BWYS GROUP BERHAD

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

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2026

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026

		Quarter Ended		Year-To-Date Ended	
		30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
		Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	A9	79,397	69,502	142,509	126,831
Cost of sales		(65,463)	(55,706)	(118,540)	(100,596)
Gross profit		13,934	13,796	23,969	26,235
Other operating income		509	3,447	41,205	5,737
Impairment losses on trade and other receivables, net		-	(538)	(3,219)	(538)
Administrative and distribution expenses		(9,386)	(9,016)	(26,199)	(17,898)
Operating profit		5,057	7,689	35,756	13,536
Finance costs		(1,465)	(1,779)	(3,088)	(3,423)
Profit before tax	B12	3,592	5,910	32,668	10,113
Income tax expense	B5	(918)	(1,946)	(5,348)	(3,521)
Profit after tax/ Total comprehensive income		2,674	3,964	27,320	6,592
Profit attributable to:					
- Owners of the Company		2,885	3,964	27,531	6,592
- Non-controlling interests		(211)	-	(211)	-
		2,674	3,964	27,320	6,592
Total comprehensive profit attributable to:					
- Owners of the Company		2,885	3,964	27,531	6,592
- Non-controlling interests		(211)	-	(211)	-
		2,674	3,964	27,320	6,592
Basic and diluted earnings per share ("**EPS**") (sen)	B11	0.28	0.39	2.69	0.64

The above Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		170,080	150,170
Right-of-use assets		11,214	13,058
		181,294	163,228
Current assets			
Inventories		107,537	98,837
Trade and other receivables		64,228	72,376
Current tax assets		3,030	5,506
Cash and bank balances		83,753	62,226
		258,548	238,945
Assets held for sale		-	27,691
Total assets		**439,842**	**429,864**
Equity attributable to owners of the Company			
Share capital		200,540	200,540
Merger reserve		(115,735)	(115,735)
Retained earnings		175,089	147,558
		259,894	232,363
Non-controlling interests		7,711	-
Total equity		**267,605**	**232,363**
LIABILITIES			
Non-current liabilities			
Borrowings	B8	59,567	77,978
Lease liabilities		4,230	4,478
Deferred tax liabilities		4,470	4,500
		68,267	86,956
Current liabilities			
Trade and other payables		25,961	28,026
Borrowings	B8	73,950	75,810
Lease liabilities		3,836	5,748
Current tax liabilities		223	961
		103,970	110,545
Total liabilities		**172,237**	**197,501**
Total equity and liabilities		**439,842**	**429,864**
Net assets per share (RM)		0.25	0.23

The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total Equity RM'000
<u>Unaudited</u>						
Balance as at 1 January 2026	200,540	(115,735)	147,558	232,363	-	232,363
Profit after Tax/Total comprehensive income for the financial period	-	-	27,531	27,531	(211)	27,320
Transactions with owners						
Acquisition of subsidiaries	-	-	-	-	480	480
Disposal of equity interests in subsidiaries	-	-	-	-	7,442	7,442
	-	-	-	-	7,922	7,922
Balance as at 30 June 2026	**200,540**	**(115,735)**	**175,089**	**259,894**	**7,711**	**267,605**
<u>Unaudited</u>						
Balance as at 1 January 2025	200,540	(115,735)	133,021	217,826	-	217,826
Profit after Tax/Total comprehensive income for the financial period	-	-	6,592	6,592	-	6,592
Balance as at 30 June 2025	**200,540**	**(115,735)**	**139,613**	224,418	-	**224,418**

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026

	Year-To-Date Ended	
	Unaudited 30.06.2026 RM'000	**Unaudited 30.06.2025 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,668	10,113
Adjustments for:		
Allowance for impairment loss on inventories	5,371	-
Bad debts recovered	(26)	(66)
Depreciation of:		
- property, plant and equipment	5,150	4,765
- right-of-use assets	2,812	2,558
Gain on disposal of asset held for sale	(38,387)	-
Gain on disposals of property, plant and equipment	(513)	(355)
Gain on fair value adjustment on short term fund	-	(449)
Income distribution on short term fund	(297)	(60)
Impairment losses on trade and other receivables	3,219	538
Interest expenses	3,088	3,423
Interest income	(793)	(396)
Property, plant and equipment written off	224	708
Unrealised gain on foreign exchange	(60)	(97)
Operating profit before changes in working capital	**12,456**	**20,682**
Changes in working capital:		
Inventories	(14,600)	(6,862)
Trade and other receivables	4,939	(22,282)
Trade and other payables	(1,988)	8,026
Cash generated from operations	**807**	**(436)**
Tax paid	(3,174)	(4,133)
Tax refunded	3,066	497
Net cash from/(used in) operating activities	**699**	**(4,072)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary	-	(87)
Interest received	793	396
Net cash inflow on acquisition of subsidiaries	7,922	-
Net withdrawals from short term fund	297	509
Proceeds from disposals of property, plant and equipment	4,080	2,978
Proceeds from disposal of asset held for sale	67,000	-
Purchase of property, plant and equipment		
- property, plant and equipment	(32,777)	(1,537)
- right-of-use assets	-	(6)
Net cash from investing activities	**47,315**	**2,253**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026 (CONT'D)

	Year-To-Date Ended	
	Unaudited 30.06.2026 RM'000	**Unaudited 30.06.2025 RM'000**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	2,599	2,619
Interest paid	(2,816)	(3,054)
Net changes in deposits pledged to licensed banks	(10,267)	3,163
Net drawdown/(repayments) of bankers' acceptances	1,800	(3,933)
Repayments of:		
- term loans	(22,346)	(2,818)
- lease liabilities	(3,400)	(3,347)
- revolving credit	(1,000)	-
Net cash used in financing activities	**(35,430)**	**(7,370)**
Net changes in cash and cash equivalents	12,584	(9,189)
Cash and cash equivalents at beginning of financial period	42,485	53,043
Cash and cash equivalents at end of financial period	**55,069**	**43,854**
Cash and cash equivalents comprised of:		
Cash and bank balances	36,772	27,345
Deposits with licensed banks	28,684	17,745
Short term fund	18,297	16,509
	83,753	61,599
Less:		
Deposits pledged to licensed banks	(28,684)	(17,745)
	55,069	**43,854**

The above Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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

A1. BASIS OF PREPARATION

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

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying notes attached to this interim financial report.

A2. ACCOUNTING POLICIES

(i) Adoption of amendments to Standards

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2025, except for the following which were adopted at the beginning of the current financial period.

These pronouncements do not have any material impact on the Group's financial statements for the current financial period.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - *Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity*
Annual Improvements to MFRS Accounting Standards - Volume 11

(ii) Standards and amendments issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective to the Group.

Effective for financial periods beginning on or after 1 January 2027
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 and Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – *Translation to a Hyperinflationary Presentation Currency.*

Effective date of these Amendments to Standards has been deferred, and yet to be announced
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact to the Group's financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2025.

A4. SEASONAL OR CYCLICAL FACTORS

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

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

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

A6. MATERIAL CHANGES IN ESTIMATES

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

A7. DEBT AND EQUITY SECURITIES

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

A8. DIVIDEND PAID

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

A9. REVENUE

	Quarter Ended		Year-To-Date Ended	
	30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Business segments	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing of sheet metal products	54,742	42,590	97,957	79,592
Supply of scaffoldings	13,097	18,680	27,353	34,772
Trading of steel and related products	11,558	8,232	17,199	12,467
Total	**79,397**	**69,502**	**142,509**	**126,831**

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

A10. SEGMENTAL INFORMATION

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

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

Segmental information is provided based on contribution by geographical factors.

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

Revenue contribution by geographical factors

	Quarter Ended		Year-To-Date Ended	
	30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Countries	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Malaysia	78,271	66,008	141,164	121,110
United States of America	137	1,478	137	2,617
Others	989	2,016	1,208	3,104
Total	**79,397**	**69,502**	**142,509**	**126,831**

Note:
(1) Other countries include the United Arab Emirates, Singapore, Australia, Canada and India for the current financial period-to-date under review. For the corresponding quarter and financial period of the preceding year, other countries included Singapore, Bangladesh and the Philippines.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 August 2026, the Company subscribed for additional 260,000 ordinary shares in the capital of BWYS Plastic Sdn Bhd, a 52.00%-owned subsidiary of the Company.

Saved for the above, there were no other material changes in the composition of the Group for the current financial quarter under review.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

A13. CHANGES IN COMPOSITION OF THE GROUP

On 29 May 2026, the Company disposed of a 48.00% equity interest in BWYS Plastic Sdn Bhd ("**BWYSP**"). Following the disposal, the Company's equity interest in BWYSP decreased from 100.00% to 52.00%, and BWYSP remains a subsidiary of the Company.

On 10 June 2026, the Company disposed of a 49.48% equity interest in BWYS Colour Sdn Bhd ("**BWYS Colour**"). Following the disposal, the Company's equity interest in BWYS Colour decreased from 100% to 50.52%, and BWYS Colour remains a subsidiary of the Company.

Saved for above, there were no other material changes in the composition of the Group for the current financial quarter under review.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets in the Group as at the date of this interim report.

A15. CAPITAL COMMITMENTS

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

	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- contracted but not provided for	106,769	25,082

A16. RELATED PARTY TRANSACTIONS DISCLOSURES

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

	Quarter Ended		Year-To-Date Ended	
	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000
Sales	13	-	63	-
Lease payment	(264)	(116)	(528)	(232)
Rental expenses - short term leases	(32)	(124)	(64)	(248)

PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF PERFORMANCE

	Quarter Ended		Year-To-Date Ended	
	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000
Revenue	79,397	69,502	142,509	126,831
Profit before tax	3,592	5,910	32,668	10,113

Current Quarter

Revenue

The Group recorded revenue of RM79.40 million for the current quarter ended 30 June 2026 ("Q2FY2026"), representing an increase of RM9.90 million or 14.24% as compared to RM69.50 million recorded in the corresponding quarter ended 30 June 2025 ("Q2FY2025").

The increase in revenue was mainly attributable to higher sales contribution from the manufacturing of sheet metal products segment and trading of steel and related products segment, which increased by RM12.15 million and RM3.33 million respectively as compared to the corresponding quarter of the preceding year. The improvement was mainly driven by higher sales demand during the current quarter. However, revenue from the supply of scaffoldings segment decreased by RM5.58 million from RM18.68 million in Q2FY2025 to RM13.10 million in Q2FY2026, mainly due to market competitiveness and slower demand during the current quarter.

Malaysia remains the Group's largest overall market, contributing revenue of RM78.27 million, representing 98.58% of total Group revenue for the current quarter (2025: RM66.01 million or 94.97%).

Profit before tax ("PBT")

The Group has recorded the PBT of RM3.59 million for the current quarter representing a decrease of RM2.32 million or 39.22% as compared to RM5.91 million in the preceding year corresponding quarter. The decrease in PBT was primarily attributable to the following factors:

(i) Lower gross profit margin which was mainly due to lower contribution from the scaffolding business segment following the decrease in revenue; and

(ii) Lower of other operating income mainly due to the rental of factory and machinery was incurred in the preceding quarter, decrease in gain on foreign currency as well as decrease in sale of scrap during the current quarter.

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

B1. REVIEW OF PERFORMANCE (CONT'D)

Year-To-Date Ended

Revenue

The Group recorded revenue of RM142.51 million for the current financial period ended 30 June 2026 ("1HFY2026"), representing an increase of RM15.68 million or 12.36% as compared to RM126.83 million recorded in the corresponding financial period ended 30 June 2025 ("1HFY2025").

The increase in revenue was mainly attributable to higher sales contribution from the manufacturing of sheet metal products segment and trading of steel and related products segment, which increased by RM18.37 million and RM4.73 million respectively as compared to the preceding year corresponding financial period. The improvement was mainly driven by higher sales demand during the current financial period. However, revenue from the supply of scaffoldings segment decreased by RM7.42 million from RM34.77 million in 1HFY2025 to RM27.35 million in 1HFY2026, mainly due to market competitiveness and slower demand during the current financial period.

Malaysia remains the Group's largest overall market, contributing revenue of RM141.16 million, representing 99.06% of total Group revenue for the current financial period (2025: RM121.11 million or 95.49%).

Profit before tax ("PBT")

The Group has recorded the PBT of RM32.67 million for the current financial period representing an increase of RM22.56 million or 223.03% as compared to RM10.11 million in the preceding year corresponding financial period.

The surge in PBT was primarily attributable to higher other operating income, mainly due to the gain on disposal of asset held for sale amounting to RM38.39 million. However, this gain was partially offset by the followings:

(i) Lower gross profit margin which was mainly due to lower contribution from the scaffolding business segment following the decrease in revenue;

(ii) Impairment losses on trade and other receivables amounting to RM3.22 million were recognised during the current financial period;

(iii) Lower other operating income (excluding gain on disposal of asset held for sale) mainly due to absence of the rental of factory and machinery during the current financial period, as well as decrease in gain on foreign exchange during the current financial period.

(iv) Higher administrative expenses and distribution expenses mainly due to allowance for impairment loss on inventories amounting to RM5.37 million and one-off non-recurring real estate agency fee of RM1.34 million incurred in relation to the disposal of asset held for sale during the period under review.

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

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

	Individual Quarter Ended			
	30.06.2026 Unaudited RM'000	31.03.2026 Unaudited RM'000	Variance RM'000	%
Revenue	79,397	63,112	16,285	25.80
Profit before tax	3,592	29,076	(25,484)	(87.65)

The Group recorded revenue of RM79.40 million for the current quarter, representing an increase of RM16.29 million or 25.80% compared to RM63.11 million in the immediate preceding quarter. The increase in revenue was mainly attributable to higher sales volume and average selling price on manufacturing of sheet metal products segment and trading of steel and related products segment during the quarter under review.

PBT for the current quarter stood at RM3.59 million, reflecting a decrease of RM25.48 million or 87.65% from RM29.08 million recorded in the preceding quarter. The decrease in PBT was mainly due to absence of the gain on disposal of asset held for sale amounting to RM38.39 million during the current financial quarter, as well as decreased in other operating income by RM1.80 million mainly due to decreased gain on disposal of rental scaffolding, gain on foreign exchange, rental of factory and sale of scrap during the current financial quarter. However, the decrease in PBT was partially offset by the followings:

(i) Gross profit increased by RM3.90 million to RM13.93 million during the current quarter from RM10.03 million in the immediate-preceding quarter mainly attributable to contribution by manufacturing of sheet metal products segment;

(ii) Impairment losses on trade and other receivables by RM3.22 million was incurred in the immediate-preceding quarter; and

(iii) Lower administrative expenses mainly due to allowance for impairment loss on inventories amounting to RM5.37 million was incurred in the immediate-preceding quarter.

B3. PROSPECTS OF THE GROUP

Malaysia's construction sector continued its strong momentum into the second quarter of 2026, with the total value of work done rising 8.8% to RM47.8 billion Malaysia's construction sector grew by 6.6% in the second quarter of 2026. Growth was led by non-residential building and specialised construction activity, segments closely aligned with the Group's sheet metal, scaffolding, and trading steel operations. This momentum is set to be sustained over the medium term, underpinned by the government's RM430 billion development expenditure commitment under the 13th Malaysia Plan 2026 to 2030 and continued expansion specifically of Malaysia's data centre sector, where approved investment has reached approximately RM144.4 billion across 143 data centre projects between 2021 and June 2025.

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

B3. PROSPECTS OF THE GROUP (CONT'D)

The macroeconomic backdrop remains supportive. Bank Negara Malaysia has maintained the Overnight Policy Rate at 2.75% since July 2025, extending its pause in monetary policy that has been in place since July 2025. Providing a stable interest rate environment for the Group's ongoing deleveraging efforts, while the ringgit is expected to remain broadly stable against the US dollar through the second half of the year the local currency is projected to trade within nominal range bound against the US dollar through the second half of 2026, supported by resilient growth and a durable trade surplus.

Globally, structurally elevated steel supply, with the OECD projecting overcapacity to rise by 16.4% towards 2028. This continues to keep input costs favourable for downstream processors. Taken together, these conditions position the Group well to capture growth from Malaysia's infrastructure and construction upcycle while benefiting from a stable cost and financing environment.

The Group's new production facility in Penang is expected to be completed in the third quarter of 2026, while the new colour coating production line is targeted for commercial use in the fourth quarter of 2026. These investments are expected to enhance the Group's production capabilities, improve operational efficiency and expand its product offerings, enabling the Group to better meet changing customer requirements and market demand.

The Group also has established a new joint venture to manufacture plastic panels as part of its efforts to expand its product portfolio and capture growing market opportunities. Manufacturing operations are expected to commence in the third quarter of 2026, further uplifting the Group's capabilities and supporting its long term growth prospects.

Moving forward, the Group will continue to adopt a disciplined approach to cost management, inventory planning and operational efficiency, while closely monitoring raw material price fluctuations and stay competitive in these challenging market conditions.

Barring any unforeseen circumstances, the Board remains cautiously optimistic that the Group will deliver a satisfactory performance for the financial year ending 31 December 2026.

B4. VARIANCE OF ACTUAL PROFITS FROM FORECAST PROFITS

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

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

B5. INCOME TAX EXPENSES

	Quarter Ended		Year-To-Date Ended	
	30.06.2026 Unaudited RM'000	**30.06.2025 Unaudited RM'000**	**30.06.2026 Unaudited RM'000**	**30.06.2025 Unaudited RM'000**
Income tax expenses				
- Current tax	948	2,183	1,846	3,759
- Deferred tax	(30)	(237)	(30)	(238)
Total income tax expense	918	1,946	1,816	3,521
Real Property Gains Tax	-	-	3,532	-
	918	**1,946**	**5,348**	**3,521**
Effective tax rate (%)	25.56	32.93	16.37	34.82
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate of the Group was higher than the statutory tax rate principally due to certain expenses being not deductible for tax purposes whilst the lower effective tax rate for the current financial period was mainly attributable to the Real Property Gains Tax rate of 10% applied to the total taxable gain on disposal of the asset held for sale.

B6. STATUS OF CORPORATE PROPOSALS

Save as disclosed in Note A12 and as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim report.

(i) On 22 October 2025, M & A Securities Sdn Bhd had, on behalf of the Board, announced that BW Scaffold Industries Sdn Bhd, a wholly-owned subsidiary had entered into a sale and purchase agreement 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 RM94,479,631.50, 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.

On 12 June 2026, M & A Securities Sdn Bhd had, on behalf of the Board, announced that the conditions precedent of the Duabelas Land SPA have been fulfilled. Accordingly, the Duabelas Land SPA for the Duabelas Land Acquisition has become unconditional and is pending completion.

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

B6. STATUS OF CORPORATE PROPOSALS (CONT'D)

(ii) On 18 September 2025, the Board announced that its indirect wholly-owned subsidiary, YS Global Industries Sdn Bhd ("**YSGI**") had entered into 5 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), a wholly-owned subsidiary of the Company, had on the same date entered into a shareholders' agreement and a first supplemental agreement thereto ("**SHA**") with Lionwise Holding Group Pte Ltd ("**LHG**"), an 81.48%-owned subsidiary of Runwin and FXD Group Sdn Bhd ("**FXD**"), to establish a joint venture and regulate their relationship inter se as shareholders of YSGI for the purposes of undertaking the business of manufacturing and sale of pre-painted ferrous and non-ferrous coils/sheets, as well as paint and liquid coating products.

On 18 May 2026, the Board further announced that the SHA had been mutually terminated by all parties. The termination of the SHA was undertaken as part of the Group's internal restructuring and rationalisation exercise, pursuant to which the Group has incorporated a new special purpose vehicle, BWYS Colour Sdn Bhd ("**BWYS Colour**"), a wholly-owned subsidiary of the Company, to undertake the business of pre-painting process for metal coils and metal sheets including wet paint and liquid coating products ("**Proposed JV**").

Following the termination of the SHA, the Company had on the same date, entered into a new shareholders' agreement ("**New SHA**") with LHG, FXD and BWYS Colour to regulate their relationship inter se as shareholders of BWYS Colour in relation to the undertaking of the Proposed JV. The New SHA is conditional upon fulfilment of specific Conditions Precedent within two (2) months from the date of New SHA being on or before 18 July 2026 ("Cut-Off Date"). As certain Conditions Precedent were not fulfilled by the Cut-Off Date, the parties have mutually agreed in writing to extend the Cut-Off Date from 18 July 2026 to 30 November 2026 to facilitate the satisfaction of all outstanding Conditions Precedent. Accordingly, the New SHA and Proposed JV remain conditional and pending completion.

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

B7. UTILISATION OF PROCEEDS

IPO proceeds

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

Utilisation of proceeds[(1)]	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Estimated timeframe for utilisation from Listing[(2)]
Capital expenditure:				
- Construction of new Penang factory	22,840	22,840	-	Within 36 months
- Purchase of new machinery and equipment	7,716	6,023	1,693	Within 36 months
- Implementation of new ERP system, production and inventory management systems	10,831	1,142	9,689	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**	**45,005**	**11,382**	

Notes:

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

(2) From the date of Listing of the Company on 22 July 2024.

Changgang Property Disposal

On 6 February 2026, BW Scaffold Industries Sdn Bhd, a wholly-owned subsidiary of the Company, had completed the disposal of a parcel of leasehold industrial land with three (3) blocks of four storey office buildings, three (3) blocks of single storey detached factory buildings and ancillary building held under H.S.(M) 20681, PT404, Seksyen 2, Pekan Bukit Changgang, Tempat Olak Lempit, Daerah Kuala Langat, Negeri Selangor Darul Ehsan for a total cash consideration of RM67,000,000.00 ("**Changgang Property Disposal**").

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

B7. UTILISATION OF PROCEEDS (CONT'D)

The status of utilisation of proceeds of RM67.00 million from the Changgang Property Disposal are as follows:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Estimated timeframe for utilisation[(1)]
Repayment of bank borrowings	34,546	34,546	-	Within 9 months
Working capital requirement	7,059	7,059	-	Within 12 months
Estimated expenses for the Changgang Property Disposal	5,100	5,100	-	Immediately
Duabelas Land Purchase Consideration	20,000	14,173	5,827	Within 12 months
Estimated expenses for the Duabelas Land Acquisition	295	295	-	Immediately
Total	**67,000**	**61,173**	**5,827**	

(1) From the date of completion of the Changgang Property Disposal on 6 February 2026.

B8. GROUP BORROWINGS AND DEBTS SECURITIES

The Group's bank borrowings were as follows:

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Current Liabilities:		
Secured:		
Bank overdrafts	-	1,324
Bankers' acceptances	69,458	67,658
Revolving credit	-	1,000
Term loans	4,492	5,828
	73,950	75,810
Non-current Liability:		
Secured:		
Term loans	59,567	77,978
Total	**133,517**	**153,788**

The bank borrowings are secured and denominated in Ringgit Malaysia.

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

B9. MATERIAL LITIGATION

There was no material litigation against the Group as at the date of this interim report.

B10. DIVIDENDS

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

B11. EARNINGS PER SHARE ("EPS")

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

	Quarter Ended		Year-To-Date Ended	
	30.06.2026 Unaudited	30.06.2025 Unaudited	30.06.2026 Unaudited	30.06.2025 Unaudited
Profit attributable to the Owners of the Company (RM'000)	2,885	3,964	27,531	6,592
Weighted average Number of ordinary shares in issue ('000)	1,025,213	1,025,213	1,025,213	1,025,213
Basic and diluted EPS (sen)	0.28	0.39	2.69	0.64

Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by weighted average number of ordinary shares of 1,025,213,000 shares as at reporting period. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

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

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Quarter Ended		Year-To-Date Ended	
	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000	30.06.2026 Unaudited RM'000	30.06.2025 Unaudited RM'000
Interest income	(378)	(183)	(793)	(396)
Interest expense	1,465	1,779	3,088	3,423
Income distribution on short term fund	(217)	(25)	(297)	(60)
Depreciation expenses	3,934	3,999	7,962	7,323
Bad debts recovered	(17)	(33)	(26)	(66)
Gain on fair value adjustment on short term fund	-	(200)	-	(449)
Gain on disposal of asset held for sale	-	-	(38,387)	-
Loss/(gain) on disposals of property, plant and equipment	99	(470)	(513)	(355)
Property, plant and equipment written off	(2)	499	224	708
Allowance for impairment loss on inventories	-	-	6,291	-
Allowance for impairment loss on inventories written back	(920)	-	(920)	-
Impairment losses on trade and other receivables	-	538	3,219	538
Unrealised loss/(gain) on foreign exchange	92	(25)	(60)	(97)

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

B13. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company on 27 August 2026.

BY ORDER OF THE BOARD
BWYS GROUP BERHAD