

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
As At 31 March 2025
(Unaudited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2025 RM'000 | 31.03.2024 RM'000 | 31.03.2025 RM'000 | 31.03.2024 RM'000 |
| Revenue | 26,211 | 37,565 | 26,211 | 37,565 |
| Cost of Sales | (22,321) | (31,157) | (22,321) | (31,157) |
| Gross Profit | 3,890 | 6,408 | 3,890 | 6,408 |
| Administration expenses | (3,522) | (3,753) | (3,522) | (3,753) |
| Selling and distribution expenses | (1,512) | (1,856) | (1,512) | (1,856) |
| Other income / (expenses) | (77) | 571 | (77) | 571 |
| Net loss on impairment of financial assets | (51) | (52) | (51) | (52) |
| (Loss) / Profit from operation | (1,272) | 1,318 | (1,272) | 1,318 |
| Finance costs | (476) | (571) | (476) | (571) |
| (Loss) / Profit before tax | (1,748) | 747 | (1,748) | 747 |
| Taxation | (373) | (525) | (373) | (525) |
| (Loss) / Profit after tax for the financial period | (2,121) | 222 | (2,121) | 222 |
| Other Comprehensive Income | - | - | - | - |
| Other comprehensive income net of tax | - | - | - | - |
| Total comprehensive (loss) / income for the financial period | (2,121) | 222 | (2,121) | 222 |
| (Loss) / Profit attributable to : | | | | |
| Owners of the Parent | (2,121) | 222 | (2,121) | 222 |
| Non-Controlling Interests | - | - | - | - |
| | (2,121) | 222 | (2,121) | 222 |
| Total comprehensive (loss) / income attributable to : | | | | |
| Owners of the Parent | (2,121) | 222 | (2,121) | 222 |
| Non-Controlling Interests | - | - | - | - |
| | (2,121) | 222 | (2,121) | 222 |
| Basic (loss) / earning per share (in sen) | (0.70) | 0.07 | (0.70) | 0.07 |
| Diluted (loss) / earning per share (in sen) | (0.70) | 0.07 | (0.70) | 0.07 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Financial Position
As At 31 March 2025

| | Unaudited As At 31.03.2025 RM'000 | Audited As At 31.12.2024 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 25,502 | 25,973 |
| Investment properties | 15,730 | 15,730 |
| Right-of-use assets | 68,471 | 69,645 |
| Total Non-Current Assets | 109,703 | 111,348 |
| Current Assets | | |
| Other investments | 2,138 | 2,120 |
| Inventories | 30,350 | 33,531 |
| Trade receivables | 25,281 | 25,736 |
| Other receivables | 2,063 | 2,810 |
| Tax Recoverable | 3,547 | 3,232 |
| Cash and bank balances | 12,805 | 16,374 |
| Fixed deposits with licensed bank | 8,141 | 4,217 |
| Assets held for sale | 5,590 | 5,590 |
| Total Current Assets | 89,915 | 93,610 |
| TOTAL ASSETS | 199,618 | 204,958 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 133,181 | 133,181 |
| Revaluation reserve | 31,647 | 31,880 |
| Accumulated losses | (16,325) | (14,437) |
| Total Equity | 148,503 | 150,624 |
| LIABILITIES | | |
| Non-Current Liabilities | | |
| Loans and borrowings | 7,846 | 7,967 |
| Lease liabilities | 1,464 | 2,199 |
| Deferred tax liabilities | 4,896 | 4,900 |
| Total Non-Current Liabilities | 14,206 | 15,066 |
| Current Liabilities | | |
| Loans and borrowings | 19,936 | 22,648 |
| Lease liabilities | 1,415 | 1,568 |
| Trade payables | 9,116 | 8,990 |
| Other payables | 6,442 | 6,062 |
| Total Current Liabilities | 36,909 | 39,268 |
| TOTAL LIABILITIES | 51,115 | 54,334 |
| TOTAL EQUITY AND LIABILITIES | 199,618 | 204,958 |
| Net asset per share attributable to Owners of the Parent (In RM) | 0.49 | 0.50 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Changes In Equity
As At 31 March 2025
(Unaudited)

| | ← Attributable to Owners of the Parent → | | | Total Equity |
|--|--|------------------------|-----------------------|-----------------|
| | ← Non-distributable → | | Accumulated Losses | |
| | Share Capital | Revaluation Reserve | | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 2025 | | | | |
| At beginning of financial period | 133,181 | 31,880 | (14,437) | 150,624 |
| Loss for the financial period | - | - | (2,121) | (2,121) |
| Realisation of revaluation surplus upon depreciation | - | (233) | 233 | - |
| At end of financial period | 133,181 | 31,647 | (16,325) | 148,503 |
| 2024 | | | | |
| At beginning of financial period | 133,181 | 25,374 | (11,652) | 146,903 |
| Profit for the financial period | - | - | 222 | 222 |
| At end of financial period | 133,181 | 25,374 | (11,430) | 147,125 |

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Cash Flows
As At 31 March 2025
(Unaudited)

| | CUMULATIVE QUARTER | |
|---|---------------------------|-------------------|
| | 31.03.2025 | 31.03.2024 |
| | RM | RM |
| Cash flows from / (used in) operating activities | | |
| (Loss) / Profit before tax | (1,748) | 747 |
| Adjustments for : | | |
| Allowance for doubtful debts | (51) | (52) |
| Amortisation of right-of-use asset | 151 | 224 |
| Depreciation of property, plant and equipment | 1,611 | 1,682 |
| Finance costs | 459 | 565 |
| Loss / (Gain) on disposal of property, plant & equipment | 116 | (41) |
| Interest expense on lease liabilities | 17 | 5 |
| Interest income | (59) | (89) |
| Property, plant and equipment written off | - | 78 |
| Unrealised loss / (gain) on foreign exchange | 220 | (99) |
| Operating profit before changes in working capital | <u>716</u> | <u>3,020</u> |
| Changes in working capital: | | |
| - Inventories | 3,180 | 1,612 |
| - Trade and other receivables | 506 | (6,524) |
| - Other current assets | 747 | 338 |
| - Trade and other payables | 511 | 1,687 |
| Cash flows generated from operations | <u>5,660</u> | <u>133</u> |
| Tax paid | (692) | (616) |
| Tax refunded | - | - |
| Net cash flows from / (used in) operating activities | <u>4,968</u> | <u>(483)</u> |
| Cash flows used in investing activities | | |
| Acquisition of property, plant and equipment | (820) | (576) |
| Interest received | 41 | 70 |
| Placement of deposits with licensed banks | (21) | (22) |
| Proceeds from disposal of property, plant and equipment | 591 | 41 |
| Net cash flows used in investing activities | <u>(209)</u> | <u>(487)</u> |
| Cash flows (used in) / from financing activities | | |
| Interest paid | (459) | (565) |
| Placement of fixed deposit | (3,900) | - |
| (Withdrawal) / Repayment of bankers' acceptance | (2,607) | 1,782 |
| Repayment of lease liabilities | (913) | (1,008) |
| Repayment of term loans | (148) | (48) |
| Net cash flows (used in) / from financing activities | <u>(8,027)</u> | <u>161</u> |

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Cash Flows (cont'd)
As At 31 March 2025
(Unaudited)

| | CUMULATIVE QUARTER | |
|--|---------------------------|----------------------|
| | 31.03.2025 | 31.03.2024 |
| | RM | RM |
| Net decrease in cash and cash equivalents | (3,268) | (809) |
| Effect of exchange rate changes on cash and cash equivalents | (220) | 99 |
| Cash and cash equivalents at beginning of financial period | 13,506 | 15,231 |
| Cash and cash equivalents at end of financial period | <u>10,018</u> | <u>14,521</u> |

Cash and cash equivalents included in the cash flow statements comprise the followings:

| | | |
|--|----------------------|----------------------|
| Deposit, bank and cash balances | 20,946 | 21,884 |
| Less: Bank overdrafts | <u>(3,443)</u> | <u>(3,851)</u> |
| | 17,503 | 18,033 |
| Less: Fixed deposits pledged with licensed banks | <u>(7,485)</u> | <u>(3,512)</u> |
| | <u>10,018</u> | <u>14,521</u> |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2025****PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL
REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. BASIS OF PREPARATION**

These condensed consolidation interim financial statements, for the financial period ended 31 March 2025, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The audited financial statements of the Group for the financial year ended 31 December 2024 are available upon request from the Company registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2024.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2024 and include the adoption of MFRS Framework and Interpretation which applicable to the Group. The adoption of MFRS, amendments to MFRSs and Interpretation Committee Interpretations do not have material impact on the financial statement in the period of initial application.

A3. AUDITORS’ REPORT

The audited financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The Group's operation is seasonal and cyclical in nature whereby the performance is normally higher during Hari Raya Puasa and New Year celebration.

A5. EXTRAORDINARY AND EXCEPTIONAL ITEMS

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

A6. CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no material changes in estimates of amounts reported in prior financial periods that have a material effect on the current quarter under review and financial period to-date.

A7. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segment.

| Revenue and Expenses | 3 months ended 31 March 2025 | | | | |
|---------------------------|------------------------------|--------------------------------|----------------------------|--------------|--------------|
| | Others | Manufacturing of plastic wares | Manufacturing of furniture | Eliminations | Consolidated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| External sales | - | 17,999 | 8,212 | - | 26,211 |
| Inter-company transaction | - | 4,741 | 273 | (5,014) | - |
| Total | - | 22,740 | 8,485 | (5,014) | 26,211 |

| Results | Others | Manufacturing of plastic wares | Manufacturing of furniture | Eliminations | Consolidated |
|---|---------|--------------------------------|----------------------------|--------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Finance income | 355 | 22 | 69 | (387) | 59 |
| Finance costs | - | (511) | (335) | 387 | (459) |
| Interest expense on lease liabilities | - | (8) | (9) | - | (17) |
| Depreciation of property, plant and equipment | - | (1,234) | (284) | (93) | (1,611) |
| Amortisation of right-of-use assets | - | - | (151) | - | (151) |
| Taxation | (60) | (155) | (160) | 2 | (373) |
| Other non-cash items | - | - | 220 | - | 220 |
| Segment (loss) / profit | (185) | (2,611) | 675 | - | (2,121) |
| Segment assets | 100,518 | 137,399 | 72,122 | (110,421) | 199,618 |
| Segment liabilities | 206 | 58,974 | 33,128 | (41,193) | 51,115 |

A8. CHANGES IN DEBT AND EQUITY SECURITIES

There was no issuance, repurchase and repayment of debt and equity securities for the current quarter under review and financial period to-date, other than as disclosed in Note B8.

A9. DIVIDENDS PAID

There were no dividends paid during the current quarter under review.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were revaluation of property, plant and equipment for the financial period under review, pertaining to lands and buildings.

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORT

There were no material events subsequent to the end of the interim reporting period reported.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period under review.

A13. CHANGES IN CONTINGENT LIABILITIES/ASSETS

There were no changes in contingent liabilities/assets since previous reporting date and there were no contingent liabilities pending at the date of this report.

A14. CAPITAL COMMITMENTS

There were no material capital commitments during the current quarter under review.

A15. RELATED PARTY TRANSACTIONS

There were no related party transactions during the current quarter under review and financial year to-date.

The Group's key management personnel compensation during the current quarter under review and financial year to-date is as follows:

| Compensation paid/payable to key management personnel | Current quarter RM'000 | Financial year to-date RM'000 |
|---|---------------------------|----------------------------------|
| Short term employee benefits | 409 | 409 |
| Other employee benefits | 39 | 39 |

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

| Revenue | Individual quarter | | +/- (%) | Cumulative quarter | | +/- (%) |
|------------------------|---------------------|---------------------|------------|---------------------|---------------------|------------|
| | 31-Mar-25 RM'000 | 31-Mar-24 RM'000 | | 31-Mar-25 RM'000 | 31-Mar-24 RM'000 | |
| Plastic Wares Division | 17,999 | 23,187 | | 17,999 | 23,187 | |
| Furniture Division | 8,212 | 14,378 | | 8,212 | 14,378 | |
| Total | 26,211 | 37,565 | (30) | 26,211 | 37,565 | (30) |

For current quarter under review ended on 31 March 2025, the Group's revenue decreased by 30.2% to RM26.21 million as compared to RM37.57 million recorded in the corresponding quarter of the previous year, which ended on 31 March 2024.

The revenue contribution from the plastic wares division decreased by 22.4% to RM18.00 million as compared to Q1 2024 of RM23.19 million. The decreased in local sales was primarily a result of economic factors and shifts in consumer spending behaviour and increased competition from alternative suppliers. Furniture division recorded revenue of RM8.21 million for Q1 2025, 42.9% decreased as compared to Q1 2024 of RM14.38 million. The export sales decreased mainly due to market uncertainties arising from political instability and conflicts.

| Profit / (Loss) Before Tax | Individual quarter | | +/- (%) | Cumulative quarter | | +/- (%) |
|----------------------------|---------------------|---------------------|------------|---------------------|---------------------|------------|
| | 31-Mar-25 RM'000 | 31-Mar-24 RM'000 | | 31-Mar-25 RM'000 | 31-Mar-24 RM'000 | |
| Plastic Wares Division | 832 | 1,700 | | 832 | 1,700 | |
| Furniture Division | (2,456) | (893) | | (2,456) | (893) | |
| Others | (124) | (60) | | (124) | (60) | |
| Total | (1,748) | 747 | (334) | (1,748) | 747 | (334) |

In Q1 2025, the Group recorded a total gross profit of RM3.89 million as compared to RM6.41 million recorded in Q1 2024. The gross profit margin decreased from 17.1% in Q1 2024 to 14.8% in Q1 2025. The decreased in gross profit margin mainly due to fluctuation of raw material cost.

Plastic wares division's gross profit margin increased from 22.7% in Q1 2024 to 24.4% in Q1 2025, recorded RM4.39 million gross profit. Furniture division's gross profit margin decreased from 8.0% in Q1 2024 to negative 6.1% in Q1 2025, recorded RM0.50 million gross loss. The division faced challenges in securing sufficient sales orders to cover fixed operational overheads.

In Q1 2025, the Group recorded loss before tax of RM1.75 million as compared to profit before tax of RM0.75 million recorded in Q1 2024. Plastic wares division's profit before tax decreased by 51.0% to RM0.83 million as compared to Q1 2024 of RM1.70 million. Furniture division recorded loss before tax of RM2.46 million as compared to loss before tax of RM0.89 million in Q1 2024.

B2. VARIANCE IN PROFIT / (LOSS) BEFORE TAX

| Profit / (Loss) Before Tax | Individual quarter 31-Mar-25 RM'000 | Preceding quarter 30-Dec-24 RM'000 | + / - RM'000 |
|-----------------------------------|--|---|-------------------------|
| Plastic Wares Division | 832 | 814 | 18 |
| Furniture Division | (2,456) | (1,425) | (1,031) |
| Others | (124) | (178) | 54 |
| Total | (1,748) | (789) | (959) |

The Group recorded a higher turnover of RM26.21 million for the quarter under review, compared to RM25.94 million in the preceding quarter ended 31 December 2024.

In Q1 2025, the gross profit margin increased to 14.8% from 9.3% in Q4 2024, while the absolute gross profit amount increased to RM3.89 million, compared to RM2.41 million in Q4 2024. Additionally, the Group reported a loss before tax of RM1.75 million for the quarter under review, a decrease from the loss before tax of RM0.71 million recorded in the preceding quarter.

B3. PROSPECT

The Group remains committed to maximizing value for its stakeholders while maintaining a strong competitive position in the industry. Management anticipates that 2025 will be a challenging year for both divisions, particularly with the official implementation of the Minimum Wage Order and the mandatory Employees Provident Fund (EPF) contributions for foreign workers. To address the expected increase in labour costs, the Management is closely monitoring labour efficiency and exploring automation opportunities to enhance productivity.

The recent announcement of new US tariffs, including a 90-day pause for certain countries, has added uncertainty to international trade and may impact the Group's export activities. In response, the Management and marketing team are working proactively with customers to manage and mitigate any potential cost implications.

To strengthen its market position, the Group is diversifying its revenue streams by exploring new market segments and expanding its customer base both locally and internationally. Additionally, the Group is investing in product development and service improvements, focusing on upgrading existing products and introducing new ones at competitive prices to meet evolving market demands.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial period under review.

B5. TAXATION

| | Current quarter RM'000 | Financial year to-date RM'000 |
|-------------------|------------------------------|-------------------------------------|
| Current taxation | (375) | (375) |
| Deferred taxation | 2 | 2 |
| | <u>(373)</u> | <u>(373)</u> |

The Group's effective tax rate for the quarter under review was higher than the statutory tax rate mainly due to tax effects of non-deductible expenses and deferred tax assets not recognised.

B6. SALE OR PURCHASE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties by the Group for the current quarter under review.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities by the Group for the financial period under review.

B8. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal by the Group for the financial period under review.

B9. GROUP'S BORROWINGS

The Group's borrowings as at 31 March 2025 are as follows:

| | RM'000 |
|-------------------------------|---------------|
| Secured Short Term Borrowings | 19,936 |
| Secured Long Term Borrowings | 7,846 |
| Total Borrowings | <u>27,782</u> |

B10. FINANCIAL INSTRUMENTS - DERIVATIVES

The Group uses derivative financial instruments, mainly foreign currency forward contracts to hedge its exposure to fluctuations in foreign exchange arising from sales. The Group does not hold or issue derivative financial instruments for trading purposes.

There was no outstanding foreign currency forward contracts as at 31 March 2025.

The above instruments are executed with credit worthy financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength. There are also no cash requirements risks as the Group only uses foreign currency forward contracts as its hedging instruments. The fair value changes have been recognised in the profit and loss.

B11. MATERIAL LITIGATION

There was no material litigation during the financial period under review.

B12. DIVIDEND

No dividend was proposed by the Board of Directors for the current quarter under review.

B13. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss before tax for the financial period has been arrived at after charging / (crediting):-

| | Current quarter RM'000 | Financial year to-date RM'000 |
|---|------------------------------|-------------------------------------|
| Allowance for doubtful debts | (51) | (51) |
| Amortisation of right-of-use asset | 151 | 151 |
| Depreciation of property, plant and equipment | 1,611 | 1,611 |
| Finance costs | 459 | 459 |
| Finance income | (59) | (59) |
| Gain on foreign exchange | | |
| Realised | (183) | (183) |
| Unrealised | 220 | 220 |
| Gain on disposal of property, plant & equipment | 116 | 116 |
| Interest expense on lease liabilities | 17 | 17 |
| Rental received | (337) | (337) |
| | <u> </u> | <u> </u> |

B14. LOSS PER SHARE

Basic loss per share

Basic loss per share amount are calculated by dividing the loss attributable to Owners of the Parent by the weighted average number of ordinary shares outstanding during the period.

| | | Current quarter | Financial year to-date |
|-----------------------------------|----------|-------------------------|---------------------------|
| Loss attributable to | | | |
| Owners of the Parent | (RM'000) | (2,121) | (2,121) |
| Weighted average number of shares | (shares) | 302,278,160 | 302,278,160 |
| Basic loss per share | (sen) | <u> (0.72)</u> | <u> (0.72)</u> |

Board of Directors
SWS Capital Berhad
29th May 2025