

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 March 2024**

	<b>Unaudited As At 31.03.2024 (3 months) RM</b>	<b>Audited As At 31.12.2023 (12 months) RM</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	27,560,554	28,215,048
Investment properties	2,305,000	2,305,000
Right-of-use asset	82,539,645	82,823,772
Sub-total	112,405,199	113,343,820
<b>Current Assets</b>		
Other investments	2,067,332	2,050,215
Inventories	42,721,238	44,333,122
Trade receivables	30,836,905	24,260,960
Other receivables	2,393,513	2,731,486
Tax Recoverable	2,009,723	1,952,090
Cash and bank balances	17,738,295	18,528,141
Fixed deposits with licensed bank	4,145,669	4,123,275
Sub-total	101,912,675	97,979,289
<b>TOTAL ASSETS</b>	<b>214,317,874</b>	<b>211,323,109</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	133,180,692	133,180,692
Revaluation reserve	25,172,144	25,373,942
Accumulated losses	(11,228,416)	(11,652,181)
<b>Total Equity</b>	<b>147,124,420</b>	<b>146,902,453</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Loans and borrowings	8,341,283	8,453,545
Lease liabilities	3,253,861	3,257,820
Deferred tax liabilities	4,489,357	4,491,699
Sub-total	16,084,501	16,203,064
<b>Current Liabilities</b>		
Loans and borrowings	29,569,274	27,798,262
Lease liabilities	1,136,948	1,670,775
Trade payables	14,709,885	12,856,481
Other payables	5,657,513	5,825,358
Tax payables	35,333	66,716
Sub-total	51,108,953	48,217,592
Net Current Assets	50,803,722	49,761,697
Total Liabilities	67,193,454	64,420,656
<b>Net Assets</b>	<b>147,124,420</b>	<b>146,902,453</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>214,317,874</b>	<b>211,323,109</b>
<b>Net asset per share attributable to Owners of the Parent (In RM)</b>	<b>0.49</b>	<b>0.49</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2023)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**As At 31 March 2024**  
**(Unaudited)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM	RM	RM	RM
Revenue	37,565,105	35,487,788	37,565,105	35,487,788
Cost of Sales	(31,156,784)	(28,226,294)	(31,156,784)	(28,226,294)
<b>Gross Profit</b>	<b>6,408,321</b>	<b>7,261,494</b>	<b>6,408,321</b>	<b>7,261,494</b>
Administration expenses	(3,994,928)	(3,451,083)	(3,994,928)	(3,451,083)
Selling and distribution expenses	(1,856,323)	(1,565,125)	(1,856,323)	(1,565,125)
Other income	812,838	297,014	812,838	297,014
Net (loss)/gain on impairment of financial instruments	(52,000)	5,287	(52,000)	5,287
<b>Operating profit</b>	<b>1,317,908</b>	<b>2,547,587</b>	<b>1,317,908</b>	<b>2,547,587</b>
Finance costs	(570,860)	(557,826)	(570,860)	(557,826)
<b>Profit before tax</b>	<b>747,048</b>	<b>1,989,761</b>	<b>747,048</b>	<b>1,989,761</b>
Taxation	(525,081)	(960,850)	(525,081)	(960,850)
<b>Profit after tax for the financial period</b>	<b>221,967</b>	<b>1,028,911</b>	<b>221,967</b>	<b>1,028,911</b>
Other comprehensive income net of tax	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>221,967</b>	<b>1,028,911</b>	<b>221,967</b>	<b>1,028,911</b>
Profit attributable to :				
Owners of the Parent	221,967	807,888	221,967	807,888
Non-Controlling Interest	-	221,023	-	221,023
	<b>221,967</b>	<b>1,028,911</b>	<b>221,967</b>	<b>1,028,911</b>
Total comprehensive income attributable to :				
Owners of the Parent	221,967	807,888	221,967	807,888
Non-Controlling Interest	-	221,023	-	221,023
	<b>221,967</b>	<b>1,028,911</b>	<b>221,967</b>	<b>1,028,911</b>
Basic earning per share (in sen)	0.07	0.27	0.07	0.27
Fully diluted earning per share (in sen)	0.07	0.27	0.07	0.27

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 December 2023)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Changes In Equity**  
**As At 31 March 2024**  
**(Unaudited)**

	← Attributable to Owners of the Parent →						Non-Controlling Interests	Total Equity	
	← Non-distributable →					Accumulated Losses			Total
	Share Capital	Share-based Payment Reserve	Warrant Reserve	Other Reserve	Revaluation Reserve				
RM	RM	RM	RM	RM	RM	RM	RM		
Balance as at 1 January 2024	133,180,692	-	-	-	25,373,942	(11,652,181)	146,902,453	-	146,902,453
Profit after tax for the financial period	-	-	-	-	-	221,967	221,967	-	221,967
Realisation of revaluation surplus upon depreciation	-	-	-	-	(201,798)	201,798	-	-	-
<b>Balance as at 31 March 2024</b>	<b>133,180,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,172,144</b>	<b>(11,228,416)</b>	<b>147,124,420</b>	<b>-</b>	<b>147,124,420</b>
Balance as at 1 January 2023	125,972,692	793,080	68,816,475	(68,816,475)	20,431,933	(6,296,383)	140,901,322	349,554	141,250,876
Profit after tax for the financial period	-	-	-	-	-	807,888	807,888	221,023	1,028,911
Realisation of revaluation surplus upon depreciation	-	-	-	-	(30,012)	30,012	-	-	-
<b>Balance as at 31 March 2023</b>	<b>125,972,692</b>	<b>793,080</b>	<b>68,816,475</b>	<b>(68,816,475)</b>	<b>20,401,921</b>	<b>(5,458,483)</b>	<b>141,709,210</b>	<b>570,577</b>	<b>142,279,787</b>

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2023)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Cash Flows Statement**  
**As At 31 March 2024**  
**(Unaudited)**

	<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	747,048	1,989,761
Adjustments for :		
Depreciation of property, plant and equipment	1,682,092	1,800,871
Finance costs	565,367	552,942
Finance income	(88,739)	(79,751)
Gain on disposal of property, plant & equipment	(41,000)	(120,000)
Interest expense on lease liabilities	5,494	-
Property, plant and equipment written off	78,377	-
Unrealised (gain) / loss on foreign exchange	(99,128)	12,286
Operating profit before changes in working capital	<u>3,021,254</u>	<u>4,283,609</u>
Changes in working capital:		
- Inventories	1,611,883	1,090,225
- Trade and other receivables	(6,523,945)	(6,681,090)
- Other current assets	337,982	(280,297)
- Trade and other payables	1,685,564	4,399,161
<b>Cash flows generated from operations</b>	<u>132,738</u>	<u>2,811,608</u>
Tax paid	(616,439)	(432,646)
<b>Net cash flows (used in) / from operating activities</b>	<u>(483,701)</u>	<u>2,378,962</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(575,821)	(2,542,825)
Proceeds from disposal of property, plant and equipment	41,000	120,000
Interest received	70,439	79,751
Withdrawal of deposits with licensed banks	(22,394)	(16,500)
<b>Net cash flows used in investing activities</b>	<u>(486,776)</u>	<u>(2,359,574)</u>
<b>Cash flows from financing activities</b>		
(Withdrawal) / Repayment of borrowings	1,782,000	(1,703,000)
Repayment of lease liabilities	(1,007,787)	(560,212)
Repayment of term loans	(48,103)	(620,770)
Interest paid	(565,367)	(552,942)
<b>Net cash flows from / (used in) financing activities</b>	<u>160,743</u>	<u>(3,436,924)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(809,734)</b>	<b>(3,417,536)</b>

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Cash Flows Statement (cont'd)**  
**As At 31 March 2024**  
**(Unaudited)**

	<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Net increase in cash and cash equivalents</b>	<b>(809,734)</b>	<b>(3,417,536)</b>
Effect of exchange rate changes on cash and cash equivalents	99,128	(12,286)
Cash and cash equivalents at beginning of financial period	15,231,472	15,740,387
<b>Cash and cash equivalents at end of financial period</b>	<b><u>14,520,866</u></b>	<b><u>12,310,565</u></b>
Cash and cash equivalents included in the cash flow statements comprise the followings:		
Deposit, bank and cash balances	21,883,964	20,033,174
Less: Bank overdrafts	<u>(3,851,100)</u>	<u>(5,237,792)</u>
	18,032,864	14,795,382
Less: Deposits pledged with banks	<u>(3,511,998)</u>	<u>(2,484,817)</u>
	<b><u>14,520,866</u></b>	<b><u>12,310,565</u></b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 31 December 2023)

## **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

### **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 2024, 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 2023 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 2023.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023.

#### **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 2023 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 2023 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	3 months ended 31 March 2024				
	Others RM	Manufacturing of plastic wares RM	Manufacturing of furniture RM	Eliminations RM	Consolidated RM
External sales	-	23,187,370	14,377,735	-	37,565,105
Management income	-	-	-	-	-
Inter-company transaction	-	4,716,155	1,038,140	(5,754,296)	-
Total	-	27,903,525	15,415,875	(5,754,296)	37,565,105

Results	3 months ended 31 March 2024				
	Others RM	Manufacturing of plastic wares RM	Manufacturing of furniture RM	Eliminations RM	Consolidated RM
Finance income	284,548	19,033	54,610	(269,453)	88,738
Finance costs	-	(534,391)	(300,428)	269,453	(565,366)
Interest expense on lease liabilities	-	(960)	(4,534)	-	(5,494)
Depreciation of property, plant and equipment	-	(1,242,114)	(355,469)	(84,508)	(1,682,091)
Amortisation of right-of-use assets	-	-	(223,743)	-	(223,743)
Taxation	(54,999)	(315,000)	(155,138)	-	(525,137)
Other non-cash items	-	-	(99,128)	-	(99,128)
Segment (loss) / profit	(60,352)	1,700,007	(892,607)	-	747,048
Segment assets	100,130,564	137,460,481	89,275,671	(112,548,842)	214,317,874
Segment liabilities	238,783	64,229,660	42,778,357	(40,053,346)	67,193,454

#### **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. 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.

#### **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**

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)	Financial year to-date (RM)
Short term employee benefits	607,871	607,871
Other employee benefits	48,534	48,534



**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-24 (RM)	31-Mar-23 (RM)		31-Mar-24 (RM)	31-Mar-23 (RM)	
Plastic Wares Division	23,187,370	27,069,668		23,187,370	27,069,668	
Furniture Division	14,377,735	8,418,120		14,377,735	8,418,120	
<b>Total</b>	<b>37,565,105</b>	<b>35,487,788</b>	<b>6</b>	<b>37,565,105</b>	<b>35,487,788</b>	<b>6</b>

For current quarter under review ended on 31 March 2024, the Group's revenue increased by 5.9% to RM37.57 million as compared to RM35.49 million recorded in the corresponding quarter of the previous year, which ended on 31 March 2023.

The revenue contribution from the plastic wares division decreased by 14.3% to RM23.19 million as compared to Q1 2023 of RM27.07 million. The decreased in local sales was primarily a result of economic factors and shifts in consumer spending behaviour. The export sales decreased mainly due to logistical disruptions and Increased competition from alternative suppliers.

Furniture division recorded revenue of RM14.38 million for Q1 2024, 70.8% increased as compared to Q1 2023 of RM8.42 million. The increased in export market mainly from United State of America.

Profit / (Loss) Before Tax	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	31-Mar-24 (RM)	31-Mar-23 (RM)		31-Mar-24 (RM)	31-Mar-23 (RM)	
Plastic Wares Division	1,700,007	3,789,819		1,700,007	3,789,819	
Furniture Division	(892,607)	(1,749,423)		(892,607)	(1,749,423)	
Others	(60,352)	(50,634)		(60,352)	(50,634)	
<b>Total</b>	<b>747,048</b>	<b>1,989,762</b>	<b>(62)</b>	<b>747,048</b>	<b>1,989,762</b>	<b>(62)</b>

In Q1 2024, the Group recorded a total gross profit of RM6.41 million as compared to RM7.26 million recorded in Q1 2023. The gross profit margin decreased from 20.5% in Q1 2023 to 17.1% in Q1 2024. The decreased in gross profit margin mainly due to fluctuation of raw material cost and improvement in monitoring of production efficiency and quality.

Plastic wares division's gross profit margin decreased from 26.5% in Q1 2023 to 22.7% in Q1 2024, recorded RM5.25 million gross profit. Furniture division's gross profit margin increased from 1.0% in Q1 2023 to 8.0% in Q1 2024, recorded RM1.16 million gross profit.

In Q1 2024, the Group recorded profit before tax of RM0.75 million as compared to profit before tax of RM1.99 million recorded in Q1 2023. Plastic wares division's profit before tax decreased by 55.1% to RM1.70 million as compared to Q1 2023 of RM3.79 million. Furniture division recorded loss before tax of RM0.89 million as compared to loss before tax of RM1.75 million in Q1 2023.

## B2. VARIANCE IN PROFIT / (LOSS) BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+/- (RM)
	31-Mar-24 (RM)	31-Dec-23 (RM)	
Plastic Wares Division	1,700,007	(228,165)	1,928,172
Furniture Division	(892,607)	(5,003,471)	4,110,864
Others	(60,352)	(557,037)	496,685
<b>Total</b>	<b>747,048</b>	<b>(5,788,673)</b>	<b>6,535,721</b>

The Group recorded a higher turnover of RM37.57 million during the quarter under review against turnover of RM27.97 million in the preceding quarter ended 31 December 2023. In Q1 2024, the gross profit margin was higher at 17.1% against 15.9% in Q4 2023 while absolute amount was higher at RM6.41 million against RM4.46 million in Q4 2023.

In addition, the Group has recorded profit before tax of RM0.75 million for the quarter under review compared to loss before tax of RM5.79 million registered in the preceding quarter. In Q4 2023, an impairment loss on property, plant and equipment and right-of-use assets amounting RM3.67 million was made for furniture division.

## B3. PROSPECT

The projected GDP growth rate of 4% to 5% for Malaysia in 2024 indicates a positive outlook for the country's economy. Domestic spending is expected to continue rising, supported by favourable labour market conditions, income growth, and a boost in tourist activities. Additionally, external demand will recover as Malaysia stands to benefit from improvement in global production and international trade.

The plastic wares division is encountering slowdown in both local and export markets. The high inflation and cost of living changes the consumer spending behaviour contributed to the slowdown. The furniture division anticipates ongoing challenges in export market conditions.

The Management is actively developing effective marketing strategies to sustain the Group's performance. This involves conducting comprehensive market research to identify and target potential market segments, address evolving consumer preferences, enhance brand visibility, and stimulate demand for the divisions' products.

The Group is committed to implementing strategies that capture growth opportunities. This includes expanding capacity and capabilities to boost competitiveness and ensuring the optimal utilization of the business's existing resources.

By focusing on these strategic initiatives, the Group aims to achieve sustainable growth and success in an ever-evolving market landscape. Through innovation, diversification, and prudent resource allocation, the Group is committed to maximizing value for its stakeholders while maintaining a strong competitive edge in the industry.

#### **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	(525,137)	(525,137)
Deferred taxation	56	56
	<u>(525,081)</u>	<u>(525,081)</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 2024 are as follows:

	RM
Secured Short Term Borrowings	
- denominated in Ringgit Malaysia	29,569,274
- denominated in US Dollar	0
Secured Long Term Borrowings	
- denominated in Ringgit Malaysia	8,341,283
Total Borrowings	<u><u>37,910,557</u></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 were no outstanding foreign currency forward contracts as at 31 March 2024.

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

	Current quarter	Financial year to-date
	RM	RM
Allowance for doubtful debts	(52,000)	(52,000)
Amortisation of right-of-use asset	223,743	223,743
Depreciation of property, plant and equipment	1,682,092	1,682,092
Finance costs	565,367	565,367
Finance income	(88,739)	(88,739)
Gain on foreign exchange		
Realised	(78,073)	(78,073)
Unrealised	(99,128)	(99,128)
Gain on disposal of property, plant & equipment	(41,000)	(41,000)
Interest expense on lease liabilities	5,494	5,494
Property, plant and equipment written off	(78,377)	(78,377)
Rental received	(259,800)	(259,800)

## 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)	221,967	221,967
Weighted average number of shares	(shares)	302,278,160	302,278,160
Basic earnings per share	(sen)	0.07	0.07

**Board of Directors**  
**SWS Capital Berhad**  
**24<sup>th</sup> May 2024**