



BWYS GROUP BERHAD

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

BWYS GROUP BERHAD

Registration No. 202301000310 (1494229-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|--|---|---|--|
| | | Current Quarter 30.09.2024 Unaudited RM'000 | Preceding Corresponding Quarter ⁽²⁾ 30.09.2023 Unaudited RM'000 | Current Period-to-date 30.09.2024 Unaudited RM'000 | Preceding Period-to-date ⁽²⁾ 30.09.2023 Unaudited RM'000 |
| Revenue | | 57,576 | N/A | 181,433 | N/A |
| Cost of sales | | (43,676) | N/A | (143,855) | N/A |
| Gross profit | | 13,900 | N/A | 37,578 | N/A |
| Other operating income | | 3,189 | N/A | 6,161 | N/A |
| Impairment losses on trade and other receivables, net | | - | N/A | - | N/A |
| Administrative and distribution expenses | | (12,710) | N/A | (29,890) | N/A |
| Operating profit | | 4,379 | N/A | 13,849 | N/A |
| Finance costs | | (1,680) | N/A | (5,186) | N/A |
| Profit before tax | B12 | 2,699 | N/A | 8,663 | N/A |
| Tax expense | B5 | (1,221) | N/A | (3,051) | N/A |
| Profit after tax/ Total comprehensive income | | 1,478 | N/A | 5,612 | N/A |
| Profit attributable to: | | | | | |
| - Owners of the Company | | 1,478 | N/A | 5,612 | N/A |
| Total comprehensive profit attributable to: | | | | | |
| - Owners of the Company | | 1,478 | N/A | 5,612 | N/A |
| Basic and diluted earnings per share ("EPS") (sen) ⁽³⁾ | B11 | 0.14 | N/A | 0.66 | N/A |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated 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**") was 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 1,025,213,000 ordinary shares ("**Shares**") after the initial public offering ("**IPO**") of the Company which involved the issuance of 256,303,000 new ordinary shares in conjunction with its listing on the ACE Market of Bursa Securities on 22 July 2024. 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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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024⁽¹⁾

| | | <u>Unaudited</u> As at 30.09.2024 | <u>Audited</u> As at 31.12.2023 |
|---|-------------|--|--|
| | Note | RM'000 | RM'000 |
| Non-current assets | | | |
| Property, plant and equipment | | 142,877 | 136,761 |
| Right-of-use assets | | 21,009 | 21,361 |
| | | <u>163,886</u> | <u>158,122</u> |
| Current assets | | | |
| Inventories | | 84,011 | 86,713 |
| Trade and other receivables | | 71,473 | 62,726 |
| Current tax assets | | 6,443 | 4,633 |
| Cash and bank balances | | 71,982 | 25,604 |
| | | <u>233,909</u> | <u>179,676</u> |
| Total assets | | <u>397,795</u> | <u>337,798</u> |
| Equity attributable to owners of the Company | | | |
| Invested equity/Share capital | | 200,540 | 30,357 |
| Merger Reserve | | (115,735) | - |
| Reserves | | 130,955 | 125,343 |
| Total equity | | <u>215,760</u> | <u>155,700</u> |
| Non-current liabilities | | | |
| Borrowings | B8 | 53,309 | 57,367 |
| Lease liabilities | | 5,822 | 6,099 |
| Deferred tax liabilities | | 4,080 | 4,369 |
| | | <u>63,211</u> | <u>67,835</u> |
| Current liabilities | | | |
| Trade and other payables | | 31,074 | 33,012 |
| Borrowings | B8 | 78,964 | 71,824 |
| Lease liabilities | | 3,489 | 3,347 |
| Provisions | | 987 | 987 |
| Current tax liabilities | | 4,310 | 5,093 |
| | | <u>118,824</u> | <u>114,263</u> |
| Total liabilities | | <u>182,035</u> | <u>182,098</u> |
| Total equity and liabilities | | <u>397,795</u> | <u>337,798</u> |
| Net assets per share (RM) ⁽²⁾ | | <u>0.21</u> | <u>0.15</u> |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated 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 1,025,213,000 Shares after the IPO.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾

| | Invested equity/ Share capital RM'000 | Merger reserve 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 | - | - | 5,612 | 5,612 |
| <u>Transaction with owners</u> | | | | |
| Issuance of shares pursuant to acquisition of subsidiaries | 115,735 | (115,735) | - | - |
| Issuance of ordinary shares | 56,387 | - | - | 56,387 |
| Share issuance expenses | (1,939) | - | - | (1,939) |
| Balance as at 30 September 2024 (Unaudited) | 200,540 | (115,735) | 130,955 | 215,760 |

Note:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated 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 CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾

| | Current Period-to-date 30.09.2024 RM'000 | Preceding Period-to-date⁽²⁾ 30.09.2023 RM'000 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 8,663 | N/A |
| Adjustments for: | | |
| Bad debts recovered | (68) | N/A |
| Depreciation of: | | N/A |
| - property, plant and equipment | 6,083 | N/A |
| - right-of-use assets | 2,572 | N/A |
| Interest expenses | 5,186 | N/A |
| Interest income | (674) | N/A |
| Gain on lease termination | (34) | N/A |
| Gain on disposal of property, plant and equipment | (3,530) | N/A |
| Unrealised loss on foreign exchange | 876 | N/A |
| Written off of property, plant and equipment | 850 | N/A |
| Operating profit before changes in working capital | 19,924 | N/A |
| Changes in working capital: | | |
| Inventories | (2,134) | N/A |
| Trade and other receivables | (9,061) | N/A |
| Trade and other payables | (2,432) | N/A |
| Cash generated from operations | 6,297 | N/A |
| Tax paid | (5,933) | N/A |
| Net cash from operating activities | 364 | N/A |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest received | 674 | N/A |
| Purchase of property, plant and equipment | (9,496) | N/A |
| Purchase of right-of-use assets | 109 | N/A |
| Proceeds from disposal of property, plant and equipment | 5,292 | N/A |
| Net cash used in investing activities | (3,421) | N/A |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Drawdown of bankers' acceptances | 160,216 | N/A |
| Interest paid | (4,733) | N/A |
| Repayment of: | | |
| - bankers' acceptances | (155,016) | N/A |
| - term loans | (3,963) | N/A |
| - lease liabilities | (3,361) | N/A |
| Proceeds from issuance of shares | 56,387 | N/A |
| Share issue expenses paid | (1,939) | N/A |
| Net changes in deposits with licensed banks | (1,489) | N/A |
| Net cash from financing activities | 46,102 | N/A |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024 ⁽¹⁾ (CONT'D)

| | Current Period-to-date 30.09.2024 RM'000 | Preceding Period-to-date⁽²⁾ 30.09.2023 RM'000 |
|---|---|---|
| Net changes in cash and cash equivalents | 43,045 | N/A |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 6,119 | N/A |
| CASH AND CASH EQUIVALENTS AT END | 49,164 | N/A |
| Cash and cash equivalents comprised of: | | |
| Cash and bank balances | 36,440 | N/A |
| Deposits with licensed banks | 20,495 | N/A |
| Short-term investments | 15,047 | N/A |
| | 71,982 | N/A |
| Less: | | |
| Deposits pledged to licensed banks | (20,495) | N/A |
| Bank overdraft | (2,323) | N/A |
| | 49,164 | N/A |

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated 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 third interim financial report on its consolidated results for the third quarter ended 30 September 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 third interim financial report on the unaudited condensed consolidated financial results for the third quarter ended 30 September 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

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 | |
|-----------------------------|-----------------------------------|--|-----------------------------------|--|
| | 30.09.2024 Unaudited RM’000 | 30.09.2023 ⁽¹⁾ Unaudited RM’000 | 30.09.2024 Unaudited RM’000 | 30.09.2023 ⁽¹⁾ Unaudited RM’000 |
| Malaysia | 56,794 | N/A | 170,747 | N/A |
| United States of America | 114 | N/A | 9,142 | N/A |
| Others ⁽²⁾ | 668 | N/A | 1,544 | N/A |
| Total | 57,576 | N/A | 181,433 | N/A |

Notes:

(1) No comparative figures for the preceding quarter are available as this is the Company’s third interim financial report on its consolidated results for the third quarter ended 30 September 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

(2) Other countries include Singapore, Australia, the Philippines, United Arab Emirates, India, Bangladesh and Canada.

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.

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

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

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.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**A14. CAPITAL COMMITMENTS**

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

Unaudited
As at 30.09.2024
RM'000

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

- contracted but not provided for

3,792

A15. RELATED PARTY TRANSACTIONS DISCLOSURES

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

| | <u>Quarter Ended</u> | | <u>Period-To-Date Ended</u> | |
|-----------------|-----------------------------|---------------------------------|------------------------------------|---------------------------------|
| | 30.09.2024 | 30.09.2023⁽¹⁾ | 30.09.2024 | 30.09.2023⁽¹⁾ |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales | 16 | N/A | 335 | N/A |
| Purchases | - | N/A | (10) | N/A |
| Rental expenses | (240) | N/A | (774) | N/A |

Notes:

(1) No comparative figures for the preceding quarter are available as this is the Company’s third interim financial report on its consolidated results for the third quarter ended 30 September 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>30.09.2024</u> | <u>30.09.2023⁽¹⁾</u> | <u>30.09.2024</u> | <u>30.09.2023⁽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 | 57,576 | N/A | 181,433 | N/A |
| Profit before tax | 2,699 | N/A | 8,663 | N/A |
| Profit after tax | 1,478 | N/A | 5,612 | N/A |

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's third interim financial report on its consolidated results for the third quarter ended 30 September 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 30 September 2024, the Group recorded revenue of RM57.58 million and RM181.43 million. Malaysia was the Group's largest overall market, recording revenue of RM56.79 million (98.64% of the Group's revenue) for the current financial quarter and RM170.75 million (94.11% of the Group's revenue) for the financial period-to-date under review.

Bangladesh was the Group's largest foreign market for the current financial quarter and recorded revenue of RM0.28 million (0.49% of the Group's revenue), whereas United States of America was the Group's largest foreign market for the financial period-to-date under review and recorded revenue of RM9.14 million (5.04% of the Group's revenue) for the financial period-to-date under review.

The Group recognised profit before tax of RM2.70 million for the current quarter and RM8.66 million for the financial period-to-date after deducting expenses which are mainly attributed to depreciation of property, plant and equipment, right-of-use assets, directors' remuneration and staff costs as well as non-recurring listing expenses.

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

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

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

| | Individual Quarter Ended | | | |
|-------------------|-----------------------------------|-----------------------------------|--------------------|--------|
| | 30.09.2024 Unaudited RM'000 | 30.06.2024 Unaudited RM'000 | Variance RM'000 | % |
| Revenue | 57,576 | 58,473 | (897) | (1.53) |
| Profit before tax | 2,699 | 2,132 | 567 | 26.59 |

The Group recorded the revenue of 57.58 million for the current financial quarter representing a decrease of RM0.90 million or 1.53% as compared to 58.47 million in the preceding financial quarter. The moderation of sales performance was primarily attributable to a slight reduction in supply of scaffoldings segments, driven by softer market demand as compared to the preceding financial quarter.

The Group has recorded the profit before tax of RM2.70 million for the current financial quarter representing an increase of RM0.57 million or 26.59% as compared to RM2.13 million in the preceding financial quarter. The increase in profit before tax was primarily attributable to the following factors:

- i. Higher gross profit in line with the recent appreciation of the Malaysian Ringgit which has partly reduced the cost of imported raw materials and lowering production cost.
- ii. Increased in other operating income by approximately 163.34%, mainly due to increase in gain on disposal of rental scaffoldings and realised gain on foreign exchange.

However, the increase in profit before tax was partially offset by one-off, non-recurring listing expenses of RM2.27 million during the current financial quarter.

B3. PROSPECTS OF THE GROUP

Following BWYS's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 22 July 2024, the Group has made progress in expanding its product portfolio and enhancing its ability to meet evolving market demands. Following its IPO, the Group introduced new eco-friendly shoring scaffoldings featuring electrolysis plating for enhanced durability and corrosion resistance, while minimising harmful emissions. This innovation complements BWYS existing range of CIDB-certified shoring systems and scaffolding products, further advancing its ESG initiatives.

In addition, the Group has also begun producing original equipment manufacturer (OEM) cable trays and trunking for the mechanical and electrical (M&E) industry, as well as Polyurethane (PU) sandwich foam panels and aluminium sheet panels.

The Malaysian construction sector recorded strong growth, with a 20.2% year-on-year increase in 2Q2024 to RM38.9 billion (2Q2023: RM32.4 billion) and a 17.2% rise in 1H2024 to RM75.7 billion (1H2023: RM64.6 billion), driven by growth in civil engineering and residential building segments. Future growth will be supported by major infrastructure developments such as the Sarawak-Sabah Link Road Phase 2, Pan-Borneo Highway upgrades, Bayan Lepas Light Rail Transit (LRT) Project, East Coast Rail Link (ECRL), Mass Rapid Transit 3 (MRT3). These projects bode well for the demand of BWYS' CIDB-certified shoring systems which are temporary support and structures used during construction.

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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 (CONT'D)

To mitigate fluctuations in global steel prices and foreign exchange rates, the Group will implement robust inventory management strategies, with a strong focus on operational efficiency and cost optimisation.

Moving forward, the Group is optimistic about its long-term prospects in the sheet metal products industry, leveraging IPO proceeds to execute its future plans to strengthen its competitive edge and capitalise on industry opportunities as outlined in the Prospectus dated 18 June 2024. Barring unforeseen circumstances, the Board expects these plans to lay a foundation for sustainable growth and enhance financial performance in the years ahead.

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>30.09.2024</u> | <u>30.09.2023⁽¹⁾</u> | <u>30.09.2024</u> | <u>30.09.2023⁽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 | | | | |
| - Current tax | 1,510 | N/A | 3,340 | N/A |
| - Deferred tax | (289) | N/A | (289) | N/A |
| Total income tax expense | 1,221 | N/A | 3,051 | N/A |
| Effective tax rate (%) | 45.24 | N/A | 35.22 | 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 third interim financial report on its consolidated results for the third quarter ended 30 September 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 underprovision of tax expense in prior year for subsidiaries and 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**

There were no corporate proposals announced but not completed as at the date of this interim report.

B7. UTILISATION OF PROCEEDS FROM IPO

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

| Utilisation of proceeds ⁽¹⁾ | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Balance Utilisation RM'000 | Estimated timeframe for utilisation from Listing ⁽²⁾ |
|---|--------------------------------|------------------------------|-------------------------------|---|
| Capital expenditure: | | | | |
| - Construction of New Penang factory | 22,840 | 1,456 | 21,384 | Within 36 months |
| - Purchase of new machinery and equipment | 7,716 | - | 7,716 | Within 36 months |
| - Implementation of new ERP system, production and inventory management systems | 10,831 | - | 10,831 | Within 36 months |
| Repayment of bank borrowings | 4,000 | - | 4,000 | Within 12 months |
| Working capital | 5,500 | 4,000 | 1,500 | Within 12 months |
| Estimated listing expenses | 5,500 | 5,500 | - | Within 3 months |
| Total | 56,387 | 10,956 | 45,431 | |

Notes:

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

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BWYS GROUP BERHAD

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

B8. GROUP BORROWINGS AND DEBTS SECURITIES

The Group's bank borrowings were as follows:

| | <u>Unaudited</u> As at 30.09.2024 RM'000 | <u>Audited</u> As at 31.12.2023 RM'000 |
|---------------------------|--|--|
| <u>Current</u> | | |
| <i>Secured</i> | | |
| Bank overdrafts | 2,323 | 479 |
| Bankers' acceptances | 70,238 | 65,038 |
| Revolving credit | 1,000 | 1,000 |
| Term loans | 5,403 | 5,307 |
| | <u>78,964</u> | <u>71,824</u> |
| | | |
| <u>Non-current</u> | | |
| <i>Secured</i> | | |
| Term loans | 53,309 | 57,367 |
| | <u>53,309</u> | <u>57,367</u> |
| Total | <u>132,273</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 full trial on 17 December 2024 and 18 December 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> | |
|--|---------------------------------------|---|---------------------------------------|---|
| | 30.09.2024 Unaudited | 30.09.2023⁽¹⁾ Unaudited | 30.09.2024 Unaudited | 30.09.2023⁽¹⁾ Unaudited |
| Profit attributable to the Owners of the Company (RM'000) | 1,478 | N/A | 5,612 | N/A |
| Weighted average Number of ordinary shares in issue ('000) | 1,025,213 | N/A | 854,968 | N/A |
| Basic and diluted EPS (sen) ⁽²⁾ | 0.14 | N/A | 0.66 | N/A |

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's third interim financial report on its consolidated results for the third quarter ended 30 September 2024 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (2) Basic and diluted EPS is calculated based on profit attributable to owners of the Company divided by weighted average number of ordinary shares of the Company after the completion of the IPO of the Company on 22 July 2024, resulting in an enlarged share capital of 1,025,213,000 new ordinary shares. 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 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 | | Period-To-Date Ended | |
|---|----------------------|---------------------------------|-----------------------------|---------------------------------|
| | 30.09.2024 | 30.09.2023⁽¹⁾ | 30.09.2024 | 30.09.2023⁽¹⁾ |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (379) | N/A | (674) | N/A |
| Interest expense | 1,680 | N/A | 5,186 | N/A |
| Depreciation expenses | 3,173 | N/A | 8,655 | N/A |
| Bad debts recovered | (31) | N/A | (68) | N/A |
| Gain on disposal of property, plant and equipment | (2,331) | N/A | (3,530) | N/A |
| Gain on lease termination | (7) | N/A | (34) | N/A |
| Unrealised loss on foreign exchange | 718 | N/A | 876 | N/A |
| Written off of property, plant and equipment | 709 | N/A | 850 | N/A |

Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's third interim financial report on its consolidated results for the third quarter ended 30 September 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 25 November 2024.

BY ORDER OF THE BOARD
BWYS GROUP BERHAD