to the Owners of the Company (RM'000)	3,964	1,461	6,592	4,134
Weighted average Number of ordinary shares in issue ('000)	1,025,213	1,025,213	1,025,213	1,025,213
Basic and diluted EPS (sen) ⁽¹⁾⁽²⁾	0.39 ⁽¹⁾	0.14 ⁽²⁾	0.64 ⁽¹⁾	0.40 ⁽²⁾

Notes:

- (1) Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by weighted average number of ordinary shares of 1,025,213,000 shares as at 30 June 2025. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.
- (2) Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by expected number of ordinary shares of 1,025,213,000 shares upon completion of the Listing. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the preceding financial quarter under review.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Profit for the period was derived after taking into consideration of the following:

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Interest income	(183)	(160)	(396)	(295)
Interest expense	1,779	1,804	3,423	3,506
Income distribution on short term fund	(25)	-	(60)	-
Depreciation expenses	3,999	2,906	7,323	5,482
Bad debts recovered	(33)	(33)	(66)	(37)
Gain on fair value adjustment on short term fund	(200)	-	(449)	-
Gain on disposals of property, plant and equipment	(470)	(77)	(355)	(1,199)
Property, plant and equipment written off	499	116	708	141
Gain on lease termination	-	-	-	(27)
Impairment losses on trade and other receivables	538	-	538	-
Unrealised (gain)/loss on foreign exchange	(25)	151	(97)	158

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B13. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company on 18 August 2025.

BY ORDER OF THE BOARD
BWYS GROUP BERHAD