



BWYS GROUP BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

BWYS GROUP BERHAD

Registration No. 202301000310 (1494229-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 31.03.2024 Unaudited RM'000	Preceding Corresponding Quarter ⁽²⁾ 31.03.2023 Unaudited RM'000	Current Period-to-date 31.03.2024 Unaudited RM'000	Preceding Period-to-date ⁽²⁾ 31.03.2023 Unaudited RM'000
Revenue		65,384	N/A	65,384	N/A
Cost of sales		(52,999)	N/A	(52,999)	N/A
Gross profit		12,385	N/A	12,385	N/A
Other operating income		1,761	N/A	1,761	N/A
Impairment losses on trade and other receivables, net		-	N/A	-	N/A
Administrative and distribution expenses		(8,612)	N/A	(8,612)	N/A
Operating profit		5,534	N/A	5,534	N/A
Finance costs		(1,702)	N/A	(1,702)	N/A
Profit before tax	B12	3,832	N/A	3,832	N/A
Tax expense	B5	(1,159)	N/A	(1,159)	N/A
Profit after tax/ Total comprehensive income		2,673	N/A	2,673	N/A
Profit attributable to:					
- Owners of the Company		2,673	N/A	2,673	N/A
Total comprehensive profit attributable to:					
- Owners of the Company		2,673	N/A	2,673	N/A
Basic and diluted earnings per share ("EPS") (sen) ⁽³⁾	B11	0.35	N/A	0.35	N/A

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UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 18 June 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
 - (2) The interim financial report announced is in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period-to-date as BWYS Group Berhad ("**BWYS**" or "**Company**") will only be listed on the ACE Market of Bursa Securities on 22 July 2024 and as such no interim financial report was prepared for the comparative financial period concerned.
 - (3) Basic and diluted EPS is calculated based on the Company's enlarged share capital of 768,910,000 ordinary shares ("**Shares**") before the initial public offering ("**IPO**") of the Company. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review (refer to Note B11).
- N/A Not applicable.

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BWYS GROUP BERHAD

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UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾

	<u>Unaudited</u> As at 31.03.2024	<u>Audited</u> As at 31.12.2023
Note	RM'000	RM'000
Non-current assets		
Property, plant and equipment	135,944	136,761
Right-of-use assets	22,029	21,361
	<u>157,973</u>	<u>158,122</u>
Current assets		
Inventories	75,405	86,713
Trade and other receivables	71,172	62,726
Current tax assets	5,193	4,633
Cash and bank balances	27,645	25,604
	<u>179,415</u>	<u>179,676</u>
Total assets	<u>337,388</u>	<u>337,798</u>
Equity attributable to owners of the Company		
Invested equity	30,357	30,357
Reserves	128,016	125,343
Total equity	<u>158,373</u>	<u>155,700</u>
Non-current liabilities		
Borrowings	B8 56,034	57,367
Lease liabilities	6,581	6,099
Deferred tax liabilities	4,369	4,369
	<u>66,984</u>	<u>67,835</u>
Current liabilities		
Trade and other payables	26,856	33,012
Borrowings	B8 75,283	71,824
Lease liabilities	3,430	3,347
Provisions	987	987
Current tax liabilities	5,475	5,093
	<u>112,031</u>	<u>114,263</u>
Total liabilities	<u>179,015</u>	<u>182,098</u>
Total equity and liabilities	<u>337,388</u>	<u>337,798</u>
Net assets per share (RM) ⁽²⁾	<u>0.21</u>	<u>0.20</u>

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UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Combined Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's share capital of 768,910,000 Shares upon acquisition but before the IPO (refer to Note A11).

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UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024⁽¹⁾

	Invested Equity RM'000	Retained earnings RM'000	Total Equity RM'000
Balance as at 1 January 2024	30,357	125,343	155,700
Total comprehensive income for the financial period	-	2,673	2,673
Balance as at 31 March 2024 (Unaudited)	30,357	128,016	158,373

Note:

- (1) The basis of preparation of the above Unaudited Condensed Combined Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024⁽¹⁾

	Current Period-to-date 31.03.2024 RM'000	Preceding Period-to-date⁽²⁾ 31.03.2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,832	N/A
Adjustments for:		
Bad debts recovered	(4)	N/A
Depreciation of:		N/A
- property, plant and equipment	1,712	N/A
- right-of-use assets	864	N/A
Interest expenses	1,702	N/A
Interest income	(135)	N/A
Gain on lease termination	(27)	N/A
Gain on disposal of property, plant and equipment	(1,122)	N/A
Unrealised loss on foreign exchange	7	N/A
Written off of property, plant and equipment	25	N/A
Operating profit before changes in working capital	6,854	N/A
Changes in working capital:		
Inventories	10,599	N/A
Trade and other receivables	(8,467)	N/A
Trade and other payables	(6,138)	N/A
Cash generated from operations	2,848	N/A
Tax paid	(1,337)	N/A
Net cash from operating activities	1,511	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	135	N/A
Purchase of property, plant and equipment	(929)	N/A
Proceeds from disposal of property, plant and equipment	1,839	N/A
Net cash from investing activities	1,045	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptances	58,422	N/A
Interest paid	(1,551)	N/A
Repayment of:		
- bankers' acceptances	(54,608)	N/A
- term loans	(1,312)	N/A
- lease liabilities	(1,091)	N/A
Net changes in deposits with licensed banks	(367)	N/A
Net cash used in financing activities	(507)	N/A
Net changes in cash and cash equivalents	2,049	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING	6,119	N/A
CASH AND CASH EQUIVALENTS AT END	8,168	N/A

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UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024 ⁽¹⁾ (CONT'D)

	Current Period-to-date 31.03.2024 RM'000	Preceding Period-to-date⁽²⁾ 31.03.2023 RM'000
Cash and cash equivalents comprised of:		
Cash and bank balances	8,271	N/A
Deposits with licensed banks	19,374	N/A
	<u>27,645</u>	<u>N/A</u>
Less:		
Deposits pledged to licensed banks	(19,374)	N/A
Bank overdraft	(103)	N/A
	<u>8,168</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statements of Cash Flow is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding quarter are available as this is the Company's first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- N/A Not applicable.

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

A1. BASIS OF PREPARATION

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

This is the Company’s first interim financial report on the unaudited condensed combined financial results for the first quarter ended 31 March 2024 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report dated 18 June 2024 in relation to its IPO except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Lease-Lease liability in a Sale and Leaseback

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 Lack of Exchangeability

Effective date yet to be confirmed

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

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group upon adoption.

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

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2023.

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

Save as disclosed in Note A11, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. DIVIDEND PAID

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

A9. SEGMENTAL INFORMATION

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

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

Segmental information is provided based on contribution by geographical factors.

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

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

Countries	Quarter Ended		Period-To-Date Ended	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM’000	RM’000	RM’000	RM’000
Malaysia	60,273	N/A	60,273	N/A
United States Of America	4,810	N/A	4,810	N/A
Others ⁽²⁾	301	N/A	301	N/A
Total	65,384	N/A	65,384	N/A

Notes:

(1) No comparative figures for the preceding quarter are available as this is the Company’s first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

(2) Other countries include Singapore and Australia.

N/A Not applicable.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current financial quarter under review.

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

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

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

(a) Acquisition

The Company had entered into the following conditional share sale agreements (“SSA”) on 21 August 2023:

- (i) conditional SSA with Kang Beng Hai (“KBH”) and Kang Beng Teong (“KBT”) to acquire the entire issued share capital of BW Scaffold comprising 14,164,300 BW Scaffold Shares for a total purchase consideration of RM27,226,400. The total purchase consideration is to be satisfied via the issuance of 143,296,832 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM2 to KBT (“**Acquisition of BW Scaffold**”);
- (ii) conditional SSA with KBH and KBT to acquire the entire issued share capital of BWYSSB comprising 1,000,000 BWYSSB Shares for a total purchase consideration of RM26,408,100. The total purchase consideration is to be satisfied via the issuance of 138,988,610 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM264 to KBT (“**Acquisition of BWYSSB**”);
- (iii) conditional SSA with KBH and Kang Meng Huat to acquire the entire issued share capital of BWYS Steel comprising 60,326,700 BWYS Steel Shares for a total purchase consideration of RM42,190,478. The total purchase consideration is to be satisfied via the issuance of 222,055,070 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM14 to Kang Meng Huat (“**Acquisition of BWYS Steel**”); and
- (iv) conditional SSA with KBH and KBT to acquire the entire issued share capital of BWYS Timur comprising 500,000 BWYS Timur Shares for a total purchase consideration of RM19,700,000. The total purchase consideration is to be satisfied via the issuance of 103,683,174 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM197 to KBT (“**Acquisition of BWYS Timur**”);
- (v) conditional SSA with KBH and KBT to acquire the entire issued share capital of YS Success comprising 49,731,000 YS Success Shares for a total purchase consideration of RM30,568,400. The total purchase consideration is to be satisfied via the issuance of 160,886,313 new Shares at an issue price of RM0.19 per Share to KBH and cash consideration of RM1 to KBT (“**Acquisition of YS Success**”);

(collectively, the “**Acquisitions**”)

The Acquisitions were completed on 2 April 2024.

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

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT’D)

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

(b) IPO

In conjunction with the Company’s listing on the ACE Market of Bursa Securities (“**Listing**”), the Company proposes to undertake the IPO at an issue price of RM0.22 per share, comprising:

- (i) Public issue of 256,303,000 Shares comprising:
 - 51,260,800 new Shares available for application by the Malaysian public;
 - 61,512,800 new Shares available for application by the eligible Directors, employees and persons who have contributed to the Group’s success;
 - 128,151,700 new Shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and
 - 15,377,700 new Shares by way of private placement to selected investors; and
- (ii) Offer for sale of 100,000,000 Shares by way of private placement to selected investors.

Thereafter, the listing of and quotation for the Company’s enlarged issued share capital comprising 1,025,213,000 Shares on the ACE Market of Bursa Securities is expected to be on 22 July 2024.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no other material changes in the composition of the Group and for the current financial quarter under review.

A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A14. CAPITAL COMMITMENTS

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

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

- contracted but not provided for

Unaudited
As at 31.03.2024
RM'000

4,521

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

A15. RELATED PARTY TRANSACTIONS DISCLOSURES

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

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM’000	RM’000	RM’000	RM’000
Sales	96	N/A	96	N/A
Purchases	(10)	N/A	(10)	N/A
Rental expenses	(267)	N/A	(267)	N/A

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company’s first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable.

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

B1. REVIEW OF PERFORMANCE

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	<u>31.03.2024</u>	<u>31.03.2023⁽¹⁾</u>	<u>31.03.2024</u>	<u>31.03.2023⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	65,384	N/A	65,384	N/A
Profit before tax	3,832	N/A	3,832	N/A
Profit after tax	2,673	N/A	2,673	N/A

Notes:

(1) No comparative figures for the preceding quarter are available as this is the Company's first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable.

In the current financial quarter and financial period-to-date ended 31 March 2024, the Group recorded revenue of RM65.38 million. Malaysia was the Group's largest overall market, recording revenue of RM60.27 million (92.18% of the Group's revenue) for the current financial quarter and financial period-to-date under review.

United States Of America was the Group's largest foreign market and recorded revenue of RM4.81 million (7.36% of the Group's revenue) for the current financial quarter and financial period-to-date under review.

The Group recognised profit before tax of RM3.83 million for the current quarter and financial period-to-date after deducting expenses which are mainly attributed to directors' remuneration, staff costs as well as depreciation of property, plant and equipment and right-of-use assets.

There are no comparative figures for the corresponding preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

No comparative figures are presented for the immediate-preceding quarter as this is the first interim financial report on the combined results announced by the Company.

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

B3. PROSPECTS OF THE GROUP

As disclosed in Section 6.6.1 of the Prospectus dated 18 June 2024, the Group's strategies are to continue with its existing business as well as put in place strategies and plans to sustain and grow its business as follows:

- (a) To continue to expand its operational facilities and increase production capacity through the setting up of a new factory in Penang as well as the purchase of new machinery and equipment;
- (b) To implement new ICT systems including new Enterprise Resources Planning ("ERP") system as well as the implementation of production and inventory management systems;
- (c) To expand its range of roofing products by venturing into the manufacture of PU sandwich panels; and
- (d) To expand its existing and new foreign markets to grow its business in various regions including Southeast Asia (SEA), the Middle East and South America.

The Group believes that its prospects in the sheet metal products industry are favourable taking into consideration the Group's competitive strengths as set out in Section 6.5.6 of the Prospectus dated 18 June 2024, the Group's business strategies as set out above as well as the outlook of the sheet metal products industry as set out in the IMR Report in Section 7 of the Prospectus.

B4. VARIANCE OF ACTUAL PROFITS FROM FORECAST PROFITS

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

B5. INCOME TAX EXPENSES

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	<u>31.03.2024</u>	<u>31.03.2023⁽¹⁾</u>	<u>31.03.2024</u>	<u>31.03.2023⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax expenses	1,159	N/A	1,159	N/A
Effective tax rate (%)	30.25	N/A	30.25	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable.

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

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

B6. STATUS OF CORPORATE PROPOSALS

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

B7. UTILISATION OF PROCEEDS FROM IPO

The gross proceeds of RM56.39 million from the IPO is intended to be utilised in the following manner:

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

Notes:

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

(2) As at the date of this interim financial report, the listing exercise of the Company is pending completion. Hence, no proceeds are being raised and utilised by the Group.

N/A Not applicable.

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

B8. GROUP BORROWINGS AND DEBTS SECURITIES

The Group's bank borrowings were as follows:

	<u>Unaudited</u> As at 31.03.2024 RM'000	<u>Audited</u> As at 31.12.2023 RM'000
<u>Current</u>		
<i>Secured</i>		
Bank overdrafts	104	479
Bankers' acceptances	68,851	65,038
Revolving credit	1,000	1,000
Term loans	5,328	5,307
	<u>75,283</u>	<u>71,824</u>
<u>Non-current</u>		
<i>Secured</i>		
Term loans	56,034	57,367
	<u>56,034</u>	<u>57,367</u>
Total	<u>131,317</u>	<u>129,191</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

B9. MATERIAL LITIGATION

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

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

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

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

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

This matter has been fixed for trial on 12 August 2024.

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PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**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 year-to-date are computed as follows:

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	31.03.2024 Unaudited	31.03.2023⁽¹⁾ Unaudited	31.03.2024 Unaudited	31.03.2023⁽¹⁾ Unaudited
Profit attributable to the Owners of the Company (RM'000)	2,673	N/A	2,673	N/A
Weighted average Number of ordinary shares in issue ('000)	768,910	N/A	768,910	N/A
Basic and diluted EPS (sen) ⁽²⁾	0.35	N/A	0.35	N/A

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (2) Basic and diluted EPS is calculated based on the Company's enlarged share capital of 768,910,000 Shares before the IPO of the Company. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.
- N/A Not applicable.

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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 COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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

	Quarter Ended		Period-To-Date Ended	
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Interest income	(135)	N/A	(135)	N/A
Interest expense	1,702	N/A	1,702	N/A
Depreciation expenses	2,576	N/A	2,576	N/A
Bad debts recovered	(4)	N/A	(4)	N/A
Gain on disposal of property, plant and equipment	(1,122)	N/A	(1,122)	N/A
Gain on lease termination	(27)	N/A	(27)	N/A
Unrealised loss on foreign exchange	7	N/A	7	N/A
Written off of property, plant and equipment	25	N/A	25	N/A

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's first interim financial report on its combined results for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable.

B13. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company on 17 July 2024.

BY ORDER OF THE BOARD
BWYS GROUP BERHAD