

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of BWYS Group Berhad (“**BWYS**” or the “**Company**”) recognises that strong corporate governance is critical in driving long-term sustainable value, managing risks effectively and maintaining investor confidence.

The Board is pleased to present this Corporate Governance Overview Statement (“**Statement**”) to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 31 December 2025 (“**FYE 2025**”). This Statement is prepared pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and summarises the application by the Company of the Principles and Recommendations of the Malaysian Code on Corporate Governance (“**MCCG**”).

The Board has also provided a detailed explanation on the application of each Practice in its Corporate Governance Report (“**CG Report**”) which is available in the Company’s website at <https://www.bwysgroup.com>.

Out of the total forty-three (43) recommended practices in the MCCG, the Company had adopted thirty-nine (39) recommended practices, two (2) departures while two (2) recommended practices were not applicable in view of (i) BWYS is not a large company (Practice 12.2) and, (ii) BWYS had held its physical general meeting in the financial year under review (Practice 13.5). The Board remains committed to progressively enhancing its governance practices and will continue to review areas of improvement in line with evolving best practices.

The departures in recommended practice in FYE 2025 were as follows:

- (i) Practice 8.2 – The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- (ii) Practice 13.3 – Listed companies should leverage technology to facilitate-
 - voting including voting in absentia; and
 - remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

The recommended practices not applicable in FYE 2025 were as follows:

- (i) Practice 12.2 – Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- (ii) Practice 13.5 – The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Amongst the 5 Step-Up practices, the Company had adopted Practice 4.5, 9.4 and 10.3 in FYE 2025 as follows:

- (i) Practice 4.5 – The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.
- (ii) Practice 9.4 – The Audit Committee should comprise solely of independent directors.
- (iii) Practice 10.3 – The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company’s risk management framework and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

The Board, which is led by members with a diverse range of skills and experience plays a strategic role in overseeing the Group's corporate objective, strategies, directions and long-term business goals and is responsible for the overall management of the Group.

As at 31 December 2025, at least half of the board members are independent non-executive directors. The current composition of the Board consists of one (1) Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors.

The Board has reviewed its size and composition and is satisfied that its current size and composition are effective, with appropriate balanced skills, independence and experience to support the Group's strategic objectives. The profiles of each Director are set out in the Board of Directors' Profile on this Annual Report.

The roles of the Chairman and Managing Director ("**MD**") are held by separate individuals, each with distinct roles and responsibilities stated in the Board Charter. The Chairman is responsible for leading the Board in instilling good corporate governance and collective oversight of management while the MD focuses on the business and day-to-day management of the Group. In order to ensure the independence of these Board Committees and prevent any undue influence, the Chairman is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

The Board has in place a Diversity Policy for the Directors. The Company maintains at least thirty per cent (30%) women directors to maintain a balance Board composition in line with Practice 5.9 of the MCCG. In seeking potential candidate(s) for new appointment, the Board takes into account ethnicity and age distribution of the Directors to maintain a balance composition. Presently there are three (3) women directors in the Board out of six (6), comprising half of the members of the Board.

Sustainability Governance

The Board retains ultimate responsibility for the oversight of sustainability matters and ensures that sustainability considerations are integrated into the Group's strategy, operations and risk management framework. These sustainability strategies, initiatives and practices are available in our Company's website at <https://www.bwysgroup.com>.

To support the Board in discharging its responsibilities, the Group has established a Sustainability Management Committee ("**SMC**") and a Sustainability Working Group ("**SWG**"). The SMC, chaired by a designated senior management personnel, provides strategic direction and oversight on sustainability matters, while the SWG is responsible for the implementation, monitoring and day-to-day management of sustainability initiatives across the Group.

The SWG consolidates sustainability data, tracks key performance indicators and coordinates initiatives across business units, and reports to the SMC on a regular basis. The SMC Chairman, in turn, provides quarterly updates to the Board, covering key sustainability performance indicators, progress of initiatives, material environmental, social and governance ("**ESG**") risks and regulatory developments.

During the financial year, the Board reviewed updates presented by the SMC Chairman, including ESG performance, regulatory developments and progress against sustainability initiatives.

The Board has also put in place a Sustainability Policy for reference and adherence by the Board and Key Senior Management.

The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Company Secretaries

The Board is supported by two (2) suitably qualified and competent company secretaries i.e. Rebecca Kong Say Tsui (MAICSA 7039304) (SSM PC No. 202008001003) and Yeng Shi Mei (MAICSA 7059759) (SSM PC No. 202008001282). Both the Company Secretaries are qualified pursuant to the requirements of the Companies Act 2016 (“the Act”).

The Board obtains appropriate advice and support from the Company Secretaries on company secretarial matters, compliance with the relevant laws and regulations and adoption of corporate governance best practices. The Company Secretaries ensure that the Board and Board Committees meetings are properly convened and the proceedings are properly recorded. The Company Secretaries also work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

The Board is regularly updated and apprised by the Company Secretaries on changes in the Act, new and/or changes in relevant rules/regulations issued by regulatory authorities.

Board Responsibilities

The Board shall lead and manage the Company in an effective and responsible manner and all the Directors who owe fiduciary duties to the Company must exercise reasonable care, skill, and diligence to discharge their duties in an effective and efficient manner.

The Board, collectively and individually, are aware of their role and responsibilities to shareholders and stakeholders as per the following:

- (a) to promote good corporate governance culture within the Group which enforces ethical, prudent and professional behaviour;
- (b) to avoid conflicts of interest wherever possible. Where a conflict arises, they must adhere scrupulously to the procedures provided by the law, the Constitution and any policies or procedures approved by the Board for dealing with conflicts, whereby they must disclose their nature of interest during the Board meeting and shall not participate in any discussion and shall abstain from the decision-making process;
- (c) to oversee the sustainability management of the Company;
- (d) to oversee the anti-bribery management of the Company;
- (e) to establish and review the strategic direction and plans of the Company;
- (f) to monitor the implementation of strategic plans by Management;
- (g) to review and approve all quarterly and annual financial statements for announcement to the Bursa Securities and stakeholders. The ARMC reviews and recommends the financial statements prior to presentation to the Board;
- (h) to oversee and evaluate the conduct of the businesses of the Company;
- (i) to evaluate performance of the Management in accordance with pre-determined set of performance measurement;
- (j) to identify and evaluate business risks and ensure implementation of a managed sound risk management framework;
- (k) to review the adequacy and integrity of the internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (l) to review and oversee the appointment, resignation or termination of directors, company secretaries, auditors and key senior management are properly carried out and documented;
- (m) to ensure establishment of succession plans for the Board members and key senior management;
- (n) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCGG;
- (o) to ensure the Board is supported by at least a suitably qualified and competent company secretary(ies) to whom shall have advice on compliance with applicable laws and any amendment to the laws and regulations related to the listing;
- (p) to formalise ethical standards of conduct through a Code of Conduct for Directors and Management and ensure compliance;
- (q) to develop and implement an investors’ relations programme, a shareholders or stakeholders communication policy and ensure the Company’s strategies to promote sustainability are communicated to the Company’s shareholders and stakeholders; and
- (r) In relation to the financial reporting, to present a balanced and meaningful assessment of the Company’s financial performance primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the ARMC to oversee the Company’s financial reporting process and the quality of the financial reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

The Board has adopted a Board Charter which is available on the Company's website at <https://www.bwysgroup.com>.

The Board Charter will be reviewed as and when necessary to enable the Company to maintain consistency with the Board's roles and responsibilities, evolving business needs, current laws and practices.

During the financial year, five (5) Board meetings were held, and the Board members' attendance details are set out below:

Director	Number of meetings attended during the financial year ended 31 December 2025
Dato' Saidi Bin Ismail Independent Non-Executive Chairman	5/5
Kang Beng Hai Non-Independent Executive Director / Managing Director	5/5
Kang Yi Ki Non-Independent Executive Director	5/5
See Swee Sie Independent Non-Executive Director	5/5
Teresa Tan Siew Kuan Independent Non-Executive Director	5/5
Lim Chee Hoong Independent Non-Executive Director	5/5

The Directors recognise the need to continually develop and refresh their skills and knowledge to effectively discharge their duties and responsibilities. During the financial year, the Directors have undertaken various training programmes to keep abreast of developments in the industry, sustainability matters, regulatory updates, taxation, emerging risks, corporate strategies and evolving business challenges.

The details of training programmes attended by the Directors during the financial year are set out below:

Director	Training / Courses Attended	Organiser / Trainer	Date
Dato' Saidi Bin Ismail	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• SST Expansion	CAD Training Centre	21 November 2025
Kang Beng Hai	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• SST Expansion	CAD Training Centre	21 November 2025
Kang Yi Ki	• Seminar on Sales Tax Expansion: Updates & Implications for the Iron and Steel Industry	Malaysian Iron & Steel Industry Federation (MISIF)	26 August 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
See Swee Sie	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• E-Invoicing Strategic Implementation	Knowledge Tree	26 November 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

Director	Training / Courses Attended	Organiser / Trainer	Date
Teresa Tan Siew Kuan	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	22 - 23 January 2025
	• Share Capital - Issuance and Alteration	CPA AUSTRALIA	19 March 2025
	• CFO Circle Webinar: Strategic Leadership in the Age of AI and RPA - Driving Purpose and Innovation	Malaysia Institute of Accountants	19 May 2025
	• Cyber Risk - An Enterprise Risk, Not just IT Risk	Netaassist (M) Sdn Bhd	23 July 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• Tax Seminar on Budget 2026	REMS Tax Services Sdn Bhd	20 November 2025
Lim Chee Hoong	• Implementation of E-Invoicing in Malaysia	Chartered Tax Institute Of Malaysia	13 February 2025
	• All You Need to Know about Personal Taxation	Chartered Tax Institute Of Malaysia	24 February 2025
	• [SSM Webinar] MBRS 2.0 For Preparers - Financial Statements	Suruhanjaya Syarikat Malaysia	5 - 6 March 2025
	• Transfer Pricing: Revised Scope, Requirements & Audit Approach	Chartered Tax Institute Of Malaysia	12 March 2025
	• Perak Tax Forum 2025: Tax in a Digital World - Challenges and Opportunities	Chartered Tax Institute Of Malaysia	17 April 2025
	• Malaysian Private Reporting Standards (MPERS) - Updates and Application of MPERS	The Malaysian Institute Of Certified Public Accountants	17 - 18 July 2025
	• Cyber Risk - An Enterprise Risk, Not Just IT Risk	Netaassist (M) Sdn Bhd	23 July 2025
	• Anti Bribery Management Awareness and Refresher Session Business Continuity Management and Crisis Management Awareness Training	GRC Consulting Services Sdn Bhd	7 August 2025
	• SSM National Conference 2025 on Leading Governance for Sustainable Growth	Suruhanjaya Syarikat Malaysia	19 - 20 August 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)	Lembaga Hasil Dalam Negeri Malaysia	14 October 2025
	• 2026 Budget Seminar	Chartered Tax Institute Of Malaysia	21 October 2025
	• Case Study - Based MRFS Webinar: MFRS 15 Revenue from contracts with Customers MPERS Section 23 & 24	Malaysia Institute of Accountants	1 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Committees

The Board has established three (3) Board Committees (“**Board Committees**”) to assist in the performance of its stewardship duties under specific terms of reference (“**TOR**”).

The established Committees are the Audit and Risk Management Committee (“**ARMC**”), Nomination Committee (“**NC**”) and Remuneration Committee (“**RC**”). The members of all these three (3) committees comprise wholly of Independent Non-Executive Directors. The TORs for these three (3) Board Committees are available on the Company’s website at <https://www.bwysgroup.com>.

All decisions and deliberations at Boards Committee level are documented by the Company Secretary in the minutes of meetings. The Chairpersons of these three (3) Board Committees will report on the outcome of the Committee meetings to the Board for further deliberation and approval.

The tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director whose term has exceeded nine years, it should provide justification and seek annual shareholders’ approval through a two-tier voting process.

Nomination Committee

The Board has put in place a Fit and Proper Policy (“**Policy**”) to guide the NC and the Board in their review and assessment of candidates who are to be appointed on the Board as well as the Directors who are seeking for re-election. This Policy states down the criteria for such appointment to be met for the assessment of directors i.e. they should possess the skills, character, integrity, experience, competence, time and commitment to carry out their roles and responsibilities.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors and is chaired by Ms See Swee Sie. The NC’s roles and responsibilities are governed by its TOR which can be obtained from the Company’s website at <https://www.bwysgroup.com>.

The NC is responsible for making recommendations for any new appointment to the Board and its various Board Committees. In the selection of such candidates, the NC considers, inter alia, the qualities, experience, skills, education, competence, integrity and other factors which the candidates should bring to the Board. The ultimate decision as to who should be nominated lies with the Board after considering the recommendations of the NC.

The NC conducted an annual assessment to evaluate the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director for the FYE 2025. The assessment also included a review of the independence of Independent Directors and the Board’s skills matrix.

Based on the assessment, the NC concluded that the overall effectiveness of the Board and Board Committees was good and satisfactory respectively, with the Board demonstrating an appropriate balance of skills, experience, independence and knowledge to effectively discharge its roles and responsibilities. The Board was also assessed to be appropriately sized to support the Group’s strategic objectives.

The assessment also identified areas for enhancement, including increasing the frequency and duration of Board meetings to allow for more in-depth deliberation, as well as strengthening the Board’s oversight of sustainability matters through the incorporation of sustainability-related key performance indicators in Board discussions.

The NC is satisfied that the evaluation process was conducted in a formal and objective manner, and that the outcomes of the assessment have been appropriately considered by the Board for continuous improvement.

There were no new Board members nominated / elected during the FYE 2025.

During the FYE 2025, the NC conducted a fit and proper assessment of Mr Kang Beng Hai and Mr Lim Chee Hoong, who sought for re-election as Directors at the Second Annual General Meeting on 29 May 2025. The assessment included the submission of Director’s Declaration of Fit and Proper to the NC, and the NC subsequently recommended their re-election as Directors.

On 26 February 2026, the NC also assessed Ms Kang Yi Ki and Ms See Swee Sie, who are seeking for re-election at the upcoming Third Annual General Meeting, following the submission of the Director’s Declaration of Fit and Proper by the retiring Directors.

The Board was satisfied with the assessment results and concurred with the NC’s recommendation to propose the re-election of Ms Kang Yi Ki and Ms See Swee Sie at the upcoming Third Annual General Meeting.

The NC had, on 28 November 2025, reviewed the resignation of the Chief Financial Officer.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee

The RC has been established by the Board to assist the Board in establishing a formal and transparent procedure for developing policy on compensation and remuneration and for fixing the remuneration packages of individual Directors and senior management to ensure that the rewards commensurate with their contributions and reflective of their current roles and responsibilities in the Board.

The RC comprises three (3) members, all of whom are independent non-executive directors and is chaired by Ms Teresa Tan Siew Kuan.

The RC has carried out an annual review of the remuneration packages for the directors and senior management and made recommendations to the Board for approval on 18 November 2025. The annual review shall ensure that the remuneration packages are sufficiently attractive to retain them.

The details of the remuneration of Directors for the FYE 2025 are as follows:

No	Name	Group ('000)						Total
		Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Dato' Saidi Bin Ismail	72	8	-	-	-	-	80
2	Kang Beng Hai	-	-	1,980	413	21	384	2,798
3	Kang Yi Ki	-	30	211	44	2	36	323
4	See Swee Sie	48	9	-	-	-	-	57
5	Teresa Tan Siew Kuan	48	9	-	-	-	-	57
6	Lim Chee Hoong	48	11	-	-	-	-	59

The Board acknowledges the importance of transparency in remuneration disclosure. However, the Board has opted not to disclose the detailed remuneration of the top five senior management on a named basis due to:

- the competitive nature of the industry, where such disclosure may expose the Group to talent retention risks; and
- the relatively small size of the senior management team, which may lead to identification of individuals.

Notwithstanding this, the Board ensures that remuneration is benchmarked against industry practices and aligned with performance, with oversight by the RC. The Board will continue to review this approach.

The terms of reference of the RC and the remuneration policy are disclosed on the Company's website at <https://www.bwysgroup.com>.

Code of Conduct and Ethics

The Board has established a Code of Conduct and Ethics which provides the ethical framework to guide actions and behaviours of all Directors and employees of the company while at work. The Code sets out the ethical standards of conduct that all employees are expected to comply with in their dealings with fellow colleagues, customers, shareholders, suppliers and other external parties. BWYS does not tolerate any approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.

The Code of Conduct and Ethics is posted on the Company's website at <https://www.bwysgroup.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Whistleblowing Policy and Procedures

The Company has formalised a Whistleblowing Policy in place with the objective of providing an avenue for raising genuine concerns about alleged, suspected or known breaches of conduct within BWYS. The whistleblowers will be protected from possible reprisals or victimisation, that is they raise concerns in good faith.

The whistleblower is encouraged to make written disclosure of information by using the Whistleblower Form as provided in the Whistleblowing Policy and send it by email to the chairperson of the ARMC via whistleblowing@bwysgroup.com. All reports are treated confidentially and investigated independently, with appropriate action taken where necessary.

The Whistleblowing Policy is posted on the Company's website at <https://www.bwysgroup.com>.

Anti-Bribery and Anti-Corruption Policy

The Board has set out a clear Anti-Bribery and Corruption Policy ("**ABC Policy**") which is part of the Code of Conduct and Business Ethics Policy to ensure that all employees understand their responsibilities in compliance with BWYS Group's zero tolerance stance on bribery and corruption. This ABC Policy applies to all directors, managers and employees of BWYS.

The ABC Policy, under the Code of Conduct and Business Ethics Policy is available for reference at the Company's website at <https://www.bwysgroup.com>.

Access to Information

The Directors are provided with full, complete and unrestricted access to timely and accurate information in order to discharge their duties effectively. The Board and Committee members are provided with the agenda, report and board papers in advance so that the Directors have sufficient time to prepare, seek clarification and deliberate on the pertinent issues prior to the meeting.

The Board has direct access to the advice and services of the Company Secretary with full unrestricted access to information, documents, records and personnel in the performance of their duties. The Company Secretary is responsible for ensuring that Board meeting procedures are adhered to, providing advice on matters relating to company's constitution and that relevant laws, rules and regulations are complied with.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Audit and Risk Management Committee ("ARMC")

The Board is assisted by the ARMC in supporting oversight functions of the Board on the Group's financial reporting, risk management framework and internal control systems and ensuring high corporate governance practices.

The members of ARMC comprise fully Independent Non-Executive Directors, and the Chairman of the ARMC is not the Chairman of the Board. All the members are financially literate and are able to read, interpret and understand the financial statements. This diversity in skills and knowledge enables the ARMC to discharge their roles and responsibilities effectively.

The Company, through the ARMC has maintained a transparent and professional relationship with the external auditors which ensures the objectivity and independence of the external auditor's role. The ARMC also carry out an assessment on the suitability, objectivity and independence of the external auditors based on the established policies and procedures.

It is indicated on the ARMC's TOR that a former audit partner shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee. The former audit partner herein refers to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) During the FYE 2025 and presently, none of the ARMC members are a former key audit partner of the Group.

The TOR of ARMC will be reviewed as and when necessary. The details of the Committee's duties and responsibilities of the ARMC are stated in its TOR which is published on the Company's website at <https://www.bwysgroup.com>.

An overview of the ARMC's activities is spelt out in this Annual Report under Audit and Risk Management Committee Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

ii. Risk Management and Internal Control

The Board acknowledges its responsibility in establishing a sound system of internal control and risk management practices within the Group to ensure that shareholders' investment is safeguarded.

The board via the ARMC reviews the adequacy of the enterprise risk management framework which will ensure a structured risk management process which identifies, assess, mitigates and reports of the Group's risks and controls. However, it should be noted that such system of internal control is designed to manage but does not eliminate risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

The Statement on Risk Management and Internal Control is set out in the Company's Annual Report, detailing the state and fundamentals of the risk management and internal control systems in the Group.

Some of the key risks identified with relevant mitigations that were tabled during the ARMC meetings are summarised as follows:

- Regulatory and Compliance Risk

The Group is exposed to risks arising from changes in government policies, laws and regulations, including taxation and industry-specific requirements.

To mitigate this risk, the Group ensures continuous monitoring of regulatory developments and maintains strict compliance with applicable laws and regulations. Key personnel regularly attend relevant seminars and training programmes to stay updated on regulatory changes, including taxation updates such as the Sales and Service Tax ("SST") expansion.

The Board and Management also ensure timely dissemination and implementation of regulatory updates across the Group.

- Supply Chain Disruption Risk

The Group faces potential supply chain disruptions due to over-reliance on specific suppliers or geographic regions, as well as exposure to natural disasters such as floods.

To address this, the Group has diversified its supplier base by engaging multiple suppliers across different regions, including international suppliers, to reduce dependency on any single source. This diversified procurement strategy enhances supply continuity and resilience against disruptions.

- Operational Risk – Fire and Safety

The Group is exposed to operational risks including fire hazards and workplace safety incidents.

Mitigation measures include maintaining minimal usage of flammable materials, ensuring all premises are equipped with fire protection systems approved by the relevant authorities, and establishing an Emergency Response Team.

Regular fire drills and safety procedures are conducted to enhance preparedness, and contingency plans such as securing alternative operating sites are in place to minimise business disruption.

- Credit Risk (Debtors Collection)

The Group is exposed to credit risk arising from delays in customer payments, which may impact cash flow and financial performance.

To mitigate this risk, the Group conducts monthly debtor ageing reviews and closely monitors outstanding receivables. The Finance Department works closely with the sales team to ensure timely collection, supported by proper documentation and continuous follow-up on overdue accounts.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

iii. Internal Audit Function

The Group's internal audit function is outsourced to an independent internal audit firm to provide the Board and the ARMC with an objective and independent assessment of the adequacy, effectiveness and efficiency of the Group's internal control and risk management systems.

The internal audit function reports functionally and directly to the ARMC, thereby maintaining its independence from Management. The ARMC oversees the internal audit function, including the review and approval of the internal audit plan, scope of work, audit findings and recommendations.

The internal auditors have unrestricted access to all records, personnel and relevant information of the Group in the performance of their duties. The ARMC also assesses the performance, independence and objectivity of the internal audit function on an annual basis to ensure its continued effectiveness.

During FYE 2025, the internal audit function carried out its audit work in accordance with the approved audit plan, and the findings together with Management's responses and action plans were reported to the ARMC for deliberation and monitoring of implementation.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognises the importance of accurate and timely dissemination of information to shareholders about the Group's financial performance and other matters affecting the shareholders' interest. This is achieved through the Annual Report and timely disclosures to Bursa Securities including the quarterly financial results, circulars/statements and other general meetings. We also have an investors relations policy to guide us on the disclosures required in the quarterly and annual reports, circulars to shareholders, information published on the Company's website and through other forms of social media and electronic communications, speeches, press conferences and conference calls.

In addition, the Annual General Meetings and Extraordinary General Meetings also serve as principal avenues for direct interaction between the Board and shareholders or investors.

The Company's website at <https://www.bwysgroup.com> also provides comprehensive and easy access to the latest information on the corporate and business aspect of the Group. The corporate profile, individual profiles of Directors, financial results and corporate news, amongst others can be found in our Company's website. Other relevant information such as press announcements, board charter and relevant policies are also available in the Company's website to improve accessibility of information to our shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The Annual General Meeting (“**AGM**”) is the principal forum for a two-way dialogue with the public shareholders and the management of the Group. As recommended by the MCCG, the notice of AGM will be despatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have sufficient time to go through the Annual Report, consider the resolutions that will be tabled and make the necessary attendance and voting arrangements. The Notice of AGM, which sets out the business to be transacted at the AGM, will also be published in a major local newspaper.

The Company's 2nd AGM, held on 29 May 2025, was conducted at an easily accessible venue to facilitate shareholders' participation, with full attendance of all the Directors of the Company.

The forthcoming AGM is scheduled on 30 June 2026, will be held physically. The shareholders, including their proxies are encouraged to participate in the question and answer (“**Q&A**”) session, where they will be given the opportunity to engage with the Board by raising their queries and seek clarifications on the Group's businesses, performance and future prospects to the Board. The Chairman will first address questions which have been sent in earlier by the shareholders and thereafter open the time for Q&A session with shareholders present at the meeting.

The External Auditors will also be invited to attend the AGM of the Company.

All resolutions set out in the notice of the AGM will be put to vote by poll and the votes cast will be validated by an independent scrutineer appointed by the Company. The outcome of the AGM of the Company will be announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Minutes of the AGM including the responses to the questions raised were uploaded on the Company's website within thirty (30) business days after the meeting.

CONCLUSION

The Board is satisfied that, it complies substantially with the recommendations of the practices of the MCCG throughout the FYE 2025. The Board will continue to strengthen its governance practices with a focus on enhancing transparency, sustainability integration and stakeholder engagement.

This Statement and CG Report are authorised for issue by the Board of the Company on 22 April 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) of BWYS Group Berhad (“**Company**”) was established on 21 August 2023 to assist the Board of Directors (“**Board**”) in fulfilling its statutory and fiduciary responsibilities. The ARMC is responsible for reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the Group’s policies. The ARMC will also be responsible for ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

In compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**ACE LR**”), the Board is pleased to present the ARMC Report, which provides insights into the manner in which the ARMC discharged its duties and responsibilities for the Company during financial year ended 31 December 2025 (“**FYE 2025**”).

Composition

As of 31 December 2025, the ARMC of the Company comprised three (3) Independent Non-Executive Directors, which is in accordance with Rule 15.09 and 15.10 of the ACE LR and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (“**MCCG**”). Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairman of the ARMC is not the Chairman of the Board.

The ARMC comprises the following members:

Chairman : Lim Chee Hoong (Independent Non-Executive Director)
Member : See Swee Sie (Independent Non-Executive Director)
Member : Teresa Tan Siew Kuan (Independent Non-Executive Director)

The Chairman of the ARMC, Mr. Lim Chee Hoong, is a qualified accountant and a member of the Malaysian Institute of Accountants (“**MIA**”) and the Malaysian Institute of Certified Public Accountants (“**MICPA**”). He possesses the requisite financial expertise and experience to discharge his responsibilities effectively.

Ms. Teresa Tan Siew Kuan, a member of the ARMC, is a qualified accountant and a fellow member of the Certified Practising Accountant (“**FCPA**”) (Australia) and MIA. She possesses the relevant financial knowledge and experience to effectively contribute to the deliberations of the ARMC.

Further information on the members of the ARMC is set out in the Directors’ Profile of this Annual Report.

Meetings and Attendance

The ARMC convened five (5) meetings during the financial year, with attendance details as follows:

Name of members	Number of meetings attended
Lim Chee Hoong	5/5
See Swee Sie	5/5
Teresa Tan Siew Kuan	5/5

The Company Secretary is responsible for preparation of agenda in consultation with the Chairman of ARMC, and distribution to all the members the papers to be deliberated at the meeting, as well as keeping all the minutes of meetings of the ARMC. The Company Secretary attended all the meetings held during the financial year.

The External Auditors and/or the outsourced Internal Auditors attended the ARMC meetings as and when required to table their reports and provide clarification. Other members of the Board and management of the Group attended the meetings, where relevant, upon invitation by the ARMC.

During FYE 2025, the ARMC also met with the External Auditors and Outsourced Internal Auditors on private sessions, without the presence of Executive Directors and management of the Group to facilitate open discussion on audit matters, independence and any concerns without management influence.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Authority, Duties and Responsibilities

The authorities and duties of the ARMC are clearly governed by the Terms of Reference (“**TOR**”) of the ARMC. The ARMC reviews its TOR periodically to ensure it remains relevant and aligned with regulatory requirements. The TOR of the ARMC is available for viewing at the Company’s website at <https://www.bwysgroup.com>.

Summary of Activities

During the FYE 2025, the ARMC discharged its responsibilities as set out in its TOR, including:

1. Financial Reporting

- (i) Reviewed unaudited quarterly interim financial reports with the management before recommending to the Board for their consideration, approval and subsequent announcement to Bursa Securities.
- (ii) Reviewed the annual audited financial statements of the Group and the Company with the management and the External Auditors before submission to the Board, ensuring compliance with applicable accounting standards and regulations requirements.
- (iii) Evaluated significant financial reporting issues, changes in accounting policies, key audit matters, and the appropriateness of the going concern assumption impacting the Group’s financial position.

2. External Audit

- (i) On 18 November 2025, assessed the suitability and independence of the External Auditors, including a review of their performance and engagement terms. The assessment covered quality of audit services, independence and objectivity, audit scope and planning, communication effectiveness, and audit fees.
- (ii) Reviewed and discussed the external audit plan, key findings, and recommendations for the FYE 2025.
- (iii) Approved non-audit services provided by the External Auditors to ensure minimal conflict of interest and was satisfied that such services did not impair the independence of the External Auditors.

3. Internal Audit

- (i) Reviewed and approved the internal audit plan for the FYE 2025, which was risk-based and focused on key risk areas.
- (ii) Monitored the effectiveness of internal controls and risk management processes and was satisfied with the adequacy and effectiveness.
- (iii) Reviewed key findings from internal audit reports and closely monitored management’s implementation of agreed corrective actions to ensure that identified control weaknesses were addressed in a timely and effective manner.

4. Risk Management and Internal Control

- (i) Monitored the effectiveness of the Group’s risk management framework and internal control systems.
- (ii) Reviewed principal risks and mitigation measures impacting the Group’s operations and financial performance.
- (iii) Reviewed and approved Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2025.

5. Governance and Compliance

- (i) Oversaw the Group’s compliance with the Malaysian Anti-Corruption Commission Act and the Group’s Anti-Bribery Management System.
- (ii) Monitored related-party transactions and potential conflict of interest situations to ensure transparency and adherence to governance standards.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit Function

The internal audit function plays an important role to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the system of risk management and internal control in the Group.

The Group's internal audit function is outsourced to JWC Consulting Sdn Bhd (“**JWC**”), an independent professional service firm which was appointed by the Company on 23 August 2024 and report directly to the ARMC. The internal audit function is independent of the activities it audits and is provided full access to all the documents relating to the Company and the Group's governance, financial and operational aspect divisions.

During the FYE 2025, JWC has carried out the following work:

- a) Executed the internal audit function based on an Internal Audit Plan tabled and approved by the ARMC.
- b) Presented the reports on the internal control reviews highlighting the significant audit findings together with the recommendations for improvement, and is incorporated with management comments and proposed corrective actions to the ARMC for deliberation.
- c) Presented the risk-based internal audit plan of the Group for the financial year ending 31 December 2026.

JWC will follow-up on the implementation of the recommendations and management action plans and report the status of implementation to the ARMC on a periodic basis.

For the FYE 2025, the following business processes or areas of the Group were reviewed by JWC in accordance with the approved audit plan:-

Entity for review	Audit area
BWYS Metech Sdn Bhd (formerly known as YS Success Industries Sdn Bhd)	Human Resources Management
BW Yee Seng Steel Industries Sdn Bhd	Follow-up review on Warehouse Management
BWYS Metech Sdn Bhd (formerly known as YS Success Industries Sdn Bhd)	Procurement
BWYS Metech Sdn Bhd (formerly known as YS Success Industries Sdn Bhd)	Follow-up review on Human Resources Management

The fees incurred by the Group in relation to the outsourced internal audit function for the FYE 2025 were RM27,000 (FYE 2024: RM13,500).

The ARMC and the Board are satisfied that the cost is commensurate with the scope and coverage of the internal audit function.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26 (b) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“**ACL LR**”) and ACE Market Guidance Note 11; Statement on Risk Management and Internal Control (“**SORMIC**”): Guidelines for Directors of Listed Companies (“**SORMIC Guide 2025**”), the Board is pleased to make the Statement on Risk Management and Internal Control (the “**Statement**”) which outlines the governance policies, key elements, nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2025.

BOARD RESPONSIBILITY

The Board acknowledges its responsibilities and re-affirms its commitment in maintaining sound systems of risk management and internal control. The Board is responsible for reviewing the adequacy and effectiveness of the Group’s risk management framework and internal control systems, including financial, operational, compliance, information technology and sustainability-related controls.

The system of risk management and internal control is designed to manage, rather than eliminate the risk of failure to achieve the Group’s corporate objectives. Inherently, it can only provide reasonable, but not absolute assurance against material misstatement, fraud or loss.

AUDIT AND RISK MANAGEMENT COMMITTEE’S ROLE

In evaluating the adequacy of the Group’s risk management and internal control system, the Board is assisted by the Audit and Risk Management Committee (“**ARMC**”) which comprises Independent Directors in discharging the roles and responsibilities guided by the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and Rules 15.11 and 15.12 of the ACE LR. The ARMC meets and holds at least four (4) meeting in a year. In addition, the Chairman of the ARMC may call for additional meetings at any time at his/her discretion.

The ARMC is accountable to the Board for the implementation of ongoing processes for identifying, evaluating, monitoring and reporting of risks and internal controls.

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board’s commitment to maintain sound systems of risk management and internal control, the Board strives to implement and maintain a structure and environment for the proper conduct of the Group’s business operations as follows:

- The Board meets at least quarterly and sets a list of agenda which is required to be brought to its attention for discussion, in ensuring an effective and appropriate supervision of controls. The Managing Director leads the presentation of board papers and provides explanation of pertinent issues. In addition, the Board is also updated on the Group’s development and its operations;
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational and human resource management, which is subject to review and improvement. A documented delegation of authority with clear lines of accountability and responsibility that serves as a tool of reference in identifying the authorisation matrix for various transactions including matters that require Board’s approval;
- Regular and relevant information is provided by management, covering financial and operational performance and key business indicators, for effective monitoring and timely decision making;
- Regular visits to operating units by members of the Board;
- The Code of Conduct and Ethics serves as the cornerstone of the Group’s corporate culture, setting forth the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness;
- The Anti-Bribery and Anti-Corruption policy (“**ABC policy**”) further strengthens the Group’s ethical framework. ABC policy outlines the policies and procedures for the Group to uphold the highest standards of legal, moral and ethical business practices. Non-compliance with the ABC policy will not be tolerated or excused; and
- The Whistleblowing policy is established to provide a secure, confidential and accessible channel for employees and relevant stakeholders to raise genuine concerns regarding any suspected or possible violations of the Group’s Code of Conduct and Ethics, potential improprieties in financial reporting, non-compliance with laws and regulations within the Group at the earliest opportunity and in an appropriate way.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of identifying, evaluating and managing the significant risks that could potentially impact the Group.

The Board has put in place of Risk Management Framework (guided by the COSO Framework) within the Group to ensure an on-going process of identifying, evaluating, monitoring and managing the significant risk exposures inherent in its business operations.

The Group has established risk management practices to safeguard the Group’s business interests against risk events that may impede the achievement of strategy objectives, while supporting sustainable value creation and providing assurance to stakeholders.

The main components of the Group’s risk governance structure consist of the Board and the ARMC. The structure facilitates periodic strategic risk discussions between the Board and the ARMC including deliberation on principal risks, emerging risks and mitigation strategies. A summary of the accountabilities for the Board and the ARMC under the risk governance structure is as follows:

- a) Board of Directors
 - Overall risk oversight responsibility, including setting risk appetite and policies
 - Ensures that the principal risks are identified, and oversees the Group’s ongoing efforts to incorporate sustainability and emerging risks into risk management framework by delegation to the ARMC;
 - Reviews the adequacy and the integrity of the Group’s internal control systems and information systems, including systems relating to sustainability, climate-related risks and regulatory compliance.

- b) Audit and Risk Management Committee
 - Reviews and endorses policies, frameworks and other key components of risk management including corporate risk profile for implementation within the Group;
 - Reviews the progress of risk management activities to identify, evaluate, monitor and manage critical risks;
 - Oversees the effective implementation of risk management policies and guidelines, ERM and cultivation of risk management culture within the organisation;
 - Reviews and monitors periodically the status of the Group’s principal risks and their mitigating actions and update the Board.

The Group has implemented the Enterprise Risk Management (“ERM”) framework to identify, assess, monitor, report and mitigate risks impacting the Group’s business and supporting activities. In addition, the framework outlines the significant risks that the Group is exposed to such as strategic, financial, operational, regulatory and reputation risks.

Key Risks	Mitigations
<p>Strategic Risks</p> <p>The Group operates in a dynamic and competitive environment, and is exposed to risks arising from changes in global economic conditions, political developments and market competition. These external factors may impact the Group’s business performance, growth prospects and long-term sustainability.</p>	<p>The Group continuously reviews its business strategies, diversification of products and markets, and close monitoring of project delivery, timelines and costs. Business continuity plans are also in place to address disruptions from natural disasters.</p>
<p>Financial Risks</p> <p>The Group is exposed to financial risks primarily relating to cash flow management, credit risk and supplier dependency.</p>	<p>The Group manages these risks through regular cash flow monitoring, prudent cost control, active management of receivables and maintaining alternative suppliers to ensure continuity of operations.</p>

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (CONT'D)

Key Risks	Mitigations
<p>Operational Risks</p> <p>The Group is exposed to risks arise from potential disruptions in internal processes, supply chain challenges, human capital constraints and workplace safety risks.</p>	<p>The Group places significant emphasis on the reliability and security of its information technology systems, supplier diversification, succession planning and ongoing staff training. The Group also maintains health and safety policies, emergency response procedures and preventive maintenance programmes to ensure operational continuity.</p>
<p>Regulatory and Compliance Risks</p> <p>The Group is subject to various laws and regulations governing its operations. Non-compliance may result in financial penalties, legal liabilities and reputational damage.</p>	<p>The Group continuously monitors regulatory developments and ensures timely updates to its policies and procedures. Relevant personnel attend training programmes and seminars to stay abreast of regulatory changes. Compliance is reinforced through internal controls and periodic reviews.</p>
<p>Reputation Risks</p> <p>The Group’s reputation is critical to its long-term success and is influenced by the quality of its products and services, project delivery performance and compliance with regulatory requirements.</p>	<p>The Group maintains stringent quality control processes, emphasises timely project execution and actively engages with stakeholders. Management also monitors public perception and takes proactive measures to address any issues that may adversely impact the Group’s image.</p>

Sustainability, climate-related and emerging risks are currently considered on a developing basis and are progressively being incorporated into the Group’s risk management processes.

The individual risks identified are scored for their likelihood of occurrence and the impact thereof based on a ‘5 by 5’ risk matrix, deploying parameters established for the Group. The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated and / or quantified in terms of likelihood of their occurrence and the impact thereof. The use of such metrics essentially articulates the Board’s risk appetite, i.e. the extent of risk the Group is prepared to take or seek to achieve its business objectives.

Details of specific risks are documented in risk registers, covering the risk areas, risk identification, risk assessment, risk level, mitigating or available control, contingency or action plan and turnaround time. Management assesses the effectiveness of internal controls and the residual risk rating after considering the effects of internal controls deployed to manage the exposure.

During the financial year, the Group has identified several key risks in relation to strategic, financial, operational, regulatory/ compliance risks, of which the risk register has been updated and meetings were held to communicate and deliberate the issues or risks and where appropriate, the control systems and action plans were implemented and taken to ensure continuous risk mitigation and risk management. The significant risks and its latest update are also brought to the attention of the ARMC at the quarterly meeting.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk awareness sessions have been incorporated in the monthly management meetings attended by the Group's senior and middle management and key employees. This is part of the ongoing initiative to sustain risk awareness and risk management capabilities.

In essence, Risk Management is conducted through an ongoing process between the Board, the Management and employees in the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst the employees.

Risk Governance Structure

The Group adopts a structured risk governance framework which is aligned with the Three Lines of Defence model and is progressively being enhanced to incorporate sustainability and emerging risk considerations to ensure effective risk oversight and accountability.

First Line - Management

Operational management is responsible for identifying, evaluating and managing risks within their respective areas of responsibility. Risk owners are accountable for implementing appropriate controls and mitigation actions.

Second Line - Risk Oversight

The Group's management team, including designated risk and sustainability coordinators, supports the implementation of the ERM framework and monitors the effectiveness of risk management activities across the Group.

Third Line - Independent Assurance

The internal audit function provides independent and objective assurance to the ARMC and the Board on the adequacy and effectiveness of the Group's internal control and risk management processes.

Sustainability, Climate-Related and Emerging Risks

In line with the expectations of the SORMIC Guide 2025 and evolving regulatory landscape, the Group recognises the increasing importance of integrating sustainability, climate-related and emerging risks into its ERM framework, and is in the process of enhancing its existing practices towards this objective.

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to JWC Consulting Sdn Bhd ("JWC"), an independent professional accounting and consulting firm. JWC assists the Board and ARMC by conducting independent assessments of the adequacy and operational effectiveness of the Group's internal control system.

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the ARMC.

The ARMC has full and direct access to the internal auditors and the ARMC receives reports on all internal audits performed. This is to establish an internal audit function which is independent of activities it audits. Significant findings and recommendations for improvement are highlighted to the Management and the ARMC, with periodic follow-up of the implementation of action plans.

The Management is responsible for ensuring that corrective actions were implemented accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

Based on the internal auditors' reports for the financial year ended 31 December 2025, the Board has reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The internal audit function reports functionally to the ARMC, thereby maintaining its independence from the activities it audits. The Board continues to review and implement measures to strengthen the internal control environment of the Group.

The detailed disclosure of the internal audit function's independence and performance is set out in Practice 11.1 and Practice 11.2 of the Corporate Governance Report, as well as the Corporate Governance Overview Statement and the ARMC Report in this Annual Report.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this SORMIC pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control inclusion in the annual report issued by the Malaysian Institute of Accountants ("**MIA**") and as required by paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia for inclusion in the annual report of the Group for the financial year ended 31 December 2025, and has reported to the Board that based on their review procedures performed and evidence obtained, nothing has come to their attention that caused them to believe that the SORMIC intended to be included in the annual report of the Company is not prepared, in all material aspects, in accordance with disclosures required by Section 7 of the SORMIC Guide 2025 nor is the SORMIC factually inaccurate.

The AAPG 3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board has received written assurance from the Managing Director stating that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the ERM framework adopted by the Group.

For the year under review, there were no potential or present failures or weaknesses that would have material adverse effect on the results of the Group.

In line with the SORMIC Guide 2025, the Board is satisfied that there is an ongoing and effective process for identifying, evaluating and managing risk and internal controls of the Group to safeguard the Group's assets and stakeholders' interest.

This statement is authorised for issue by the Board of Directors of the Company on 22 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

IPO Proceeds

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 22 July 2024 (“**Listing**”). As part of the Listing exercise, the Company has undertaken a public issue of 256,303,000 new ordinary shares at an issue price of RM0.22 per share, raising gross proceeds of RM56.39 million (“**IPO Proceeds**”).

The status of the utilisation of the proceeds as at 31 December 2025 is disclosed as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Estimated Timeframe for Utilisation from Listing
Capital expenditure:				
- Construction of New Penang factory	22,840	19,131	3,709	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	425	10,406	Within 36 months
Repayment of bank borrowings	4,000	4,000	-	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	37,481	18,906	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 June 2024.

Disposal of two (2) parcels of freehold properties

On 17 October 2025, BW Yee Seng Steel Industries Sdn Bhd, a wholly-owned subsidiary of the Company, has completed 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) (“**Disposal**”).

There were fully utilised in the following manners and within the approved timeline:

Details of utilisation	Actual utilisation RM'000
Working capital	10,743
Estimated expenses for the Disposal	532
Total	11,275

AUDIT AND NON-AUDIT FEES

Details of the audit and non-audit fees incurred by the Company and its subsidiaries for services rendered by the external auditors or a firm or corporation affiliated to the external auditors during the financial year ended 31 December 2025 (“**FYE 2025**”) are set out below:

	The Group RM	The Company RM
Audit fees	200,000	35,000
Non-audit fees	118,600	12,500
Total	318,600	47,500

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS INVOLVING DIRECTORS', CHIEF EXECUTIVE'S AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company or its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of the Directors, chief executive and major shareholders which were still subsisting at the end of FYE 2025 or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The recurrent related party transactions of a revenue or trading nature incurred by the Group for FYE 2025 did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Securities.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 RM	2024 RM
Total Income			
Revenue		276,607,362	236,331,247
Other income		14,074,689	9,805,010
Interest income		905,086	1,083,305
Total		291,587,137	247,219,562
Total Assets		429,863,688	401,365,928

(b) Business Activities

	Remarks	Group	
		2025 RM	2024 RM
Shariah Non-Compliant Activities			
Dividend income received from conventional shares and instruments		59,345	29,797
Gain from investment in conventional instruments		710,584	214,554
Insurance income		209,275	1,825
Interest income	Included rebate of fee and overnight interest earned from short term fund	905,086	1,083,305
Rental income received from tenant involved in Shariah non-compliant activities		66,828	195,638
Other Shariah non-compliant activities	Compensation for cancellation of the order	330,000	-
Other Shariah non-compliant activities	Miscellaneous income	792	-
Total		2,281,910	1,525,119

ADDITIONAL COMPLIANCE INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		29,026,193	48,467,802
Cash in hand		75,130	92,005
Deposits with licensed bank		17,898,221	20,389,837
Total		46,999,544	68,949,644

Conventional Account/ Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		14,707,997	5,994,581
Deposits with licensed bank		518,299	518,299
Total		15,226,296	6,512,880

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM	2024 RM
Current			
Banker's acceptances		48,978,782	54,865,444
Revolving credit and financing		1,000,000	1,000,000
Term financing		2,002,306	852,019
Islamic Hire purchase payables	Excluded lease liabilities from non-financial institutions	101,683	259,990
Non-Current			
Term financing		54,314,606	26,074,246
Islamic Hire purchase payables	Excluded lease liabilities from non-financial institutions	52,185	153,496
Total		106,449,562	83,205,195

ADDITIONAL COMPLIANCE INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component (Cont'd)

Conventional Borrowing	Remarks	Group	
		2025 RM	2024 RM
Current			
Bank overdrafts		1,324,181	1,511,012
Banker's acceptances		18,679,000	26,517,000
Term loans		3,825,350	5,385,420
Hire purchase payables	Excluded lease liabilities from non-financial institutions	1,865,653	2,027,016
Non-Current			
Term loans		23,663,668	27,131,123
Hire purchase payables	Excluded lease liabilities from non-financial institutions	3,104,455	4,250,030
Total		52,462,307	66,821,601

STATEMENT OF DIRECTORS' RESPONSIBILITY

In accordance with the provisions of the Companies Act 2016 (“**the Act**”), the applicable Malaysian Financial Reporting Standards and the IFRS Accounting Standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, and of the results and cash flows for that year then ended.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025, the Directors have:

- Applied appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are mainly manufacture of sheet metal products, industrial racking systems and welded pipes, trading of steel materials and steel related products and sales and rental of scaffoldings and property dealing. Further details of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year, except for the newly acquired subsidiary, which is engaged in property dealing.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>15,050,383</u>	<u>4,223,252</u>
Attributable to: Owners of the Company	<u>15,050,383</u>	<u>4,223,252</u>

DIVIDEND

Dividend paid, declared or proposed by the Company since the end of the previous financial year was as follows:

	RM
In respect of financial year ended 31 December 2025:	
Single tier interim dividend of 0.05 sen per ordinary share, paid on 17 December 2025	<u>512,607</u>

The Directors do not recommend any payment of final dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new ordinary shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Kang Beng Hai*
 Kang Yi Ki
 Dato' Saidi Bin Ismail
 Lim Chee Hoong
 See Swee Sie
 Teresa Tan Siew Kuan

* This Director of the Company is also the Director of subsidiaries of the Company.

Subsidiaries of BWYS Group Berhad

Kang Beng Teong
 Looi Woon Seng (Resigned on 2 January 2026)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			Balance as at 31.12.2025
	Balance as at 1.1.2025	Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Kang Beng Hai	668,910,000	0	0	668,910,000
Kang Yi Ki	1,472,600	0	0	1,472,600
Dato' Saidi Bin Ismail	300,000	0	0	300,000
Lim Chee Hoong	300,000	0	0	300,000
See Swee Sie	250,000	0	0	250,000
Teresa Tan Siew Kuan	200,000	0	0	200,000
<u>Indirect interest:</u>				
Kang Beng Hai^	876,000	0	0	876,000

^ Deemed interest held through spouse

By virtue of his interests in the ordinary shares of the Company, Kang Beng Hai is deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Directors' fees	216,000	216,000
Salaries and other emoluments	2,837,522	2,714,200
Contributions to defined contribution plan	438,430	417,464
Social security contributions	4,178	2,785
	<u>3,496,130</u>	<u>3,350,449</u>

Estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company are RM27,633 and RM23,333 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected liability insurance of the Directors and officers during the financial year to protect the Directors and the officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The total amount of indemnity coverage and insurance premium paid by the Company during the financial year ended 31 December 2025 were RM3,000,000 and RM9,190 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

- (c) The Directors are not aware of any circumstances : (Cont'd)
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

- (a) On 13 February 2025, BWYS Sdn. Bhd. ("BWYSSB"), a wholly-owned subsidiary of the Company, had incorporated BW Prestige Properties Sdn. Bhd. ("BW Prestige") with paid-up share capital of RM10 comprising of 10 ordinary shares. The subsidiary subscribed 4 ordinary shares for a total consideration of RM4, representing 40% equity interest in BW Prestige.

On 20 June 2025, BWYSSB has further acquired additional 6 ordinary shares, representing 60% equity interest in BW Prestige for a total consideration of RM81,000 from a shareholder, Looi Woon Seng. Pursuant to that, the equity interest of BWYSSB in BW Prestige increased from 40% to 100% and became an indirect wholly-owned subsidiary of BWYS Group Berhad.

- (b) On 1 August 2025, BW Scaffold Industries Sdn. Bhd. ("BW Scaffold"), 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 ("Changgang Property Disposal").

The Company had on 22 January 2026 at its Extraordinary General Meeting, obtained the shareholders' approval to undertake the Changgang Property Disposal. Subsequently, the Changgang Property Disposal has been completed on 6 February 2026.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

- (c) On 18 September 2025, YS Global Industries Sdn. Bhd. ("YSGI"), an indirect wholly-owned subsidiary of the Company had entered into cooperation agreements with Runwin International (HK) Holding Group Co., Limited ("Runwin") for the purpose of setting up a colour coating production line for the commercial production of colour coated steel coils.

In conjunction with the cooperation agreements, YSGI together with BWYS Metech Sdn. Bhd. (formerly known as YS Success Industries Sdn. Bhd.), also a wholly-owned subsidiary of the Company had on 18 September 2025 entered into a shareholders' agreement ("SHA") and a first supplemental agreement to the SHA with Lionwise Holding Group Pte. Ltd., an 81.48% owned subsidiary of Runwin and FXD Group Sdn. Bhd. to form a joint venture to regulate their relationship inter se as shareholders of YSGI and the conduct the business and affairs of YSGI. As at the date of this report, the transaction has not been completed.

- (d) On 22 October 2025, BW Scaffold had entered into a sale and purchase agreement ("SPA") with Compass IP Sdn. Bhd., for the acquisition of a parcel of freehold industrial land held under H.S.(D) 50254, PT 53925, Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor Darul Ehsan for a cash consideration of RM94,479,632, subject to the terms and conditions stipulated in the Duabelas Land SPA ("Duabelas Land Acquisition").

The Company had on 22 January 2026 at its Extraordinary General Meeting, obtained the shareholders' approval to undertake the Duabelas Land Acquisition. As at the date of this report, the Duabelas Land Acquisition has not been completed.

- (e) On 18 December 2025, the Company incorporated a wholly-owned subsidiary, BWYS Colour Sdn. Bhd. with an issued and paid-up share capital of RM1 comprising 1 ordinary shares.
- (f) On 13 February 2026, the Company incorporated a wholly-owned subsidiary, BWYS Plastic Sdn. Bhd. with an issued and paid-up share capital of RM1 comprising 1 ordinary shares.
- (g) Since the end of February 2026, military action and conflict in the Middle East have increased. These conflicts have increased general economic uncertainty in the region and the world, with particular uncertainty concerning trade routes in and around the Persian Gulf and the global price of, and consistent supply of, oil and natural gas.

As at the date of authorisation of the financial statements, the Middle East Conflicts still evolving and remains unpredictable. Consequently, the Group and the Company are unable to estimate the financial effects of the situation at this juncture. The Group and the Company are actively monitoring and managing the operations of the Group and the Company to minimise any impact arising from these developments.

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
BW Yee Seng Steel Industries Sdn. Bhd. ("BW Steel")	Malaysia	100	100	Manufacture of sheet metal products, and trading of steel materials and steel related products
BW Yee Seng (Timur) Sdn. Bhd. ("BW Timur")	Malaysia	100	100	Manufacture of sheet metal products, and trading of steel materials and steel related products

DIRECTORS' REPORT

SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
BW Scaffold Industries Sdn. Bhd. ("BW Scaffold")	Malaysia	100	100	Sales and rental of scaffoldings
BWYS Sdn. Bhd. ("BWYSSB")	Malaysia	100	100	General trading and real estate activities
BWYS Metech Sdn. Bhd. (formerly known as YS Success Industries Sdn. Bhd.) ("BW Metech")	Malaysia	100	100	Manufacture of industrial racking systems and welded pipes, and trading of steel materials and steel related products
BWYS Colour Sdn. Bhd. ("BW Colour")	Malaysia	100	-	Dormant
Subsidiary of BW Metech				
YS Global Industries Sdn. Bhd. ("YSGI")	Malaysia	100	100	Manufacture of industrial racking systems
Subsidiary of BWYS Sdn. Bhd.				
BW Prestige Properties Sdn. Bhd. ("BW Prestige")	Malaysia	100	-	Property dealing

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Statutory audit	200,000	35,000
Other services	5,000	5,000
	<u>205,000</u>	<u>40,000</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

Kang Beng Hai
Director

Kang Yi Ki
Director

22 April 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 147 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Kang Beng Hai

Director

22 April 2026

Kang Yi Ki

Director

STATUTORY DECLARATION

I, Kang Beng Hai, being the Director primarily responsible for the financial management of BWYS Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 96 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
at Georgetown in the State of Penang this 22 April
2026.

Kang Beng Hai

Director

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BWYS GROUP BERHAD

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BWYS Group Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Recoverability of trade receivables

The net carrying amount of trade receivables of RM42,955,167 has been disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BWYS GROUP BERHAD

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

Key Audit Matters (Cont'd)

(a) Recoverability of trade receivables (Cont'd)

Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

(b) Valuation of inventories

As at 31 December 2025, the carrying amount of inventories of the Group amounted to RM81,885,843 (excluding property stock) has been disclosed in Note 7 to the financial statements.

We have focused on the audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. Writing down of inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of steel, and if not accounted for properly, may lead to the valuation of inventories being misstated.

Audit response

Our audit procedures included the following:

- (i) Tested the accuracy of the inventories ageing report provided by the management;
- (ii) Obtained an understanding of the process implemented by management over the determination of lower of cost and net realisable value used in the valuation of inventories;
- (iii) Compared the net realisable values determined by management against the movements of steel prices based on available industry data; and
- (iv) Assessed the appropriateness of inventories written down and written back by verifying selling prices subsequent to the end of the reporting period.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BWYS GROUP BERHAD

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BWYS GROUP BERHAD

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BWYS GROUP BERHAD

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206

Chartered Accountants

Penang

22 April 2026

Tan Chee Hean

03661/04/2026 J

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	150,169,523	145,407,707	1,487,995	156,426
Right-of-use assets	5	13,058,329	20,709,462	0	0
Investments in subsidiaries	6	0	0	146,093,379	146,093,378
		<u>163,227,852</u>	<u>166,117,169</u>	<u>147,581,374</u>	<u>146,249,804</u>
Current assets					
Inventories	7	98,836,863	92,164,953	0	0
Trade and other receivables	8	72,376,242	61,590,226	32,662,479	4,650,879
Current tax assets		5,505,821	6,031,056	30,000	0
Cash and bank balances	9	62,225,840	75,462,524	22,043,314	46,588,955
		<u>238,944,766</u>	<u>235,248,759</u>	<u>54,735,793</u>	<u>51,239,834</u>
Assets held for sale	10	27,691,070	0	0	0
TOTAL ASSETS		<u>429,863,688</u>	<u>401,365,928</u>	<u>202,317,167</u>	<u>197,489,638</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11	200,540,270	200,540,270	200,540,270	200,540,270
Reserves	12	31,823,041	17,285,265	481,025	(3,229,620)
TOTAL EQUITY		<u>232,363,311</u>	<u>217,825,535</u>	<u>201,021,295</u>	<u>197,310,650</u>
LIABILITIES					
Non-current liabilities					
Borrowings	14	77,978,274	53,205,369	0	0
Lease liabilities	5	4,478,075	5,479,774	0	0
Deferred tax liabilities	13	4,500,037	4,027,135	0	0
		<u>86,956,386</u>	<u>62,712,278</u>	<u>0</u>	<u>0</u>
Current liabilities					
Trade and other payables	15	28,025,364	23,773,512	1,295,872	119,788
Borrowings	14	75,809,619	90,130,895	0	0
Lease liabilities	5	5,748,391	3,295,998	0	0
Provisions	16	0	987,402	0	0
Current tax liabilities		960,617	2,640,308	0	59,200
		<u>110,543,991</u>	<u>120,828,115</u>	<u>1,295,872</u>	<u>178,988</u>
TOTAL LIABILITIES		<u>197,500,377</u>	<u>183,540,393</u>	<u>1,295,872</u>	<u>178,988</u>
TOTAL EQUITY AND LIABILITIES		<u>429,863,688</u>	<u>401,365,928</u>	<u>202,317,167</u>	<u>197,489,638</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	276,607,362	236,331,247	10,739,908	0
Cost of sales		<u>(227,411,671)</u>	<u>(188,235,992)</u>	<u>0</u>	<u>0</u>
Gross profit		49,195,691	48,095,255	10,739,908	0
Other operating income		14,979,775	10,888,315	1,206,067	757,865
Impairment losses on trade and other receivables, net		(1,663,708)	(1,817,891)	0	0
Administrative and distribution expenses		(34,221,270)	(36,543,555)	(7,677,838)	(3,871,791)
Finance costs	18	<u>(7,415,245)</u>	<u>(7,033,757)</u>	<u>(37,085)</u>	<u>0</u>
Profit/(Loss) before tax		20,875,243	13,588,367	4,231,052	(3,113,926)
Tax expense	20	<u>(5,824,860)</u>	<u>(5,911,851)</u>	<u>(7,800)</u>	<u>(59,200)</u>
Profit/(Loss) for the financial year		15,050,383	7,676,516	4,223,252	(3,173,126)
Other comprehensive income, net of tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income /(loss)		<u>15,050,383</u>	<u>7,676,516</u>	<u>4,223,252</u>	<u>(3,173,126)</u>
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		<u>15,050,383</u>	<u>7,676,516</u>	<u>4,223,252</u>	<u>(3,173,126)</u>
Total comprehensive income /(loss) attributable to:					
Owners of the Company		<u>15,050,383</u>	<u>7,676,516</u>	<u>4,223,252</u>	<u>(3,173,126)</u>
Earnings per share attributable to owners of the Company					
Basic and diluted (sen)	21	<u>1.47</u>	<u>1.11</u>		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

Group	Note	Share capital RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2024		30,357,461	0	125,344,667	155,702,128
Profit for the financial year		0	0	7,676,516	7,676,516
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	7,676,516	7,676,516
Transactions with owners					
Issuance of ordinary shares pursuant to:					
- acquisitions of subsidiaries in business combination under common control	11	115,735,440	(115,735,918)	0	(478)
- initial public offering	11	56,386,660	0	0	56,386,660
Share issuance expenses	11	(1,939,291)	0	0	(1,939,291)
Total transactions with owners		170,182,809	(115,735,918)	0	54,446,891
Balance as at 31 December 2024		200,540,270	(115,735,918)	133,021,183	217,825,535
Balance at 1 January 2025		200,540,270	(115,735,918)	133,021,183	217,825,535
Profit for the financial year		0	0	15,050,383	15,050,383
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	15,050,383	15,050,383
Transactions with owners					
Dividend paid	22	0	0	(512,607)	(512,607)
Total transactions with owners		0	0	(512,607)	(512,607)
Balance as at 31 December 2025		200,540,270	(115,735,918)	147,558,959	232,363,311

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

Company	Note	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Balance as at 1 January 2024		1	(56,494)	(56,493)
Loss for the financial year		0	(3,173,126)	(3,173,126)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(3,173,126)	(3,173,126)
Transactions with owners				
Issuance of ordinary shares pursuant to:				
- acquisitions of subsidiaries in business combination under common control	11	146,092,900	0	146,092,900
- initial public offering	11	56,386,660	0	56,386,660
Share issuance expenses	11	(1,939,291)	0	(1,939,291)
Total transactions with owners		200,540,269	0	200,540,269
Balance as at 31 December 2024		200,540,270	(3,229,620)	197,310,650
Balance as at 1 January 2025		200,540,270	(3,229,620)	197,310,650
Profit for the financial year		0	4,223,252	4,223,252
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	4,223,252	4,223,252
Transactions with owners				
Dividend paid	22	0	(512,607)	(512,607)
Total transactions with owners		0	(512,607)	(512,607)
Balance as at 31 December 2025		200,540,270	481,025	201,021,295

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		20,875,243	13,588,367	4,231,052	(3,113,926)
Adjustments for:					
Bad debts written off		0	145,349	0	0
Bad debts recovered		(106,500)	(108,000)	0	0
Depreciation of:					
- property, plant and equipment	4	10,315,611	8,562,527	372,455	14,124
- right-of-use assets	5	5,552,653	3,390,916	0	0
Dividend income	17	0	0	(5,600,000)	0
Income distribution on short term fund		(93,302)	(38,227)	(93,302)	(38,227)
Impairment on goodwill on consolidation	6(c)	86,641	0	0	0
Gain on disposals of property, plant and equipment		(4,069,034)	(7,550,657)	0	0
Gain on fair value adjustment on short term fund		(710,584)	(214,554)	(710,584)	(214,554)
Gain on lease termination		0	(2,770)	0	0
Impairment losses on trade and other receivables	8(f)	3,520,375	2,022,190	0	0
Interest expenses	18	7,415,245	7,033,757	37,085	0
Interest income		(871,129)	(1,074,875)	(402,181)	(505,084)
Inventories written down	7(c)	0	106,468	0	0
Property, plant and equipment written off		137,009	1,263,324	0	0
Reversal of impairment losses on trade and other receivables	8(f)	(1,856,667)	(204,299)	0	0
Reversal of provision for legal claims	16	(987,402)	0	0	0
Unrealised (gain)/loss on foreign exchange		(90,757)	175,945	0	0
Operating profit/(loss) before changes in working capital carried forward		39,117,402	27,095,461	(2,165,475)	(3,857,667)
Changes in working capital:					
Inventories		(18,581,232)	(21,019,473)	0	0
Trade and other receivables		(12,153,605)	(595,320)	(320,955)	623,133
Trade and other payables		4,012,474	(9,739,503)	1,154,962	(731,667)
Cash generated from/(used in) operations		12,395,039	(4,258,835)	(1,331,468)	(3,966,201)
Tax paid		(8,090,504)	(10,104,194)	(97,000)	0
Tax refunded		1,584,090	0	0	0
Net cash from/(used in) operating activities		5,888,625	(14,363,029)	(1,428,468)	(3,966,201)

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025 (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of interests in subsidiaries		0	(478)	0	(478)
Acquisition of a subsidiary, net of cash acquired	6(c)	10	0	0	0
Acquisition of previously held equity interest	6(c)	(4)	0	0	0
Advances to subsidiaries		0	0	(22,706,608)	(4,455,900)
Incorporation of a subsidiary		0	0	(1)	0
Dividend received		0	0	600,000	0
Interest received		871,129	1,074,875	402,181	481,933
Net withdrawals from short term fund		803,886	252,781	803,886	252,781
Proceeds from disposals of property, plant and equipment		17,554,320	10,507,918	0	0
Purchase of:					
- property, plant and equipment	4(e)	(23,236,159)	(5,488,667)	(1,704,024)	(170,550)
- right-of-use assets	5(h)	(239,848)	(143,254)	0	0
Net cash (used in)/from investing activities		<u>(4,246,666)</u>	<u>6,203,175</u>	<u>(22,604,566)</u>	<u>(3,892,214)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	22	(512,607)	0	(512,607)	0
Drawdown of term loans		21,226,348	2,548,880	0	0
Interest paid		(6,703,732)	(6,246,719)	0	0
Net changes in deposits pledged to licensed banks		2,491,616	(1,901,843)	0	0
Net (repayments)/drawdown of bankers' acceptances		(13,724,662)	16,344,945	0	0
Proceeds from issuance of ordinary shares pursuant to initial public offering	11	0	56,386,660	0	56,386,660
Repayments of:					
- term loans		(7,898,540)	(5,780,545)	0	0
- lease liabilities	5	(7,078,619)	(4,327,377)	0	0
Share issuance expenses	11	0	(1,939,291)	0	(1,939,291)
Net cash (used in)/from financing activities		<u>(12,200,196)</u>	<u>55,084,710</u>	<u>(512,607)</u>	<u>54,447,369</u>
Net (decrease)/increase in cash and cash equivalents		(10,558,237)	46,924,856	(24,545,641)	46,588,954
Cash and cash equivalents at beginning of financial year		53,043,376	6,118,520	46,588,955	1
Cash and cash equivalents at end of financial year	9(f)	<u>42,485,139</u>	<u>53,043,376</u>	<u>22,043,314</u>	<u>46,588,955</u>

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025 (Cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 5) RM	Borrowings (excluding bank overdrafts) (Note 14) RM
Balance as at 1 January 2024	9,445,989	128,711,972
Cash flows	(4,327,377)	13,113,280
Non-cash flows:		
- additions	1,963,682	0
- lease modification	1,259,810	0
- lease termination	(150,955)	0
- unwinding of interest	584,623	0
Balance as at 31 December 2024	<u>8,775,772</u>	<u>141,825,252</u>
Balance as at 1 January 2025	8,775,772	141,825,252
Cash flows	(7,078,619)	(396,854)
Non-cash flows:		
- additions	7,871,669	11,035,314
- unwinding of interest	657,644	0
Balance as at 31 December 2025	<u>10,226,466</u>	<u>152,463,712</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Lot 1571, Jalan Serunai, Kawasan Perindustrian Valdor, Mukim 12, 14200 Sungai Bakap, Pulau Pinang.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are mainly manufacture of sheet metal products, industrial racking systems and welded pipes, trading of steel materials and steel related products and sales and rental of scaffoldings and property dealing. Further details of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year, except for the newly acquired subsidiary, which is engaged in property dealing.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs and Amendments to MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 30.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Electrical fittings, equipment and renovation RM	Equipment for rent RM	Capital work-in-progress RM	Total RM
31 December 2025									
At cost									
Balance as at 1 January 2025	32,412,202	65,250,161	32,353,058	4,870,623	5,352,465	5,615,440	44,568,135	14,255	190,436,339
Additions	0	0	1,802,269	88,600	182,587	100,574	6,658,840	25,438,603	34,271,473
Transfer from right-of-use assets (Note 5)	0	0	2,634,882	427,335	0	0	0	0	3,062,217
Transfer from inventories	0	0	0	0	0	0	13,008,438	0	13,008,438
Transfer to inventories	0	0	0	0	0	0	(1,343,378)	0	(1,343,378)
Transfer to assets held for sale (Note 10)	0	(21,003,189)	0	0	0	0	0	0	(21,003,189)
Disposals	(8,456,302)	0	0	(206,001)	0	0	(6,533,967)	0	(15,196,270)
Written off	0	(4,950)	(1,037,872)	0	(54,367)	0	(189,870)	0	(1,287,059)
Balance as at 31 December 2025	23,955,900	44,242,022	35,752,337	5,180,557	5,480,685	5,716,014	56,168,198	25,452,858	201,948,571

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Electrical fittings, and equipment renovation RM	Equipment for rent RM	Capital work-in-progress RM	Total RM
31 December 2025									
Accumulated depreciation									
Balance as at 1 January 2025	0	8,355,100	19,299,449	3,792,417	3,800,192	2,321,210	7,460,264	0	45,028,632
Current charge	0	1,189,359	2,301,576	641,694	294,343	471,637	5,417,002	0	10,315,611
Transfer from right-of-use assets (Note 5)	0	0	1,201,452	427,331	0	0	0	0	1,628,783
Transfer to inventories	0	0	0	0	0	0	(244,262)	0	(244,262)
Transfer to assets held for sale (Note 10)	0	(2,088,682)	0	0	0	0	0	0	(2,088,682)
Disposals	0	0	0	(206,000)	0	0	(1,504,984)	0	(1,710,984)
Written off	0	(3,424)	(1,037,872)	0	(52,448)	0	(56,306)	0	(1,150,050)
Balance as at 31 December 2025	0	7,452,353	21,764,605	4,655,442	4,042,087	2,792,847	11,071,714	0	51,779,048
Carrying amount									
Balance as at 31 December 2025	23,955,900	36,789,669	13,987,732	525,115	1,438,598	2,923,167	45,096,484	25,452,858	150,169,523

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Electrical fittings, equipment and renovation RM	Equipment for rent RM	Capital work-in-progress RM	Total RM
31 December 2024									
At cost									
Balance as at 1 January 2024	30,956,302	65,250,161	29,322,318	4,575,093	4,939,568	4,797,992	35,203,008	0	175,044,442
Additions	1,455,900	0	1,929,383	541,300	433,490	817,448	296,891	14,255	5,488,667
Transfer from right-of-use assets (Note 5)	0	0	1,204,663	0	0	0	0	0	1,204,663
Transfer from inventories	0	0	0	0	0	0	15,461,258	0	15,461,258
Disposals	0	0	(7,373)	(245,770)	0	0	(4,971,892)	0	(5,225,035)
Written off	0	0	(95,933)	0	(20,593)	0	(1,421,130)	0	(1,537,656)
Balance as at 31 December 2024	32,412,202	65,250,161	32,353,058	4,870,623	5,352,465	5,615,440	44,568,135	14,255	190,436,339

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Electrical fittings, equipment and renovation RM	Equipment for rent RM	Capital work-in-progress RM	Total RM
31 December 2024									
Accumulated depreciation									
Balance as at 1 January 2024	0	7,165,392	16,418,228	3,753,082	3,477,541	1,839,796	5,628,682	0	38,282,721
Current charge	0	1,189,708	2,235,557	267,601	341,308	481,414	4,046,939	0	8,562,527
Transfer from right-of-use assets (Note 5)	0	0	725,490	0	0	0	0	0	725,490
Disposals	0	0	(1,233)	(228,266)	0	0	(2,038,275)	0	(2,267,774)
Written off	0	0	(78,593)	0	(18,657)	0	(177,082)	0	(274,332)
Balance as at 31 December 2024	0	8,355,100	19,299,449	3,792,417	3,800,192	2,321,210	7,460,264	0	45,028,632
Carrying amount									
Balance as at 31 December 2024	32,412,202	56,895,061	13,053,609	1,078,206	1,552,273	3,294,230	37,107,871	14,255	145,407,707

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company			
31 December 2025			
At cost			
Balance as at 1 January 2025	160,000	10,550	170,550
Additions	1,689,974	14,050	1,704,024
Balance as at 31 December 2025	<u>1,849,974</u>	<u>24,600</u>	<u>1,874,574</u>
Accumulated depreciation			
Balance as at 1 January 2025	13,332	792	14,124
Current charge	369,995	2,460	372,455
Balance as at 31 December 2025	<u>383,327</u>	<u>3,252</u>	<u>386,579</u>
Carrying amount			
Balance as at 31 December 2025	<u>1,466,647</u>	<u>21,348</u>	<u>1,487,995</u>
31 December 2024			
At cost			
Balance as at 1 January 2024	0	0	0
Additions	160,000	10,550	170,550
Balance as at 31 December 2024	<u>160,000</u>	<u>10,550</u>	<u>170,550</u>
Accumulated depreciation			
Balance as at 1 January 2024	0	0	0
Current charge	13,332	792	14,124
Balance as at 31 December 2024	<u>13,332</u>	<u>792</u>	<u>14,124</u>
Carrying amount			
Balance as at 31 December 2024	<u>146,668</u>	<u>9,758</u>	<u>156,426</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses, if any.

The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the performance of Cash Generating Units ("CGUs"). Management considered certain CGUs which are loss-making as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use or the fair value less cost to sell of the underlying CGU. No impairment loss was recognised for the financial year ended 31 December 2025 as management has determined that the recoverable amounts of property, plant and equipment are higher than their carrying amounts.

- (b) Freehold land has unlimited useful life and is not depreciated. Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Buildings	50 years
Plant and machinery	5 - 10 years
Motor vehicles	5 - 10 years
Furniture, fittings and office equipment	2 - 12 years
Electrical fittings, equipment and renovation	8 - 10 years
Equipment for rent	10 years

Capital work-in-progress represents building under construction and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (c) As at the end of the reporting period, freehold land and certain buildings of the Group with a total carrying amount of RM60,745,569 (2024: RM89,305,613) have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 14 to the financial statements.
- (d) The Group leases its equipment for rent to third parties under operating lease arrangement. The initial lease period and subsequent renewal are negotiated and agreed with the lessees.

The Group does not require a financial guarantee on the lease arrangement. Nevertheless, the Group requires 1 to 2 months of advance rental as normal payments from the lessees. These leases do not include residual value guarantees.

The following are recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Lease income	<u>23,407,060</u>	<u>19,967,774</u>

- (e) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	32,271,473	5,488,667	1,704,024	170,550
Financed by banking facility	<u>(11,035,314)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>23,236,159</u>	<u>5,488,667</u>	<u>1,704,024</u>	<u>170,550</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

Right-of-use assets

	Balance as at 1.1.2025	Additions	Transfer to property, plant and equipment (Note 4)	Transfer to assets held for sale (Note 10)	Depreciation charge for the financial year	Balance as at 31.12.2025
	RM	RM	RM	RM	RM	RM
Carrying amount						
Leasehold land	9,696,136	0	0	(8,776,563)	(160,799)	758,774
Factory equipment	304,520	0	0	0	(39,720)	264,800
Motor vehicles	3,741,490	1,228,935	(4)	0	(820,016)	4,150,405
Plant and machinery	4,972,587	0	(1,433,430)	0	(645,355)	2,893,802
Premises	1,994,729	6,882,582	0	0	(3,886,763)	4,990,548
	<u>20,709,462</u>	<u>8,111,517</u>	<u>(1,433,434)</u>	<u>(8,776,563)</u>	<u>(5,552,653)</u>	<u>13,058,329</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as a lessee (Cont'd)

Right-of-use assets (Cont'd)

	Balance as at 1.1.2024	Additions	Lease modification	Lease termination	Transfer to property, plant and equipment (Note 4)	Depreciation charge for the financial year	Balance as at 31.12.2024
	RM	RM	RM	RM	RM	RM	RM
Carrying amount							
Leasehold land	9,856,935	0	0	0	0	(160,799)	9,696,136
Factory equipment	0	331,000	0	0	0	(26,480)	304,520
Motor vehicles	4,236,078	553,422	0	0	0	(1,048,010)	3,741,490
Plant and machinery	5,104,690	1,025,631	0	0	(479,173)	(678,561)	4,972,587
Premises	2,163,287	196,883	1,259,810	(148,185)	0	(1,477,066)	1,994,729
	<u>21,360,990</u>	<u>2,106,936</u>	<u>1,259,810</u>	<u>(148,185)</u>	<u>(479,173)</u>	<u>(3,390,916)</u>	<u>20,709,462</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as a lessee (Cont'd)

Lease liabilities

	Balance as at 1.1.2025 RM	Additions RM	Lease payments RM	Interest expense (Note 18) RM	Balance as at 31.12.2025 RM
Carrying amount					
Factory equipment	290,822	0	(307,227)	16,405	0
Motor vehicles	2,890,768	1,121,000	(1,213,283)	97,949	2,896,434
Plant and machinery	3,508,942	0	(1,458,336)	176,936	2,227,542
Premises	2,085,240	6,750,669	(4,099,773)	366,354	5,102,490
	<u>8,775,772</u>	<u>7,871,669</u>	<u>(7,078,619)</u>	<u>657,644</u>	<u>10,226,466</u>

	Balance as at 1.1.2024 RM	Additions RM	Lease modification RM	Lease termination RM	Lease payments RM	Interest expense (Note 18) RM	Balance as at 31.12.2024 RM
Carrying amount							
Factory equipment	0	295,000	0	0	(5,682)	1,504	290,822
Motor vehicles	3,466,172	446,600	0	0	(1,195,286)	173,282	2,890,768
Plant and machinery	3,746,280	1,025,199	0	0	(1,495,903)	233,366	3,508,942
Premises	2,233,537	196,883	1,259,810	(150,955)	(1,630,506)	176,471	2,085,240
	<u>9,445,989</u>	<u>1,963,682</u>	<u>1,259,810</u>	<u>(150,955)</u>	<u>(4,327,377)</u>	<u>584,623</u>	<u>8,775,772</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as a lessee (Cont'd)

Lease liabilities (Cont'd)

	Group	
	2025	2024
	RM	RM
Represented by:		
Current liabilities	5,748,391	3,295,998
Non-current liabilities	4,478,075	5,479,774
	<u>10,226,466</u>	<u>8,775,772</u>
Lease liabilities owing to financial institutions	5,123,976	6,690,532
Lease liabilities owing to non-financial institutions	5,102,490	2,085,240
	<u>10,226,466</u>	<u>8,775,772</u>

- (a) The Group leases a number of premises, plant and machinery, motor vehicles and factory equipment in the location which it operates. The lease of premises, plant and machinery, motor vehicles and factory equipment comprise only fixed payments over the lease terms.
- (b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.
- (c) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	50 years
Factory equipment	5 years
Motor vehicles	3 - 5 years
Plant and machinery	3 - 5 years
Premises	2 - 4 years

- (d) As at 31 December 2025, leasehold land of the Group with carrying amount of RM758,774 (2024: RM9,696,136) has been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(e) The following are amounts recognised in profit or loss:

	Group	
	2025	2024
	RM	RM
Depreciation of right-of-use assets		
- included in cost of sales	4,532,118	2,552,276
- included in administrative and distribution expenses	1,020,535	838,640
Expense relating to short-term leases		
- included in cost of sales	900,836	916,205
- included in administrative and distribution expenses	164,398	58,079
Expense relating to low-value assets		
- included in cost of sales	14,266	4,160
- included in administrative and distribution expenses	27,770	25,436
Interest expense on lease liabilities		
- included in finance costs	657,644	584,623
Gain on lease termination	0	(2,770)
	7,317,567	4,976,649

(f) The following are total cash outflows for leases as a lessee:

	Group	
	2025	2024
	RM	RM
Included in net cash from/(used in) operating activities		
Payments relating to:		
- short-term leases	1,065,234	974,284
- low-value assets	42,036	29,596
Included in net cash (used in)/from financing activities		
Repayments of lease liabilities	7,078,619	4,327,377
	8,185,889	5,331,257

(g) The Group has certain leases of assets with lease term of twelve (12) months or less and low-value leases of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(h) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2025	2024
	RM	RM
Purchase of right-of-use assets	8,111,517	2,106,936
Financed by lease liabilities	<u>(7,871,669)</u>	<u>(1,963,682)</u>
Cash payments on purchase of right-of-use assets	<u>239,848</u>	<u>143,254</u>

(i) The Group has several lease contracts that include extension options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.

As at the end of the financial year, the Group has extension option for certain premises at a fee to be mutually agreed by both parties. The potential future rental payments are not included in the lease term.

(j) Information on financial risks of lease liabilities is disclosed in Note 28 to the financial statements.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	<u>146,093,379</u>	<u>146,093,378</u>

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

The Company assessed whether there are any indicators of impairment during the financial year. The recoverable amounts of the investments in subsidiaries are determined based on the higher of value-in-use or the fair value less cost to sell of the respective subsidiaries. No impairment loss was recognised for the financial year ended 31 December 2025 as management has determined that the recoverable amounts of investments in subsidiaries are higher than their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
BW Yee Seng Steel Industries Sdn. Bhd. ("BW Steel")*	Malaysia	100	100	Manufacture of sheet metal products, and trading of steel materials and steel related products
BW Yee Seng (Timur) Sdn. Bhd. ("BW Timur")*	Malaysia	100	100	Manufacture of sheet metal products, and trading of steel materials and steel related products
BW Scaffold Industries Sdn. Bhd. ("BW Scaffold")*	Malaysia	100	100	Sales and rental of scaffoldings
BWYS Sdn. Bhd. ("BWYSSB")*	Malaysia	100	100	General trading and real estate activities
BWYS Metech Sdn.Bhd. (formerly known as YS Success Industries Sdn. Bhd.) ("BW Metech")*	Malaysia	100	100	Manufacture of industrial racking systems and welded pipes, and trading of steel materials and steel related products
BWYS Colour Sdn. Bhd. ("BW Colour")#	Malaysia	100	-	Dormant
Subsidiary of BW Metech				
YS Global Industries Sdn. Bhd. ("YSGI")*	Malaysia	100	100	Manufacture of industrial racking systems
Subsidiary of BWYS Sdn. Bhd.				
BW Prestige Properties Sdn. Bhd. ("BW Prestige")*	Malaysia	100	-	Property dealing

* Subsidiaries audited by BDO PLT in Malaysia.

The results are consolidated based on the unaudited financial statements as statutory audit was not required as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) During the financial year, the Company completed the following acquisition and incorporated of companies:

- (i) On 13 February 2025, BWYSSB, a wholly-owned subsidiary of the Company, had incorporated BW Prestige with paid-up share capital of RM10 comprising of 10 ordinary shares. The subsidiary subscribed 4 ordinary shares for a total consideration of RM4, representing 40% equity interest in BW Prestige.

On 20 June 2025, BWYSSB has further acquired additional 6 ordinary shares, representing 60% equity interest in BW Prestige for a total consideration of RM81,000 from a shareholder, Looi Woon Seng. Pursuant to that, the equity interest of BWYSSB in BW Prestige increased from 40% to 100% and became an indirect wholly-owned subsidiary of BWYS Group Berhad.

The fair value of the identified assets and liabilities of BW Prestige as at the acquisition are as follows:

	As at date of acquisition RM
Current assets	
Trade and other receivables	500
Cash and bank balances	10
	<u>510</u>
Current liability	
Trade and other payables	<u>(6,147)</u>
Fair value of net liabilities	(5,637)
Goodwill arose from acquisition	86,641
Total purchase consideration	81,004
Purchase consideration previously invested	(4)
Net consideration payable	<u>81,000</u>

Goodwill arose from acquisition of RM86,641 was fully impaired and written off due to the subsidiary was making losses.

The effect of the acquisition of BW Prestige on cash flows of the Group are as follows:

	2025 RM
Net consideration payable	81,000
Less: cash and cash equivalents of subsidiary acquired	<u>(10)</u>
	80,990
Less: movement in other payables	<u>(81,000)</u>
Cash inflow of the Group on acquisition	<u>(10)</u>

The acquisition of BW Prestige did not have any material financial effect to the Group.

- (ii) On 18 December 2025, the Company incorporated a wholly-owned subsidiary, BWYS Colour Sdn. Bhd. with an issued and paid-up share capital of RM1 comprising 1 ordinary shares. The subscription had no material financial effect to the Group and to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) In the previous financial year, the Company completed the following acquisitions of subsidiaries:
- (i) The Company had acquired 60,326,700 ordinary shares, representing its entire equity interest in BW Steel for a total consideration of RM42,190,478. This was satisfied via issuance of 222,055,070 new ordinary shares in the capital of the Company at an issue price of RM0.19 per new ordinary share and cash payments, amounted to RM42,190,464 and RM14 respectively.
 - (ii) The Company had acquired 14,164,300 ordinary shares, representing its entire equity interest in BW Scaffold for a total consideration of RM27,226,400. This was satisfied via issuance of 143,296,832 new ordinary shares in the capital of the Company at an issue price of RM0.19 per new ordinary share and cash payments, amounted to RM27,226,398 and RM2 respectively.
 - (iii) The Company had acquired 49,731,000 ordinary shares, representing its entire equity interest in YSSI for a total consideration of RM30,568,400. This was satisfied via issuance of 160,886,313 new ordinary shares in the capital of the Company at an issue price of RM0.19 per new ordinary share and cash payments, amounted to RM30,568,399 and RM1 respectively.
 - (iv) The Company had acquired 500,000 ordinary shares, representing its entire equity interest in BW Timur for a total consideration of RM19,700,000. This was satisfied via issuance of 103,683,174 new ordinary shares in the capital of the Company at an issue price of RM0.19 per new ordinary share and cash payments, amounted to RM19,699,803 and RM197 respectively.
 - (v) The Company had acquired 1,000,000 ordinary shares, representing its entire equity interest in BWYSSB for a total consideration of RM26,408,100. This was satisfied via issuance of 138,988,610 new ordinary shares in the capital of the Company at an issue price of RM0.19 per new ordinary share and cash payments, amounted to RM26,407,836 and RM264 respectively.

7. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost		
Raw materials	61,388,647	63,317,799
Work-in-progress	8,047,229	11,901,397
Finished goods	12,449,967	16,784,714
Property stock	16,951,020	0
	98,836,863	92,003,910
At net realisable value		
Finished goods	0	161,043
	98,836,863	92,164,953

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

7. INVENTORIES

- (a) Inventories are stated at the lower of cost and net realisable value.

Cost is determined using first-in, first out method. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location. Work-in-progress and cost of finished goods includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The Group writes down its inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are based on the subsequent selling prices of steel products.

- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM183,041,168 (2024: RM149,918,561).
- (c) In the previous financial year, inventories written down of the Group amounted to RM106,468 was included in cost of sales.
- (d) Property stock is stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land and direct costs attributable to development activities or that can be allocated on a reasonable basis to such activities.
- (e) As at the end of the reporting period, property stock of the Group with a total carrying amount of RM16,951,020 have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 14 to the financial statements.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	51,066,106	48,622,586	0	0
Related party	4,888	0	0	0
	51,070,994	48,622,586	0	0
Less: Impairment losses- third parties	(8,115,827)	(6,452,119)	0	0
	42,955,167	42,170,467	0	0
Other receivables				
Third parties	9,791,196	13,556,389	241,278	0
Subsidiaries	0	0	32,169,696	4,479,051
Deposits	10,769,374	1,060,503	500	500
	20,560,570	14,616,892	32,411,474	4,479,551
Total receivables	63,515,737	56,787,359	32,411,474	4,479,551
Prepayments	8,860,505	4,802,867	251,005	171,328
	72,376,242	61,590,226	32,662,479	4,650,879

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

8. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (2024: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents except for an amount of RM4,605,058 (2024: RM4,455,900), which bears interest at a rate of 4.90% (2024: 6.00%) per annum.
- (d) The currency exposure profile of total receivables is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Ringgit Malaysia	57,926,006	51,199,650	32,411,474	4,479,551
United States Dollar	5,521,710	5,587,709	0	0
Chinese Yuan	68,021	0	0	0
	<u>63,515,737</u>	<u>56,787,359</u>	<u>32,411,474</u>	<u>4,479,551</u>

- (e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ("ECL").

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method based on a common credit risk characteristic - the days past due.

During the process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (i.e. producer price index) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) (continued)

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Expected loss allowance for trade receivables are as follows:

Group	Gross carrying amount RM	Impairment losses RM	Total RM
31 December 2025			
Current	25,917,682	246,477	25,671,205
1 to 30 days	5,769,387	98,594	5,670,793
31 to 60 days	6,017,387	110,257	5,907,130
61 to 90 days	3,378,738	186,385	3,192,353
More than 90 days	4,539,230	2,025,544	2,513,686
Credit impaired			
- Individually impaired	5,448,570	5,448,570	0
	<u>51,070,994</u>	<u>8,115,827</u>	<u>42,955,167</u>
31 December 2024			
Current	26,824,350	524,486	26,299,864
1 to 30 days	5,064,404	235,192	4,829,212
31 to 60 days	5,026,692	252,517	4,774,175
61 to 90 days	2,041,856	192,363	1,849,493
More than 90 days	6,698,062	2,382,339	4,315,723
Credit impaired			
- Individually impaired	2,967,222	2,865,222	102,000
	<u>48,622,586</u>	<u>6,452,119</u>	<u>42,170,467</u>

During the financial year, the Group did not renegotiate the terms of any trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

8. TRADE AND OTHER RECEIVABLES (CONT'D)

- (f) Movements in the impairment allowance for trade receivables are as follows:

Group	Lifetime ECL allowance RM	Credit impaired RM	Total RM
Balance as at 1 January 2025	3,586,897	2,865,222	6,452,119
Charge for the financial year	555,953	2,964,422	3,520,375
Reversal of impairment losses	<u>(1,475,594)</u>	<u>(381,073)</u>	<u>(1,856,667)</u>
Balance as at 31 December 2025	<u>2,667,256</u>	<u>5,448,571</u>	<u>8,115,827</u>
Balance as at 1 January 2024	2,608,123	2,026,105	4,634,228
Charge for the financial year	1,097,851	924,339	2,022,190
Reversal of impairment losses	0	(204,299)	(204,299)
Transfers	<u>(119,077)</u>	<u>119,077</u>	<u>0</u>
Balance as at 31 December 2024	<u>3,586,897</u>	<u>2,865,222</u>	<u>6,452,119</u>

- (g) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial assets, 12-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and amounts owing by subsidiaries.

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables and amounts owing by subsidiaries.

It requires management to exercise significant judgement in determining the probability of default by other receivables and amounts owing by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables and amounts owing by subsidiaries as it is negligible.

- (h) Included in deposits amounting to RM9,447,963 comprise of deposit paid to acquisition of Duabelas land as disclose in the Note 31(d) to the financial statements.
- (i) Information on financial risks of trade and other receivables is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

9. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	43,809,320	54,554,388	22,043,314	46,588,955
Deposits with licensed banks	<u>18,416,520</u>	<u>20,908,136</u>	<u>0</u>	<u>0</u>
	<u>62,225,840</u>	<u>75,462,524</u>	<u>22,043,314</u>	<u>46,588,955</u>

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	62,209,376	75,379,131	22,043,314	46,588,955
United States Dollar	16,320	83,249	0	0
Others	<u>144</u>	<u>144</u>	<u>0</u>	<u>0</u>
	<u>62,225,840</u>	<u>75,462,524</u>	<u>22,043,314</u>	<u>46,588,955</u>

(c) The effective interest rates of deposits with licensed banks of the Group are ranging from 2.40% to 2.60% (2024: 2.50% to 2.95%) per annum.

(d) Deposit with licensed banks of the Group amounting to RM18,416,520 (2024: RM20,908,136) have been pledged to licensed banks as securities for the credit facilities granted as disclosed in Note 14 to the financial statements.

(e) No expected credit loss is recognised arising from cash and bank balances because the probability of default of these financial institutions is negligible.

(f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	43,809,320	54,554,388	22,043,314	46,588,955
Deposits with licensed banks	<u>18,416,520</u>	<u>20,908,136</u>	<u>0</u>	<u>0</u>
As per statements of financial position	62,225,840	75,462,524	22,043,314	46,588,955
Less:				
Deposits pledged to licensed banks	(18,416,520)	(20,908,136)	0	0
Bank overdrafts (Note 14)	<u>(1,324,181)</u>	<u>(1,511,012)</u>	<u>0</u>	<u>0</u>
As reported in statements of cash flows	<u>42,485,139</u>	<u>53,043,376</u>	<u>22,043,314</u>	<u>46,588,955</u>

(g) Information on financial risks of cash and bank balances is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

10. ASSETS HELD FOR SALE [2025 ONLY]

	Group 2025 RM
Leasehold land	8,776,563
Buildings	18,914,507
	<u>27,691,070</u>

- (a) On 1 August 2025, 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 (“Changgang Property Disposal”). Accordingly, management reclassified the leasehold land and buildings as assets held for sale in accordance with the requirements of MFRS 5 *Non-current assets held for sale and discontinued operations*.

The Company had on 22 January 2026 at its Extraordinary General Meeting, obtained the shareholders' approval to undertake the Changgang Property Disposal. Subsequently, the Changgang Property Disposal has been completed on 6 February 2026.

- (b) As at 31 December 2025, assets held for sale with carrying amount of RM27,691,070 have been pledged to licensed bank to secure banking facilities granted as disclosed in Note 14 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

11. SHARE CAPITAL

Group	2025		2024	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid with no par value				
Balance as at 1 January	1,025,213,000	200,540,270	125,722,001	30,357,461
Effects of business combination under common control	0	0	643,187,999	115,735,440
Issuance of ordinary shares pursuant to initial public offering	0	0	256,303,000	56,386,660
Share issue expenses	0	0	0	(1,939,291)
Balance as at 31 December	<u>1,025,213,000</u>	<u>200,540,270</u>	<u>1,025,213,000</u>	<u>200,540,270</u>

Company	2025		2024	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid with no par value				
Balance as at 1 January	1,025,213,000	200,540,270	1	1
Issuance of ordinary shares pursuant to:				
- acquisitions of subsidiaries	0	0	768,909,999	146,092,900
- initial public offering	0	0	256,303,000	56,386,660
Share issue expenses	0	0	0	(1,939,291)
Balance as at 31 December	<u>1,025,213,000</u>	<u>200,540,270</u>	<u>1,025,213,000</u>	<u>200,540,270</u>

(a) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1 to 1,025,213,000 by way of issuance of 1,025,212,999 new ordinary shares pursuant to the following:

- (i) issuance of 768,909,999 new ordinary shares of RM0.19 each pursuant to the acquisitions of the subsidiaries as disclosed in Note 6(d) to the financial statements; and
- (ii) allotment of 256,303,000 new ordinary shares at an issue price of RM0.22 each for cash pursuant to the initial public offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(b) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

12. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Merger reserve	(115,735,918)	(115,735,918)	0	0
Distributable:				
Retained earnings/ (Accumulated losses)	147,558,959	133,021,183	481,025	(3,229,620)
	<u>31,823,041</u>	<u>17,285,265</u>	<u>481,025</u>	<u>(3,229,620)</u>

Merger reserve

The merger reserve arose as a result of the difference between consideration paid over the share capital of the subsidiaries pursuant to business combinations under common control.

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NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

13. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities are made of the following:

	Group	
	2025	2024
	RM	RM
Balance as at 1 January	4,027,135	4,368,710
Recognised in profit or loss (Note 20):		
- relating to origination and reversal of temporary differences	63,837	(982,965)
- underprovision in prior years	409,065	641,390
Balance as at 31 December	<u>4,500,037</u>	<u>4,027,135</u>
Subject to income tax:		
Deferred tax liabilities		
Property, plant and equipment	<u>4,500,037</u>	<u>4,027,135</u>

- (b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unabsorbed capital allowances	1,301,000	891,300	37,100	0
Unused tax losses:				
- expires by 31 December 2030	218,900	218,900	0	0
- expires by 31 December 2032	3,800	3,800	0	0
- expires by 31 December 2033	1,471,600	1,471,600	0	0
- expires by 31 December 2034	440,300	4,375,800	0	0
- expires by 31 December 2035	7,420,800	0	1,315,400	0
	<u>10,856,400</u>	<u>6,961,400</u>	<u>1,352,500</u>	<u>0</u>

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The amount and availability of these items are carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

Any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

14. BORROWINGS

	Group	
	2025	2024
	RM	RM
Non-current liability		
<i>Secured:</i>		
Term loans	77,978,274	53,205,369
Current liabilities		
<i>Secured:</i>		
Bank overdrafts (Note 9(f))	1,324,181	1,511,012
Bankers' acceptances	67,657,782	81,382,444
Revolving credit	1,000,000	1,000,000
Term loans	5,827,656	6,237,439
	<u>75,809,619</u>	<u>90,130,895</u>
Total borrowings		
<i>Secured:</i>		
Bank overdrafts (Note 9(f))	1,324,181	1,511,012
Bankers' acceptances	67,657,782	81,382,444
Revolving credit	1,000,000	1,000,000
Term loans	83,805,930	59,442,808
	<u>153,787,893</u>	<u>143,336,264</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in Ringgit Malaysia.
- (c) The borrowings of the Group are secured by way of:
- (i) Legal charge over certain freehold land, leasehold land and buildings of the Group as disclosed in Notes 4, 5 and 10 to the financial statements;
 - (ii) Legal charge over property stock of the Group as disclosed in Note 7 to the financial statements;
 - (iii) Fixed deposits pledged to licensed banks of the Group as disclosed in Note 9(d) to the financial statements;
 - (iv) Corporate guarantee from the Company and subsidiaries;
 - (v) Joint and several guarantee by certain Directors of the Group;
- (d) Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (e) Information on financial risks of borrowings and their maturity is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	4,688,506	3,465,583	0	0
Related parties	0	29,000	0	0
	4,688,506	3,494,583	0	0
Other payables				
Third parties	9,387,842	5,069,995	126,958	13,980
Related party	0	170,985	0	0
Subsidiaries	0	0	22,322	1,200
Deposit received	7,243,057	6,751,998	0	0
Accruals	6,705,959	8,285,951	1,146,592	104,608
	23,336,858	20,278,929	1,295,872	119,788
	<u>28,025,364</u>	<u>23,773,512</u>	<u>1,295,872</u>	<u>119,788</u>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days (2024: 30 to 120 days) from date of invoice.
- (c) Amounts owing to a related party and subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free, and repayable within next twelve (12) months or upon demand in cash and cash equivalents.
- (d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	24,947,431	18,988,008	1,295,872	119,788
Chinese Yuan	2,765,836	0	0	0
United States Dollar	299,641	4,785,444	0	0
Others	12,456	60	0	0
	<u>28,025,364</u>	<u>23,773,512</u>	<u>1,295,872</u>	<u>119,788</u>

- (e) Information on financial risks of trade and other payables is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

16. PROVISIONS

	Group	
	2025	2024
	RM	RM
Balance as at 1 January	987,402	987,402
Reversal of provision	(987,402)	0
Balance as at 31 December	<u>0</u>	<u>987,402</u>

The provision is in respect of the counter claims brought against the Group by the defendants. During the financial year, the provision was reversed after the Court allowed the Group's claim and dismissed the defendants' counter claim. The subsequent appeal filed by the defendants were withdrawn. The details of the legal claims have been disclosed in Note 29 to the financial statements.

17. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<i>Revenue from contracts with customers</i>				
Sales of goods	253,200,302	216,363,473	0	0
<i>Other revenue</i>				
Rental of equipment	23,407,060	19,967,774	0	0
Management fee	0	0	5,139,908	0
Dividend income	0	0	5,600,000	0
	<u>276,607,362</u>	<u>236,331,247</u>	<u>10,739,908</u>	<u>0</u>
Timing of revenue recognition:				
<i>Revenue from contracts with customers</i>				
Point in time	<u>253,200,302</u>	<u>216,363,473</u>	<u>0</u>	<u>0</u>

Revenue from contracts with customers is disaggregated in the table below by primary geographical market:

	Group	
	2025	2024
	RM	RM
Malaysia	264,033,564	224,943,302
United States of America	6,940,850	9,662,250
Others	5,632,948	1,725,695
	<u>276,607,362</u>	<u>236,331,247</u>

(a) Sale of goods

Revenue from the sale of goods and services rendered is recognised at a point in time when the control of the goods have been transferred to the customers and coincide with the delivery of goods and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods rendered as the sales are made on the normal credit terms not exceeding twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

17. REVENUE (CONT'D)

(b) Rental of equipment

Rental income from equipment for rent are recognised on a straight-line basis over the term of lease.

(c) Management fees

Management fees is recognised when the management services have been rendered to the subsidiaries.

(d) Dividend income

Dividend income is recognised whenever the right to receive payment is established.

18. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Interest expenses on:				
- Bank overdrafts	166,985	120,892	0	0
- Bankers' acceptances	3,337,897	3,464,184	0	0
- Lease liabilities (Note 5)	657,644	584,623	0	0
- Revolving credit	53,094	54,500	0	0
- Term loans	3,146,260	2,802,776	0	0
- Others	53,365	6,782	37,085	0
	<u>7,415,245</u>	<u>7,033,757</u>	<u>37,085</u>	<u>0</u>

19. EMPLOYEE BENEFITS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Directors' fee	216,000	95,806	216,000	95,806
Wages, salaries and bonuses	23,558,519	22,019,776	5,193,900	22,000
Contributions to defined contribution plan	2,581,276	2,327,576	716,941	0
Social security contributions	318,418	293,206	15,343	0
Other employees benefits	1,260,233	1,319,469	20,796	0
	<u>27,934,446</u>	<u>26,055,833</u>	<u>6,162,980</u>	<u>117,806</u>

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM3,496,130 and RM3,350,449 (2024: RM2,905,189 and RM117,806) respectively. Estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company are RM27,633 and RM23,333 (2024: RM25,550 and RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit/(loss) for the financial year	5,977,009	6,554,091	0	59,200
(Over)/Underprovision of tax expense in prior years	(963,301)	(300,665)	7,800	0
	<u>5,013,708</u>	<u>6,253,426</u>	<u>7,800</u>	<u>59,200</u>
Deferred tax expense (Note 13):				
Relating to origination and reversal of temporary differences	63,837	(982,965)	0	0
Underprovision in prior years	409,065	641,390	0	0
	<u>472,902</u>	<u>(341,575)</u>	<u>0</u>	<u>0</u>
Real property gains tax	338,250	0	0	0
	<u>5,824,860</u>	<u>5,911,851</u>	<u>7,800</u>	<u>59,200</u>

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	<u>20,875,243</u>	<u>13,588,367</u>	<u>4,231,052</u>	<u>(3,113,926)</u>
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	5,010,200	3,261,200	1,015,500	(747,300)
Tax effects in respect of:				
- non-allowable expenses	589,291	1,122,802	293,600	866,879
- non-taxable income	(493,445)	(299,064)	(1,633,700)	(60,667)
Deferred tax assets not recognised during the year	934,800	1,486,188	324,600	288
Real property gains tax	338,250	0	0	0
(Over)/Underprovision of tax expense in prior years	(963,301)	(300,665)	7,800	0
Underprovision of deferred tax in prior years	409,065	641,390	0	0
Tax expense for the financial year	<u>5,824,860</u>	<u>5,911,851</u>	<u>7,800</u>	<u>59,200</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

21. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
	RM	RM
Profit for the financial year attributable to owners of the Company (RM)	<u>15,050,383</u>	<u>7,676,516</u>
Weighted average number of ordinary shares outstanding during the financial year (unit)	<u>1,025,213,000</u>	<u>689,777,948</u>
Basic earnings per ordinary share (sen)	<u>1.47</u>	<u>1.11</u>

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share, as the Group does not have any potential dilutive ordinary share in issue during and at the end of the financial year.

22. DIVIDEND [2025 ONLY]

	Group		Company	
	Dividend per share	Amount of dividend	Dividend per share	Amount of dividend
2025	RM	RM	RM	RM
In respect of financial year ended 31 December 2025:				
- Interim single tier dividend	<u>0.0005</u>	<u>512,607</u>	<u>0.0005</u>	<u>512,607</u>

23. CAPITAL COMMITMENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment				
- contracted but not provided for	<u>105,980,463</u>	<u>2,963,545</u>	<u>947,193</u>	<u>14,050</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

24. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2025	2024
	RM	RM
<u>Unsecured</u>		
Financial guarantee given to a financial institution for credit facilities granted to subsidiaries		
- Limit of guarantee	270,375,050	13,000,000
- Amount utilised	<u>152,798,861</u>	<u>0</u>

- (a) The Company provides financial guarantee to a financial institution for credit facilities granted to subsidiaries.
- (b) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (c) The fair value of the financial guarantee has not been recognised on initial recognition as it is negligible. As the end of each reporting period, there was no indication that the subsidiaries would default in payment.
- (d) Information on financial risks of financial guarantee contracts and their maturity is disclosed in Note 28 to the financial statements.

25. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 6 to the financial statements;
- (ii) Companies in which certain Directors have substantial financial interest; and
- (iii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

25. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Related parties:				
Sales	11,446	334,686	0	0
Purchases	0	10,260	0	0
Rental expenses - short term leases	494,964	494,964	0	0
Lease payment	464,400	517,800	0	0
Purchase of property, plant and equipment	0	199,985	0	0
Subsidiaries:				
Interest income	0	0	233,148	89,141
Rental expenses - short term leases	0	0	158,400	10,800
Management fee received	0	0	5,139,908	0
Purchase of property, plant and equipment	0	0	1,689,975	0
Dividend received	0	0	5,600,000	0

Information regarding outstanding balances with related parties at the end of the financial year are disclosed in Notes 8 and 15 to the financial statements.

The related party transactions described above were carried out on negotiated terms and conditions and mutually agreed with the related parties.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

25. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

Remuneration of Directors and other key management personnel of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	216,000	95,806	216,000	95,806
Salaries and other emoluments	3,897,023	3,624,739	3,773,700	22,000
Contributions to defined contribution plan	597,917	503,937	545,534	0
Social security contributions	7,740	7,073	6,347	0
	<u>4,718,680</u>	<u>4,231,555</u>	<u>4,541,581</u>	<u>117,806</u>
Estimated monetary value of benefits-in-kind	50,133	46,800	45,833	0
	<u>4,768,813</u>	<u>4,278,355</u>	<u>4,587,414</u>	<u>117,806</u>

26. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacturing, sales 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 Group has only one single reportable segment.

(a) Geographical information

The manufacturing facilities of the Group are primarily based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

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.

Revenue information based on the geographical location of customers is as disclosed in Note 17 to the combined financial statements.

(b) Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group's revenue. As such, information on major customers is not presented.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

27. FINANCIAL INSTRUMENTS

Methods and assumptions used to estimate fair value

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables, borrowings and lease liabilities, are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value of borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group and of the Company is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from the previous financial year.

The Group and the Company manage their capital structure and make adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current and previous financial years.

The Group monitors capital using a gearing ratio. This ratio is calculated as net debt divided by total equity attributable to owners of the Company. Net debt are calculated as total borrowings and lease liabilities owing to financial institutions net of cash and bank balances.

	Group	
	2025	2024
	RM	RM
Borrowings	153,787,893	143,336,264
Lease liabilities	5,123,976	6,690,532
Less: Cash and bank balances	(62,225,840)	(75,462,524)
Net debt	<u>96,686,029</u>	<u>74,564,272</u>
Equity attributable to owners of the Company	<u>232,363,311</u>	<u>217,825,535</u>
Gearing ratio (times)	<u>0.42</u>	<u>0.34</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (Cont'd)

Pursuant to the requirements of Guidance Note No.3/2006 of the Bursa Malaysia Securities Berhad, the Company is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital of the Company. The Company has complied with this requirements for the financial year ended 31 December 2025.

The Group and the Company are not subject to any externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are creditworthy debtors with good payment records with the Group. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of one (1) month, extending up to three (3) months. Nevertheless, the management of the Group may give longer credit terms by discretion. The Group consistently monitors its outstanding receivables to minimise credit risk.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group to credit risk is substantially represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the banking facilities of a subsidiaries amounting to RM270,375,050 (2024: RM13,000,000) representing the total limit of guarantee as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile (Cont'd)

The Group does not have any significant concentration of credit risk to any individual customers or counterparty as at the end of the reporting period. In addition, the Group determines concentration of credit risk by monitoring the geographical market of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period is as follows:

	2025		2024	
	RM	% of total	RM	% of total
Malaysia	42,068,678	97.9%	41,969,258	99.5%
United States of America	886,489	2.1%	201,209	0.5%
	<u>42,955,167</u>	<u>100%</u>	<u>42,170,467</u>	<u>100%</u>

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk are the risks that the Group and the Company will not be able to meet its financial obligations when they fall due. The exposure of the Group and of the Company to liquidity and cash flow risk arises primarily from mismatches of maturities of financial assets and financial liabilities.

The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing their liquidity risk management strategy, the Group and the Company measure and forecast their cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the activities of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity and cash flow risk (Cont'd)

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
2025				
Financial liabilities				
Borrowings	79,364,097	32,665,429	61,394,351	173,423,877
Trade and other payables	28,025,364	0	0	28,025,364
Lease liabilities	6,158,918	4,691,519	12,287	10,862,724
Total undiscounted financial liabilities	<u>113,548,379</u>	<u>37,356,948</u>	<u>61,406,638</u>	<u>212,311,965</u>
2024				
Financial liabilities				
Borrowings	92,824,302	22,888,634	50,384,972	166,097,908
Trade and other payables	23,773,512	0	0	23,773,512
Lease liabilities	3,714,303	5,887,028	0	9,601,331
Total undiscounted financial liabilities	<u>120,312,117</u>	<u>28,775,662</u>	<u>50,384,972</u>	<u>199,472,751</u>
				On demand or within one (1) year RM
Company				
2025				
Financial liabilities				
Other payables				1,295,872
Financial guarantee contracts*				<u>270,375,050</u>
Total undiscounted financial liabilities				<u>271,670,922</u>
2024				
Financial liabilities				
Other payables				119,788
Financial guarantee contracts*				<u>13,000,000</u>
Total undiscounted financial liabilities				<u>13,119,788</u>

* Maximum limit of financial guarantee contracts

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the entities within the Group. The currencies giving rise to this risk is primarily United States Dollar ("USD") and Chinese Yuan ("CNY").

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and CNY exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025	2024
	RM	RM
Profit after tax		
USD/RM		
- strengthen by 5% (2024: 5%)	199,059	33,650
- weaken by 5% (2024: 5%)	<u>(199,059)</u>	<u>(33,650)</u>
CNY/RM		
- strengthen by 5% (2024: 5%)	(102,517)	0
- weaken by 5% (2024: 5%)	<u>102,517</u>	<u>0</u>

Sensitivity analysis of other foreign currencies is not disclosed as it is not material to the Group.

Other than effect to profit after tax, there are no other effect to the equity arising from a reasonably possible change to exchange rate against the functional currency of the Group.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from interest-bearing deposits with licensed banks, amounts owing by subsidiaries, borrowings and lease liabilities. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

As at the end of the reporting period, the Group and the Company does not engage in any interest hedging instruments in respect of such interest rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group	
	2025	2024
	RM	RM
Profit after tax		
- increase by 0.5% (2024: 0.5%)	(323,494)	(231,625)
- decrease by 0.5% (2024: 0.5%)	<u>323,494</u>	<u>231,625</u>
	Company	
	2025	2024
	RM	RM
Profit after tax		
- increase by 0.5% (2024: Nil)	17,499	0
- decrease by 0.5% (2024: Nil)	<u>(17,499)</u>	<u>0</u>

Sensitivity analysis for fixed rate instruments at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

There is no interest rate risk exposure to the equity, hence the effect of change in the interest rate is not explained.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the effective interest rates ("EIR") or incremental borrowing rates ("IBR") as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	EIR/ IBR*	Within 1 year	31 December 2025					Total	
				1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years		
		%	RM	RM	RM	RM	RM	RM	RM	
Fixed rates										
Deposits with licensed banks										
	9	2.40 - 2.60	18,416,520	0	0	0	0	0	0	18,416,520
	14	3.26 - 4.88	(67,657,782)	0	0	0	0	0	0	(67,657,782)
	14	5.45	(1,000,000)	0	0	0	0	0	0	(1,000,000)
	5	1.98 - 7.95*	(5,748,391)	(2,830,580)	(1,151,767)	(275,126)	(208,351)	(12,251)	(10,226,466)	
Floating rates										
	14	4.00 - 8.20	(5,827,656)	(6,167,310)	(4,827,211)	(4,866,315)	(3,855,694)	(58,261,744)	(83,805,930)	
	14	7.95	(1,324,181)	0	0	0	0	0	0	(1,324,181)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the effective interest rates ("EIR") or incremental borrowing rates ("IBR") as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Group (continued)	Note	EIR/ IBR*	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
31 December 2024									
Fixed rates									
Deposits with licensed									
banks	9	2.50 - 2.95	20,908,136	0	0	0	0	0	20,908,136
Bankers' acceptances	14	3.63 - 5.32	(81,382,444)	0	0	0	0	0	(81,382,444)
Revolving credit	14	5.45	(1,000,000)	0	0	0	0	0	(1,000,000)
Lease liabilities	5	1.99 - 7.95*	(3,295,998)	(2,495,946)	(1,959,952)	(887,947)	(135,929)	0	(8,775,772)
Floating rates									
Term loans	14	3.50 - 8.45	(6,237,439)	(6,011,602)	(4,934,897)	(2,025,863)	(2,115,861)	(38,117,146)	(59,442,808)
Bank overdrafts	14	8.20	(1,511,012)	0	0	0	0	0	(1,511,012)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the effective interest rates (“EIR”) or incremental borrowing rates (“IBR”) as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Company	Note	EIR/ IBR* %	Within 1 year RM
31 December 2025			
Floating rate			
Amounts owing by subsidiaries	8	4.90	4,605,058
31 December 2024			
Fixed rate			
Amounts owing by subsidiaries	8	6.00	4,455,900

29. MATERIAL LITIGATIONS

BW Steel vs Mentari Arus Sdn. Bhd. (“Mentari”)

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

Mentari had acknowledged that the Products were delivered but refused to make payments. In response to BW Steel’s letter of demand, Mentari vide a letter of demand dated 27 September 2021, counter-claimed for the sum of RM987,402, alleging that the supply of Products were defective.

On 5 July 2022, BW Steel filed a writ action to claim for a sum of RM155,321 with interest 1.5% per month due and payable from Mentari, among others. By way of a defence and counterclaim dated 25 August 2022, Mentari counterclaimed for the sum of RM987,402, alleging that the Products were defective and they have suffered substantial damages as a result of the breach of the agreements.

BW Steel has provided RM987,402 as potential legal claims in the financial statements since the previous financial years.

On 25 September 2025, the Court allowed BW Steel's claim and dismissed the counter-claim. The subsequent appeal filed by Mentari was withdrawn with no order as to costs.

Accordingly, no material financial or operational impact is expected, and the provision of RM987,402 was reversed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

30.1 Amendment to MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

Adoption of the above Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

30.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for future financial years.

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

- (a) On 13 February 2025, BWYS Sdn. Bhd. ("BWYSSB"), a wholly-owned subsidiary of the Company, had incorporated BW Prestige Properties Sdn. Bhd. ("BW Prestige") with paid-up share capital of RM10 comprising of 10 ordinary shares. The subsidiary subscribed 4 ordinary shares for a total consideration of RM4, representing 40% equity interest in BW Prestige.

On 20 June 2025, BWYSSB has further acquired additional 6 ordinary shares, representing 60% equity interest in BW Prestige for a total consideration of RM81,000 from a shareholder, Looi Woon Seng. Pursuant to that, the equity interest of BWYSSB in BW Prestige increased from 40% to 100% and became an indirect wholly-owned subsidiary of BWYS Group Berhad.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

- (b) On 1 August 2025, BW Scaffold Industries Sdn Bhd (“BW Scaffold”), 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 (“Changgang Property Disposal”).

The Company had on 22 January 2026 at its Extraordinary General Meeting, obtained the shareholders' approval to undertake the Changgang Property Disposal. Subsequently, the Changgang Property Disposal has been completed on 6 February 2026.

- (c) On 18 September 2025, YS Global Industries Sdn. Bhd. (“YSGI”), an indirect wholly-owned subsidiary of the Company had entered into cooperation agreements with Runwin International (HK) Holding Group Co., Limited (“Runwin”) for the purpose of setting up a colour coating production line for the commercial production of colour coated steel coils.

In conjunction with the cooperation agreements, YSGI together with BWYS Metech Sdn. Bhd. (formerly known as YS Success Industries Sdn. Bhd.), also a wholly-owned subsidiary of the Company had on 18 September 2025 entered into a shareholders' agreement (“SHA”) and a first supplemental agreement to the SHA with Lionwise Holding Group Pte. Ltd., an 81.48% owned subsidiary of Runwin and FXD Group Sdn. Bhd. to form a joint venture to regulate their relationship inter se as shareholders of YSGI and the conduct the business and affairs of YSGI. As at the date of this report, the transaction has not been completed.

- (d) On 22 October 2025, BW Scaffold had entered into a sale and purchase agreement (“SPA”) with Compass IP Sdn. Bhd., for the acquisition of a parcel of freehold industrial land held under H.S.(D) 50254, PT 53925, Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor Darul Ehsan for a cash consideration of RM94,479,632, subject to the terms and conditions stipulated in the Duabelas Land SPA (“Duabelas Land Acquisition”).

The Company had on 22 January 2026 at its Extraordinary General Meeting, obtained the shareholders' approval to undertake the Duabelas Land Acquisition. As at the date of this report, the Duabelas Land Acquisition has not been completed.

- (e) On 18 December 2025, the Company incorporated a wholly-owned subsidiary, BWYS Colour Sdn. Bhd. with an issued and paid-up share capital of RM1 comprising 1 ordinary shares.
- (f) On 13 February 2026, the Company incorporated a wholly-owned subsidiary, BWYS Plastic Sdn. Bhd. with an issued and paid-up share capital of RM1 comprising 1 ordinary shares.
- (g) Since the end of February 2026, military action and Conflicts in the Middle East have increased. These conflicts have increased general economic uncertainty in the region and the world, with particular uncertainty concerning trade routes in and around the Persian Gulf and the global price of, and consistent supply of, oil and natural gas.

As at the date of authorisation of the financial statements, the Middle East Conflicts still evolving and remains unpredictable. Consequently, the Group and the Company are unable to estimate the financial effects of the situation at this juncture. The Group and the Company are actively monitoring and managing the operations of the Group and the Company to minimise any impact arising from these developments.

32. STATUTORY DISCLOSURE

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statutory audit	200,000	180,000	35,000	30,000
Non-audit related services	5,000	107,500	5,000	107,500
	<u>205,000</u>	<u>287,500</u>	<u>40,000</u>	<u>137,500</u>

LIST OF PROPERTIES

Title / Address	Registered owner / Beneficial owner	Description / Existing Use	Tenure / Approximate Age of Building (Year)	Land Area / Build-up Area (sq ft)	Audited Net Book Value as at 31 December 2025 RM'000	Date of Acquisition
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	BW Yee Seng Steel Industries Sdn Bhd	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 and manufacturing	Freehold / 4 years	522,373 / 369,781	61,321	1 July 2021
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	BWYS Metech Sdn Bhd (formerly known as YS Success Industries Sdn Bhd)	A single-storey factory annexed with a three-storey office building erected thereon / Our head office, warehouse and manufacturing	Freehold / 12 years	340,785 / 267,942	23,263	26 November 2013
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 ("Changgang Property")*	BW Scaffold Industries Sdn Bhd	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	Leasehold of 99 years (expiring on 26 September 2087) / 6 years	339,386 / 242,236	27,691	31 January 2019

LIST OF PROPERTIES

Title / Address	Registered owner / Beneficial owner	Description / Existing Use	Tenure / Approximate Age of Building (Year)	Land Area / Build-up Area (sq ft)	Audited Net Book Value as at 31 December 2025 RM'000	Date of Acquisition
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	BW Yee Seng (Timur) Sdn Bhd	A parcel of industrial and built-upon with a single storey detached factory with a double storey office annex / Sales office, warehouse and manufacturing	Leasehold of 66 years (expiring on 22 May 2065) / 11 years	44,250 / 24,984	2,373	28 May 2014
H.S.(M) 23113, PT 827 Seksyen 2, Bandar Batu Arang, Tempat Kota Puteri Seksyen 6, Daerah Gombak, Negeri Selangor Darul Ehsan / PT 827 Kota Puteri Seksyen 6, Kota Puteri, 48100 Batu Arang, Selangor#	BW Prestige Properties Sdn Bhd	An Industrial land built upon with a single storey detached industrial building with a double storey office annexed building	Leasehold of 99 years (expiring on 04 Feb 2104) / less than 1 year	163,515 / 35,714	16,951	26 Feb 2025

Note:

* The Changgang Property was disposed and completed on 6 February 2026. The detail of Changgang Property Disposal is set out in significant events during and subsequent to the reporting period of the Financial Statements in this Annual Report.

Represents the property stock as set out in Note 7 of the Financial Statements in this Annual Report.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

Total Number of Issued Shares	:	1,025,213,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	2,242
Voting Rights	:	One (1) vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less Than 100	6	0.268	130	0.000
100 - 1,000	242	10.794	110,600	0.011
1,001 - 10,000	844	37.645	5,354,300	0.522
10,001 - 100,000	897	40.009	32,933,000	3.212
100,001 - less than 5% of issued shares	252	11.240	367,904,970	35.886
5% and above of issued shares	1	0.044	618,910,000	60.369
Total	2,242	100.000	1,025,213,000	100.000

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
KANG BENG HAI	668,910,000	65.246	876,000*	0.085
ONG SEOW YAN	876,000	0.085	668,910,000#	65.246

Note : -

*Indirect interest held through his spouse, Ong Seow Yan's shareholdings in the Company

#Indirect interest held through her spouse, Kang Beng Hai's shareholdings in the Company

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	KANG BENG HAI	668,910,000	65.246	876,000*	0.085
2	KANG YI KI	1,472,600	0.144	-	-
3	LIM CHEE HOONG	300,000	0.029	-	-
4	DATO' SAIDI BIN ISMAIL	300,000	0.029	-	-
5	SEE SWEE SIE	250,000	0.024	-	-
6	TERESA TAN SIEW KUAN	200,000	0.020	-	-

Note : -

*Indirect interest held through his spouse, Ong Seow Yan's shareholdings in the Company

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	KANG BENG HAI	618,910,000	60.369
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KANG BENG HAI	50,000,000	4.877
3	OOI ENG LEONG	29,790,900	2.906
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VISAGE GLOBAL SDN. BHD.	26,575,600	2.592
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SILVER MAXLINK SDN BHD	21,874,500	2.134
6	FXD GROUP SDN. BHD.	14,436,900	1.408
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOP MEGAVIEW SDN. BHD.	13,628,000	1.329
8	HAI KANG STEEL (M) SDN. BHD.	10,000,000	0.975
9	TEA THEAN SONG	9,244,000	0.902
10	TOP MEGAVIEW SDN. BHD.	9,091,300	0.887
11	LIM TEIK SENG	8,319,500	0.811
12	SAW CHANG HENG	8,319,500	0.811
13	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU THENG SIM	7,390,000	0.721
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHU LAY EE (M01)	6,700,000	0.654
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KOK KEE (E-BBB)	6,500,000	0.634
16	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FUTURE SIGN COMPANY LIMITED	4,737,500	0.462
17	TAN BOON WENG	4,622,000	0.451
18	SINAR MEWAH ABADI SDN. BHD.	4,181,300	0.408
19	TEA THEAN SONG	4,050,000	0.395
20	TAN LEAN HEAH	3,000,000	0.293
21	LAU CHEE KHEONG	2,900,000	0.283
22	WONG JEE HOWE	2,504,600	0.244
23	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE LOONG KONG	2,355,000	0.230
24	HONG YEAM WAH	2,181,630	0.213
25	THIRUPATHI CAPITAL SDN. BHD.	2,155,300	0.210
26	SINERGI ABADI SDN. BHD.	2,103,000	0.205
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE	2,100,800	0.205
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON TIONG (E-BMM)	2,098,200	0.205
29	TEOH YEE SHIEN	1,900,000	0.185
30	TAN HOOI SAN	1,860,000	0.181
	TOTAL	883,529,530	86.180

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting (“**3rd AGM**”) of BWYS Group Berhad (“**BWYS**” or “**Company**”) will be held at Lot 1571, Jalan Serunai, Kawasan Perindustrian Valdor, Mukim 12, 14200 Sungai Bakap, Penang on **Tuesday, 30 June 2026 at 10.30 a.m.**, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees up to an amount of RM250,000.00 for the period from 1 July 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 1**
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ benefits up to an amount of RM150,000.00 for the period from 1 July 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 95.1 of the Constitution of the Company and, who being eligible, offer themselves for re-election:
 - (a) Ms Kang Yi Ki **Ordinary Resolution 3**
 - (b) Ms See Swee Sie **Ordinary Resolution 4**
(Please refer to Explanatory Note 3)
5. To re-appoint BDO PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**
(Please refer to Explanatory Note 4)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution, with or without modifications:

6. **ORDINARY RESOLUTION
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**
(Please refer to Explanatory Note 5)

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting.”

NOTICE OF THIRD ANNUAL GENERAL MEETING

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

REBECCA KONG SAY TSUI (SSM PC NO. 202008001003) (MAICSA 7039304)

YENG SHI MEI (SSM PC NO. 202008001282) (MAICSA 7059759)

Company Secretaries

Selangor Darul Ehsan

28 April 2026

NOTES:-

1. For the purpose of determining who shall be entitled to attend this 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 22 June 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 3rd AGM or appoint a proxy to attend, speak and vote (collectively, "participate") on his/her/its behalf.
2. A member who is entitled to participate in this 3rd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via **Dvote Online** website at <https://www.dvote.my>.

Kindly refer to the Administrative Details for the AGM on the procedures for electronic lodgement of proxy form.

NOTICE OF THIRD ANNUAL GENERAL MEETING

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is **Sunday, 28 June 2026 at 10.30 a.m.**
11. Please bring an **ORIGINAL** of the following identification papers (where applicable). Poll Administrator(s) and Scrutineer(s) may request you to show your identification papers in order to verify your eligibility to attend the meeting:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes:

Ordinary Business

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2025

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“**the Act**”) does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this item on the Agenda will not be put forward for voting by shareholders of the Company.

2. Ordinary Resolutions 1 and 2 – Payment of Directors’ fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

On 26 February 2026, the Remuneration Committee had reviewed the Directors’ fees and benefits for the Independent Non-Executive Directors for the period from one day after the date of the Annual General Meeting to be held in 2026 until the next Annual General Meeting to be held in 2027, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors’ fees for the period from 1 July 2026 until the date of the next Annual General Meeting to be held in 2027, as and when their services are rendered.

NOTICE OF THIRD ANNUAL GENERAL MEETING

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' benefits for the period from 1 July 2026 until the next Annual General Meeting of the Company to be held in 2027. Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees meetings.

The proposed structure of the Directors' benefits for the period from 1 July 2026 until the next Annual General Meeting of the Company to be held in 2027 is as follows:

Type of Benefits	Amount
Meeting Allowance	
Chairman of the Board	RM1,500.00 per meeting
Members of the Board	RM1,000.00 per meeting
Chairman of the Audit and Risk Management Committee	RM1,000.00 per meeting
Members of the Audit and Risk Management Committee	RM500.00 per meeting
Chairman of the Nomination Committee and Remuneration Committee	RM500.00 per meeting
Members of the Nomination Committee and Remuneration Committee	RM250.00 per meeting
Insurance Premium	
Directors & Officers Liability Insurance	RM15,000.00
Public Offering of Securities Insurance	RM22,000.00

Payment of the Directors' benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 2 is passed by the shareholders at the 3rd AGM.

In the event the Directors' fees and benefits proposed are insufficient, approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. **Ordinary Resolutions 3 and 4 – Re-election of Directors who retire in accordance with Clause 95.1 of the Constitution of the Company**

Ms Kang Yi Ki and Ms See Swee Sie are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 3rd AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of both Directors are set out on page 12 of the Annual Report 2025. For the purpose of determining the eligibility of both Directors to stand for re-election at the 3rd AGM, the Board had through its Nomination Committee ("NC"), considered, assessed and deliberated on the suitability of the said Directors to be re-elected as Directors of the Company based on the assessment on fit and proper and the results of the board assessment and fit and proper assessment of the aforementioned Directors for the financial year ended 31 December 2025. Based on the recommendation of NC, the Board supports the re-election of the aforementioned Directors with the following justifications:

Ordinary Resolution 3: Re-election of Ms Kang Yi Ki as Non-Independent Executive Director

Ms Kang Yi Ki remains objective in expressing her views and managing the daily operations of the Group efficiently.

She has experience in the business of manufacturing and trading of sheet metal products. She is responsible for overseeing our Group's human resources division and Group sales and marketing division.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Non-Independent Executive Director of the Company.

NOTICE OF THIRD ANNUAL GENERAL MEETING

Ordinary Resolution 4: Re-election of Ms See Swee Sie as Independent Non-Executive Director

Ms See Sie Swee fulfils the requirements of independence set out in Guidance Note 9 of the ACE Market Listing Requirements of Bursa Securities (“AMLR”). She remains objective and independent in expressing her views and participating in Board deliberations and decision-making.

She has vast experience in the field of law and is able to provide the Board with a diverse set of expertise and perspective.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Based on the above, the Board collectively agreed that both Directors had met the criteria as prescribed by Rule 2.20A of the AMLR on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The Board was also satisfied with the fit and proper assessment completed by the retiring Directors.

4. Ordinary Resolution 5 – Re-appointment of Auditors

The Audit and Risk Management Committee (“ARMC”) had at its meeting held on 18 November 2025 assessed the suitability and independence of the External Auditors and recommended the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2026. BDO PLT had notified the Company of their intention to seek re-appointment as auditors.

The Board has in turn reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the 3rd AGM.

Special Business

5. Ordinary Resolution 6 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act

*The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“**Proposed General Mandate**”).*

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, the Company did not issue any new shares pursuant to the mandate granted by the shareholders at the last Annual General Meeting which will lapse at the conclusion of the 3rd AGM.

STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

(pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Director

There are no individuals standing for election as Director (excluding Directors standing for re-election) as required under Appendix 8A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Authority for Directors to issue and allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Kindly refer to Explanatory Note 5 on page 156.

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BWYS GROUP BERHAD
 REGISTRATION NO.: 202301000310 (1494229-W)
 (Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
No. of Shares held:	

I/We _____ Tel No. _____
 [Full name in block, NRIC/Passport/Registration No.]

of _____
 [Address]

being member(s) of **BWYS GROUP BERHAD**, hereby appoint:-

Full Name <i>(in block capitals and as per NRIC/Passport)</i>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

^and/or

Full Name <i>(in block capitals and as per NRIC/Passport)</i>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the Third Annual General Meeting of the Company, which will be held at Lot 1571, Jalan Serunai, Kawasan Perindustrian Valdor, Mukim 12, 14200 Sungai Bakap, Penang on **Tuesday, 30 June 2026** at **10.30 a.m** or any adjournment thereof, and to vote as indicated below:

Resolution No.	Description of Resolution	For	Against
1.	Approval for the payment of Directors' fees up to an amount of RM250,000.00 for the period from 1 July 2026 until the next Annual General Meeting of the Company held in 2027		
2.	Approval for the payment of Directors' benefits up to an amount of RM150,000.00 for the period from 1 July 2026 until the next Annual General Meeting of the Company held in 2027		
3.	Re-election of Kang Yi Ki as Director of the Company		
4.	Re-election of See Swee Sie as Director of the Company		
5.	Re-appointment of BDO PLT as Auditors of the Company		
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

Signed this day of 2026

 Signature*
 Member

^ Delete whichever is inapplicable

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

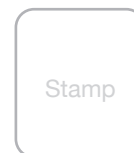
NOTES:-

1. For the purpose of determining who shall be entitled to attend this 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 22 June 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 3rd AGM or appoint a proxy to attend, speak and vote (collectively, "participate") on his/her/its behalf.
3. A member who is entitled to participate in this 3rd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) By electronic means

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Kindly refer to the Administrative Details for the AGM on the procedures for electronic lodgement of proxy form.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is **Sunday, 28 June 2026 at 10.30 a.m.**
12. Please bring an **ORIGINAL** of the following identification papers (where applicable). Poll Administrator(s) and Scrutineer(s) may request you to show your identification papers in order to verify your eligibility to attend the meeting:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

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BWYS GROUP BERHAD

REGISTRATION NO.: 202301000310 (1494229-W)

Office Suite No. 603 Block C,
Pusat Dagangan Phileo Damansara 1,
No. 9, Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

(2) fold here

14. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative at the registered office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.



BWYS GROUP BERHAD
REGISTRATION NO.: 202301000310 (1494229-W)

1571, Jalan Serunai, Kawasan Perindustrian Valdor, Mukim 12,
14200 Sungai Bakap, Seberang Perai Selatan, Pulau Pinang, Malaysia.

☎ 604-585 9999

✉ corporate@bwysgroup.com

www.bwysgroup.com