

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Financial Position
As At 30 September 2022

	Unaudited As At 30.09.2022 (9 months) RM	Audited As At 31.12.2021 (12 months) RM
ASSETS		
Non-current Assets		
Property, plant and equipment	36,134,150	34,447,711
Investment properties	2,265,000	2,265,000
Right-of-use asset	<u>55,377,882</u>	<u>57,790,989</u>
Sub-total	<u>93,777,032</u>	<u>94,503,700</u>
Current Assets		
Inventories	51,884,926	56,435,504
Trade receivables	25,619,358	24,435,001
Other receivables	2,928,526	3,589,828
Tax Recoverable	1,999,940	2,115,701
Derivatives financial instruments at fair value	-	6,429
Cash and bank balances	19,668,463	7,603,537
Fixed deposits with licensed bank	<u>3,999,534</u>	<u>4,942,404</u>
Sub-total	<u>106,100,747</u>	<u>99,128,404</u>
TOTAL ASSETS	<u>199,877,779</u>	<u>193,632,104</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	125,325,602	109,971,602
Share-based payment reserve	1,440,170	1,440,170
Warrant reserve	68,816,475	68,816,475
Other reserve	(68,816,475)	(68,816,475)
Revaluation reserve	7,116,667	7,204,580
Accumulated losses	<u>(5,124,127)</u>	<u>(9,353,838)</u>
Sub-total	128,758,312	109,262,514
Non-controlling interest	<u>307,768</u>	<u>53,071</u>
Total Equity	<u>129,066,080</u>	<u>109,315,585</u>
LIABILITIES		
Non-current Liabilities		
Loans and borrowings	5,601,295	5,289,361
Lease liabilities	1,542,008	2,350,678
Deferred tax liabilities	<u>3,626,362</u>	<u>3,630,988</u>
Sub-total	<u>10,769,665</u>	<u>11,271,027</u>
Current Liabilities		
Trade payables	13,644,052	16,918,943
Other payables	4,601,131	6,697,883
Tax payables	20,834	31,461
Loans and borrowings	39,583,481	48,106,139
Lease liabilities	<u>2,192,536</u>	<u>1,291,066</u>
Sub-total	<u>60,042,034</u>	<u>73,045,492</u>
Net Current Assets	46,058,713	26,082,912
Total Liabilities	<u>70,811,699</u>	<u>84,316,519</u>
Net Assets	<u>129,066,080</u>	<u>109,315,585</u>
TOTAL EQUITY AND LIABILITIES	<u>199,877,779</u>	<u>193,632,104</u>
Net asset per share attributable to Owners of the Parent (In RM)	0.47	0.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2021)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
As At 30 September 2022
(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM	RM	RM	RM
Revenue	32,637,630	22,773,076	126,786,641	103,781,867
Cost of Sales	(26,213,649)	(22,225,823)	(103,147,266)	(89,391,219)
Gross Profit	6,423,981	547,253	23,639,375	14,390,648
Administration expenses	(3,309,587)	(3,162,911)	(10,287,569)	(10,329,210)
Selling and distribution expenses	(1,632,566)	(1,099,826)	(5,456,472)	(4,525,022)
Other income / expenses	197,718	(20,202)	226,763	3,506,625
Net gain on impairment of financial instruments	(6,579)	-	30,241	-
Operating profit / (loss)	1,672,967	(3,735,686)	8,152,338	3,043,041
Finance costs	(611,362)	(591,778)	(1,801,819)	(1,684,127)
Profit / (Loss) before tax	1,061,605	(4,327,464)	6,350,519	1,358,914
Taxation	(506,267)	(109,929)	(1,954,024)	(1,133,699)
Profit after tax for the financial period	555,338	(4,437,393)	4,396,495	225,215
	3%	-19%	5%	1%
Other comprehensive income net of tax	28,951	28,951	87,913	86,853
Total comprehensive income / (loss) for the financial period	584,289	(4,408,442)	4,484,408	312,068
Profit attributable to :				
Owners of the Parent	411,216	(4,374,872)	4,141,798	152,869
Non-Controlling Interest	144,122	(62,521)	254,697	72,346
	555,338	(4,437,393)	4,396,495	225,215
Total comprehensive income attributable to :				
Owners of the Parent	441,299	(4,345,921)	4,228,579	239,722
Non-Controlling Interest	142,990	(62,521)	255,829	72,346
	584,289	(4,408,442)	4,484,408	312,068
Basic earning / (loss) per share (in sen)	0.15	(2.07)	1.51	0.07
Fully diluted earning / (loss) per share (in sen)	0.15	(2.07)	1.51	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 2021)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Changes In Equity
As At 30 September 2022
(Unaudited)

	← Attributable to Owners of the Parent →						Non-Controlling Interest	Total Equity	
	Share Capital	Share-based payment Reserve	Warrant Reserve	Other Reserve	Revaluation Reserve	Accumulated Losses			Total
	RM	RM	RM	RM	RM	RM			RM
Balance as at 1 January 2022	109,971,602	1,440,170	68,816,475	(68,816,475)	7,204,580	(9,353,838)	109,262,514	53,071	109,315,585
Profit after tax for the financial period	-	-	-	-	-	4,141,798	4,141,798	254,697	4,396,495
Realisation of revaluation surplus upon depreciation	-	-	-	-	(87,913)	87,913	-	-	-
Issuance of ordinary shares pursuant to exercise of Private Placement	15,354,000	-	-	-	-	-	15,354,000	-	15,354,000
Balance as at 30 September 2022	125,325,602	1,440,170	68,816,475	(68,816,475)	7,116,667	(5,124,127)	128,758,312	307,768	129,066,080
	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2021	106,233,002	1,819,270	68,816,475	(68,816,475)	8,070,470	(13,125,339)	102,997,403	6,799	103,004,202
Profit after tax for the financial period	-	-	-	-	-	152,869	152,869	72,346	225,215
Realisation of revaluation surplus upon depreciation	-	-	-	-	(86,853)	86,853	-	-	-
Issuance of ordinary shares pursuant to exercise of ESOS	3,359,500	-	-	-	-	-	3,359,500	-	3,359,500
Balance as at 30 September 2021	109,592,502	1,819,270	68,816,475	(68,816,475)	7,983,617	(12,885,617)	106,509,772	79,145	106,588,917

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2021)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Cash Flows Statement
As At 30 September 2022
(Unaudited)

	CUMULATIVE QUARTER	
	30.09.2022	30.09.2021
	RM	RM
Cash flows from operating activities		
Profit before tax	6,350,519	1,358,914
Adjustments for :		
Amortisation of right-of-use asset	285,592	329,132
Bad debts recovered	(58,241)	(23,899)
Bad debts written off	-	(11,000)
Depreciation of property, plant and equipment	5,230,612	4,358,745
Fair value loss on derivatives	6,429	3,735
Finance costs	1,773,393	1,682,313
Finance income	(162,585)	(177,889)
Gain on disposal of assets held for sale	-	(3,309,690)
Gain on disposal of property, plant & equipment	(2,225)	(59,822)
Impairment loss on trade receivables	-	66,217
Interest expense on lease liabilities	28,426	1,813
Unrealised gain on foreign exchange	(64,814)	(118,045)
Operating profit before changes in working capital	<u>13,387,106</u>	<u>4,100,524</u>
Changes in working capital:		
- Inventories	4,550,579	(7,531,776)
- Trade and other receivables	105,116	3,074,582
- Other current assets	(569,923)	668,548
- Trade and other payables	(5,371,642)	(9,148,097)
Cash flows generated from / (used in) operations	<u>12,101,236</u>	<u>(8,836,219)</u>
Tax paid	(1,853,518)	(1,792,740)
Interest paid	(1,801,819)	(1,684,126)
Net cash flows from / (used in) operating activities	<u>8,445,899</u>	<u>(12,313,085)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,738,570)	(8,264,047)
Proceeds from disposal of property, plant and equipment	126,968	89,550
Proceeds from disposal of assets classified as held for sales	-	7,233,000
Interest received	162,585	177,889
Placement / (Withdrawal) of deposits with licensed banks	950,500	(61,013)
Net cash flows used in investing activities	<u>(4,498,517)</u>	<u>(824,621)</u>

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Cash Flows Statement (cont'd)
As At 30 September 2022
(Unaudited)

	CUMULATIVE QUARTER	
	30.09.2022	30.09.2021
	RM	RM
Cash flows from financing activities		
Drawdown of borrowings	(6,553,009)	-
Drawdown / (Repayment) of lease liabilities	917,085	(88,632)
Repayment of term loans	(639,338)	(6,036,587)
Proceeds from issuance of ordinary shares pursuant to private placement	15,354,000	-
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	-	3,359,500
Net cash flows from / (used in) financing activities	<u>9,078,738</u>	<u>(2,765,719)</u>
Net increase / (decrease) in cash and cash equivalents	13,026,120	(15,903,425)
Effect of exchange rate changes on cash and cash equivalents	64,814	118,045
Cash and cash equivalents at beginning of financial period	1,758,382	17,279,233
Cash and cash equivalents at end of financial period	<u>14,849,316</u>	<u>1,493,853</u>
Cash and cash equivalents included in the cash flow statements comprise the followings:		
Deposit, bank and cash balances	23,667,997	13,179,909
Less: Deposits pledged with banks	(3,393,353)	(3,340,866)
Less: Bank overdrafts	<u>(5,425,328)</u>	<u>(8,345,190)</u>
	<u>14,849,316</u>	<u>1,493,853</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 31 December 2021)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**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 30 September 2022, 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 2021 are available upon request from the Company registered office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor.

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 2021.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021.

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 2021 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 2021 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 back-to-school, Christmas, New Year and Hari Raya 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	9 months ended 30 September 2022				Consolidated RM
	Other RM	Manufacturing of furniture RM	Manufacturing of plastic wares RM	Eliminations RM	
External sales	0	48,299,985	78,486,656	0	126,786,641
Management income	288,000	0	0	(288,000)	0
Inter-company transaction	0	2,658,750	29,113,873	(31,772,623)	0
Total	288,000	50,958,735	107,600,529	(32,060,623)	126,786,641

Results	9 months ended 30 September 2022				Consolidated RM
	Other RM	Manufacturing of furniture RM	Manufacturing of plastic wares RM	Eliminations RM	
Interest income	569,356	141,560	50,944	(599,275)	162,585
Finance costs	0	(1,014,264)	(1,358,404)	599,275	(1,773,393)
Interest expense on lease liabilities	0	(28,426)	0	0	(28,426)
Depreciation of property, plant and equipment	0	(1,621,707)	(3,423,089)	(185,816)	(5,230,612)
Amortisation of ROU	0	(285,592)	0	0	(285,592)
Taxation	(92,841)	(357,239)	(1,504,000)	56	(1,954,024)
Other non-cash items	0	(64,814)	0	0	(64,814)
Segment profit/(loss)	(222,734)	(1,155,448)	7,728,701	0	6,350,519
Segment assets	106,349,899	88,490,420	128,454,157	(123,416,697)	199,877,779
Segment liabilities	62,846	41,275,475	71,312,585	(41,839,207)	70,811,699

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.

A9. DIVIDENDS PAID

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

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORT

Other than as disclosed in Note B8, there were no material events subsequent to the end of the interim reporting period reported.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. 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.

A13. CAPITAL COMMITMENTS

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

A14. RELATED PARTY TRANSACTIONS

The Group's related party transactions during the current quarter under review and financial year to-date are as follows:

Subsidiaries	Transacting parties	Relationship	Nature of transactions	Current quarter (RM)	Financial year to-date (RM)
Ee-Lian Enterprise (M) Sdn Bhd ("ELE")	Ee Jia Housewares (M) S/B ("EJ")	Director of ELE	Sales of plastic wares and other household products	2,747,435	7,819,612
			Purchases of plastic wares and other household products	180,707	868,705
ELE	PT. Elianware Houseware	Director of ELE	Sales of plastic wares and other household products	886,806	2,669,792
ELE	E Sponge Household S/B ("ES")	Director of ELE	Sales of plastic wares and other household products	2,208	3,933
			Purchases of cleaning products	79,186	251,013
ELE	Ebottles Marketing (M) S/B ("EBM")	Director of ELE	Purchases of water bottles and tumblers	Nil	87,105
Ee-Lian Plastic Industries (M) Sdn Bhd ("ELP")	EJ	Director of ELP	Sales of plastic wares and other household products	Nil	52,565
			Purchases of plastic wares and other household products	48,000	144,000
ELP	EBM	Director of ELP	Sales of printing services	33,186	86,608

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)	Financial year to-date (RM)
Short term employee benefits	498,371	1,507,085
Other employee benefits	38,262	116,788

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		+/- (%)
	30-Sept-22 (RM)	30-Sept-21 (RM)		30-Sept-22 (RM)	30-Sept-21 (RM)	
Furniture Division	10,805,803	3,885,986		48,299,985	39,641,987	
Plastic Wares Division	21,831,827	18,887,090		78,486,656	64,139,880	
Total	32,637,630	22,773,076	43	126,786,641	103,781,867	22

For current quarter under review, the Group recorded a higher turnover of RM32.64 million compared to RM22.77 million recorded in the previous year corresponding quarter ended 30 September 2021. In Q3 2021, furniture divisions' operations were mostly shut down and plastic wares division was operating at minimum capacity with MITI Malaysia due to Movement Control Order ("MCO").

Furniture division recorded revenue of RM10.81 million for Q3 2022, 177.9% increased as compared to Q3 2021 of RM3.89 million. Furniture division suffered slowdown in export market especially United State of America ("US") and Euro who are suffering the negative effects from high inflation rate. The revenue contribution from the plastic wares division increased by 15.6% to RM21.83 million in Q3 2022 as compared to RM18.89 million in Q3 2021.

Profit / (Loss) Before Tax	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	30-Sept-22 (RM)	30-Sept-21 (RM)		30-Sept-22 (RM)	30-Sept-21 (RM)	
Furniture Division	(1,931,387)	(3,966,461)		(1,155,448)	455,085	
Plastic Wares Division	3,029,986	(218,198)		7,728,701	1,371,665	
Others	(36,994)	(142,805)		(222,734)	(467,836)	
Total	1,061,605	(4,327,464)	125	6,350,519	1,358,914	367

For the quarter under review, the Group recorded a total gross profit of RM6.42 million as compared to RM0.55 million recorded in the previous year corresponding quarter ended 30 September 2021. Gross profit margin increased from 2.4% in Q3 2021 to 19.7% in Q3 2022. Furniture and plastic wares division contributed RM0.10 million and RM6.33 million respectively. The increased in gross profit margin mainly due to fluctuation of raw material cost and improvement in monitoring of production efficiency and quality.

In Q3 2022, the Group recorded profit before tax of RM1.06 million as compared to loss before tax of RM4.33 million recorded in Q3 2021. Furniture division recorded loss before tax of RM1.93 million in Q3 2022 as compared to loss before tax of RM3.97 million in Q3 2021. Plastic wares division's profit before tax increased to RM3.03 million as compared to previous year corresponding quarter loss before tax of RM0.22 million.

B2. VARIANCE IN PROFIT / (LOSS) BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter 30-Sept-22 (RM)	Preceding quarter 30-Jun-22 (RM)	(RM)
Furniture Division	(1,931,387)	177,787	(2,109,173)
Plastic Wares Division	3,029,986	2,355,819	674,166
Others	(36,994)	(108,697)	71,703
Total	1,061,605	2,424,909	(1,363,304)

The Group recorded a turnover of RM32.64 million during the quarter under review against turnover of RM47.07 million in the preceding quarter ended 30 June 2022. Gross profit margin was higher at 19.7% against 18.4% in the preceding quarter while absolute amount was lower at RM6.42 million against RM8.66 million in the preceding quarter.

The gross profit margin for furniture division decreased from 12.6% in preceding quarter to 0.9% in Q3 2022. Gross profit margin of plastic wares division increased from 22.6% in preceding quarter to 29.0% in Q3 2022.

In addition, the Group has recorded profit before tax of RM1.06 million for the quarter under review compared to profit before tax to RM2.42 million registered in the preceding quarter.

B3. PROSPECT

Budget 2023 with theme “Responsive, Responsible and Reformist” was introduced by the Ministry of Finance on 7 October 2022. Budget 2023 is based on three key focus areas: strengthening the momentum of economic recovery, building economic resilience and catalysing comprehensive reforms. The transition towards endemicity under National Recovery Plan (NRP) and the reopening of international borders keep the growth momentum going throughout the year 2022. Malaysia’s economy is set for a gradual recovery with projected 6.5% GDP growth in 2022 from 3.5% in 2021.

Plastic wares and Furniture divisions anticipates that the conditions of the both sectors still challenging especially export market demand. The inflation rate in US and Euro zone remind unfavourable. The conflict in Eastern Europe continue affecting the supply chain disruptions and soaring commodity prices, raising concerns about global growth prospects.

The Group will continue to implement strategies to capture growth opportunities by increasing capacity and capabilities, to stay competitive by introducing more value-added and sustainable products, and broadening its product portfolio and markets. The Group is resolving the manpower shortage issues to optimise existing capacity and exploring the opportunity to expand.

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	Financial year to-date RM
Current taxation	(506,267)	(1,954,080)
Deferred taxation	0	56
	<u>(506,267)</u>	<u>(1,954,024)</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

On 6 May 2021, the Group proposed to undertake a private placement of up to 97,046,000 new ordinary shares of SWS at an issue price to be determined later ("Proposed Private Placement"). A revision was announced on 12 May 2021 on the proposed issued price. The proposal was duly passed by the shareholders by way of poll at the Extraordinary General Meeting ("EGM") held on 30 July 2021.

On 9 December 2021, an application has been submitted to Bursa Securities to seek for an extension of time of six (6) months up to 23 June 2022 to enable SWS to complete the Proposed Private Placement. Bursa Securities had on 21 December 2021 resolved to approve the application extension of time.

On 24 May 2022, the Company has fixed the issue price of the Placement Shares at RM0.30 per to be issued pursuant to the Private Placement. On 7 June 2022, 32,700,000 new Placement Share was issued.

On 8 June 2022, an application has been submitted to Bursa Securities to seek for another extension of time of six (6) months up to 23 December 2022. Bursa Securities had on 15 June 2022 resolved to approve the application extension of time.

On 10 August 2022, the Company has fixed the issue price of the Placement Shares at RM0.18 per to be issued pursuant to the Private Placement. On 19 August 2022, 30,800,000 new Placement Share was issued.

Details of the proposal can be obtained from the website of Bursa Malaysia Berhad.

B9. GROUP'S BORROWINGS

The Group's borrowings as at 30 September 2022 are as follows:

	RM
Secured Short Term Borrowings	
- denominated in Ringgit Malaysia	39,583,481
- denominated in US Dollar	0
Secured Long Term Borrowings	
- denominated in Ringgit Malaysia	5,601,295
Total Borrowings	<u>45,184,776</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.

The details of the outstanding foreign currency forward contracts as at 30 September 2022 are as follows:-

	Notional Amount As At 30.09.2022	Fair Value As At 30.09.2022
Foreign currency forward contracts Less than 1 year	Nil	Nil

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

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

	Current quarter RM	Financial year to-date RM
Amortisation of ROU	80,041	285,592
Depreciation of property, plant and equipment	1,693,529	5,230,612
Fair value gain on financial instruments	19,842	6,429
Finance costs	604,674	1,773,393
Finance income	(110,550)	(162,585)
(Gain)/Loss on foreign exchange		
Realised	14,679	(144,669)
Unrealised	40,876	(64,814)
Gain on property, plant and equipment	(325)	(2,225)
Interest expense on lease liabilities	6,687	28,426
Rental received	(21,000)	(63,000)

B14. EARNINGS PER SHARE

Basic earnings per share

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

		Current quarter	Financial year-to-date
Profit attributable to			
Owners of the Parent	(RM)	411,216	4,141,798
Weighted average number of shares	(shares)	275,078,160	275,078,160
Basic earnings per share	(sen)	0.15	1.70

Diluted earnings per share

There is no dilutive effect of the potential ordinary shares convertible under warrants and ESOS issued during the financial quarter. Warrants and ESOS have dilutive effect only when the average market price of ordinary share during the financial period under review exceeds the exercise price of the warrant.

Board of Directors
SWS Capital Berhad
29th November 2022