2024
ANNUAL REPORT

SWS Capital Berhad

[199901027346 (502246-P)]

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RATIONALE

The cover design of our annual report reflects the theme of progress, highlighting the journey from vision to success. SWSCAP operates through two main business divisions: plastic wares and furniture, both contributing to our continuous growth. The vibrant colours represent the energy, dedication, and drive we put into all our efforts. This design visually showcases our commitment to excellence and ongoing progress in everything we do.

CORPORATE PROFILE

SWS Capital Berhad ("SWSCAP") commenced operations on 1 December 2003 as an investment holding company and listed in the Bursa Malaysia Securities Berhad on 15 March 2004.

The business activities of SWSCAP and the subsidiaries ("Group") can be classified into:

- Manufacturing and trading of plastic wares, utensils and goods
- Marketing and distribution of plastic household and industrial products
- Manufacturing and sale of dining furniture, occasional furniture and buffet & hutch
- Manufacturing and sale of bedroom sets
- Lamination of veneer and paper
- Trading of various type of boards, polyethylene, pneumatic fasteners, nails and others

SWSCAP places great emphasis on manufacturing high quality products by following strict quality control and monitoring systems. The company also continues to invest significant resources in its ongoing Research and Development Program to explore, enhance, and create quality, durable, and stylish products that meet customer needs and expectations.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI
Non-Independent Non-Executive Chairman

DATO' CHUA HEOK WEE
Group Managing Director

CHUA KANG SING
Executive Director

DATO' SERI SIMON TOH BOON WAN
Independent Non-Executive Director

KOAY HOOI LYNN
Independent Non-Executive Director

LIU TIAN KHIEW
Independent Non-Executive Director

ONG PENG TENG
Independent Non-Executive Director

DATO' TEOH HAN CHUAN
Deputy Executive Chairman
(Resigned w.e.f. 20/01/2025)

DR LOH YEE FEEI
Executive Director/Chief Operating Officer
(Resigned w.e.f. 19/02/2024)

AUDIT COMMITTEE

Ong Peng Teng
Chairperson

Dato' Seri Simon Toh Boon Wan
Member

Koay Hooi Lynn
Member

Liu Tian Khiew
Member

NOMINATION AND REMUNERATION COMMITTEE

Koay Hooi Lynn
Chairperson

Dato' Seri Simon Toh Boon Wan
Member

Liu Tian Khiew
Member

Ong Peng Teng
Member

CORPORATE INFORMATION (CONT'D)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482 / SSM PC NO. 202208000250)

Thien Lee Mee
(LS0010621 / SSM PC NO.201908002254)

AUDITORS

Messrs. Morison LC PLT (AF 2469)
Level 11-01, Uptown No. 3,
Jalan SS21/39, Damansara Utama,
47400 Bandar Petaling Jaya,
Selangor,
Malaysia
(Appointed w.e.f. 18/11/2024)

PRINCIPAL BANKERS

AmBank (M) Berhad
AmIslamic Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

Wong-Chooi & Mohd. Nor
Chris Lee & Partners
Teh & Lee
NSK & Partners
Alan Tan & Associates

SHARE REGISTRAR

Plantation Agencies Sdn Berhad
3rd Floor,
2, Lebuh Pantai,
10300 Georgetown
Pulau Pinang
Malaysia
Tel : +604- 2625333
Fax : +604- 2622018
Email : sharereg@plantationagencies.com.my
(Appointed w.e.f. 01/08/2024)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603- 9770 2200
Fax : +603- 2201 7774
Email : boardroom@boardroom.com.my

PRINCIPAL PLACE OF BUSINESS

PTD 6001, Jalan
Perindustrian 5,
Kawasan Perindustrian
Bukit Bakri,
Batu 8, 84200 Muar,
Johor Darul Ta'zim,
Malaysia
Tel : +606-9865 236
Fax : +606-9865 239
Email : info@swscap.com

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Name: SWSCAP
Stock Code: 7186

WEBSITE

www.swscap.com

CORPORATE STRUCTURE

SWS Capital Berhad
[199901027346 (502246-P)]
("SWSCAP")

100%
Ee-Lian Industries Sdn. Bhd.
[199001000762 (192321-U)]
("ELI")

100%
U.D. Panelform Sdn. Bhd.
[198401007875 (120394-P)]
("UDP")

100%
SWS In Medics Sdn. Bhd.
[202001030854 (1387174-M)]
("SIM")

100%
Poh Keong Industries Sdn. Bhd.
[199401001321 (286999-X)]
("PKI")

100%
Syarikat U.D. Trading Sdn. Bhd.
[198201005271 (85023-X)]
("UDT")

100%
Ee-Lian Enterprise (M) Sdn. Bhd.
[199301028474 (283212-H)]
("ELE")

100%
U.D. Wood Products Sdn. Bhd.
[199601030240 (402592-K)]
("UDW")

100%
Skywood Residence Sdn. Bhd.
[202001028877 (1385197-H)]
("SKY")

100%
Ee-Lian Plastic Industries (M) Sdn. Bhd
[200201023752 (591415-M)]
("ELP")


elianware™


保强工业有限公司
POH KEONG INDUSTRIES SDN BHD

GLOBAL
PRESENCE

AFRICA

- Mauritius
- South Africa
- State of Libya

ASIA

- Brunei Darussalam
- Hong Kong, China
- India
- Indonesia
- Philippines
- Singapore
- South Korea
- Thailand
- Vietnam

EUROPE

- Belarus
- Denmark
- England
- France
- Italy
- Lithuania
- Sweden
- Switzerland

Plasticware Furniture

MIDDLE EAST
- Kuwait
- United Arad Emirates

NORTH AMERICA
- United States

OCEANIA
- Fiji
- New Zealand

Plasticware Furniture

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

As Chairman of the Board of Directors ("Board") of SWS Capital Berhad ("SWS"), it is my honour to present the Annual Report and Financial Statements for the financial year ended 31 December ("FYE") 2024. Over the past year, we have faced both challenges and opportunities, and despite the uncertainties, we remain committed to adapting with resilience and a strategic focus to strengthen our position in an evolving business landscape.

OPERATING ENVIRONMENT

The global economy has continued to demonstrate resilience despite a prolonged period of monetary tightening. While concerns over inflation and economic slowdown dominated much of 2023, the anticipated recession did not materialise. Instead, global growth is projected to hold steady at 3.2% in 2024, a marginal dip from 3.3% in the previous year

One of the most significant economic shifts in 2024 has been the easing of monetary policy. Since mid-year, major central banks in advanced economies have begun lowering interest rates, signalling a shift toward a more neutral stance. This transition has led to improved financial conditions worldwide, particularly in emerging markets where local currencies have strengthened against the US dollar. As inflationary pressures ease, these economies are better positioned to navigate the ongoing disinflationary cycle.

However, challenges persist, especially for developing economies. Disruptions in global supply chains, most notably in the oil sector, alongside geopolitical tensions, civil unrest, and extreme weather conditions have constrained growth in regions such as the Middle East and Central Asia. In contrast, the economic outlook for emerging Asia remains positive, fuelled by strong demand for semiconductors and electronics, as well as increased investment in artificial intelligence and technology-related industries.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024)

Against this global backdrop, Malaysia's economy recorded a robust expansion of 5.1% in 2024, accelerating from 3.6% in the previous year. This growth was primarily driven by strong domestic demand and a rebound in exports. Consumer spending remained resilient, supported by stable employment conditions, government-led policy initiatives, and healthy household financial positions. Meanwhile, both private and public sector investments gained traction, bolstered by key national strategies, including the New Industrial Master Plan, the National Energy Transition Roadmap, and the National Semiconductor Strategy.

On the external front, Malaysia's export sector benefitted from steady global economic conditions, a sustained technology upcycle, and a recovery in the tourism industry. These factors contributed to a stronger current account balance, with the country maintaining a surplus of 1.7% of GDP in 2024.

(Source: http://bnm.gov.my/-/qb24q4_en_pr)

Amid a challenging economic environment, the Group experienced a revenue contraction of RM2.4 million, or 1.9%, decreasing from RM123.6 million in FYE 2023 to RM121.2 million in FYE 2024. This decline was primarily driven by weaker performance in the Plastic Wares Division, which saw a revenue reduction of RM6.2 million. However, this was partially offset by a RM3.8 million increase in revenue from the Furniture Division.

The downturn in the Plastic Wares Division stemmed from broader economic uncertainties, shifting consumer spending behaviours, and heightened competition from alternative suppliers in both domestic and export markets. In contrast, the Furniture Division recorded an improvement, benefiting from a recovery in export demand, particularly from the United States. Strengthened consumer confidence, coupled with SWS's ongoing efforts to refine its product offerings and enhance market positioning, contributed to the division's stronger performance.

The Group reported a loss before tax of RM2.5 million for FYE 2024, reflecting an improvement from the RM3.7 million loss recorded in the previous year. This reduction in losses was largely attributed to a RM2.0 million gain from the disposal of property, plant, and equipment, alongside a RM1.4 million gain from the revaluation of investment properties in FYE 2024.

Despite ongoing headwinds, the Group remained committed to strategic initiatives aimed at enhancing both financial stability and long-term sustainability. A strong emphasis was placed on value engineering and cost management to navigate economic uncertainties effectively. Through prudent financial practices and operational efficiencies, the Group continued to optimise costs while positioning itself for future recovery and growth.

FORWARD LOOKING

The global economy is projected to remain resilient despite ongoing challenges, as highlighted by the Organisation for Economic Co-operation and Development (OECD). Global GDP growth is expected to reach 3.3% in 2025, a slight increase from the projected 3.2% in 2024, with steady momentum anticipated through 2026. However, economic uncertainties persist, including escalating geopolitical tensions, rising trade disputes, and potential financial market volatility. On a more positive note, factors such as strengthening consumer confidence, early resolution of conflicts, and lower energy prices could help bolster economic sentiment.

(Source: https://www.oecd.org/en/about/news/press-releases/2024/12/economic-outlook-global-growth-to-remain-resilient-in-2025-and-2026-despite-significant-risks)

Amid this global landscape, Malaysia's economy is expected to sustain stable growth in 2025, driven by strong domestic demand. Household spending will be supported by steady employment conditions, rising wages, and policy measures such as minimum wage adjustments and salary increases for civil servants. Investment activity is expected to remain robust, underpinned by ongoing public and private sector projects as well as key national development initiatives. While the manufacturing sector, particularly export-oriented industries, is poised for growth, it remains vulnerable to external headwinds, including trade restrictions and softer demand from major trading partners.

(Source: https://www.bnm.gov.my/-/monetary-policy-statement-22012025)

CHAIRMAN'S STATEMENT
(CONT'D)

Despite the prevailing challenges in the operating environment, the Group anticipates continued difficulties in business conditions for FYE 2025. Global economic headwinds, coupled with heightened market competition and shifting consumer preferences, are expected to pose hurdles to our operational and financial performance. Nevertheless, we remain cautiously optimistic about the Group's long-term prospects, as we continue to implement strategic initiatives aimed at strengthening our market position and ensuring sustainable growth.

Our approach will be anchored in resilience, prudence, and adaptability. By prioritising operational efficiency, cost optimisation, and strategic investments, we seek to enhance our competitive edge while mitigating risks associated with economic uncertainties. The Group will also continue to focus on innovation and product diversification, ensuring that we remain aligned with evolving market demands and industry trends. Furthermore, our commitment to effective enterprise risk management will allow us to proactively address potential disruptions while seizing opportunities for growth.

Moving forward, we will remain steadfast in our efforts to drive value for shareholders, employees, and stakeholders. Our strategy is guided by a balanced approach, one that upholds financial discipline, reinforces business sustainability, and fosters long-term resilience.

A detailed review of our financial and operational performance is available in the "Management Discussion and Analysis of Business Operations and Financial Performance" section of this Annual Report.

DIVIDEND

The Group remains focused on strengthening its business operations, laying the foundation for long-term sustainability. Given the prevailing market challenges and economic uncertainties, it is crucial to maintain financial prudence by conserving resources for future investments and safeguarding against potential risks.

After careful consideration, the Board has decided not to recommend a dividend payment for FYE 2024. This decision reflects our commitment to preserving financial stability and ensuring the Group's resilience in an unpredictable environment.

However, the Board remains committed to delivering value to shareholders and will continue to review the Group's financial position regularly. Dividend payments will be reinstated at the earliest opportunity once conditions allow for a sustainable and responsible distribution.

ACKNOWLEDGEMENT

As we reflect on the past year, I would like to take this opportunity to express my sincere appreciation to our shareholders for their continued trust and confidence in our Group. Your unwavering support has been a cornerstone of our resilience and progress.

I also extend my deepest gratitude to our employees for their dedication and perseverance. Their hard work and commitment have been instrumental in navigating challenges and driving the Group forward.

Additionally, the Board and I would like to acknowledge the invaluable support of our business partners, advisors, and the relevant government and regulatory agencies. Their guidance and collaboration have been crucial in navigating the evolving business landscape throughout FYE 2024.

We also take this opportunity to extend our sincere appreciation to our former director, Dato' Teoh Han Chuan, for his significant contributions during his tenure. His leadership and insights have played a meaningful role in shaping the Group, and we wish him the very best in his future endeavours.

Lastly, I extend my deepest gratitude to my fellow Board members for their steadfast support and commitment. As we move forward, we remain dedicated to delivering sustainable value for all stakeholders and look ahead with optimism toward new opportunities and milestones.

Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai
Chairman of the Board
17 April 2025

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

SWS Capital Berhad ("SWS" or the "Company") commenced operations on 1 December 2003 as an investment holding company and was listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 15 March 2004.The Company operates primarily through two key divisions: the Plastic Wares Division and the Furniture Division, both of which serve as the core pillars of its business activities.

Plastic Wares Division

The Group's Plastic Wares Division, based in Simpang Ampat, Penang, plays a crucial role in providing comprehensive plastic ware solutions. This division is engaged in designing, developing, manufacturing, and distributing a wide range of plastic products for household, office, and industrial applications.

The division produces essential household plastic wares, including storage containers, preparation tools, serving items, and cleaning products. It also offers additional services, such as manufacturing and trading plastic furniture and industrial products. The division primarily serves the local market but exports approximately 10% of its products to ASEAN countries, highlighting the Group's growing international presence. With a catalogue of over 1,300 products, the division continuously introduces innovative and visually appealing designs to cater to mass-market demands. Functionality and safety remain top priorities, and most plastic products are labelled as Bisphenol A ("BPA")-free, ensuring consumer safety. However, products made from Polycarbonate ("PC") may contain trace amounts of BPA due to material composition. Despite this, all products meet stringent safety and regulatory standards.

SWS is a key supplier of industrial plastic goods, particularly industrial pails used in the paint and lubricant industries. Additionally, the division produces sharp bins designed for the safe disposal of medical waste, adhering to strict regulations set by the Ministry of Health. The Group holds certification to BS EN ISO 23907:2012 standards from SIRIM QAS International Sdn Bhd, further demonstrating its commitment to quality and compliance.

The Plastic Wares Division remained the largest revenue contributor, accounting for 60% of the Group's total revenue of FYE 2024.

Furniture Division

The Group's Furniture Division, located in Muar, Johor, specialises in manufacturing wood-based furniture, including dining and bedroom sets. Additionally, the division produces furniture plywood, paper, veneer laminations, and trades hardware, furniture components, and construction materials. These capabilities expand the product range and enhance market competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The division primarily exports to global markets, focusing on the United States ("US") and Northern Europe. Stringent quality control measures ensure all products comply with international standards, undergoing rigorous testing such as stability, leg strength, load, and tip tests. To enhance product protection and customer satisfaction, the division adheres to International Safe Transit Association ("ISTA") packaging standards (ISTA 3A or ISTA 6A), catering to mail-order customers. Additionally, ready-to-assemble ("RTA") furniture includes detailed self-assembly instructions, making them ideal for Do-It-Yourself ("DIY") programs.

SWS integrates sustainability into its manufacturing processes by using high-quality materials such as rubberwood, oak, and beech, while incorporating Medium-Density Fiberboard ("MDF") and particle board to reduce material costs and overall wood consumption. This innovative approach enhances resource efficiency without compromising durability and product quality.

During the financial year ended 31 December ("FYE") 2024, the Furniture Division contributed 40% of the Group's total revenue.

The plastic and furniture manufacturing industries are highly dynamic, requiring businesses to prioritise innovation and adaptability. SWS remains committed to developing new products and improving processing technologies to enhance production efficiency and product quality. The Group closely monitors market trends and technological advancements to maintain its competitive edge.

SWS will continue to develop effective marketing strategies to address evolving consumer preferences, strengthen brand presence, and drive demand. These strategies aim to enhance brand visibility and product positioning in both local and international markets.

As the business expands, SWS acknowledges the environmental impact of its operations and is dedicated to integrating sustainable practices. The Company continues to promote responsible waste management and resource conservation. Further details on the Group's sustainability initiatives will be provided in the "Sustainability Report" section of this Annual Report.

YEAR-ON-YEAR FINANCIAL REVIEW

The global economy is projected to grow at a modest pace of 3.2% in 2024, maintaining overall stability while undergoing significant regional shifts. In the United States, economic conditions have improved, prompting an upward revision in growth forecasts. However, advanced economies, particularly in Europe, continue to face headwinds that dampen their economic outlook.

Meanwhile, emerging markets are grappling with a range of challenges, including oil production disruptions, logistical delays, geopolitical tensions, and extreme weather events. These factors have led to a downward adjustment in growth projections for regions such as the Middle East, Central Asia, and sub-Saharan Africa. On the other hand, emerging Asian economies remain resilient, benefiting from strong demand for semiconductors and electronics, supported by rapid advancements in artificial intelligence and technological innovation.

(Source:https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024)

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

Several factors contribute to this slowdown, including persistent inflationary pressures, high interest rates, and geopolitical uncertainties. These challenges have impacted global demand for plastic products and furniture, affecting both consumer spending and industrial investments.

Amid this challenging business environment, the Group recorded a revenue decline of RM2.4 million, or 1.9%, from RM123.6 million in FYE 2023 to RM121.2 million in FYE 2024. Consequently, the Group reported a loss before tax of RM2.5 million in FYE 2024. However, this marks an improvement from the RM3.7 million loss before tax in the previous year, primarily due to a RM2.0 million gain from the disposal of property, plant, and equipment, as well as a RM1.4 million gain from the revaluation of investment properties during FYE 2024.

SWS remains committed to financial resilience and operational excellence while navigating challenges in the plastic and furniture manufacturing industries. By adapting to market trends, optimising cost structures, and investing in innovation, the Group aims to strengthen its market position and drive sustainable growth despite the evolving economic landscape.

Our financial performance	Audited FYE 2024 RM'000	Audited FYE 2023 RM'000	Variance	
			RM'000	%
Revenue	121,199	123,581	(2,382)	(1.9)
Gross profit ("**GP**")	17,406	23,176	(5,770)	(24.9)
Loss before tax ("**LBT**")	(2,517)	(3,731)	1,214	32.5
Loss after tax ("**LAT**")	(3,500)	(6,367)	2,867	45.0
GP margin (%)	14.4%	18.8%	(4.4 bp)	(23.4)
LBT/PBT margin (%)	(2.1%)	(3.0%)	0.9 bp	30.0
LAT/PAT margin (%)	(2.9%)	(5.2%)	2.3 bp	44.2

Revenue by segment	Audited FYE 2024 RM'000	Audited FYE 2023 RM'000	Variance	
			RM'000	%
Plastic wares	72,984	79,147	(6,163)	(7.8)
Furniture	48,215	3,781	3,781	8.5
Revenue	**121,199**	**123,581**	**(2,382)**	**(1.9)**

GP by segment	Audited FYE 2024 RM'000	Audited FYE 2023 RM'000	Variance	
			RM'000	%
Plastic wares	15,289	19,538	(4,249)	(21.7)
Furniture	2,117	3,638	(1,521)	(41.8)
GP	**17,406**	**23,176**	**(5,770)**	**(24.9)**

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

GP margin by segment	Audited FYE 2024 %	Audited FYE 2023 %	Variance	
			bp	%
Plastic wares	20.9	24.7	(3.8 bp)	(15.4)
Furniture	4.4	8.2	(3.8 bp)	(46.3)
GP margin	**14.4**	**18.8**	**(4.4 bp)**	**(23.2)**

Profit/(Loss) before tax ("PBT"/"LBT") by segment	Audited FYE 2024 RM'000	Audited FYE 2023 RM'000	Variance	
			RM'000	%
Plastic wares	2,136	5 ,363	(3,227)	(60.2)
Furniture	(4,278)	(7,778)	3,500	45.0
Others	(375)	(1,316)	941	(71.5)
PBT/LBT	**(2,517)**	**(3,731)**	**1,214**	**32.5**

Revenue

Our Group recorded a revenue decline from RM123.6 million in FYE 2023 to RM121.2 million in FYE 2024, reflecting a year-on-year ("YoY") decrease of RM2.4 million or 1.9%. This decline was primarily attributed to a reduction in revenue from the Plastic Wares Division, which was partially offset by growth in the Furniture Division.

The Plastic Wares Division experienced a revenue decrease of RM6.1 million or 7.8%, from RM79.1 million in FYE 2023 to RM73.0 million in FYE 2024. This downturn was largely driven by broader economic uncertainties, shifts in consumer spending patterns, and intensified competition from alternative suppliers in both local and export markets.

In contrast, the Furniture Division reported an increase in revenue of RM3.8 million or 8.5%, from RM44.4 million in FYE 2023 to RM48.2 million in FYE 2024. This growth was primarily driven by a rebound in demand from the export market, particularly in the United States. The recovery in consumer confidence, coupled with SWS's ongoing efforts to enhance product offerings and strengthen market positioning, contributed to the division's improved performance.

Gross profit

Following the decline in revenue, the Group's GP decreased by RM5.8 million or 24.9%, from RM23.2 million in FYE 2023 to RM17.4 million in FYE 2024. As a result, the GP margin contracted from 18.8% to 14.4%, reflecting challenges faced by both the Plastic Wares and Furniture Divisions.

The Plastic Wares Division, which experienced a revenue decline, saw a corresponding reduction in GP of RM4.2 million, from RM19.5 million to RM15.3 million. Its GP margin also dropped from 24.7% to 20.9%. Similarly, despite the revenue growth in the Furniture Division, its GP declined by RM1.5 million, from RM3.6 million in FYE 2023 to RM2.1 million in FYE 2024, with the GP margin narrowing from 8.2% to 4.4%.

The overall contraction in GP margin was primarily driven by volatility in commodity prices, leading to fluctuations in raw material costs. Additionally, weaker sales volumes resulted in lower production efficiency and diminished economies of scale, further straining profitability. Competitive pricing pressures prevented the Group from passing on these cost increases to customers, exacerbating the decline in GP margin.

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

Despite the challenges, the Group remains focused on strategic initiatives to enhance operational efficiency, optimise cost management, and explore new market opportunities to drive sustainable growth across both divisions.

Loss/Profit before tax

In FYE 2024, the Group reported a LBT of RM2.5 million, an improvement from the RM3.7 million loss before tax in FYE 2023, reflecting a reduction of RM1.2 million. This improvement was primarily driven by a RM2.0 million gain from the disposal of property, plant, and equipment, as well as a RM1.4 million gain from the revaluation of investment properties reported in FYE 2024.

The Plastic Wares Division recorded a PBT of RM2.1 million in FYE 2024, marking a decline of RM3.2 million compared to RM5.4 million in FYE 2023. This decrease in PBT corresponds with the reduction in GP previously discussed.

Meanwhile, the Furniture Division reported a LBT of RM4.3 million in FYE 2024. However, this represents an improvement from the RM7.8 million LBT in FYE 2023, primarily due to the factors mentioned earlier.

Loss after tax

As a result of the reduction in LBT, the Group's LAT also improved, narrowing to RM3.5 million in FYE 2024 from RM6.4 million in FYE 2023. The improvement was further supported by a RM1.7 million reduction in taxation expenses for the year.

Additionally, the Group's basic loss per share for FYE 2024 showed a positive trend, improving by 1.21 sen to 1.16 sen, compared to 2.37 sen in FYE 2023.

Our financial position	Audited As at 31 December 2024 RM'000	Audited As at 31 December 2023 RM'000	Variance RM'000	Variance %
Non-current assets	111,348	113,344	(1,996)	(1.8)
Current assets	88,020	97,979	(9,959)	(10.2)
Asset classified as held for sale	5,590	-	5,590	100.0
Non-current liabilities	15,066	16,204	(1,138)	(7.0)
Current liabilities	39,268	48,216	(8,948)	(18.6)
Equity attributable to owners of the Company	150,624	146,903	3,721	2.5

Assets

The Group's non-current assets primarily comprise right-of-use assets, property, plant, and equipment, as well as investment properties. As of 31 December 2024, total non-current assets stood at RM111.3 million, reflecting a reduction of RM2.0 million from RM113.3 million a year earlier.

This decline was mainly driven by a RM13.2 million reduction in right-of-use assets primarily due to reclassification to investment property, and a RM2.2 million decrease in property, plant, and equipment. Of the total decrease, RM5.6 million was attributable to the reclassification of a leasehold land and factory building, as an asset held for sale. The Group is currently in the process of selling these assets to Ecomate Sdn. Bhd.. More details are provided in the "Corporate Exercise" section below.

However, this reduction was partially offset by a RM13.2 million increase in investment properties, due to reclassification of right-of-use assets, as mentioned above.

The Group's current assets, which include inventories, trade and other receivables, other investments, tax recoverable, cash and bank balances, and fixed deposits, recorded a decrease of RM10.0 million or 10.2%, from RM98.0 million as of 31 December 2023 to RM88.0 million as of 31 December 2024. This decline was largely due to a RM10.8 million reduction in inventories, attributed to improved inventory control and a lower sales forecast.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

Additionally, cash and bank balances declined by RM2.1 million. Further details on this decline are provided in the "Liquidity, Capital Resources, and Gearing" section.

Liabilities

The Group's non-current liabilities, which include loans and borrowings, lease liabilities, and deferred tax liabilities, decreased by RM1.1 million or 7.0% YoY to RM15.1 million as of 31 December 2024, compared to RM16.2 million as of 31 December 2023. This reduction was mainly due to a RM0.5 million decrease in long-term loans and borrowings and a RM1.1 million decline in lease liabilities.

Similarly, current liabilities, comprising short-term loans and borrowings, trade and other payables, and lease liabilities, declined by RM8.9 million or 18.6% YoY, from RM48.2 million as of 31 December 2023 to RM39.3 million as of 31 December 2024. This decrease was primarily driven by a RM5.2 million net repayment in short-term loans and borrowings and an RM3.6 million decline in trade and other payables, reflecting the lower revenue recorded during the period.

Liquidity, capital resources and gearing

As of 31 December 2024, the Group's cash and cash equivalents declined by RM1.7 million to RM13.5 million, compared to RM15.2 million as of 31 December 2023. Cash and cash equivalents comprise cash and bank balances, fixed deposits not pledged with licensed banks and are offset by bank overdrafts.

Our cash flow from/(used in)	Audited As at 31 December 2024 RM'000	Audited As at 31 December 2023 RM'000	Variance RM'000	Variance %
Operating activities	6,785	11,435	(4,650)	(40.7)
Investing activities	1,371	(12,744)	14,115	110.8
Financing activities	(9,887)	830	(10,717)	(1,291.2)
Net changes in cash and cash equivalents	(1,731)	(479)	(1,252)	(261.4)
Effects of changes in exchange rate	6	(30)	36	120.0

Despite reporting a LBT of RM2.5 million, the Group recorded an operating profit before changes in working capital of RM6.2 million after adjusting for non-cash items. Improvements in working capital further contributed to a cash inflow of RM3.0 million, driven by:

- A RM8.7 million cash inflow from reduced inventory,
- Partially offset by a RM2.2 million cash outflow from higher trade and other receivables,
- A RM3.5 million cash outflow due to a reduction in trade and other payables.

After deducting income tax payments of RM2.4 million, the net cash flow generated from operating activities for FYE 2024 totalled RM6.8 million.

The Group recorded a net cash inflow of RM1.4 million from investing activities, largely attributable to RM3.1 million in proceeds from the disposal of property, plant, and equipment, offset by RM2.1 million in capital investments and right of use assets. Additionally, RM0.4 million was received as interest income.

In contrast, financing activities resulted in a significant cash outflow of RM9.9 million, primarily due to:

- A net repayment of loans and borrowings amounting to RM5.2 million,
- Interest payments totalling RM2.1 million, and
- Lease liability payments of RM2.6 million.

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

As a result of these factors, the Group's gearing ratio improved from 0.13 times as of 31 December 2023 to 0.09 times as of 31 December 2024.

Our business operations are financed through a combination of internal and external sources. Internal funding primarily consists of shareholders' equity and cash flows generated from operations, while external funding includes bank borrowings and supplier credit terms, which typically range from 30 to 120 days.

Management believes that, given the Group's current cash and bank balances, along with the anticipated cash flow from operations, we have sufficient working capital to support our ongoing and foreseeable business needs. Other than the factors mentioned above, we are not aware of any known trends or events that could materially affect our operations, financial performance, or liquidity.

Additionally, the Group did not enter into any capital commitments during FYE 2024.

REVIEW OF OPERATING ACTIVITIES

Corporate Exercise

On 9 October 2024, the Board announced that SWS's subsidiary, U.D. Panelform Sdn. Bhd. had entered into a Sale and Purchase Agreement and a Sale of Plant & Machinery Agreement with Ecomate Sdn. Bhd. for the disposal of the following assets at a total consideration of RM8.85 million:

- A single-storey factory building, together with two guardhouses, a pump house, a prayer room, and a TNB sub-station, situated on a leasehold industrial land (99-year lease expiring on 29 December 2094) under PN 9624, Lot No. 8800, Mukim Jalan Bakri, District of Muar, State of Johor. The land measures approximately 8,217 square meters and has a postal address at No. 27, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Muar, Johor. The consideration for this disposal is RM7 million.

- All plant and machinery, including but not limited to forklifts, saw machines, drilling machines, laminating machines, sanding machines, and other related machinery and components located on the property, for a consideration of RM1.85 million.

This transaction was part of SWS's ongoing group-wide rationalisation exercise for its furniture manufacturing division. It provides an opportunity for the SWS to realise the value of its investments and redeploy the proceeds into other ventures within its operating units. In return, this will optimise the manufacturing unit's operating capacity to ensure competitiveness.

Plastic Wares Division

Plastics play a crucial role in Malaysia's economy, with applications spanning key industries such as electrical and electronics, automotive, construction, food production, consumer goods, healthcare, and renewable energy. The country's plastics value chain, comprising petrochemical producers, converters, recyclers, and materials/machinery suppliers, supports 175,000 jobs across 800 companies.

In 2023, Malaysia's plastic resin production was valued at RM22.3 billion, while plastic product manufacturing contributed RM61.5 billion. The recycling sector added RM5.5 billion to the industry's total output. Looking ahead, the Malaysian plastics market is projected to grow from USD3.89 billion in 2024 to USD4.71 billion by 2029, with a CAGR of 3.91%. Plastic consumption across various sectors is expected to rise steadily, reflecting a sustained demand for plastic materials.

(Source:https://consumer.org.my/wp-content/uploads/2024/11/Plastic-Factsheet.pdf)

Despite this growth, the industry faces significant challenges. Without measures to enhance competitiveness, Malaysia risks an increasing reliance on imported plastics, potentially hindering domestic investments in sustainability and innovation. The industry acknowledges the urgent need to balance economic growth with environmental responsibility, particularly in addressing the climate crisis and the transition towards plastics neutrality.

The Plastics Neutrality Masterplan 2024-2030 outlines a strategic roadmap to achieving net-zero carbon emissions and circularity by 2050. It serves as a guiding framework for the government, industry players, and stakeholders, reinforcing Malaysia's commitment to sustainable plastics management. By advancing circular economy initiatives, reducing lifecycle emissions, and promoting responsible plastic usage, the industry aims to align with global sustainability goals while maintaining its economic relevance.

(Source:https://mpma.org.my/upload/2024/Plastics_Neutrality_Masterplan_5.pdf)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Furniture Division

The global furniture industry is navigating a complex landscape, shaped by a convergence of economic uncertainties, evolving consumer behaviours, and shifting geopolitical dynamics. Inflationary pressures continue to drive up production costs, impacting both manufacturers and consumers. At the same time, post-pandemic adjustments, such as the growing preference for remote work and digital commerce, are reshaping demand patterns. Additionally, escalating trade tensions and supply chain disruptions are further complicating market conditions, requiring businesses to adapt swiftly to an ever-changing global environment.

Despite these challenges, the furniture market remains poised for significant growth. The global market size is projected to expand to $1.04 trillion by 2029, reflecting a compound annual growth rate ("CAGR") of 6.1%. This expansion is driven by evolving consumer preferences, technological advancements, and emerging market opportunities.

(Source:https://www.researchandmarkets.com/reports/5781240/furniture-market-report)

Sustainability has emerged as a key driver of industry growth. Consumers, particularly in markets like the UK, are increasingly favouring eco-friendly furniture made from reclaimed wood and recycled materials. Durability, repairability, and ethical sourcing are becoming critical factors in purchasing decisions, pushing manufacturers to innovate with sustainable designs.

The remote work revolution is also fuelling demand for ergonomic and multifunctional home office furniture. As flexible work arrangements become the norm, consumers are seeking furniture that balances comfort, functionality, and aesthetics, presenting a lucrative opportunity for brands catering to this segment.

Meanwhile, global supply chains are undergoing a transformation. Rising logistics costs and geopolitical uncertainties are prompting companies to rethink their sourcing strategies. Many are turning to strategic relocation and automation to enhance operational flexibility and resilience in an increasingly volatile trade environment

RISK PROFILES

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below: -

(i) Business risks

Our Group is principally involved in the manufacturing and trading of plastic wares and furniture products. Hence, we are susceptible to the risks inherent to our industries. These include, amongst others, any outbreaks of diseases affecting local and global markets, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business, business and credit conditions, as well as fluctuations in foreign exchange rates. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes relating to our business.

RISK PROFILES (CONT'D)

(ii) Operational risks

The supply of raw materials for both the plastic wares and furniture divisions is always at risk of shortages and pricing issues, due to market supply availability and competition. In prior years, both divisions have faced raw material shortages. Currently, no suppliers in the market can ensure consistent supply and stable pricing due to the environmental issues and limited supply caused by monopolies.

Any fluctuations in the price of raw materials will lead to an increase in direct material costs and a decrease in profit margins. Raw material shortages will result in production downtime and customer complaints due to delays in the delivery of finished goods. Hence, a reduction in sales orders will result in insufficient profits to cover fixed operating and administrative expenses.

The furniture manufacturing process is highly reliant on skilled and experienced staff, whereas the plastic wares division relies on foreign workers to run 24-hour production. The Group is subject to labour shortages, both for local and foreign workers, from time to time, leading to increased labour costs.

The Group is obligated to comply with the policies imposed by the Malaysian Government regarding the employment of foreign workers, and any future changes in these policies could result in significant expenses for the Group. If the Group is unable to find suitable replacements for its skilled and experienced staff or foreign workers, it may incur additional costs for training. Moreover, production interruptions may reduce the Group's production capacity and effectiveness.

The Group actively liaises with the relevant government and recruitment agencies to ensure timely application and renewal of work permits for foreign workers. Workplace and environmental safety are also a top priority for the Group. Adequate training and monitoring are provided by experienced supervisors for new recruits.

Remuneration is another challenge for the Management, as they must set a suitable and competitive remuneration package that benefits the staff's performance without burdening the labour cost.

Investing in automated plant and machinery has helped the Group to reduce its dependency on labour and improve production efficiency, while minimising human error. However, unavoidable, certain operations still require human intervention, and the Group recognises the importance of skilled and experienced staff. Therefore, the Group continues to invest in research and development to improve the process flow and enhance quality control, in order to ensure that its operations remain competitive and efficient.

(iii) Credit risks

The Group's credit risk primarily arises from the trade and other receivables, which are closely monitored through ongoing management reports. The Group's objective is to achieve continuous revenue growth while minimising potential losses arising from the increased credit risk exposure. To achieve this, the Group has implemented a credit policy to deal only with creditworthy counterparties, and credit terms are determined on a case-by-case basis.

Before approving and creating a customer code in the accounting system, the Management conducts a background check on the counterparty. The Group conducts annual review and evaluation of credit terms, with input from salespersons and account receivables control team. Any favourable changes in credit terms for customers will require approval from the Management. The Group's credit risk exposure is widely distributed across diverse customers, thereby avoiding significant concentration of credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

(iv) Foreign exchange risks

Furniture division of the Group predominantly exports its products to Europe and the US, and sources its raw materials, including hardware and tools, from foreign countries. Given most of the transactions being denominated in USD, the Group's profitability is vulnerable to foreign currency exchange risks. Any fluctuations in the USD exchange rate may impact the gross profit margin. To mitigate these risks, the Group has credit banking facilities with various financial institutions and maintains a foreign currency account to facilitate the collections in USD, and payments made in the same currency, resulting the natural hedging.

Plastic wares division's export sales contributed approximately 10% to the total division revenue. The division sources its raw materials and accessories from local suppliers who, in turn, procure them from overseas, thereby exposing the division to foreign exchange risks. The export department will ensure our overseas customers pay a minimum deposit of 30% before delivery, and the balance upon port clearance. Any credit terms offered must be approved by the Management and supported by local bankers.

(v) Competition risks

Both divisions are experiencing stiff competition from both established and new players in their respective industries. To maintain the competitiveness of the Group, the Management ensures that all products offered by the Group are competitively priced with excellent quality and innovative designs. Effective marketing strategies are also critical in keeping the Group to be competitive. The Group prioritises cost optimisation and operational efficiency. The Group continually explores new markets and invests in research and development to meet ever-changing consumer demand.

FORWARD-LOOKING STATEMENT

The global economic landscape for 2025 remains uncertain, with projected growth at 3.3% for both 2025 and 2026, below the historical average of 3.7%. Several challenges continue to weigh on economic prospects, including potential shifts in U.S. trade policies, escalating geopolitical tensions, political uncertainties, and rising government bond yields. These factors contribute to a volatile macroeconomic environment, influencing investment flows, trade dynamics, and overall business confidence.

(Source:https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025)

Despite global headwinds, Malaysia's economy is expected to maintain steady growth. According to projections by the International Monetary Fund (IMF), GDP growth is forecasted at 4.7% in 2025, supported by resilient domestic demand and ongoing investment initiatives. However, inflation is forecasted to rise from 1.8% in 2024 to 2.6% in 2025, largely due to subsidy rationalisation on gasoline, before easing to 2.3% in 2026. The country's external position in 2024 is assessed to be stronger than expected based on medium-term fundamentals and optimal policy settings.

While Malaysia's economic momentum remains robust, downside risks persist. External threats, including geoeconomic fragmentation, slowdowns in major trading partners, and geopolitical uncertainties, could impact growth. Additionally, inflationary pressures may intensify due to potential global commodity price shocks and rising wage costs following adjustments to minimum wages and civil servant salaries.

(Source:https://www.imf.org/en/News/Articles/2025/03/02/pr25050-malaysia-imf-executive-board-concludes-2025-article-iv-consultation)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

For the Plastic Wares Division, fluctuating commodity prices and intense market competition remain key challenges. To navigate these pressures, SWS is implementing strategic cost-control measures, optimising production efficiency, and enhancing supply chain resilience. Additionally, the Company is focusing on product innovation by incorporating sustainable materials and advanced manufacturing technologies to improve quality, durability, and environmental compliance. By aligning with evolving consumer preferences and regulatory requirements, SWS aims to strengthen its market presence, enhance profitability, and drive long-term business sustainability in an increasingly competitive landscape.

Amidst a challenging global business environment, the Company's Furniture Division continues to navigate headwinds in export markets. As consumer preferences shift towards more sustainable furniture solutions, SWS is proactively adapting its product offerings to align with these evolving trends. The Company is exploring innovative materials and adopting environmentally responsible manufacturing processes to meet the growing demand for sustainable, eco-conscious furniture. Consumers and manufacturers alike are increasingly prioritising sustainability, favouring furniture made from eco-friendly materials and designed for disassembly and recycling.

In line with its focus on resilience and sustainability, SWS is also enhancing its supply chain strategies. Recognising the need for operational flexibility and resilience amid global market volatility, the Company is refining its supply chain management to stay competitive. Through strategic process improvements and investments in automation, the Company aims to enhance efficiency while maintaining its commitment to sustainability across its operations.

BOARD OF DIRECTORS' PROFILE

TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI

Non-Independent Non-Executive Chairman

Nationality Gender Age 69

Appointed as the Executive Director on 30 November 2003 and resigned on 26 October 2010. He was subsequently appointed as the Deputy Executive Chairman on 23 December 2015, redesignated as Executive Chairman on 16 November 2016 and redesignated as Non-Independent Non-Executive Chairman on 2 February 2021. He is also one of the founder of the Group.

He holds a Bachelor of Business Management ("BBM") degree in Accounting from Bolton University, the United Kingdom. He is a member of the Institute of Certified Public Accountants, Ireland ("CPA Ireland"), and fellow member of Malaysian Association of Company Secretaries ("FCCS"). He is awarded with a Doctorate ("PhD") of Industry by public university, University Sains Malaysia. He has over 43 years of working experience in the fields of auditing, accounting and corporate finance.

Tan Sri Dato' Seri Dr. Tan holds directorship in other public listed company, which are listed in Main Market of Bursa Malaysia Securities Berhad. His experience and contribution in other directorship are as follows: -

- Executive Chairman of Muar Ban Lee Group Berhad (appointed as the Executive Director of Muar Ban Lee Group Berhad on 30 June 2009. He was redesignated as Executive Chairman on 5 October 2023);
- Non-Executive Chairman of Focus Dynamics Group Berhad (appointed on 1 March 2024);
- Non-Executive Chairman of Oversea Enterprise Berhad (appointed on 22 March 2024);
- Non-Executive Chairman of Symphony Life Berhad (appointed as the Non-Executive Director of Symphony Life Berhad on 2 September 2021. He was re-designated as Executive Chairman on 15 November 2021, re-designated as Non-Executive Chairman on 1 October 2023 and resigned on 30 April 2024);
- Non-Executive Chairman of Eka Noodles Berhad (appointed on 8 May 2017 and retired on 21 August 2020);
- Executive Director of Pensonic Holdings Berhad (appointed on 13 September 1995 and resigned on 1 October 2017);
- Senior Independent Non-Executive Director of Unimech Group Berhad (appointed on 6 March 2000 and resigned on 5 July 2016); and
- Independent Non-Executive Director of Denko Industrial Corporation Berhad (appointed on 27 December 2010 and resigned on 21 March 2017).

Apart from his directorship in the Company and other listed companies as mentioned above, he also sits on the board of several other private limited companies. He has no family relationship with any other Director or major shareholder of the Company, exclude as disclosed in Analysis of Shareholdings.

DATO' CHUA HEOK WEE *

Group Managing Director

Director of:-

- **Ee-Lian Enterprise (M) Sdn. Bhd.**

Nationality | Gender | Age 52

Appointed as an Independent Non-Executive Director on 23 December 2015 and resigned on 6 January 2021. He was subsequently appointed as Non-Independent Non-Executive Director on 25 August 2023 and redesignated as Group Managing Director on 3 October 2023. Dato' Chua graduated from Technical College. He joined Muar Ban Lee Engineering ("MBLE") as a foreman and assisted his father, Dato' Chua Ah Ba @ Chua Eng Ka, in 1995 and was subsequently promoted to Project Manager in 1997.

With more than 30 years' experience in the design and manufacture of oil seed expellers, ancillary machinery and spare parts, he has steered MBLE from a small-scale manufacturer to be one of the major manufacturers of oil seed expellers in Malaysia. He is responsible for the overall business planning, marketing, product development and brand building of our Group. He has participated in many international metal product trade fairs and exhibitions held overseas and locally.

Dato' Chua holds directorship in other public listed company, which are listed in Main Market of Bursa Malaysia Securities Berhad. His experience and contribution in other directorship are as follows: -

- Managing Director cum Chief Executive Officer ("CEO") of Muar Ban Lee Group Berhad (appointed on 30 June 2009); and
- Executive Director of Symphony Life Berhad (appointed on 2 September 2021 and resigned on 2 May 2023).

Apart from his directorship in the Company and other listed companies as mentioned above, he also sits on the board of several other private limited companies. He has no family relationship with any other Director or major shareholder of the Company, exclude as disclosed in Analysis of Shareholdings.

CHUA KANG SING *

Executive Director

Director of:-

- **Poh Keong Industries Sdn. Bhd.**
- **Syarikat U.D. Trading Sdn. Bhd.**
- **U.D. Panelform Sdn. Bhd.**
- **U.D. Wood Products Sdn. Bhd.**

Nationality | Gender | Age 33

Appointed as Non-Independent Non-Executive Director on 25 August 2023 and redesignated as Executive Director on 3 October 2023. He holds a Diploma in Programming Development and Design from College of Gamfe International Academy.

Mr Chua Kang Sing joined production department in Muar Ban Lee Group Berhad ("MBLG") as machinist in grinding and machining department in year 2011. He also involved in inventory management and Production Coordinator. Subsequently he was promoted to Assistant Factory Manager in 2014 to assist Factory Manager on supervision and operation of production process. He has accumulated 12 years' experience in engineering and palm oil industries. He is well-trained in the Company production process and possess extension, knowledge of oil seed expeller and other manufactured product. Since 2015, he promoted as the Head of Costing and Quotation Department. He is responsible to review and approve the product costing before quoting to the customers. Besides that, he also involved in Research and Development Department to enhance the product capacity and efficiency from time to time. He also oversees the group administration.

He was appointed as an Executive Director of Muar Ban Lee Group Berhad on 9 December 2020. He also sits on the board of several other private limited companies. He has no family relationship with any other Director or major shareholder of the Company, exclude as disclosed in Analysis of Shareholdings.

BOARD OF DIRECTORS' PROFILE (CONT'D)

DATO' SERI SIMON TOH BOON WAN

Independent Non-Executive Director

Nationality Gender Age 50

Appointed as Independent Non-Executive Director on 1 September 2023 and is presently member of the Nomination and Remuneration Committee and the Audit Committee. Dato' Seri Simon Toh is currently the Company Director of Tiger Mark Pte Ltd, with an annual revenue income of RM50 million. He was also co-running 2 consumer private limited businesses, BB First Wholesale Sdn. Bhd. and Dunia Cahaya Mata Sdn. Bhd.

Dato' Seri Simon Toh started his entrepreneurship journey as a sole proprietor, since 2004. He ventured into the consumer businesses in KL. He was also the director of Popeye Restaurant, Marina Island that brings in ranges of western food to the consumers who visited the island. In addition, he was also the director of the company that ran the pay pond fishing business to Marina Island. Dato' Seri Simon Toh is also the franchise owner of Yomi Yoghurt in Malaysia. He is also the Chairman of the non-profit Persatuan Penganut Karma Naedon Jangchub Ling Manjung Perak. He has no family relationship with any other Director or major shareholder of the Company.

KOAY HOOI LYNN

Independent Non-Executive Director

Nationality Gender Age 54

Appointed as an Independent Non-Executive Director on 1 September 2023 and is presently Chairperson of the Nomination and Remuneration Committee and a member of the Audit Committee. On 7 March 2024, she was certified as an Audit Committee Member by The Institute of Internal Auditors Malaysia (IIA) and designated as Chartered Audit Committee Director ("CACD")

Ms. Koay Hooi Lynn began her career with Chartered Accountant firm, Koay Seng Leng & Co. ("KSL") as an Audit Assistant in year 1994 where she was involved with audit assurance work for several subsidiaries of Public Listed Company, such as palm oil plantation, manufacturing, trading, property developers, small medium enterprises. She was promoted to Audit Senior in year 1998 and joined tax division of the same firm in year 2000. She was involved in compliance work for corporate and personal tax submission, application for tax incentives, attend with tax audits, transfer pricing and related party transactions.

She was promoted to Manager in KSL in year 2009 and responsible for overseeing financial, accounting, tax management and reporting functions of the clients. In 2013, she obtained an Audit License and become partner of KSL until now. She took over the operation of KSL which covers various industries such as manufacturing, trading, information technology, construction, property development, investment holdings companies and other service industries. She was involved in conducting internal audit and risk management of Public Listed Companies in year 2014.

She has been appointed as an Independent and Non-Executive Director of Agricore CS Holdings Berhad ("ACSH") since 10 August 2023 which later had been converted to a Public Company on 11 September 2023. She is the Chairperson of Audit and Risk Management Committee and member of the Nomination Committee and Remuneration Committee of ACSH.

On 24 August 2023, she was appointed as the Independent and Non-Executive Director of Farlim Group (Malaysia) Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She has no family relationship with any other Director or major shareholder of the Company.

LIU TIAN KHIEW

Independent Non-Executive Director

Nationality Gender Age 67

Appointed as Independent Non-Executive Director on 15 September 2023 and is presently member of the Nomination and Remuneration Committee and the Audit Committee. After a short stint of teaching temporarily in Sekolah Menengah Shah Bandar in Raub, Mr Liu Tian Khiew joined a magazine house named The Glasshouse in Kuala Lumpur as an editor and writer after working briefly with a Chinese newspaper advertising department, the Malayan Tong Bao. After two years, he joined Wings Creative for a 6 months period as a Malay and Chinese copywriter and joined A P Compton for another 6 months. Mr Liu was a Chinese copywriter at Ogilvy & Mather ("O&M") for 9 years.

After he left O&M, Mr Liu worked with Lowe Advertising for 6 years and became a freelancer in BBDO before he served as a full-time politician in 2008. Mr Liu served the Selangor state government as the Exco for Local government for 5 years and then he joined Nirvana Asia and KGSAAS Golf course as an Advisor. In 2018, Mr Liu returned to politics and was elected as the state assemblyman of dun Sg Pelek for a period of 5 years and he left politics in June 2023. He has established a good network with local companies over the years. He has no family relationship with any other Director or major shareholder of the Company.

ONG PENG TENG

Independent Non-Executive Director

Nationality Gender Age 42

Appointed as an Independent Non-Executive Director on 15 September 2023 and is presently Chairperson of the Audit Committee and a member of the Nomination and Remuneration Committee. She is an approved auditor licensed by Ministry of Finance, a fellow member of the Association of Chartered Certified Accountants ("FCCA"), a Chartered Accountants of the Malaysian Institute Accountants ("MIA") and member of ASEAN CPA.

Ms. Ong Peng Teng began her professional career in year 2007 as audit assistant and progressively become an approved auditor licensed by Ministry of Finance in year 2016. She has vast experience in accounting, tax, audit and finance during her career in public practice firms. She set up her own practice, OPT & CO in year 2019 by providing professional services that include accounting, auditing, tax and management services. She has no family relationship with any other Director or major shareholder of the Company.

Conflict of interest
None of the Directors has any conflict of interest with the Company.

Conviction of offence
None of the Directors has been convicted of any offence within the past five (5) years other than traffic offences.

* Director who are standing for re-election.

KEY SENIOR MANAGEMENT PROFILE

TAN SOON PING

Executive Director of:-
- **Ee-Lian Enterprise (M) Sdn. Bhd.**
- **Ee-Lian Industries Sdn. Bhd.**
- **Ee-Lian Plastic Industries (M) Sdn. Bhd.**
- **Skywood Residence Sdn. Bhd.**
- **SWS In Medics Sdn. Bhd.**

Nationality Gender Age 54

He is an Executive Director of subsidiaries in SWS Group. After graduating from Han Chiang High School in 1989, he joined Eming Trading Company in 1990 in Penang as a Sales Representative responsible for sales and marketing. In 1994, he joined Quality Plastics Industries Sdn Bhd in Ipoh as a Sales Representative. In 1996, together with Dato' Teoh Han Chuan and Heng Sew Hua, he invested in Ee-Lian Enterprise (M) Sdn Bhd ("ELE") and became a shareholder. He has no family relationship with any other Director or major shareholder of the Company.

HENG LIH JIUN

Executive Director of:-
- **Ee-Lian Enterprise (M) Sdn. Bhd.**

Nationality Gender Age 52

He is an Executive Director of subsidiary in SWS Group. He holds a Bachelor's of Science Degree with Honours in Computing & Information Systems from Oxford Brookes University, United Kingdom ("UK"), in 1998 and graduated with Masters of Business Administration ("MBA") degree from Inti International University, Penang, in 2017. After completing his Bachelor's Degree, he started his career with Mexter Technology Berhad as a Software Engineer, where he was responsible for the system study, design, development, testing and implementing of automation solutions for the company's clients. Prior to joining ELE, he worked with various information and communications technology ("ICT") companies, such as Dynacraft Industries Sdn Bhd as Software Application Engineer in 2000, Nothern IT Distribution Sdn Bhd as Manager in 2001, and Elcomp Technologies Sdn Bhd as a Senior Software Engineer and a shareholder in 2002. He joined ELE in 2005 as a Director. He is currently responsible for overseeing plastic division production and IT divisions. He has no family relationship with any other Director or major shareholder of the Company.

TAN KEAN AIK

Executive Director of:-

- **Ee-Lian Enterprise (M) Sdn. Bhd.**
- **Ee-Lian Industries Sdn. Bhd.**
- **Ee-Lian Plastic Industries (M) Sdn. Bhd.**
- **Poh Keong Industries Sdn. Bhd.**
- **Skywood Residence Sdn. Bhd.**
- **SWS In Medics Sdn. Bhd.**
- **Syarikat U.D. Trading Sdn. Bhd.**
- **U.D. Panelform Sdn. Bhd.**
- **U.D. Wood Products Sdn. Bhd.**

Nationality Gender Age 34

He is an Executive Director of subsidiaries in SWS Group. His roles in the company includes planning of the company business strategy, and evaluation of the company's financial performance along its operation. He had graduated with a Bachelor of Engineering in the field of Chemical Engineering from Monash University in 2014. In June 2015, he started his career with Tan Commercial Management Services Sdn. Bhd., as Company Secretary Assistant. From there, he acquired knowledge about company laws, company management and corporate finance. During the same period of time, he was also appointed as an Executive Director in Lean Huat Plantation Sdn. Bhd., where he was responsible for the management, administrative and internal controls of the oil palm plantation estate. He is the son of the Non-Independent Non-Executive Chairman of the Company.

LEE CHAW HSIEN

Chief Financial Officer

Nationality Gender Age 43

Appointed as the Chief Financial Officer on 31 January 2018. Mr Lee Chaw Hsien holds Bachelor's degree in Accounting and Finance (Honours) from Sheffield Hallam University, United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a Chartered Accountant of the Malaysian Institute of Accounts ("MIA"). He began his career as an Audit Assistant with KS Lau & Co., an audit firm in 2004 and become the Assistant Audit Manager in 2009. Subsequently in 2010, he joined KBH Capital Berhad, a marine logistics service provider, as Assistant Accountant. In 2012 he joined Kiarafield Sdn Bhd, a property developer, as the Accountant. In 2013, he joined Southern Steel Berhad, steel work manufacturer, as Assistant Manager. He led a team of accountants in compiling monthly reports, prepared monthly consolidations, forecasts and budgets. In 2014, he joined ELE as Finance Manager. He was tasked with preparing, examining, and analysing accounting records, financial statements, and other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards. He has no family relationship with any other Director or major shareholder of the Company.

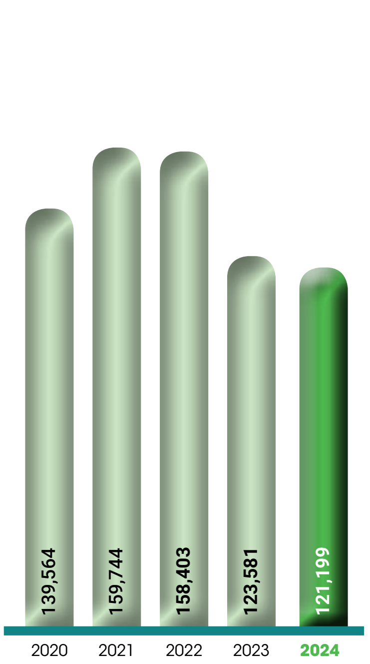
Other Directorships
No Key Senior Management holds any directorships in public companies and listed issuers.

Conflict of interest
No Key Senior Management has any conflict of interest with the Company.

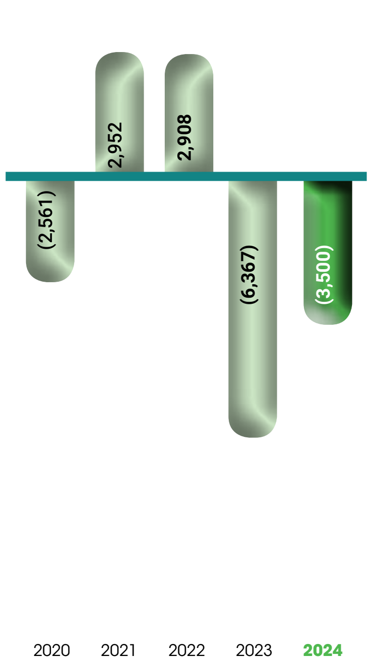
Conviction of offence
No Key Senior Management has been convicted of any offence within the past five (5) years other than traffic offences.

FINANCIAL HIGHLIGHTS

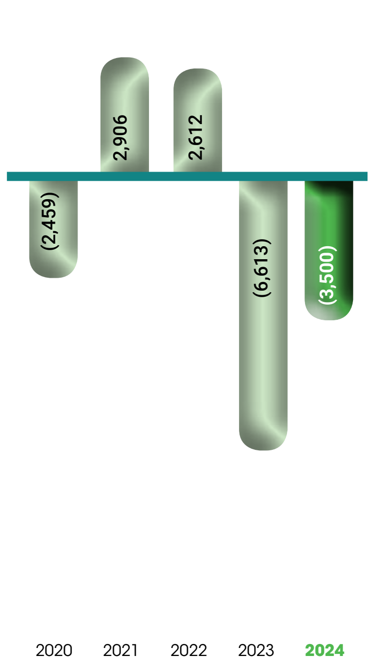
Revenue (RM'000)



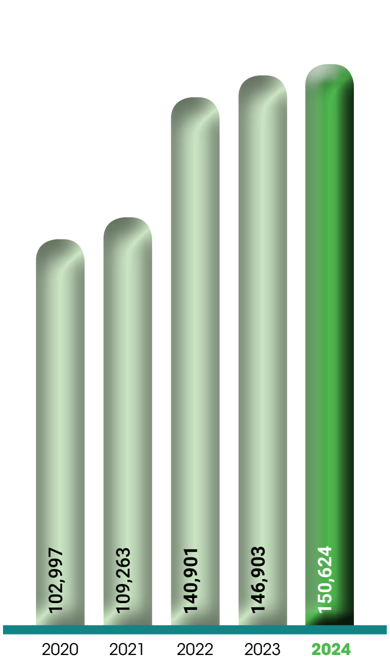
Profit/(Loss) After Tax (RM'000)



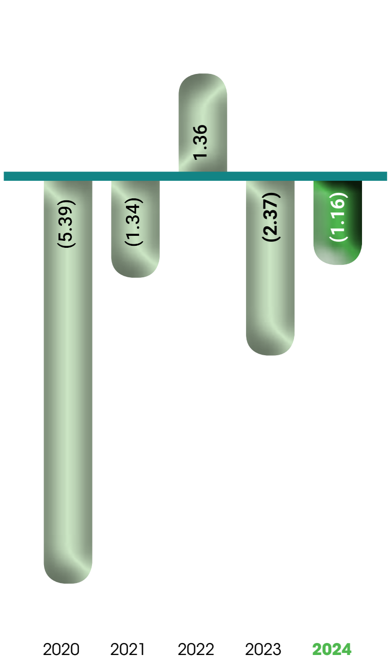
Net Profit/(Loss) Attributable to Equity Holders (RM'000)



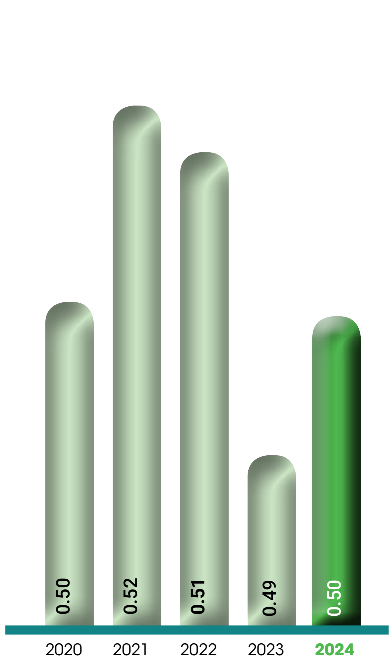
Shareholders' Fund (RM'000)



Earnings/(Loss) Per Share (Sen)



Net Assets per Share (RM)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of SWS Capital Berhad ("SWSCAP" or "Company") acknowledges the importance of achieving good corporate governance ("CG"), and ensures that the highest standards of CG are practiced throughout SWSCAP group of companies ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This CG Overview Statement ("Statement") should be read in conjunction with the Corporate Governance Report ("CG Report"), which is available on the Company's website at www.swscap.com. The CG Report sets out the key aspects of how the Company has applied the principles of the new Malaysian Code on Corporate Governance ("MCCG") during the financial year and up to the date of this report.

This statement summarised out how the Group has applied the Principles as set out in the MCCG or provide suitable alternative approach and may defer some to the following years.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board Responsibility

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- overseeing the conduct of the Group's business and evaluating whether its businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nomination and Remuneration Committee, to examine specific issues within their respective Terms of Reference ("ToR"). The ultimate responsibility for decision making, however, lies with the Board. The Board reviews the respective Board Committees' authority and ToR from time to time to ensure their relevance and enhance its efficiency.

Charter of Board (or "Charter")

The Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, quarterly and annual financial statements for announcement, major investments, borrowings and expenditure as well as monitoring of the Group's financial and operating performance. With efforts to enhance accountability, such delineation of roles is clearly set out in the Charter, which also serves as a reference point for Board activities. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Board reviews and updates its Charter from time to time as to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. The salient features of the Charter, after the last review undertaken by the Board on 17 April 2025 can be viewed on the Company's website at www.swscap.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Responsibility (Cont'd)

Code of Conducts and Whistle-blowing Policy

A Code of Conducts, setting out the standards of conduct expected from Directors and all employees of the Group has been formalised. The Code of Conduct provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during the appointment.

The Board has also formalised a Whistle-blowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Board recognises the importance of adhering to the Code of Conducts and has taken measures to put in place a process to ensure its compliance, including uploading of the Code of Conducts and Whistle-blowing Policy on the Company's website at www.swscap.com.

Access to Information and Advice

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, Board members have full and unrestricted access to all information pertaining to the Group's business and affairs. Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Directors are also notified of any corporate announcement released to Bursa Malaysia Securities Berhad ("Bursa Securities") and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly financial results.

The Company Secretary constantly keeps herself abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training. The removal of the Company Secretary is a matter for the Board to decide.

1.2 Board Composition

As at the date of this statement, the Board consists of seven (7) members of whom two (2) are Executive Directors of whom one (1) is also the Group Managing Director ("GMD"), one (1) Non-Independent Non-Executive Chairman and four (4) Independent Non-Executive Directors. This composition fulfils the requirements as set out under the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities, which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

With the age of the Directors ranges from 33 to 69, the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board. The Board is also of the opinion that its current composition and size constitute an effective Board to the Group. Furthermore, the strong representation of high caliber Independent Non-Executive Directors provides the necessary balance.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

The role of the Independent Non-Executive Directors is important in ensuring that the strategies proposed by the Management are fully discussed and deliberated, and the interests of the shareholders, employees, customers, suppliers and other stakeholders are taken into consideration. The Board is, however, open to Board changes as and when appropriate. The profile of each Directors is set out on pages 24 to 27 of this Annual Report.

Nomination and Remuneration Committee

The Board had on 29 November 2022 decided to merge the Nomination Committee and Remuneration Committee into a new committee, to be known as "Nomination and Remuneration Committee" ("NRC"), with effect from 29 November 2022 which aimed to improve its efficiency and effectiveness in discharging its duties.

The ToR of the NRC further provides the specific responsibilities in relation to nomination and remuneration matters include setting out clear and appropriate criteria for the selection and recruitment as well as annual evaluation of directors of the Board and board committees. Details of the ToR for the NRC are available for reference on the Company's website at www.swscap.com.

Nomination Committee

The Board conducts an assessment on the performance of the Board based on a self-assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considers and approves recommendations by the NRC on the re-election and re-appointment of Directors at the Company's forthcoming annual general meeting.

The Nomination Committee was established by the Board on 25 October 2004, as the Board recognises the importance of the role the Nomination Committee plays not only in the selection and assessment of Directors but also in other aspects of CG of which the Nomination Committee can assist the Board to discharge its fiduciary and leadership functions. The ToR of the Nomination Committee provides that it shall comprise at least two (2) members with a majority of Independent Non-Executive Directors.

The ToR of the Nomination Committee further provides that it shall have specific responsibilities in relation to nomination matters. With respect to nomination matters, the specific responsibilities of the Nomination Committee shall include, amongst others:

- Review the composition and size of the Board of Directors and determine the criteria for membership on the Board of Directors, which may include, among other criteria, issues of character, judgment, independence, gender diversity, age, expertise, corporate experience, length of service, other commitments and the like;
- Conduct periodic evaluations of the Board of Directors as a whole;
- Identify, consider and select, or recommend for the selection of the Board of Directors, candidates to fill new positions or vacancies on the Board of Directors and Board Committees;
- Evaluate the performance of individual members of the Board of Directors eligible for re-election, and select, or recommend for the selection of the Board of Directors, the nominees for election to the Board of Directors by the stockholders at the annual general meeting;
- Assess the independence of Independent Directors annually;
- Periodically review the composition, the term of office and performance of each committee of the Board of Directors, particularly the Audit Committee and make recommendations to the Board of Directors for the creation of additional committees or the change in mandate or dissolution of committees;
- To give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the required skills and expertise that are needed by the Board in future; and
- To review the training needs of the Director.

Details of the ToR for the NRC are available for reference on the Company's website at www.swscap.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

Recruitment or Appointment of Directors

The NRC is guided by the ToR in carrying out its responsibilities in respect of the nomination, selection and appointment process, which also provides the requirements under the relevant laws and regulations on the matter. The review process involves the NRC's consideration and submission to the Board its recommendation of suitable candidates for the proposed appointment as Directors of the Company.

The NRC's annual review of the criteria to be used in the appointment process to the Board of Directors largely focuses on ensuring a good mix of skills, experience and strength in the qualities that are relevant for the Board to discharge its responsibilities in an effective and competent manner. The other factors considered by the NRC in its review include the candidates' ability to spend sufficient time and commitment on the Company's matters, the ability to satisfy the test of independence taking into account the candidate's character, integrity and professionalism, as well as having a balanced mix of age and diversity of Directors on the Board. The Board diversity factor as reviewed by the NRC includes experience, skills, competence, race, gender, culture and nationality, as to facilitate optimal decision-making by harnessing different insights and perspectives.

The Company re-election process accords with clause 21.5(a) of the Company's Constitution, which states that one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election at every annual general meeting of the Company. A retiring Director shall retain office until the close of the annual general meeting at which he retires, whether the annual general meeting is adjourned or not.

The Directors standing for re-election/re-appointment at the 25th Annual General Meeting of the Company are as follows:

Name	Designation
Dato' Chua Heok Wee	Group Managing Director
Chua Kang Sing	Executive Director

Dato' Chua Heok Wee and Chua Kang Sing are due to retire pursuant to clause 21.5(a) of the Constitution of the Company at the forthcoming 25th Annual General Meeting. All these Directors will be recommended for re-election/re-appointment by the Board. Information of each Director standing for re-election is set out in pages 24 to 27 of the Directors' Profile of this Annual Report.

Annual Assessment

The NRC conducted an assessment on the performance and effectiveness of the Board and the Board Committees annually and the Company Secretary facilitated the NRC in carrying out the annual assessment exercise. The Board's effectiveness is assessed in the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance as well as the application of good governance principles to create sustainable shareholder's value.

The Board, through the Questionnaires and recommendation from the NRC, examined the Board Committees, including their respective Chairman, to ascertain whether their functions and duties are effectively discharged in accordance with their respective ToR. The Board adopted the Board members' self and evaluation form, Evaluation of Level of Independence of a Director form, Board and Board committee evaluation form.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

The annual assessment for financial year ended 31 December 2024 ("FYE 2024") was conducted via Questionnaires on 11 March 2025. As a post-evaluation process, the Company Secretary summarised the results of evaluation and reported to each Board and Board Committee member by providing with individual results on each area of assessment. Thus, allowing the Directors to know their standing and the Board to take actions on the outcome of evaluation by recommending remedial measures on areas that need improvements, if any.

The NRC was satisfied that all the Executive, Non-Executive, Independent and Non-Independent Directors on the Board possess sufficient qualification to remain on the Board and have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. Save for the NRC members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NRC Members viewed that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.

The NRC concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity and the Board Committee and its members have carried out their duties in accordance with their respective ToR.

The NRC assessed the independence of Non-Executive Directors annually using the Policy on Assessing Independence of Directors ("Policy") which was approved by the Board on 20 December 2012. The NRC was satisfied that all the Independent Non-Executive Directors had satisfied the criteria for an Independent Director as prescribed in the Listing Requirements and Practice Note 13 of Bursa Securities and they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the NRC and the Board.

Gender Diversity Policy

The Board is supportive of gender diversity and currently the Board comprises two (2) female Directors, which represents 29% of the entire Board members. This composition is almost at the 30% threshold as recommended in the MCCG. The Board through the Nomination and Remuneration Committee shall consider gender diversity as part of its criteria in its future selection and shall look into increasing female Board representation in future. The Board believes that the on-boarding process of Directors should also base on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, as the case may be.

Independence of the Board

The roles of Independent Non-Executive Directors are vital for the successful direction of the Group as they provide independent professional views, advice and decisions to take into account the interest of the Group, shareholders, employees, customers, suppliers and many others of which the Group conducts business.

The existing four (4) Independent Non-Executive Directors are able to express their opinions without any constraint. This strengthens the Board who benefits from the independent views expressed before any decisions are taken. The Group has made available a dedicated electronic email, info@swscap.com to which stakeholders can direct such concerns to be reviewed and addressed by the Board accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

Annual Assessment (Cont'd)

The positions of Chairman and GMD are held by two different individuals. The Non-Independent Non-Executive Chairman, Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai, leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with the Executive Directors, he leads the discussion on the strategies and policies recommended by the Management.

The GMD, Dato' Chua Heok Wee, is responsible for the overall performance of the Group operations, organisation effectiveness and financial performance. As the GMD, supported by fellow Executive Directors and Executive Management team, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

With the current Board composition, the Board is of the view that they are able to provide the necessary check and balance to the Board.

Directors' Commitment

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members at least seven (7) days before the meeting to allow the Directors sufficient time to study for effective discussion and decision making at the meetings. The agenda for the meeting of the Board are set by the Company Secretary in consultation with the Chairman and the GMD. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board of Directors during the financial year under review.

Name	Board	AC	NRC
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	5/5*	N/A	N/A
Dato' Chua Heok Wee	5/5	N/A	N/A
Chua Kang Sing	5/5	N/A	N/A
Dato' Seri Simon Toh Boon Wan	5/5	5/5	3/3
Koay Hooi Lynn	5/5	5/5	3/3*
Liu Tian Khiew	5/5	4/5	2/3
Ong Peng Teng	5/5	5/5*	3/3
Dato' Teoh Han Chuan (Resigned w.e.f. 20/01/2025)	5/5	N/A	N/A

* Chairperson of Board Committee
N/A - Not Applicable

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

Directors' Commitment (Cont'd)

As stipulated in the Charter, the Directors are required to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of their appointment. Each Directors are expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

Notwithstanding that no specific quantum of time has been fixed, all the Board members are required to notify the Board before accepting any new directorship. Any Director, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) Public Listed Companies ("PLCs") (as prescribed in Paragraph 15.06 of Listing Requirements).

Each Board members are expected to achieve at least fifty percent (50%) attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretary, where applicable.

Directors' Training – Continuing Education Programme

The Board, through the NRC also oversees the training needs of its Directors. Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate. Directors, especially newly appointed ones, are encouraged to visit the Group's operating centers to have an insight on the operations which would assist the Board to make effective decisions.

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, to keep abreast of industry developments and trends, the Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates, in order to fulfill their duties as Directors. Any Director so appointed to the Board is required to complete the Mandatory Accreditation Programme ("MAP") within four (4) months from the date of appointment. All the Board members have attended and completed the MAP as at the date of this Statement.

The details of the relevant training sessions attended by each Director during the financial year under review and up to the date of this Statement are as follows:-

Name	Training Programmes	Date
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	MACS Seminar on "Navigating Resolutions and Voting Dynamics in Shareholder Meeting"	25/01/2024
	Seminar on "[SSM Webinar] Pathway for Beginners Series: Constitution, Audit and Annual Return"	17/04/2024 – 30/04/2024
	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	29/04/2024 – 30/04/2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

Directors' Training – Continuing Education Programme (Cont'd)

The details of the relevant training sessions attended by each Director during the financial year under review and up to the date of this Statement are as follows:- (Cont'd)

Name	Training Programmes	Date
Dato' Chua Heok Wee	Impact of E-Invoicing on Business and Processes	21/05/2024
	Tailored Epicor ERP Systems Training - Epicor Production Management	27/05/2024 – 30/05/2024
	Tailored Epicor ERP Systems Training - Epicor Asset Management	04/06/2024 – 07/06/2024
	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	04/09/2024 – 05/09/2024
Chua Kang Sing	Tailored Epicor ERP Systems Training - Epicor Planning & Scheduling	14/05/2024 – 17/05/2024
	Tailored Epicor ERP Systems Training - Epicor Material Management	20/05/2024 – 24/05/2024
	Impact of E-Invoicing on Business and Processes	21/05/2024
	Tailored Epicor ERP Systems Training - Epicor Production Management	27/05/2024 – 30/05/2024
	Tailored Epicor ERP Systems Training - Epicor Asset Management	04/06/2024 – 07/06/2024
	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	21/08/2024 – 22/08/2024
Dato' Seri Simon Toh Boon Wan	Supervisory Leadership with upskilling problem-solving skills	23/01/2024 – 24/01/2024
	Mandatory Accreditation Programme (MAP)	25/03/2024 – 26/03/2024
Koay Hooi Lynn	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	29/04/2024 – 30/04/2024
	SSM National Conference 2024 on Enhancing Corporate Transparency and Building Resilience	17/08/2024 – 28/08/2024
Liu Tian Khiew	Supervisory Leadership with upskilling problem-solving skills	23/01/2024 – 24/01/2024

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Composition (Cont'd)

Directors' Training – Continuing Education Programme (Cont'd)

The details of the relevant training sessions attended by each Director during the financial year under review and up to the date of this Statement are as follows:- (Cont'd)

Name	Training Programmes	Date
Ong Peng Teng	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	29/04/2024 – 30/04/2024
	Tools to Help with Compliance and Achieve Sustainable Growth	04/09/2024
	Art of Professional Judgement for Auditors	06/11/2024
	Audit Quality Enhancement Programme for SMPs	18/12/2024 – 19/12/2024

The Company Secretary normally circulates the relevant statutory and regulatory requirements from time to time for the Board's reference and briefs the Board on the updates, where applicable. External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements for the financial year under review.

1.3 Remuneration Committee

The Remuneration Committee was established by the Board on 25 October 2004 to assist the Board in the adoption of fair remuneration practices to attract, retain and motivate Executive Directors. The ToR of the Remuneration Committee provides that it shall comprise at least two (2) members with a majority of Independent Non-Executive Directors.

The specific responsibilities of the Remuneration Committee in relation to remuneration matters as set out under its ToR include, amongst others:

- To establish and recommend to the Board, the remuneration package for Executive Directors such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group etc.
- To consider other remunerations or rewards to retain and attract Executive Directors.
- To recommend the engagement of external professional advisors to assist and/or advise the Remuneration Committee on remuneration matters, where necessary.

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as other individuals serving as members of the Board Committees. Hence, the Board has established formal and transparent remuneration policies for the Board and Board Committees, and the procedures in determining the same. The NRC reviews the Board remuneration policy annually and in the course of deliberating on the remuneration policy, it considers various factors including the Non-Executive Directors' fiduciary duties, time commitments expected of Non-Executive Directors and Board Committee members, the Company's performance and market conditions. The NRC also takes into consideration the remuneration of Directors of other PLCs in order to ensure competitive remuneration policies that reflect the prevailing market rate.

On 17 April 2025, the Board approved the NRC's recommendation on the fee of the Non-Executive Directors, and Directors' fees for FYE 2025 for the approval of the shareholders at the Company's forthcoming annual general meeting. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board. Disclosure of each Director's remuneration is set out in the annual audited financial statements of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Remuneration Committee (Cont'd)

The details of the remuneration of the Directors of the Company for the financial year from 01.01.2024 to 31.12.2024:

EXECUTIVE DIRECTORS			
	Dato' Chua Heok Wee	Chua Kang Sing	TOTAL
Salaries and other emoluments	360,000	180,000	**540,000**
Social contribution plan	1,217	1,217	**2,434**
Defined contribution plan	46,800	21,600	**68,400**
	408,017	202,817	**610,834**

NON EXECUTIVE DIRECTORS						
	Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	Dato' Seri Simon Toh Boon Wan	Koay Hooi Lynn	Liu Tian Khiew	Ong Peng Teng	TOTAL
Allowances	4,000	4,800	4,800	4,800	4,800	**23,200**
Fee	140,000	56,000	56,000	56,000	56,000	**364,000**
Social contribution plan	780	784	784	503	784	**3,635**
	144,780	61,584	61,584	61,303	61,584	**390,835**

PAST EXECUTIVE DIRECTORS			
	Dato' Teoh Han Chuan	Dr Loh Yee Feei	TOTAL
Salaries and other emoluments	648,000	97,730	**745,730**
Social contribution plan	1,561	248	**1,809**
Defined contribution plan	27,360	2,844	**30,204**
Estimated Money Value of benefit-in-kind	28,000	–	**28,000**
	704,921	100,822	**805,743**

While MCCG has prescribed for disclosure of the detailed remuneration packages of its Key Senior Management staff on a named basis, the Board has considered and is of the view that the transparency and accountability aspects of CG applicable for the Key Senior Management staff are adequately served by the disclosure of the remuneration packages on a no-name basis.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Remuneration Committee (Cont'd)

The number of Key Senior Management of the Group, whose total remuneration during the financial year under review fell within the following successive bands of RM50,000 is as follows:

Range of Remuneration	Numbers of Key Senior Management
RM50,000 to RM100,000	–
RM100,001 to RM150,000	–
RM150,001 to RM200,000	–
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1
RM350,001 to RM400,000	–
RM400,001 to RM450,000	–
RM450,001 to RM500,000	–
RM500,001 to RM550,000	–
RM550,001 to RM600,000	–
RM600,001 to RM650,000	1

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 Audit Committee

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the financial statements comprise the quarterly financial report announced to Bursa Securities, the annual audited financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board established the Audit Committee on 22 December 2003. The roles and responsibilities of the Audit Committee, including activities undertaken during the financial year under review, are set out in the Audit Committee Report on pages 50 to 52 of this Annual Report. One (1) of the key responsibilities of the Audit Committee in its ToR is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016 ("the Act").

As part of the governance process in reviewing the quarterly and yearly financial statements by the Audit Committee, the GMD and Chief Financial Officer provided assurance to the Audit Committee on a quarterly basis that adequate processes and controls were in place for an effective and efficient financial statement close process, that appropriate accounting policies had been adopted and applied consistently and that the relevant financial statements gave a true and fair view of the state of affairs of the Group.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.1 Audit Committee (Cont'd)

In addition to the above, the Executive Director of subsidiaries also undertook an independent assessment of the system of internal control on an annually basis and assured the Audit Committee that no material issue or major deficiency had been noted which posed a high risk to the overall system of internal control under review.

As such, the Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Group's position and prospects in the Directors' Report and the annual audited financial statements set out in this Annual Report.

The Audit Committee, without the presence of Executive Board members and Management also meets with the External Auditors at least twice during each financial year to exchange free and honest views on issues which the External Auditors may wish to discuss in relation to their audit findings.

To uphold the integrity of financial reporting by the Company, the Audit Committee has formalised and adopted Non-Audit Services Policy for the types of non-audit services permitted to be provided by the External Auditors on 20 December 2012, including the need for the Audit Committee's approval in writing before such services can be provided by the External Auditors. To address the "self-review" threat faced by the External Audit Firm it requires that the engagement team conducting the non-audit services to be different from the External Audit team.

In addition, the Audit Committee is also empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and review and evaluate factors relating to their independence. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval.

In assessing the independence of External Auditors, the Audit Committee will seek assurance from the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The External Auditors provides such declaration in their annual audit plan presented to the Audit Committee prior to the commencement of audit for a particular financial year.

In this regard, the Audit Committee had on 17 April 2025, assessed the independence of Messrs. Morison LC PLT as External Auditors of the Company as well as reviewed the level of non-audit services rendered by Morison LC PLT to the Company during the financial year under review. Having satisfied itself with the technical competency, performance of and fulfillment of criteria as set out in the Non-Audit Services' Policy by the External Auditors as well as audit independence of Morison LC PLT, the Audit Committee unanimously recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the 25th Annual General Meeting.

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, the Audit Committee also reviewed all the related party transactions entered into between the Company and its subsidiaries with the related parties on a quarterly basis.

The Audit Committee is satisfied that such transactions were entered into at an arm's length basis with the interested Directors were abstained from deliberation and voting on relevant resolutions in which they have an interest at the Board and general meetings convened and their undertaking to ensure that persons connected to them will similarly abstain from voting on the resolutions.

The details of the related party transactions are set out under Note 34 to the annual audited financial statements on pages 181 to 183 of this Annual Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.2 Risk Management and Internal Control Framework

The Board regards risk management and internal controls as an integral part of the overall management processes.

Recognising the importance of having risk management processes and practices, the Board had formalised an Enterprise Risk Management framework to provide Management with structured policies and procedures to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an on-going basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group.

The responsibilities of identifying and managing risks are delegated to the respective management team led by the Executive Director. The Board and the Audit Committee are responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.

The Audit Committee, through the Management Risk Committee will assist the Board in overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval.

The Board has established an internal audit function within the Company based on the risk profiles of the business unit of the Group, which is led by the Head of each department of its subsidiaries who reports directly to the Audit Committee in a quarterly basis.

In line with the MCCG and the Listing Requirements of Bursa Securities, the Company has outsourced the internal audit function to JWC Consulting Sdn Bhd as internal auditors, who reports directly to the Audit Committee on the adequacy and effectiveness of the Group's internal controls during the quarterly Audit Committee meetings. The internal audit activity is guided by the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors Inc. which contains the international standards for internal auditing. In addition, the audit programme is tailored to the operations / processes / functions of the Group with clearly stated objectives and risks and is guided by the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) principles. Appropriate audit procedures will be included to ensure adequate coverage of the areas to be audited and risks are addressed. The internal audit function is independent of the activities it audited and the scope of work it covered during the financial year under review is provided in the Audit Committee Report set out on pages 50 to 52 of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

3.1 Ensure Timely and High Quality Disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board will formalize corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa Securities, but also setting out the persons authorized and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

The Company has put in place an internal policy on confidentiality to ensure that confidential information is handled properly by the Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

3.1 Ensure Timely and High Quality Disclosure (Cont'd)

To augment the process of disclosure, the Board has uploaded the policies on the Company's website from time to time, where information on the Company's announcements to the regulators, the Charter, rights of shareholders and the Company's Annual Report may be accessed.

3.2 Strengthen Relationship between the Company and its Shareholder

Shareholder Participation at General Meeting

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board believes that they are not only accountable to shareholders but also responsible for managing a successful and productive relationship with the Company's stakeholders. In this regard, the Board will ensure that all the Company's shareholders and stakeholders are treated equitably and the rights of all investors, including minority shareholders, are protected.

The annual general meeting, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification as well as for the Chairman of the annual general meeting to provide an overview of the Company's progress and receive questions from shareholders. At the annual general meeting, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last annual general meeting, a question & answer session was held where the Chairman of the annual general meeting invited shareholders to raise questions with responses from the Board and Senior Management.

The notice of annual general meeting is circulated to shareholders at least twenty-one (21) days before the date of the meeting to enable them to go through the Annual Report and papers supporting the resolutions proposed. Where special business items appear in the notice of annual general meeting, a full explanation is provided to shareholders on the effect of the proposed resolution emanating from the special business item. Separate resolutions are proposed at the meeting and the Chairman will declare the number of proxy votes received, both for and against each separate resolution where appropriate. All the resolutions set out in the notice of the last annual general meeting were put to vote by a show of hands and duly passed. The outcome of the last annual general meeting was announced to Bursa Securities on the same meeting day.

To in line with Section 327 of the Act, the Board may adopt electronic voting as to facilitate greater shareholder participation at general meetings.

Under Paragraph 8.29A(1) of the Listing Requirements, a PLC must, among others, ensure that any resolution set out in the notice of any general meeting, is voted by poll. For this purpose, the share registrar will be appointed as the poll administrator and an independent scrutineer will be appointed to validate the votes cast at the 25th Annual General Meeting.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

3.2 Strengthen Relationship between the Company and its Shareholder (Cont'd)

Communication and Engagement with Shareholders and Prospective Investors

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors.

All Directors shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the annual general meeting. The proceedings of the 25th Annual General Meeting will include the Chairman's briefing on the Company's overall performance for FYE 2024 and a Q&A session during which the Chairman will invite shareholders to raise questions pertaining to the Company's accounts and other items for adoption at the meeting. The Directors, GMD and External Auditors will be in attendance to respond to the shareholders' queries. The Board will also share with the shareholders the Company's responses to questions submitted in advance of the 25th Annual General Meeting by the Minority Shareholder Watch Group, if any.

The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the annual and extraordinary general meetings and through the Group's website at www.swscap.com where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. info@swscap.com to which stakeholders can direct their queries or concerns.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Investor Relations

The Company takes into consideration the shareholder's rights to access information relating to the Company and has thusly, taken measures to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

COMPLIANCE STATEMENT

This Statement on the Company's corporate governance practices is made in compliance with Paragraphs 15.25 and 15.08A of the Listing Requirements. The Board considers and is satisfied that the Company has complied with the Practices of the MCCG, the relevant chapters of the Listing Requirements on CG and all applicable laws and regulations throughout the financial year under review.

This Statement was approved by the Board on 17 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of SWS Capital Berhad ("SWSCAP" or "Company") is committed to maintain sound system of internal control and effective risk management to safeguard shareholders' investment and Group's assets. In compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Institute of Internal Auditors Malaysia (the "Guidelines"), the Board is pleased to provide the following statement, on the nature and scope on risk management and internal control of the Group for the financial year ended 31 December 2024 ("FYE 2024").

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the adequacy and integrity of the Group's risk management and system of internal control including the review of its effectiveness. The system covers risk management, financial, operational, management information systems and compliance with relevant laws, rules, directives and guidelines.

However, the Board also takes cognizance of the inherent limitation in any system of internal control, which designed to manage, rather than eliminate, the risk of failure and therefore can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The responsibilities of the Board in relation to the system extend to all subsidiaries of the Group.

RISK MANAGEMENT FRAMEWORK

An on-going process has been designed to ensure that the risks encountered by the Group's business in pursuit of its objectives are identified, evaluated and managed at known and acceptable levels throughout the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The Group's risk management initiative includes delegating the responsibilities of identifying and managing risk to the respective Head of each business units. Significant risk identified, and the corresponding internal controls implemented are discussed during periodic management meetings. In addition, significant risks identified are also brought to the attention of the Board. This is to ascertain risk identified are properly monitored, managed, and mitigated to an acceptable level.

The evaluation and management of significant risks are reviewed on a regular basis by the Audit Committee and the Board.

During the financial year under review, key principle risks affecting the Group's business and operations has been identified with a risk register being established accordingly.

On the other hand, a Management Risk Committee ("MRC"), chaired by the Executive Director of each subsidiary was established to promote the risk management framework and to ensure that the risk management process and culture are embedded throughout the Group. MRC meet on a half-yearly basis where the Head of departments ("HoD") have the overall responsibility to report the key risks to the attention of the MRC and to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted and provide reporting and update to the Audit Committee on key risk management issues during the quarterly Audit Committee meetings. The responsibility for day-to-day risk management resides with the Management of each subsidiary and they are accountable for the risks identified and assessed.

RISK MANAGEMENT FRAMEWORK (CONT'D)

The steps to management of risks identified in the risk register consists of:

- Identifying the risks to achieving strategic and operational objectives
- Determining and assessing the existing controls in place
- Assessing the impact and likelihood of the risk after taking account of existing controls to derive the residual risk
- Determining further control improvements to mitigate the risk and indicate what their impact on residual risk will be when they are fully implemented.

The Executive Director of each subsidiary is required to undertake risk assessments against their business plan, strategies and other significant activities and to maintain risk registers that reflect an appropriate risk profile. The risk registers are used as one of the business tools to highlight the risks exposures and their risks mitigation. The risk registers are updated as and when there are changes to business environment or regulatory guidelines. Policies, procedures, guidelines, templates and the likes are being developed to assist in ensuring an awareness of what is an acceptable level of risk and that risks and opportunities are managed consistently and effectively across the Group. Periodic operational/management meetings are held to ensure that the risks identified are monitored and related internal controls are communicated to the management.

The Board affirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by major companies in the Group. The results of this process, including risk mitigating measures taken by Management to address key risks identified, are periodically reviewed by the Board through the Audit Committee.

Risk Profile

The Implementation of the Risk Management Process has resulted in the identification of a number of industry risks which may impact the Group's business as a furniture manufacturer with overseas operations. These risks include but are not limited to:

- depleting woods resources and increasing in wood costs;
- volatile resin costs due to fluctuation in crude oil prices;
- tightening in regulation and law in countries where the Group operates and sell to;
- subject to world economic changes since the Group operate in and sell across the globe;
- sovereign risk;
- exposure to foreign exchange fluctuation;
- production availability and technical changes in manufacturing processes;
- new standards across the globe to control plastic pollution;
- health, safety, environment and security risk; and
- exposure to debts.

These risks may change over time as the external environment changes and as the Company expand its operations. The risk Management Process requires regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management (including mitigation where appropriate) of these risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

SYSTEM OF INTERNAL CONTROL

The Group maintains a system of internal control that serves to safeguard its assets; ensure compliance with statutory and regulatory requirements; and to ensure operational results are closely monitored and substantial variances are promptly explained.

Salient features of the framework of the system of internal control are as follows:

- Operating procedures that set out the policies, procedures and practices adopted by the Group are properly documented and communicated to staff member so as to ensure clear accountabilities. The effectiveness of internal control procedures are subject to continuous assessments, reviews and improvements.

- The organisational structure is well defined, with clear line of responsibilities and delegation of authorities. Key responsibilities are properly segregated.

- The Board meets regularly and is kept updated on the Group's activities and operations and significant changes in the business and external environment, if any, which may result in significant risks.

- Financial results are reviewed quarterly by the Board and the Audit Committee.

- Executive Directors and HoD meet regularly to discuss operational, corporate, financial and key management issues.

- A reporting system which provides for a documented and auditable trail of accountability to ensure timely generation of information for management review, has been put in place.

- There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development are provided for selected employees to enhance their competency in carrying out their responsibilities.

- A formal staff appraisal to evaluate and measure staff's performance and their competency is performed at least once a year.

INTERNAL AUDIT FUNCTION

The Internal audit function has the primary objective of carrying out reviews of the system of internal control to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the system of internal control so as to foster a strong management control environment.

The Board is fully aware of the importance of the internal audit function and outsourced its internal audit function to an independent professional service provider ("Internal Auditors"). The Internal Auditors report directly to the Audit Committee and assist the Audit Committee in discharging their duties and responsibilities. The internal audit team provides an independent assessment on the adequacy and effectiveness of the Group's internal control system. The internal audit focuses on regular and systematic reviews of the financial and operational processes, in anticipating potential risk exposures over key business processes.

The Internal Auditors adopt a risk-based approach by focusing on:

- reviewing identified high risks areas for compliance with policies and procedures; identifying business risks which have not been appropriately addressed; and

- evaluating the adequacy and effectiveness of controls.

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors carry out audit assignment based on an audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were forwarded to the Audit Committee for deliberation and approval.

The Internal Auditors have documented key findings from the internal audit carried out. They have discussed with process owners on the recommendation for internal control improvement and provided the Audit Committee with independent and objective reports on the state of the internal control and recommendations for improvements of the various operating units within the Group. The internal audits carried out have not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control and risk management system. Audit issues and actions taken by Management to address the issues tabled by Internal Auditors were deliberated during the Audit Committee meetings. Minutes of the Audit Committee meetings which recorded these deliberations were presented to the Board.

The expenditure incurred for the internal audit function for the current financial year was RM28,500.

ASSURANCE PROVIDED BY THE GROUP MANAGING DIRECTOR

In line with the Guidelines, the Group Managing Director has provided assurance to the Board that the Group's risk management and internal control systems have been operated adequately and effectively, in all material aspects, to meet the Group's business objectives during the financial year under review.

The Group Managing Director also reports to the Board on significant changes in the business and the external environment which affects the operations. Financial information, key performance and risk indicators are also reported on a quarterly basis to the Board.

REVIEW OF STATEMENT

In accordance with the Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in this Annual Report, and reported that nothing has come to their attention that cause them to believe that the contents of this Statement is inconsistent with their understanding of the actual processes adopted by the Board in reviewing the adequacy and integrity of the system of internal control and risk management.

CONCLUSION

The Board is of the view that the system of risk management and internal control that had been implemented within the Group is sound and effective. The internal control procedures will be reviewed continuously in order to improve and strengthen the system to ensure ongoing adequacy, integrity and effectiveness so as to safeguard the Group's assets and shareholders' investments.

There were no material losses incurred during the financial year under review as a result of weaknesses in internal control. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

This Statement was approved by the Board on 17 April 2025.

AUDIT COMMITTEE REPORT

INTRODUCTION

The Audit Committee of SWS Capital Berhad ("SWSCAP" or "Company") comprises four (4) members, all of whom are Independent Non-Executive Directors. The Audit Committee reviews and updates its Term of Reference ("ToR") from time to time as to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. The salient features of the ToR can be viewed on the Company's website at www.swscap.com.

COMPOSITION AND ATTENDANCE

The Board of Directors ("Board"), through Nomination and Remuneration Committee, will review annually the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through the annual assessment conducted via Questionnaires. The Board is satisfied that for financial year ended 31 December 2024 ("FYE 2024"), the Audit Committee and its members have been able to discharge their functions, duties and responsibilities in accordance with the ToR of the Audit Committee, thereby supporting the Board in ensuring appropriate Corporate Governance ("CG") standards within the Company and the subsidiaries ("Group").

The current composition meets the requirement of paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Should there be a vacancy in the Audit Committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10 of the Listing Requirements, the Company must fill up the vacancy within three (3) months thereof. The Audit Committee members and their attendance records are outlined in the CG Overview Statement.

MEETINGS

The Audit Committee held five (5) meetings in for the FYE 2024 without the presence of other Directors, members of Senior Management and employees, except when their attendance was requested by the Audit Committee. The Group Managing Director ("GMD") was invited to all Audit Committee meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

The lead audit engagement partner of the External Auditors responsible for the Group attended two (2) Audit Committee meetings in FYE 2024 to present the audit review memorandum and auditors' report on the annual audited financial statements for FYE 2024.

During the first meeting between the external auditors and the Audit Committee, the Audit Committee sought the External Auditors' confirmation that they had been given unfettered access to information and co-operation from the Management during the course of audit. In the Audit Committee meetings, the External Auditors were invited to raise any matter they considered important for the Audit Committee's attention. The Audit Committee Chairperson obtained confirmation from the External Auditors that the Management had given its full support and unrestricted access to information as required by the External Auditors to perform their duties and that there were no other matters considered important which had not been raised with the Audit Committee.

In addition to the meetings held between the Audit Committee and the External Auditors during the Audit Committee meetings where they were given opportunities to raise any matters without the presence of Management, the Audit Committee members also gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Deliberations during the Audit Committee meetings, including the issues tabled and rationale adopted for decisions, were recorded. Minutes of the Audit Committee meetings were tabled for confirmation at the following Audit Committee meeting and subsequently presented to the Board for notation.

MEETINGS (CONT'D)

The Audit Committee Chairperson presented to the Board the recommendations of the Audit Committee for approval of the annual and quarterly financial statements. The Audit Committee Chairperson also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors. The Internal Auditors were present at two (2) Audit Committee meetings to table the respective internal audit ("IA") reports. The relevant Head of the Department of the audit subjects were also invited to brief the Audit Committee on specific issues arising from the relevant IA reports.

With the reporting and update by the Management Risk Committee on key risk management issues, the Audit Committee reviewed the key corporate risk profiles, risk assessment of core business processes, operational risks and mitigation measures as well as the process for identifying, evaluating, and managing risk through the Enterprise Risk Management framework as to ensure that the risk management process and culture are embedded throughout the Group.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, the activities of the Audit Committee included the following: -

- Reviewed and discuss the memorandum of matters and issues raised by the External Auditors and management's response to all pertinent issues and findings raised and noted by the External Auditors during their audit of the financial statements, together with recommendations in respect of their findings.
- Reviewed the audit planning memorandum prepared by the External Auditors covering audit objectives and approach, audit plan, key audit area and relevant technical pronouncements and accounting standards.
- Reviewed the interim unaudited and annual audited financial statements of the Group prior to recommending for approval by the Board.
- Reviewed and discussed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Reviewed internal audit's resource requirements, scope, adequacy and function.
- Reviewed the internal audit's plan and programs, IA reports, recommendations and Management responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the Internal Auditors were discussed together with the Management Team in a separate forum as well as review of implementation of these recommendations through follow-up audit reports.
- Briefed the Board on any major issues, acquisition and corporate exercise of the Company discussed at the Audit Committee meeting for further deliberation or decision as the case may be.
- Reviewed the related parties' transactions and conflict of interest situation that that arose within the Company or the Group including any transaction, procedure or code of conduct that may raise concern or question of management's integrity.
- Considered the nomination of External Auditors and Internal Auditors for recommendation to the Board for re-appointment.
- Reviewed its ToR periodically and recommendation to the Board on revision, if necessary.
- Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the MCCG 2021.
- Reviewed and approved the whistle-blowing policy and the risk management policies and strategies and significant changes made thereto from time to time.
- Suggested on additional improvement opportunities in the areas of internal control systems and efficiency improvement.
- Assessed the resources and knowledge of the Management and employees involved in the internal control and risk management processes.
- Reviewed the unaudited financial results announcements before recommending them for Board's approval, focusing particularly on:
    - o any change in accounting policies and practices;
    - o significant adjustments arising from the audit;
    - o the going concern assumption; and
    - o compliance with applicable financial reporting standards and other legal requirements.

AUDIT COMMITTEE REPORT
(CONT'D)

INTERNAL AUDIT FUNCTION

The Board acknowledges that it is responsible for maintaining a sound system of internal controls which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines to safeguard shareholders' investment and the Group's assets.

The Company has engaged an independent professional risk management company as Internal Auditors to assist the Company to strengthen its internal audit processes during the financial year under review. The Internal Auditors are engaged to provide independent assessments on the adequacy and effectiveness of the risk management, internal control and governance processes within the Group.

JWC Consulting Sdn Bhd, a Corporate member of the Institute of Internal Auditors Malaysia, was established in early 2016 to service Public Listed Companies by providing Business Process Reviews, Enterprise Risk Management and Corporate Governance Reviews, as well as pre-IPO Internal Controls Reviews, which are mandatory by Bursa Malaysia. JWC is supported by highly motivated professionals with great passion in what they do and committed to bringing quality services to their clients. The founding Director is a Member of the Malaysian Institute of Accountants, Fellow member of CPA Australia and a Corporate member of The Institute of Internal Auditors Malaysia. To ensure that internal Audits are effectively performed, the team comprises suitably qualified personnel with the requisite skills and experience who are also given relevant training development opportunities to update their technical knowledge and auditing skills. For the FYE 2024, the Internal Audit Firm has one (1) Project Director, Two (2) Project Managers, and three (3) Consultants.

An overview of the Group's approach in maintaining a sound system of internal control is set out in the Statement on Risk Management and Internal Control on Page 46 to 49 of the Annual Report.

STATEMENT OF
DIRECTORS' RESPONSIBILITY

The Directors of SWS Capital Berhad ("SWSCAP" or "Company") and the subsidiaries ("Group") are required to prepare the financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of the results and cash flows of the Group and of the Company for the financial year then ended, in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 (the"Act") in Malaysia.

In preparing the financial statements the Directors have,

- used appropriate accounting policies that are consistently applied;
- made judgements and estimates that are prudent and reasonable;
- ensured that all applicable MFRS and IFRS in Malaysia have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements to comply with MFRS, IFRS and the Act in Malaysia.

The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSTAINABILITY
REPORT

ABOUT THIS REPORT

SWS Capital Berhad ("SWS", "Company", or "Group") is pleased to present its Sustainability Report for the financial year ended 31 December 2024 ("FYE 2024").

This report highlights SWS's sustainability strategies, core principles, initiatives, and performance throughout FYE 2024, with a focus on key issues identified through our materiality assessment. It provides updates on sustainability efforts across our key business units and operations, showcasing progress against our commitments as we continue to embed sustainable practices into our operations and value chain.

As sustainability remains an ongoing journey, our disclosures and practices have evolved over time, reflecting our dedication to continuous improvement. Our primary focus is to enhance sustainability strategies that drive long-term value creation while fostering a future that balances economic growth, environmental stewardship, and social well-being.

OUR CORE BUSINESSES

SWS Capital Berhad

Plastic Ware Division

- Manufacturing and trading of plastic wares, utensils and goods
- Marketing and distribution of plastic household and industrial products

Furniture Division

- Manufacturing and sale of dining furniture, occasional furniture and buffet and hutch
- Manufacturing and sales of bedroom sets
- Lamination of veneer and paper
- Trading of various type of boards, polyethylene, pneumatic fasteners, nails and others

SCOPE AND BASIS OF SCOPE

This Report covers the Group's sustainability performance and progress of our headquarter and operations in Malaysia.

REPORTING FRAMEWORKS AND STANDARDS

This Report has been developed according to Bursa Malaysia's Listing Requirements, with reference to:

- Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s Sustainability Reporting Guide (3rd Edition)
- Listing Requirements of Bursa Malaysia [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]

INDEPENDENT ASSURANCE

While we have not conducted independent assurance on the information provided in this Report, we remain dedicated to disclosing accurate and transparent data. Moving forward, we are committed to enhancing the accuracy and quality of our disclosures. To achieve this, we intend to subject the indicators to independent assurance progressively in the next five years.

OUR APPROACH TO SUSTAINABLITY

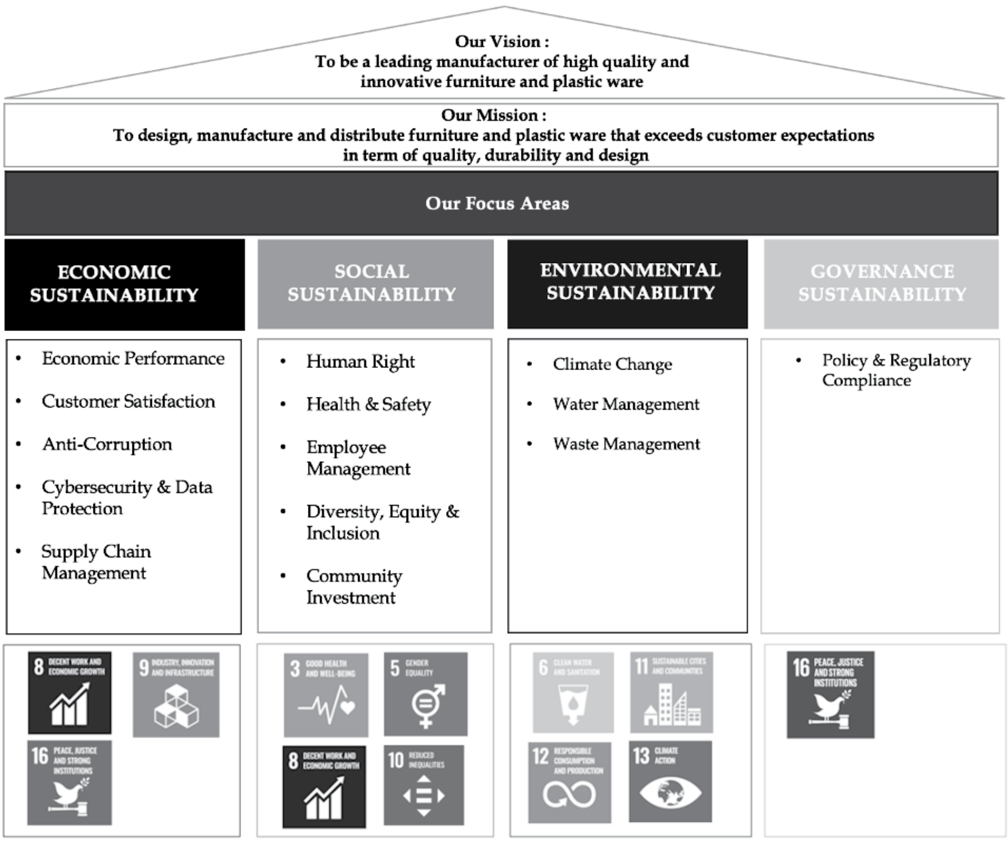
SUSTAINABILITY FRAMEWORK

At SWS, we have reinforced our sustainability framework to align more closely with our business strategy, ensuring that our initiatives are guided by the Group's vision and mission. This framework is designed to address stakeholder expectations, minimise our environmental impact, and create long-term positive contributions to the communities in which we operate.

Our approach to sustainability is built around four key pillars:

- Economic Sustainability
- Social Sustainability
- Environmental Sustainability
- Governance Sustainability.

Each of these pillars is underpinned by our commitment to addressing material sustainability issues, setting clear objectives, and continuously improving our performance to create lasting value for all stakeholders.

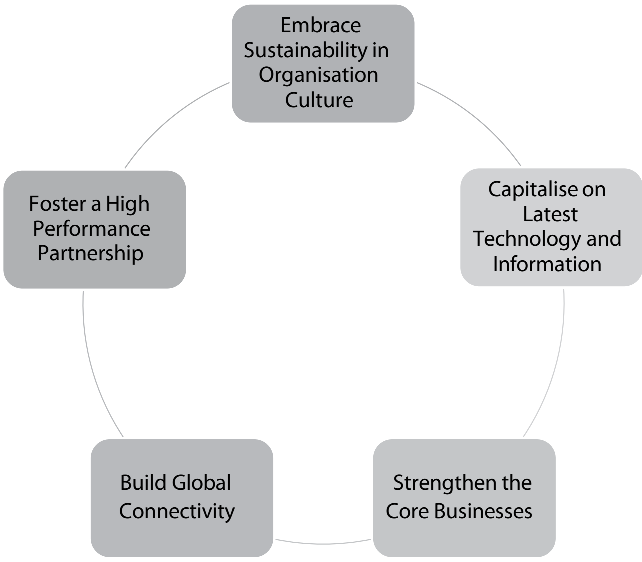


SUSTAINABILITY REPORT
(CONT'D)

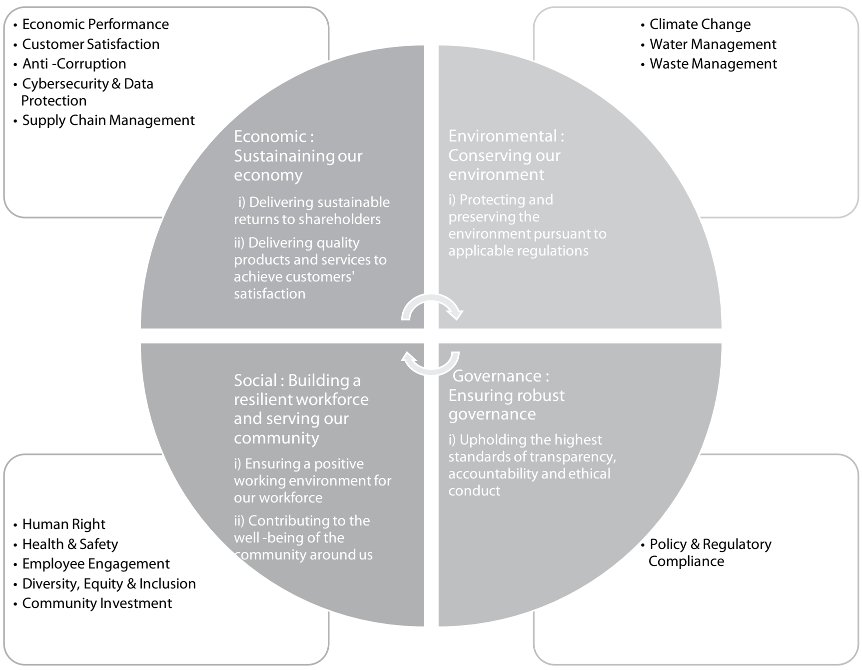
OUR APPROACH TO SUSTAINABLITY (CONT'D)

SUSTAINABILITY POLICY

As our organisation grows, our commitment to sustainability has only strengthened. We have developed a clear company philosophy focused on sustainability, which now drives all decisions related to SWS's economic and operational activities.



The Group has long prioritised sustainability as a key element of our culture, aiming to achieve sustained growth and profitability in a safe, caring, and environmentally responsible manner. Our commitment as a corporate citizen is to ensure robust governance across all aspects of our business, fostering ethical practices, reducing our environmental footprint, and meeting the social needs of the communities we serve.



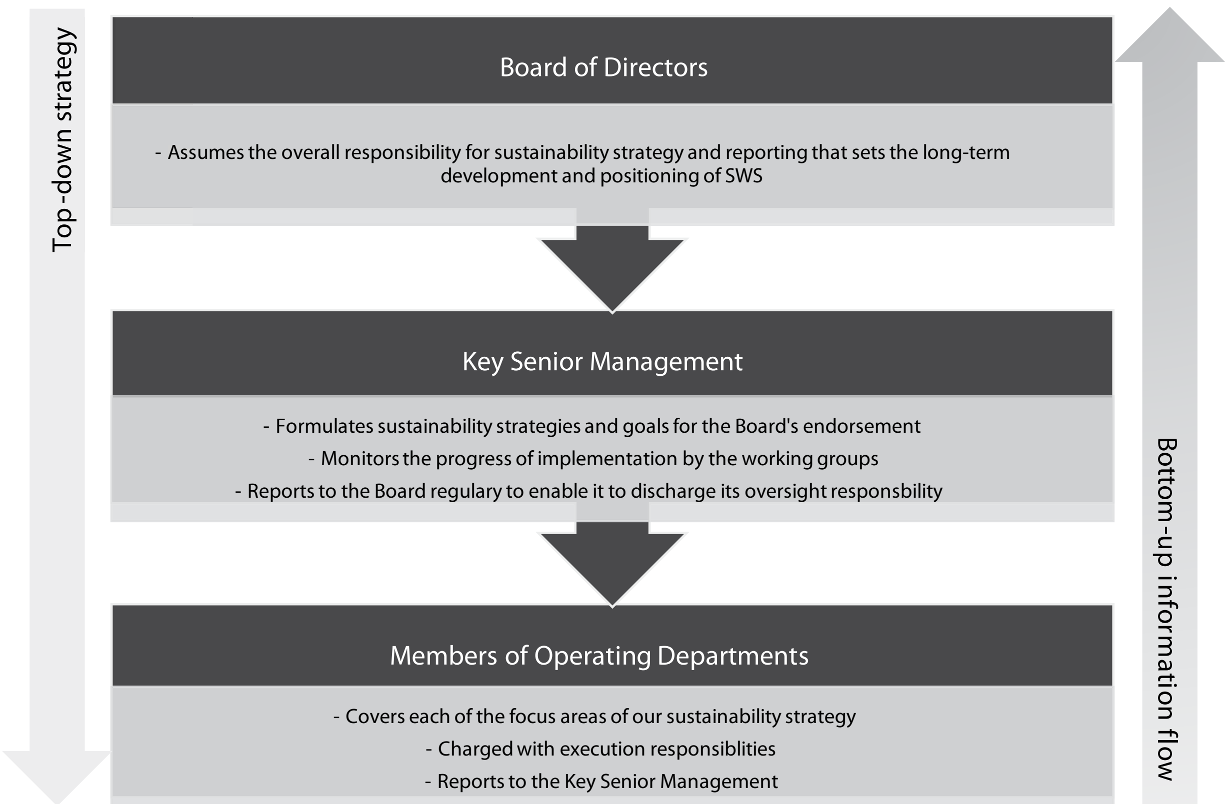
OUR APPROACH TO SUSTAINABLITY (CONT'D)

SUSTAINABILITY GOVERNANCE

The Group is committed to the principle that integrity and ethics are vital to good governance. These values are the bedrock for incorporating sustainability goals into our decision-making, enhancing transparency, managing risks efficiently, and securing long-term success.

The Board has overall responsibility for the Group's sustainability strategy, supported by the respective Board Committees. This framework employs a top-down approach, ensuring robust leadership and oversight throughout the organisation.

The Board evaluates key sustainability material matters that shape our sustainability initiatives. Based on these assessments, Key Senior Management is responsible for formulating and executing relevant strategies and initiatives. They also report on the progress and outcomes of these efforts to the Board. Additionally, members of operating departments play a crucial role in supporting the Key Senior Management in the effectively implementing these sustainability initiatives.



OUR APPROACH TO SUSTAINABLITY (CONT'D)

SUSTAINABILITY GOVERNANCE (cont'd)

The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

STAKEHOLDER ENGAGEMENT

Our stakeholders are vital to SWS's growth and progress. It is crucial that we actively identify and understand their concerns and issues. Our aim is to build strong, long-lasting relationships with all stakeholders, addressing their needs and expectations while minimising the impact of our operations for a sustainable future.

We foster trust and mutual respect through stakeholder meetings, workshops, and other forms of engagement. This helps us stay informed about important societal issues and ensures that our business strategy aligns with the concerns and expectations of our stakeholders..

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Shareholders, Financiers & Investors	• Financial reports and announce-ments • General meetings • Annual report • Press releases • Meetings	• Business strategies and future plan • Return on investments • Financial and operational performance • Good management and corporate governance • Sustainability initiatives	• Timely updates on the Group's strategy and financial performance via announcements • Uphold good governance practices across the Group • Monitor sustainability performance and targets via Bursa Malaysia Environment, Social and Governance ("ESG") Reporting Platform
Government Agencies & Regulators	• Compliances to laws and regulations • Participation in government and regulatory events	• Regulatory compliance • Corporate governance practices	• Regular review and monitoring to ensure full compliance with regulatory requirements in Malaysia. • Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG")

OUR APPROACH TO SUSTAINABLITY (CONT'D)

STAKEHOLDER ENGAGEMENT (cont'd)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Employees	• Internal communications (i.e. emails) • Workshops and trainings • Employee engagement events • Employee appraisals	• Business growth and strategic direction • Inclusive workplace • Remuneration and benefits • Career development and upskilling opportunities • Occupational safety & health	• Promote transparent communication with employees • Provide equal employment opportunities without discrimination • Offer industry-competitive benefits and remuneration packages • Provide relevant upskilling and development opportunities • Ensure compliance with Occupational Safety and Health Act
Customers	• Customer support channels (i.e. website, email) • Public engagement events (i.e. conference, exhibition, marketing activities)	• Customer satisfactions (i.e. affordable products and services, high-quality products and services) • Customer experience (i.e. speed of customer service response) • Innovative product • Consumer data privacy	• Offer affordable products and services • Adhere to quality standards • Adhere to the Personal Data Protection Act 2010
Suppliers	• Regular meetings Quality audit on products and services • Contract negotiation • Internal supplier assessment/ performance appraisals	• Transparency in procurement processes • Business growth and timely payment	• Emphasis on provision of transparent procurement processes • Timely payment based on credit term
Communities	• Community impacts programmes	• Community welfare and continued likelihood	• Investment in welfare to improve community well-being
Analyst / Media	• Media releases or media briefings • Financial reports and announcements • General meetings	• Transparency in communicating information and updates on business performance and initiatives	• Provide transparent communication through announcements

OUR APPROACH TO SUSTAINABLITY (CONT'D)

MATERIAL MATTERS

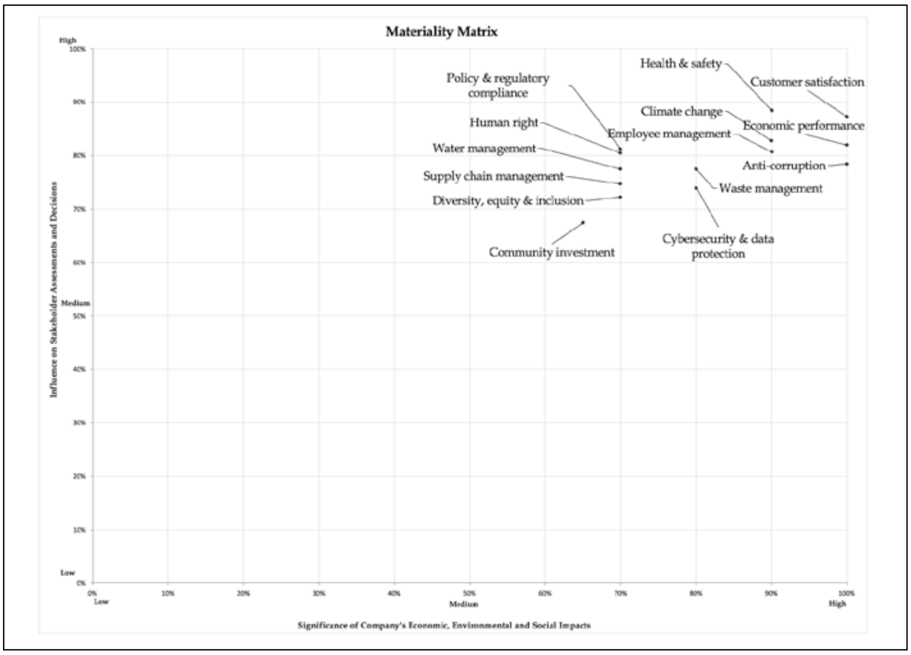
As an organisation, we recognise that our material issues can directly and indirectly affect our ability to generate long-term value for our stakeholders. These material matters significantly influence our business strategy and guide our decisions regarding the allocation of resources to address sustainability issues that are deemed important to our stakeholders and our business.

We periodically update the assessment to ensure it remains current, accurate, reflective, and relevant to our businesses. This helps us to align our strategy and day-to-day operation with business needs and create long-term sustainable value to stakeholders.

This year, we conducted an internal assessment, a limited-scale materiality review to prioritise and rank material matters relevant to our businesses and stakeholders. Moving forward, we intend to conduct a more comprehensive materiality assessment, engaging with key stakeholders, and we aim to publish the results in our next report.

- **Review of material matters** - conducted cross-functional deliberation sessions on and reviews of the sustainability matters.
- **Stakeholder engagement** - Engageed with key internal and external stakeholders identified to understand needs and expectations with reference to material matters.
- **Impact assessment** - Prioritised the sustainability matters from a business perspective, with representatives from various business functions.
- **Consolidation** - Consolidated results were tabulated, analysed and presented in the Materiality Matrix.
- **Review and approval** - Upon finalisation of the materialility assessment, it was presented to the Board of Directors for approval

MATERIAL MATRIX



OUR APPROACH TO SUSTAINABLITY (CONT'D)

RISK MANAGEMENT

SWS's unwavering dedication to risk management is a foundational element in ensuring our long-term viability and building stakeholder confidence, while concurrently fostering a lasting positive impact.

We have implemented a robust system encompassing risk management and internal control, extending beyond financial controls to include operational and compliance controls. This comprehensive approach to risk management and internal control is an ongoing and coordinated process aimed at minimising the likelihood of fraud and error, while also managing, rather than eliminating, the risk of failing to achieve our business objectives.

Material Matters	Risks	Opportunities
Economic Performance	Poor financial performance jeopardises business continuity and loss of investment opportunity	Sustainable financial performance attracts investors and generate long-term value for all stakeholders
Customer Satisfaction	Failing to meet customers' expectations undermines customer confidence and loyalty, ultimately resulting in lower revenue	Satisfied customers foster loyalty and promote repeat orders
Anti-Corruption	Corruption may tarnish the reputation, result in financial losses and reduced competitiveness	Strong governance to combat corruption enhances credibility and gains competitive edge
Cybersecurity & Data Protection	Cyberattacks can lead to unauthorised access, theft, or exposure of sensitive data, resulting in financial losses, loss of trade secrets and proprietary information, legal liabilities, and reputational damage	Robust cybersecurity measures build trust and confidence among customers, investors, and partners, enhancing the organisation's reputation and brand value
Supply Chain Management	Dependence on a limited number of suppliers or single sourcing increases the risk of supply disruptions, quality issues, and price volatility, leaving the organisation vulnerable to changes in supplier behaviour or market conditions	Building collaborative relationships with suppliers based on trust, transparency, and mutual benefit fosters innovation, knowledge sharing, and joint problem-solving, leading to improved product quality, cost savings, and competitive advantage
Human Right	Violations of human rights, such as labour exploitation, discrimination, or unsafe working conditions, can tarnish the organisation's reputation, leading to loss of trust among stakeholders, negative public perception and legal liabilities	Demonstrating a commitment to human rights principles and ethical practices enhances the organisation's reputation, builds trust with stakeholders, and attracts socially conscious consumers, investors, and partners.
Health & Safety	Failure to address health and safety hazards can lead to workplace accidents, injuries, and fatalities, resulting in human suffering, legal liabilities, and financial losses	Prioritising health and safety fosters a culture of care, trust, and mutual respect, enhancing employee morale, motivation, and engagement

SUSTAINABILITY REPORT
(CONT'D)

OUR APPROACH TO SUSTAINABLITY (CONT'D)

RISK MANAGEMENT (cont'd)

Material Matters	Risks	Opportunities
Employee Management	Difficulty in attracting and retaining skilled employees can hinder business growth and innovation, leading to competitive disadvantages.	Engaged employees are more productive, committed, and loyal, leading to higher levels of job satisfaction, retention, and organisational success
Diversity, Equity & Inclusion	Exclusionary practices or cultures can lead to feelings of alienation and disengagement among employees from underrepresented groups, hindering collaboration, innovation, and productivity	Embracing diversity and equity fosters a culture of inclusion where employees feel empowered to contribute diverse perspectives and ideas, driving innovation and creativity
Community Investment	Failure to address social issues, economic disparities, and community grievances may fuel social unrest, civil unrest, protests, and community opposition, posing operational disruptions, reputational damage, and regulatory scrutiny	Strategic community investment initiatives, philanthropic donations, and social programs enable organisations to address social challenges, support underserved communities, and create positive social impact, contributing to poverty alleviation, education, healthcare, and sustainable development goals
Climate Change	Increasing government regulations aimed at reducing greenhouse gas emissions and mitigating climate change may require corporations to invest in costly emission reduction measures or face fines and penalties for non-compliance Climate change-related disruptions, such as extreme weather events or resource shortages, can disrupt supply chains, increase production costs, and lead to delays in product delivery, affecting business operations and profitability	Corporations that demonstrate environmental stewardship and sustainability leadership can differentiate themselves in the market, enhance brand reputation, and attract environmentally conscious consumers and investors
Water Management	Limited availability of water resources due to droughts, climate change, and overexploitation poses operational risks, supply chain disruptions, and increased competition for water resources, particularly in water-stressed regions	Implementing water conservation measures, water-saving technologies, and sustainable water management practices, enhances water efficiency, reduces water consumption, and minimises water-related costs and risks
Waste Management	Non-compliance with waste management regulations, environmental laws, and health and safety standards may result in fines, penalties, legal liabilities, and reputational damage for the organisation	Implementing waste reduction, recycling, and proper waste disposal initiatives enables the organisation to recover valuable materials, conserve natural resources, reduce raw material costs, and minimise environmental impact, while promoting circular economy principles.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)")

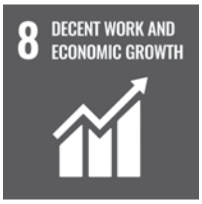
In September 2015, all 193 United Nations member states adopted "Agenda 2030," a plan aimed at addressing the world's key environmental, social, and economic challenges over the next 15 years. The agenda includes 17 goals, and 169 targets focused on issues like economic inclusion, geopolitical instability, resource depletion, environmental degradation, and climate change. Malaysia is committed to this agenda through its SDG Roadmap.

We fully support the SDGs and recognise their strategic importance to both our business and the world. As part of our long-standing commitment to ethical corporate citizenship and sustainability, we have established programs that align with these goals. While all the SDGs are relevant to our operations, we are already making significant contributions to many of them.

ECONOMICAL SUSTAINABILITY

ECONOMIC PERFORMANCE

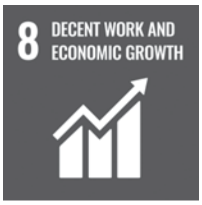
Related UNSDGs:



At SWS, our business success is driven by our commitment to generating lasting value for our stakeholders. Through financial growth, we create job opportunities, foster entrepreneurship, contribute to government revenues, and enhance local supply chains. We accomplish this by maintaining a strong presence in our key markets, leveraging cutting-edge technologies, tapping into the expertise of our employees to address changing consumer needs, and seeking new market expansion opportunities.

In FYE 2024, SWS reported a total revenue of RM 121.2 million and consistently generates values for our stakeholders.

CUSTOMER SATISFACTION



Customer satisfaction and loyalty are fundamental to SWS's long-term success. We actively engage with our customers through various communication channels, such as in-person meetings, emails, and our website, to gather valuable feedback and ensure that our products and services consistently meet high standards.

We believe that customer insights play a vital role in driving innovation and continuous improvement. By listening to their needs and expectations, we refine our processes and enhance our offerings to remain competitive. Maintaining open and transparent communication allows us to strengthen relationships, improve service quality, and deliver a better overall customer experience.

ECONOMICAL SUSTAINABILITY (CONT'D)

CUSTOMER SATISFACTION (CONT'D)

Product & service quality & safety

At SWS, product and service quality, along with safety, are fundamental to our corporate values. Our success is built on consistently delivering reliable and high-quality products that earn the trust and confidence of our customers. To maintain these high standards, we implement a comprehensive quality and safety approach across our entire value chain, from production to delivery.

As part of our commitment to excellence, SWS has achieved ISO 9001:2015 certification, specifically for the manufacturing of plastic injection-moulded products. This certification, accredited by a reputable third-party auditor, reflects our dedication to stringent quality management and continuous improvement. By adhering to the ISO 9001:2015 framework, we ensure that our processes remain efficient, effective, and customer focused.

Certificate of Registration

This is to certify that the

QUALITY MANAGEMENT SYSTEM

of

EE-LIAN PLASTIC INDUSTRIES (M) SDN. BHD.

for

Manufacture of Plastic Injection Moulded Products

has been assessed and registered against the provisions of

ISO 9001:2015

International Standard

Our commitment to quality and safety extends to all our product categories:

- Furniture Products: We conduct rigorous structural testing, including Stability, Leg Strength, Load, and Tip tests, to ensure durability and compliance with the safety standards of US and European markets. Additionally, our packaging meets International Safe Transit Association (ISTA) 3A or ISTA 6A standards, ensuring secure transit for mail-order customers.
- Household Plastic Wares: Beyond aesthetic appeal and functionality, we prioritise consumer safety. Most of our plasticware products are labelled as Bisphenol A (BPA)-free, demonstrating our commitment to health-conscious manufacturing. However, products made from polycarbonate (PC) materials may contain trace amounts of BPA due to their composition. Despite this, all our plasticware adheres to strict safety regulations.
- Industrial Goods: We specialise in manufacturing industrial pails for the paint and lubricant industries, ensuring secure containment and transportation. Additionally, we produce sharps bins, essential for the safe disposal of medical waste in hospitals. Given the strict Ministry of Health regulations governing hospital waste disposal, our sharps bins meet the highest safety and compliance standards.

Our commitment to quality is further reinforced by our BS EN ISO 23907:2012 certification from SIRIM QAS International Sdn Bhd. This certification highlights our expertise in designing and manufacturing sharps containers, ensuring they meet stringent safety requirements.

LESEN PENSIJILAN BARANGAN

Product Certification Licence

Through rigorous testing, internationally recognised certifications, and a commitment to continuous improvement, SWS remains dedicated to delivering high-quality, safe, and reliable products that meet the evolving needs of our customers.

Innovation and Sustainable Materials

Innovation is essential to SWS's long-term success, serving as a proactive approach to addressing societal and environmental challenges while enhancing our product and service offerings to meet evolving customer needs.

ECONOMICAL SUSTAINABILITY (CONT'D)

CUSTOMER SATISFACTION (CONT'D)

Sustainable Wood-Based Furniture Production

Environmental responsibility is a key consideration in our wood-based furniture manufacturing. Malaysia's rich rainforests provide diverse wood resources, and we ensure their sustainable use through a well-managed forestry system that secures a continuous supply of high-quality timber for future generations.

At our manufacturing facility, we primarily use rubberwood, an eco-friendly option sourced from plantations rather than virgin rainforests. Our procurement process prioritises sustainability, with wood materials certified by reputable bodies like the Forest Stewardship Council (FSC). Each wood purchase includes proper certification and chain-of-custody documentation, verifying responsible and legal sourcing.

Beyond solid wood, we integrate wood waste materials like Medium-Density Fiberboard (MDF) and particle board into our production. Blending these materials with solid rubberwood optimises resource efficiency, reduces costs, and upholds product durability and quality.

Our commitment to innovation extends to ready-to-assemble (RTA) furniture, designed for consumer convenience with clear self-assembly instructions, making them ideal for Do-It-Yourself (DIY) enthusiasts. Additionally, we specialise in flat-pack RTA furniture for cabinets, dressers, and TV consoles, maximizing storage and transportation efficiency while maintaining high standards of quality and functionality.

SWS's dedication to ethical and sustainable practices has been recognised with the Business Social Compliance Initiative (BSCI) Certificate, highlighting our commitment to fair labour practices, environmental sustainability, and human rights throughout our supply chain.

Innovation in Household Plastic Wares

SWS offers an extensive range of over 1,300 household plastic products, continuously introducing innovative and eye-catching designs to enhance market appeal. As a leading plastic container supplier, we recognise that design and innovation are crucial in fostering consumer trust and loyalty. By staying ahead of market trends, we ensure our products remain functional, practical, and impactful in daily life.

To reinforce our commitment to eco-friendliness, we actively raise awareness about the sustainable materials used in our plastic wares. In partnership with Milliken (an American specialty chemicals producer) and Lotte Chemical Titan (a Malaysian polymer producer), we incorporate UL-certified materials that reduce processing temperatures. This innovation leads to 10% annual energy savings and lowers carbon dioxide emissions, improving the environmental footprint of our products.

As the first Malaysian producer authorised to display the UL-certified Green Label, we assure customers that our products meet stringent environmental standards through independent third-party audits. By embracing sustainable materials and securing recognised environmental certifications, SWS continues to lead in responsible and eco-conscious manufacturing.

ECONOMICAL SUSTAINABILITY (CONT'D)

ANTI-CORRUPTION

Related UNSDGs:

Ethical business conduct and compliance are at the core of our operations. We are committed to maintaining integrity in all business dealings, ensuring transparency, and safeguarding the interests of our stakeholders. Upholding high ethical standards is essential to fostering trust and confidence among employees, customers, and business partners.

To guide responsible decision-making, we have established a Code of Conduct ("COC") that outlines ethical principles for all employees, including Directors. This framework reinforces our commitment to integrity and responsible business practices. Additionally, our Anti-Corruption & Bribery ("ACB") Policy underscores our zero-tolerance stance on corruption, ensuring compliance with the Malaysian Anti-Corruption Commission (MACC) Act 2009. Regular reviews of these policies help us uphold ethical standards in a dynamic business environment.

All new employees participate in an induction programme where they are introduced to the Group's COC, ACB Policy, and other relevant policies. Similarly, our suppliers are required to align with our ethical guidelines and anti-bribery principles, ensuring responsible conduct throughout the supply chain.

To promote accountability and transparency, we have implemented a whistleblowing channel under our Whistle Blowing Policy and Procedures. This confidential platform allows employees and external stakeholders to report any concerns directly to the Group Managing Director or the Chairperson of the Audit Committee via email or mail.

For ease of access, key policies, including the COC, ACB Policy, and Whistle Blowing Policy and Procedures, are publicly available on our corporate website. Through these initiatives, we remain dedicated to fostering an ethical and responsible corporate culture.

Corruption-related training

We are proud to announce that we have achieved a 100% completion rate for our annual anti-corruption training at the Management, Executive and Non-executive/technical staff levels. This significant milestone underscores our steadfast commitment to nurturing a workplace culture characterised by transparency, integrity, and ethical conduct.

Employee Category	Completion Rate (%) 2024	Completion Rate (%) 2023	Target
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/Technical staff	100%	100%	100%

ECONOMICAL SUSTAINABILITY (CONT'D)

ANTI-CORRUPTION (CONT'D)

Corruption incidents

As of 31 December 2024, we recorded zero incidents of corruption across SWS's business operations.

	2024	2023	Target
Number of complaints of bribery or corruptions reported	Nil	Nil	Nil

CYBERSECURITY & DATA PROTECTION

Related UNSDGs:

As businesses increasingly rely on technology and interconnected systems, the need for strong cybersecurity measures has never been more critical. With cyber threats becoming more sophisticated, organisations must proactively safeguard their data, systems, and overall operations to mitigate risks.

At SWS, we take cybersecurity seriously and ensure that our systems comply with the Personal Data Protection Act 2010 and other relevant national data protection regulations. We implement security measures such as firewalls, access controls, and regular system updates to prevent unauthorised access and protect sensitive information.

To further strengthen our cybersecurity efforts, we conduct regular risk assessments and educate employees on best practices through IT Security Awareness training. This helps ensure that our workforce remains vigilant against potential threats, such as phishing attempts and data breaches.

Additionally, we are committed to responsible data management. We follow strict guidelines to ensure that any personal data collected is handled transparently, securely, and with proper consent. By maintaining these practices, we aim to uphold trust and protect the information of our customers, employees, and stakeholders.

In FYE 2024, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	2024	2023	Target
Number of substantiated complaints concerning breaches in customer privacy or data loss	Nil	Nil	Nil

ECONOMICAL SUSTAINABILITY (CONT'D)

SUPPLY CHAIN MANAGEMENT

Related UNSDGs:

At SWS, trust and integrity form the foundation of our supplier relationships. As a responsible corporate entity in Malaysia, we play a crucial role in strengthening the local economy, particularly by supporting the recovery and growth of small and medium-sized enterprises ("SMEs"). We believe that building long-term, sustainable partnerships with our suppliers contributes to overall community development and economic resilience.

Ethical business practices are at the core of our supply chain management. We hold our suppliers to high standards, expecting them to operate with transparency, fairness, and accountability while aligning with our values in quality, social responsibility, and environmental sustainability.

To ensure efficiency and compliance, we have established structured procurement processes that facilitate responsible sourcing and foster mutual growth between SWS and our suppliers.

Supplier registration and declaration form → **Supplier screening i.e. risk due diligence** → **Award contract term and conditions** → **Annual supplier performance assessment**

Recognising our operational requirements, we prioritise sourcing products and services from local suppliers whenever feasible. We believe that this approach not only minimises the transportation of goods and reduces emissions, contributing to environmental preservation, but also provides local suppliers with opportunities for employment and business growth, thereby strengthening the local economy.

In 2024, our business units allocated 95% of our procurement budget to sourcing from local suppliers in Malaysia. Priority was given to suppliers with a strong track record of reliability, high-quality service, and adherence to agreed delivery schedules. This approach not only strengthens local businesses but also reinforces our commitment to maintaining exceptional standards in quality and service. By fostering long-term, ethical partnerships within Malaysia, we contribute to the nation's economic growth and resilience while ensuring the sustainability of our supply chain.

	2024	2023	Target
Proportion of spending on local suppliers	95%	95%	95%

SUSTAINABILITY REPORT
(CONT'D)

ENVIRONMENTAL SUSTAINABILITY

CLIMATE CHANGE

Related UNSDGs:

The Group recognises the significant impact of our energy consumption and greenhouse gas emissions ("GHG") on climate change. As responsible corporate citizens, we are committed to minimizing our carbon footprint and actively embracing opportunities presented by the transition to a low-carbon economy.

Energy consumption

We are continuously enhancing our energy utilisation and efficiency through a range of initiatives, including:

- Solar energy integartion: At one of our plastic manufacturing plants, we have installed solar panels to generate renewable energy, powering a significant portion of our facility's operations. Solar energy now contributes to 11% of of the total energy usage, reducing our reliance on non-renewable energy sources.

- Energy-efficient equipment: For new capital investments, energy efficiency will be a critical consideration when procuring machinery and equipment. We prioritise selecting equipment that minimises power consumption during manufacturing processes.

- Logistics optimisation: We are focused on optimizing our logistics and transportation operations to reduce the carbon footprint associated with product deliveries. This includes implementing route planning strategies and adopting fuel-efficient vehicles to minimise emissions.

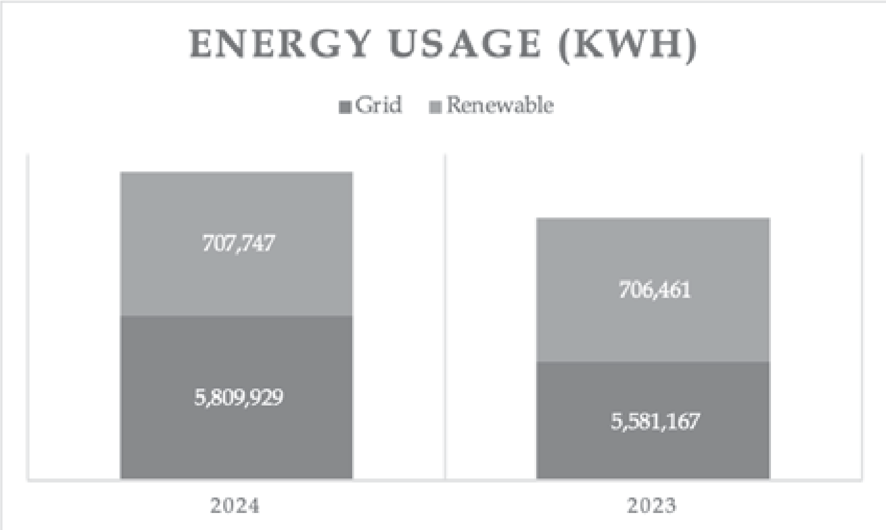
- Sustainable packaging: To reduce waste in product transportation, we shift towards using recyclable and environmentally friendly packaging materials, supporting our commitment to reducing the environmental impact of our operations.

- Energy-efficient office practices: Within our offices, we are replacing traditional lighting systems with LED lights and transitioning to energy-efficient inverter-type air conditioners. We establish lighting schedules, install motion sensors to turn off lights in low-usage areas, and maintain regular checks on electrical equipment to ensure its optimal performance. Additionally, we continue to encourage employees to reduce electricity usage through awareness campaigns and regular reminders.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

CLIMATE CHANGE (CONT'D)

This year, the total energy consumption recorded was 6,517,676 kWh with a slight increase of 4% from FYE 2023.



Carbon emissions

As part of our ongoing efforts to improve environmental sustainability, we have also begun tracking and monitoring GHG emissions. We are in the process of refining our emissions data across all operations and will establish a target once we have a clearer picture of our overall impact. This step is part of our long-term strategy to reduce our carbon footprint and contribute to the global effort to combat climate change.

Total Emissions by Scope (tCO_2-e)	2024
Scope 1 - Direct emissions from sources owned by the Company	412
Scope 2 – Indirect emissions from the electricity consumption from the grid	10
Scope 3 – Indirect emissions for business travel and employee commuting	318

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

WATER MANAGEMENT

Related UNSDGs:

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The growing issue of water scarcity is a significant concern, driven by factors such as climate change, poor water management practices, and contamination. As water shortages and supply interruptions become more common, the Group is committed to mitigating the risk of water scarcity by implementing effective water management strategies throughout all our operations.

While our operations generally do not require heavy water usage compared to other industrial processes, water consumption can vary depending on the scale of operations and specific process requirements. However, we make concerted efforts to optimise water usage and minimise waste through recycling and efficient water management practices. Our commitment to water conservation extends to raising awareness among employees about the importance of responsible water management at all our premises. Key initiatives in this area include:

- Water-efficient Equipment: The use of water-saving machinery and processes, such as low-flow nozzles and water-efficient cleaning systems, has been prioritised to reduce consumption in both manufacturing and maintenance activities.

- Rainwater Harvesting: To supplement our water supply, rainwater harvesting systems have been installed at various facilities to capture and store rainwater for non-potable uses, such as landscape irrigation and equipment cooling

- Leak Detection and Maintenance: We conduct regular inspections to detect leaks in water systems, ensuring that any issues are addressed promptly to prevent wastage and inefficiency.

- Employee Awareness and Training: Ongoing employee education programs are in place to promote responsible water usage, emphasizing the importance of conservation and encouraging best practices.

In FYE 2024, the Group consumed 66,820 litres of water, representing a reduction of 13% against the FYE 2023 baseline.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

WASTE MANAGEMENT

Related UNSDGs:

At SWS, we place great emphasis on responsible waste management as a critical aspect of mitigating our environmental impact and positively contributing to the communities in which we operate. Our diverse range of operations generates various types of waste, including hazardous materials and non-hazardous waste, such as domestic and recyclable materials. Proper waste disposal is essential, as neglecting this responsibility could lead to significant environmental damage, including compromised air and water quality, soil contamination, and increased exposure to hazardous substances for both our employees and surrounding communities. Given the potential severity of these consequences, it is vital that we proactively adopt and implement measures to ensure responsible waste management practices across all areas of our operations.

To enhance waste management and reinforce our commitment to sustainability, the Group has implemented comprehensive procedures aimed at maximising the reuse and recycling of waste materials. Our manufacturing facilities in Bukit Minyak, Penang, house dedicated recycling departments that actively process plastic waste generated during production. By systematically collecting, sorting, and repurposing this waste, we are able to reintegrate recycled materials into our manufacturing processes, significantly reducing reliance on virgin plastic raw materials.

For non-recyclable waste, proper handling and disposal are essential to ensure environmental compliance and sustainability. Plastic scraps generated from moulding, cutting, and assembly processes, as well as wood offcuts and sawdust from furniture production, must be managed efficiently to minimise waste. Additionally, used lubricants and adhesives from machinery maintenance require appropriate disposal methods to prevent environmental contamination.

Furthermore, paints, coatings, and chemical-based finishing materials, along with their containers, must be handled responsibly. These materials should be collected and disposed of through licensed waste collectors at designated facilities, ensuring full compliance with environmental regulations. By implementing stringent waste management practices, the Group remains committed to reducing its environmental impact and upholding sustainability standards across all operations.

Managing these wastes is a critical part of our environmental responsibility. We are committed to implementing effective measures to mitigate any potential environmental impact associated with the disposal of these materials. In compliance with local regulations and guidance set by the Department of Environment ("DOE"), SWS works with licensed waste management service providers to ensure the proper disposal of non-recyclable waste.

SUSTAINABILITY REPORT
(CONT'D)

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

WASTE MANAGEMENT (CONT'D)

In addition, our waste management strategy incorporates several key initiatives aimed at minimising waste generation and ensuring proper disposal and recycling:

- Adopting Lean Manufacturing Practices: We implement lean practices to reduce overproduction and minimise waste generated in the production process can lead to improved waste management. This includes reducing excess raw materials, optimising machine operations, and ensuring more efficient production schedules.

- Employee Engagement: We educate and train employees on the importance of waste reduction, segregation, and recycling can help create a more sustainable working environment. Regular awareness campaigns and training programs help to instill best practices in waste management across the entire workforce.

By implementing these strategies, we can effectively reduce our environmental impact and contribute to a circular economy. In our administrative offices, we also promote various sustainability initiatives, including encouraging employees to use electronic methods for document sharing and storage to minimise the need for printing and photocopying. We also advocate for double-sided printing to conserve paper and prioritise the recycling and reuse of office furnishings and fixtures. Waste segregation will be implemented throughout our offices with designated bins to facilitate efficient sorting and disposal, further supporting our commitment to sustainability.

	2024 MT
Total waste directed to disposal	79
Total waste diverted from disposal	20
Total waste directed to disposal	59

SOCIAL SUSTAINABILITY

HUMAN RIGHT

Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH

SOCIAL SUSTAINABILITY (CONT'D)

HUMAN RIGHT (CONT'D)

The Group is committed to safeguarding the rights and well-being of all employees, acknowledging their vital role in our continued success. We strive to cultivate a workplace culture rooted in dignity, respect, and fairness, where every individual feels valued and supported. Our Board and Management team uphold the highest ethical standards, ensuring that our dedication to human rights is embedded in every facet of our operations.

Providing a safe, healthy, and equitable work environment is a top priority. We champion fair and decent work conditions, uphold the right to freedom of association, and promote equal opportunities for all. By fostering a workplace free from discrimination and bias, we reinforce our commitment to inclusivity and employee well-being, laying the groundwork for a supportive and thriving organisation.

A comprehensive review of our policies was conducted to ensure compliance with the updated Minimum Wage Order 2024, which sets the minimum monthly wage at RM1,700, effective 1 February 2025, in Malaysia. This review reaffirmed our commitment to strict compliance with laws, ensuring fair and lawful treatment of all employees.

To maintain high standards of ethical conduct, all employees and external stakeholders are expected to familiarise themselves with and adhere to our COC. This code serves as a guide to ensure professionalism and integrity in every aspect of our operations.

Through these ongoing efforts, we strive to cultivate a workplace that not only meets legal requirements but also reflects our core values of respect, fairness, and integrity. We are committed to continuous improvement in these areas, ensuring that SWS remains a model of ethical conduct and responsibility.

Equal compensation & benefits

We conscientiously evaluate employee compensation and benefits to ensure their welfare and needs are adequately met. Our employment practices strictly adhere to all local labour legislation.

List of employee benefits in SWS:

Leaves	Annual leave, sick leave, hospitalisation leave, marriage leave, maternity leave, paternity leave, compassionate leave, replacement leave and no-pay leave
Insurance	Medical insurance, personal accident insurance and travel insurance
Benefit-in-kind	Motor vehicle benefit in kind

SOCIAL SUSTAINABILITY (CONT'D)

HUMAN RIGHT (CONT'D)

Respecting foreign worker rights

We are committed to ensuring that all foreign workers hired for our operations, including those contracted and subcontracted, are treated with the utmost respect and dignity. We strictly adhere to the labour laws and regulations applicable in each country of operation. In Malaysia, these include the Employment Act, which safeguards employees' rights and prohibits child labour, and Act 446, the Minimum Standards of Housing and Amenities (Amendment) Act 2019, which establishes requirements for the housing and amenities provided to foreign workers. Additionally, we comply with the Occupational Safety and Health Act 1994 (OSHA 1994), which ensures a safe and healthy working environment by setting industry-wide safety standards and employer responsibilities.

Access to grievance mechanisms

We have implemented a comprehensive mechanism designed to receive, document, and resolve complaints or grievances. This mechanism is accessible to all individuals, both within and outside our organisation, who may have concerns regarding potential misconduct or unethical practices. This platform offers a safe and confidential space for people to raise their concerns without fear of retaliation.

Our employees are thoroughly informed about our grievance handling process, which is part of our broader commitment to transparency and accountability. We also ensure that they are well-versed in our Whistle Blowing Policy and Procedures, which empowers them to report any wrongdoing they may witness or be affected by.

Our approach prioritises the swift and effective resolution of any violations of policy or inappropriate behaviour. We take all reports seriously and investigate them thoroughly, ensuring that corrective action is taken when necessary. Furthermore, we are particularly focused on providing accessible remediation and redress mechanisms for victims of human rights violations, ensuring they receive the support and justice they deserve.

Our goal is to uphold a culture of integrity and compliance, striving for zero incidents of socioeconomic non-compliance. Through these efforts, we aim to not only address issues promptly but also continuously improve our processes to prevent any recurrence of such violations. By fostering an environment of trust and accountability, we are committed to maintaining the highest ethical standards and safeguarding the rights and well-being of all individuals involved with our organisation.

	2024	2023	Target
Number of substantiated complaints concerning human rights violations	Nil	Nil	Nil

SOCIAL SUSTAINABILITY (CONT'D)

HEALTH & SAFETY

Related UNSDGs:

At SWS, maintaining a sustainable and safe workplace is a core priority, with employee health and safety at the forefront of our commitments. We are dedicated to eliminating hazardous practices and cultivating a proactive "safety-first" culture across all levels of the organisation.

Health and safety are deeply embedded in our daily operations, ensuring they remain an integral part of our corporate practices. Through the enforcement of stringent safety protocols, we safeguard the physical well-being of our on-site employees while also advocating for mental health awareness. Our goal is to achieve zero workplace fatalities and significantly lower our Lost Time Incident Rate ("LTIR"), reinforcing our commitment to a safe and secure work environment.

Safety-first culture

- Regulatory compliance: SWS adheres strictly to all relevant local laws and regulations governing occupational safety and health, including the Occupational Safety and Health Act 1994 and the Malaysia Employment Act 1955. These legal frameworks form the foundation of our internal Occupational Safety and Health Policy, reinforcing our commitment to fostering a culture of safety and well-being for all employees. The guidelines outlined in these policies are consistently communicated across all levels of the organisation to ensure full compliance and uphold safety standards.

- Personal protective equipment: We ensure that all employees involved in the manufacturing of furniture and plastic wares are provided with the appropriate personal protective equipment ("PPE") to safeguard their health and safety. This includes cut-resistant gloves, safety goggles, safety helmets, hearing protection, steel-toed boots, face shields, and/or dust masks. The protective gear is specifically selected to prevent injury from mechanical hazards, exposure to dust or particulate matter, and the risk of burns from hot surfaces or equipment. All PPE is regularly maintained and replaced as needed to ensure it remains effective, minimising the risk of accidents and maintaining a safe working environment.

- Leadership commitment: Our Management team plays a pivotal role in reinforcing the importance of health and safety. They lead by example, setting the tone for the organisation and actively participating in safety initiatives. This includes hosting regular safety meetings, conducting safety audits, and providing visible leadership and support for all safety-related efforts. Their involvement ensures that safety is embedded in the company's culture and is a key focus of operational practices.

- Positive reinforcement: To continuously improve our occupational safety performance, we have set clear objectives and targets, with ongoing monitoring of key performance indicators ("KPIs"). A structured recognition program has been established to acknowledge employees who consistently follow safety protocols and demonstrate a commitment to maintaining a safe working environment. This positive reinforcement not only motivates employees but also encourages a continuous improvement approach toward workplace safety.

SOCIAL SUSTAINABILITY (CONT'D)

HEALTH & SAFETY (CONT'D)

Safety & health upskilling

We believe that training is a cornerstone of building a safety-conscious workforce. We provide comprehensive safety training to all employees, equipping them with the necessary skills and knowledge to work safely. Training covers a wide array of topics, ranging from basic safety protocols to emergency preparedness, machinery safety, chemical handling, forklift safety and on-the-job training opportunities.

In FYE 2024, 33 employees and contractors participated in safety training programs. This training is complemented by regular safety moments and daily safety inductions. In addition to formal training, employees engage in weekly toolbox meetings where safety hazards and risky behaviours are discussed, keeping safety top of mind.

	2024	2023
Number of employees and contractors trained on health and safety standards	33	144


Fire Safety Training

Forklift Training

Through these efforts, we aim to instill a culture of safety where employees are not only aware of potential hazards but also equipped with the knowledge to mitigate them. Additionally, we have implemented a comprehensive feedback loop to capture employee concerns and suggestions, allowing us to continuously refine our health and safety practices.

Safety & health reporting

We prioritise the health and safety of our employees through vigilant reporting and effective response mechanisms. SWS has established an incident reporting platform that allows employees to confidentially report accidents, near misses, and unsafe conditions. This system ensures that incidents are recorded, investigated, and used as learning opportunities to strengthen safety protocols.

SOCIAL SUSTAINABILITY (CONT'D)

HEALTH & SAFETY (CONT'D)

Safety & health reporting (cont'd)

In FYE 2024, we maintained a focus on transparency in our health and safety reporting, with key metrics closely monitored.

Our highest priority is ensuring the health, safety, and well-being of our employees, a commitment we uphold through diligent oversight and ongoing improvement efforts. The presence of an incident reporting mechanism enables us to record occurrences, leading to the development of mitigation plans and preventive measures aimed at reducing workplace incidents.

	2024	2023	Target
Total hours worked	1,351,915	1,543,720	N/A
Number of fatalities	Nil	Nil	Nil
Number of lost time injuries	Nil	Nil	Nil
LTIR	Nil	Nil	Nil

DIVERSITY, EQUITY & INCLUSION

Related UNSDGs:

Fostering diversity is a fundamental pillar of our workplace culture and a key driver of our success. We understand that diversity is multifaceted, encompassing differences in race, gender, ethnicity, age, religion, cultural background, disabilities, and sexual orientation. By embracing these differences, we cultivate an environment that encourages innovation, enhances problem-solving capabilities, and strengthens our decision-making processes.

Our approach to diversity goes beyond passive acknowledgment, we actively integrate diverse perspectives into our business operations and leadership strategies. This inclusive mindset fosters collaboration, inspires creativity, and empowers employees to contribute meaningfully. By championing diversity, we not only create a more dynamic workplace but also gain a competitive advantage in the industry.

Creating a fair and inclusive work environment remains a top priority for SWS. We are committed to upholding policies that eliminate discrimination, marginalisation, and harassment while ensuring equal opportunities for all employees. Our dedication to equity extends to compensation structures, which are free from gender bias, and to career progression, where performance evaluations and promotions are based strictly on merit and objective criteria.

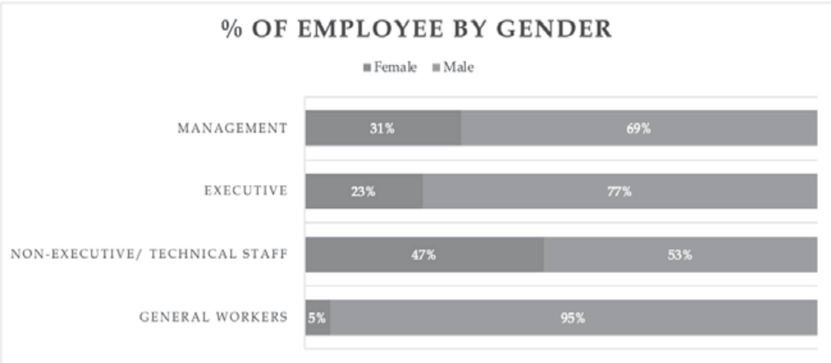
By embedding these principles into our corporate culture, we strive to build a workplace where every individual feels valued, respected, and empowered to succeed. Through our unwavering commitment to diversity, equity, and inclusion, we aim to foster a thriving organisation where both employees and the business can grow together.

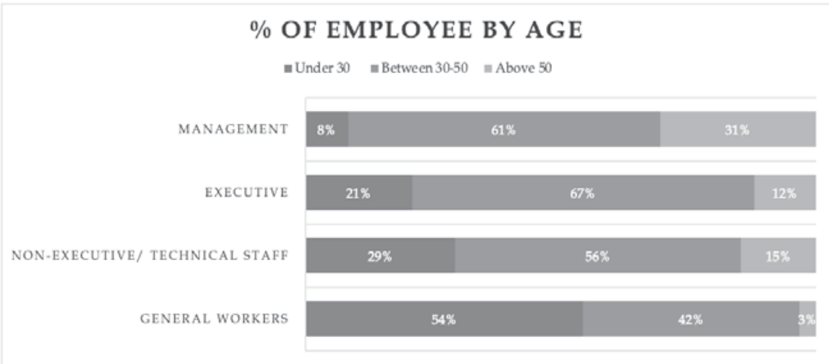
As at 31 December 2024, the total number of employees stood at 603 employees, with 14% being female and the remaining 86% being male. While the gender distribution is reflective of industry norms, particularly in labour-intensive roles traditionally filled by males, we are pleased to report that women make up 33% of our workforce when excluding general labour categories. This reflects our commitment to fostering gender diversity across all levels and roles within the organisation.

SUSTAINABILITY REPORT
(CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)



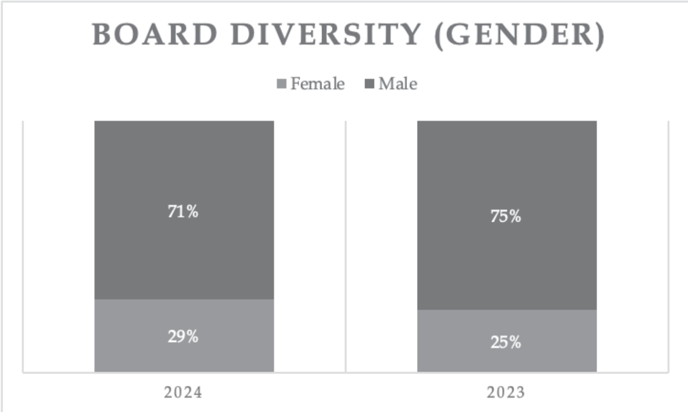


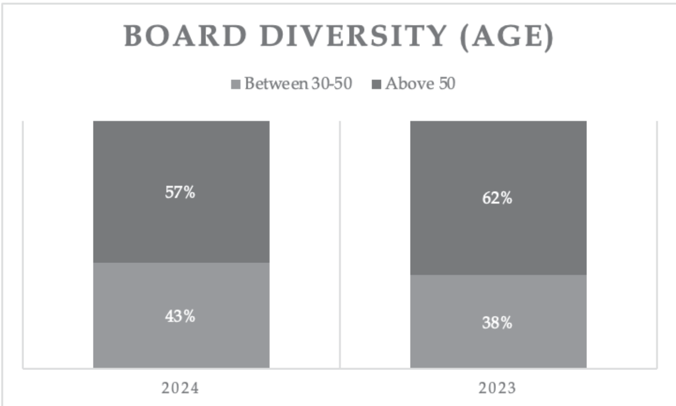
The Nomination and Remuneration Committee is dedicated to fostering a diverse pipeline by ensuring a good mix of individuals with varied experiences and backgrounds, which contributes to enriching the organisation, including its board composition. During the fiscal year under review, SWS had 29% women directors on its board. This composition is almost at the 30% threshold.

The Board has expressed the view that, given the current stage of the Group's business and lifecycle, prioritising the right mix of skills on the Board is more critical than strictly adhering to the 30% threshold outlined in Practice 5.9 of the MCCG. Nevertheless, there remains a strong commitment to achieving gender balance, both in the boardroom and across the Management team and the wider workplace. As part of this ongoing commitment, the Board is actively seeking potential women Directors and intends to appoint additional women Directors as suitable candidates are identified. Furthermore, efforts will be made to explore opportunities for improving gender balance across the organisation, helping to promote a more inclusive and diverse workplace.

SOCIAL SUSTAINABILITY (CONT'D)

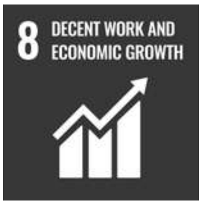
DIVERSITY, EQUITY & INCLUSION (CONT'D)





EMPLOYEE MANAGEMENT

Related UNSDGs:



Our employees are our greatest asset, and their well-being remains a top priority. We believe that a thriving organisation is built on a workforce that feels valued, empowered, and respected.

To support this, we are committed to fostering a safe, inclusive, and healthy work environment where every employee has equal access to resources, benefits, and opportunities for growth. By investing in skill development and career advancement, we not only nurture individual potential but also strengthen our long-term business sustainability.

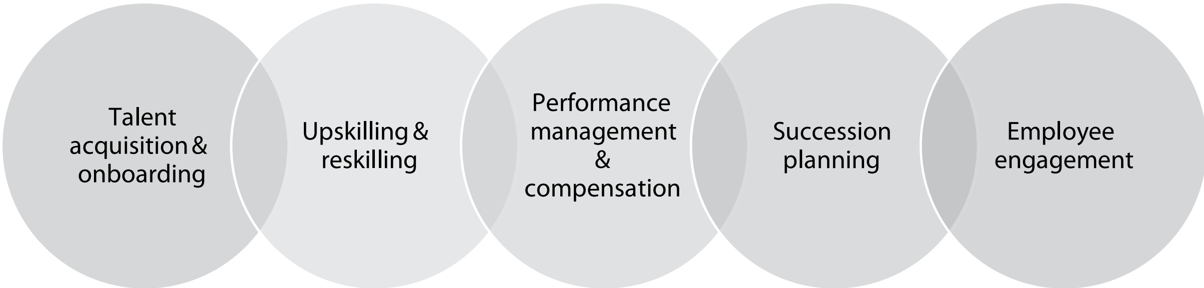
SUSTAINABILITY REPORT
(CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Through these efforts, we aim to cultivate a dynamic workplace where both our people and our Company can continue to grow and succeed together.

Talent Management Framework



Talent acquisition & onboarding

We are committed to fostering the professional growth of our workforce by providing ample opportunities for career advancement within the company. We focus on maximising the potential of our internal talent, ensuring that team members have the resources and support needed to thrive in their roles.

When internal promotion is not feasible, our Human Resources team uses a range of assessment tools and methodologies to conduct a fair and thorough recruitment process. We strive to select candidates whose skills, experiences, and values align with the role requirements and our company's broader objectives, ensuring we attract individuals capable of making a positive impact on our mission.

We ensure that every new hire benefits from a comprehensive and structured onboarding program, which includes personalised one-on-one support to facilitate a seamless transition into the organisation.

Upskilling & reskilling

Empowering our employees to excel is integral to the growth and success of the Group. To support this, we provide continuous learning opportunities that foster both personal and professional development, enabling our workforce to stay ahead in an ever-evolving industry landscape.

In FYE 2024, we remain committed to investing in training and development programmes, utilising both physical and online channels. We spent 1,050 hours on training, both in internal and external learning and development programmes.

Employee Category	Total hours of training 2024	Total hours of training 2023
Management	270	272
Executive	318	512
Non-executive/Technical staff	360	1,048
General workers	102	368
Total	**1,050**	**2,200**

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Upskilling & reskilling (Cont'd)

Employee Category	Average training hours per employee 2024	Average training hours per employee 2023
Management	8	8
Executive	3	9
Non-executive/Technical staff	5	8
General workers	0*	1

* Less than 1 hour

	2024	2023
Overall average training hours per employee (hours)	2	4

Performance management & compensation

We are dedicated to fostering a culture of results-driven performance, accountability, collaboration, and shared success. These core values guide our approach to both individual and team performance, helping us achieve meaningful outcomes, take responsibility for our actions, work cohesively, and celebrate collective accomplishments.

At the start of each year, we ensure clear expectations are set through initial conversations with our employees. We establish KPIs for both the business and individual roles, aligning them with our broader organisational objectives. Our employees' performance is then reviewed annually, allowing us to provide valuable feedback on their contributions and achievements. This ongoing dialogue helps us understand their professional development needs and aspirations for career growth.

We believe in recognising and rewarding outstanding performance. Employees who consistently deliver high-quality results and demonstrate exceptional behaviour are rewarded through bonuses and opportunities for promotion. To ensure our team members are fairly compensated, we regularly assess our remuneration packages, ensuring they are competitive within the industry and aligned with local market standards and practices.

Succession planning

Succession planning for key and leadership roles is a critical element of our long-term strategy and sustainability efforts at SWS. To ensure the continued success of the Group, our Nomination and Remuneration Committee, with support from the Audit Committee, regularly reviews the human resources plan, including the succession management framework and associated activities.

The succession planning process is implemented in stages, with a focus on preparing future leaders through targeted training programs designed specifically for managerial staff. Additionally, we establish clear and detailed job descriptions for each role within the organisation, ensuring that expectations are defined, and future leaders are adequately prepared to step into critical positions. This approach supports a seamless transition and strengthens the Group's ability to maintain continuity and performance.

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Employee engagement

SWS fosters a culture of engagement, inclusion, and well-being by organising a variety of activities that promote team cohesion and celebrate our employees. These activities range from festive season, annual dinner etc. all aimed at enhancing employee morale and creating an environment of unity and camaraderie.

Plasticware Anniversary and Birthday Celebration

Chinese New Year Celebration

Employee retention & attribution

Our attrition rate stood at 19% in FYE 2024. We aim to further reduce this rate by enhancing our salary and reward schemes, developing a robust talent pipeline, and continuing to strengthen our talent development programs. These efforts are designed to foster employee satisfaction and loyalty, ensuring that we retain and nurture top talent within the organisation.

Employee Category	Total numbers of new hires 2024	Total numbers of new hires 2023
Management	3	9
Executive	10	5
Non-executive/Technical staff	8	18
General workers	82	87
Total	**103**	**119**

SOCIAL SUSTAINABILITY (CONT'D)

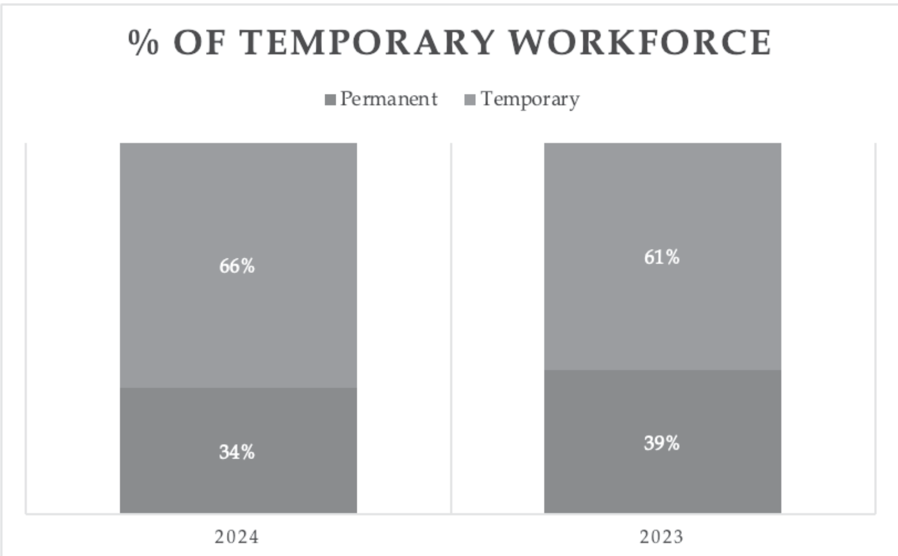
EMPLOYEE MANAGEMENT (CONT'D)

Employee retention & attribution (cont'd)

Employee Category	Total numbers of employee turnover 2024	Total numbers of employee turnover 2023
Management	5	11
Executive	13	9
Non-executive/Technical staff	21	23
General workers	76	65
Total	**115**	**108**

	2024	2023
New hire rates (%)	17%	19%
Turnover rates (%)	19%	18%

Below is an overview of our temporary staffing percentage across various operational regions. Temporary staff, including those on contract, play a crucial role in maintaining our flexibility and responsiveness to market demands. Our employment practices, whether for permanent or temporary staff, ensure fair labour practices and equitable treatment for all employees. This approach allows us to adapt effectively to the needs of the business while maintaining a commitment to the welfare of our workforce.



SOCIAL SUSTAINABILITY (CONT'D)

COMMUNITY INVESTMENT

Related UNSDGs:

10 REDUCED INEQUALITIES

At SWS, we are committed to being a responsible corporate citizen by actively engaging with and supporting the communities in which we operate. Our approach extends beyond conventional business practices, we aim to create a lasting, positive impact by fostering meaningful relationships and promoting social inclusion.

We recognise that strong communities are essential for sustainable success. By supporting local initiatives, driving community development, and encouraging active participation, we strive to improve the well-being of residents and generate a positive ripple effect throughout the region.

Nurturing these connections not only strengthens the communities we serve but also contributes to long-term benefits for our business. Through trust, collaboration, and shared growth, we continue to build a foundation for a more inclusive and sustainable future.

As part of our dedication to community engagement, SWS is proud to contribute RM59,100 worth of monetary donations to support various community activities. Through these efforts, we aim to create a meaningful and lasting impact on individuals and communities in need, reinforcing our dedication to social responsibility and sustainable development. Various charitable organisations such as disability homes, youth centre and others.

	2024	2023
Total amount invested where the target beneficiaries are external to SWS	59,100	34,740
Total number of individual beneficiaries the investment in communities	591	310

Community Engagements

GOVERNANCE SUSTAINABILITY

POLICY & REGULATORY COMPLIANCE

Related UNSDGs:

Adhering to environmental, social, and governance regulations is crucial for ensuring a company's sustainability and long-term success. By proactively complying with these policies, SWS can enhance its competitive advantage, attract socially responsible investors, and expand its market presence. A strong commitment to sustainability and ethical business practices not only sets us apart from competitors but also fosters long-term growth and profitability.

On the other hand, non-compliance with regulations can lead to serious repercussions, including fines, legal actions, and reputational harm. Such consequences could result in financial losses, increased operational costs, and a decline in shareholder value. To mitigate these risks, it is essential to prioritise compliance and stay vigilant in monitoring regulatory changes, ensuring responsible and sustainable business operations.

MOVING FORWARD

At SWS, sustainability is more than just a core value, it is a fundamental principle that influences every aspect of our business. We recognise that adopting sustainable practices is not only a moral responsibility but also a strategic advantage in an increasingly dynamic business landscape. Our commitment to sustainability is deeply embedded in our daily operations, driving us to set new benchmarks for responsible business practices. By integrating sustainability into our business model, we strive to achieve long-term growth while upholding our responsibility to protect the environment and enhance social well-being.

PERFRORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

SWS, as a listed entity, adheres to mandatory ESG disclosure requirements under the Main Market Listing Requirements and the enhanced Sustainability Reporting Guide (3rd Edition). To ensure transparency and accountability in addressing sustainability priorities, the following performance data table, sourced from the ESG Reporting Platform, presents key indicators aligned with our identified Material Matters.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	59,100.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	591
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	8.00
Management Between 30-50	Percentage	61.00
Management Above 50	Percentage	31.00

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024
Executive Under 30	Percentage	21.00
Executive Between 30-50	Percentage	67.00
Executive Above 50	Percentage	12.00
Non-executive/Technical Staff Under 30	Percentage	29.00
Non-executive/Technical Staff Between 30-50	Percentage	56.00
Non-executive/Technical Staff Above 50	Percentage	15.00
General Workers Under 30	Percentage	54.00
General Workers Between 30-50	Percentage	42.00
General Workers Above 50	Percentage	4.00
Gender Group by Employee Category		
Management Male	Percentage	69.00
Management Female	Percentage	31.00
Executive Male	Percentage	77.00
Executive Female	Percentage	23.00
Non-executive/Technical Staff Male	Percentage	53.00
Non-executive/Technical Staff Female	Percentage	47.00
General Workers Male	Percentage	95.00
General Workers Female	Percentage	5.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	38.00
Above 50	Percentage	62.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	6,518.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	33
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	270
Executive	Hours	318
Non-executive/Technical Staff	Hours	360
General Workers	Hours	102
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	66.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	13

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024
Non-executive/Technical Staff	Number	21
General Workers	Number	76
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.070000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	79.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	20.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	59.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	412.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	10.00

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2024
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	318.00

Internal assurance | External assurance | No assurance | (*)Restated

OTHER
DISCLOSURE REQUIREMENTS

The information set out below are disclosed in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

AUDIT AND NON-AUDIT FEES

The fees payable to the External Auditors in relation to the audit and non-audit services rendered to the Company and the subsidiaries ("Group") for the financial year ended 31 December 2024 ("FYE 2024") are as follows:

	The Company (RM)	The Group (RM)
Audit fees	38,000	190,500
Non-audit fees	5,000	5,000

MATERIAL CONTRACTS

The Group and Company has not entered into any material contracts with any Directors or substantial shareholders of the Group and Company nor any persons connected to a Director or major shareholder of the Group and Company during the financial year:

RELATED PARTY DISCLOSURE

There were no recurrent related party transactions ("RRPT") of a revenue or trading nature for FYE 2024.

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DIRECTORS' REPORT

The Directors of **SWS CAPITAL BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(3,500)	404
Attributable to:		
Owners of the parent	(3,500)	404

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

DIRECTORS' REPORT
(CONT'D)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no bad debts to be written off and that provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or render amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai
Dato' Chua Heok Wee*
Chua Kang Sing*
Dato' Seri Simon Toh Boon Wan
Koay Hooi Lynn
Liu Tian Khiew
Ong Peng Teng
Dato' Teoh Han Chuan (Resigned on 20 January 2025)
Dr. Loh Yee Feei (Resigned on 19 February 2024)

The Directors of the subsidiary in the office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Soon Ping
Heng Lih Jiun
Tan Kean Aik

* Director of the Company and of its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary company and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors at financial year end according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	01.01.2024	**Bought**	**Sold**	**31.12.2024**
Interest in the Company				
Direct interests				
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	15,173,525	8,419,100	-	23,592,625
Dato' Teoh Han Chuan	11,125,000	-	(500,000)	10,625,000
Dato' Chua Heok Wee	2,181,856	-	-	2,181,856
Dato' Seri Simon Toh Boon Wan	2,941,300	986,800	-	3,928,100

	Number of ordinary shares			
	01.01.2024	**Bought**	**Sold**	**31.12.2024**
Indirect interests				
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai #	2,987,988	-	-	2,987,988
Dato' Teoh Han Chuan #	1,536,250	-	(1,536,250)	1,036,250
Dato' Chua Heok Wee *	82,940,000	12,755,100	-	95,695,100
Chua Kang Sing *	82,940,000	12,755,100	-	95,695,100
Dato' Seri Simon Toh Boon Wan ^	3,590,500	-	-	3,590,500

Deemed interest by virtue of shares held by spouse/children.
* Deemed interest by virtue of the shareholding in Muar Ban Lee Group Berhad.
^ Deemed interest by virtue of the shareholding in Tiger Mark Sdn. Bhd..

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration of the Group and of the Company for the financial year are as follows:

	Group RM'000
Executive Directors:	
Salaries and other emoluments	1,284
Social security contributions	5
Defined contribution plans	101
Estimated money value of benefits-in-kind	28
	1,418

DIRECTORS' REPORT
(CONT'D)

	Group RM'000	Company RM'000
Non-executive Directors:		
Fees	364	364
Other emoluments	27	27
	391	391

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM10,000,000 and RM8,700 respectively. No indemnity was given to or insurance effected for auditors of the Company.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 31 December 2024 are as follow:

	Group RM'000	Company RM'000
Auditors' remuneration:		
Statutory audits	191	38
Non-statutory audits	5	5
	196	43

AUDITORS

The auditors, Morison LC PLT have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in
accordance with a resolution of the Directors,

DATO' CHUA HEOK WEE

CHUA KANG SING

Petaling Jaya,
17 April 2025

STATEMENT BY DIRECTORS

The Directors of **SWS CAPITAL BERHAD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in
accordance with a resolution of the Directors,

DATO' CHUA HEOK WEE

CHUA KANG SING

Petaling Jaya,
17April 2025

DECLARATION BY THE DIRECTOR **PRIMARILY RESPONSIBLE** FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **DATO' CHUA HEOK WEE**, the Director primarily responsible for the financial management of **SWS CAPITAL BERHAD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' CHUA HEOK WEE

Subscribed and solemnly declared by the abovenamed **DATO' CHUA HEOK WEE** at **PETALING JAYA** in the State of **SELANGOR DARUL EHSAN** on 17th day of April, 2025.

Before me,

No. B519
CHUA FONG LING

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SWS CAPITAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SWS CAPITAL BERHAD,** which comprise the statement of financial position as at 31 December 2024 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 110 to 196.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities' and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Valuation of inventories As at 31 December 2024, the Group's inventories totalling RM33,531,000 and representing 16% of the Group's total assets, comprised raw material, work-in-progress, and finished goods. In determining the valuation of inventories, management employed significant judgements and estimates, particularly in relation to the determination of standard costing allocations for labour and overhead costs, the estimation of net realisable value, and the assessment of the saleable condition of the inventories. The valuation of inventories is considered a key audit matter due to its material significance within the consolidated financial statements and the inherent complexity associated with the subjective judgements and estimates utilised by management. Refer to Notes 3, 4 and 18 to the financial statements for the Group's accounting policies on inventories, key sources of estimation uncertainty and related disclosure.	Audit procedures, amongst others, included the following: (i) Obtained an understanding of the inventory valuation process through detailed discussions with management. This included an examination of the methodologies adopted for costing and net realisable value determinations, as well as testing the input data and management's underlying assumptions on the standard costing allocations for labour, overhead costs and the saleable condition of the inventories; (ii) Assessed the appropriateness of the costing methodologies applied by reviewing the underlying assumptions, including review of raw material pricing, labour rates, and overhead cost allocations; (iii) Inspected supporting documents to verify the accuracy of the inventory costing. This involved comparing the unit cost of raw materials to corresponding purchase transactions and recalculating the allocations for both labour and overhead costs; (iv) Conducted physical inventory observations on a sampling basis to verify the condition of inventory items and to identify any that were damaged, obsolete, or slow-moving; and

INDEPENDENT AUDITORS' REPORT
(CONT'D)

Key audit matters	How the matter was addressed in the audit
	(v) Tested management's estimates of net realisable value by comparing unit costs to the selling price less cost to sell for subsequent sales transactions and by assessing the need for provisions related to obsolete or slow-moving stock.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error. In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The financial statements of SWS Capital Berhad for the financial year ended 31 December 2023 were audited by another auditors who expressed an unqualified opinion on these financial statements on 23 April 2024.

(b) This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LIM KAI JIE
03726/04/2027 J
Chartered Accountant

Petaling Jaya,
17 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	6	121,199	123,581	-	384
Cost of sales		(103,793)	(100,405)	-	-
Gross profit		17,406	23,176	-	384
Other operating income		5,598	992	1,219	1,016
Administrative expenses		(15,098)	(16,187)	-	(1,516)
Selling and distribution expenses		(6,361)	(4,989)	-	-
Other expenses		(1,300)	(4,033)	(671)	(5,820)
Net losses on impairment of financial assets	7	(646)	(428)	-	-
(Loss)/Profit from operation		(401)	(1,469)	548	(5,936)
Finance costs	8	(2,116)	(2,262)	-	-
(Loss)/Profit before tax	9	(2,517)	(3,731)	548	(5,936)
Taxation	11	(983)	(2,636)	(144)	(245)
(Loss)/Profit for the financial year		(3,500)	(6,367)	404	(6,181)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss, net of income tax					
Revaluation of lands and buildings		7,221	5,598	-	-
Total comprehensive income/(loss) for the financial year		3,721	(769)	404	(6,181)
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(3,500)	(6,613)	404	(6,181)
Non-controlling interests		-	246	-	-
		(3,500)	(6,367)	404	(6,181)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the parent		3,721	(1,015)	404	(6,181)
Non-controlling interests		-	246	-	-
		3,721	(769)	404	(6,181)
Loss per share					
Basic loss per share (sen)	12	(1.16)	(2.37)		
Diluted loss per share (sen)	12	(1.16)	(2.37)		

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Asset					
Property, plant and equipment	13	25,973	28,215	-	-
Investment properties	14	15,730	2,305	-	-
Investment in subsidiary companies	15	-	-	62,196	62,196
Right-of-use assets	16	69,645	82,824	-	-
Total Non-Current Assets		111,348	113,344	62,196	62,196
Current Assets					
Other investments	17	2,120	2,050	2,120	2,050
Inventories	18	33,531	44,333	-	-
Trade receivables	19	25,736	24,261	-	-
Other receivables	20	2,810	2,732	1	1
Amount due from subsidiary companies	21	-	-	27,294	25,468
Tax recoverable		3,232	1,952	61	-
Deposit, cash and bank balances	22	20,591	22,651	8,726	10,326
		88,020	97,979	38,202	37,845
Assets held for sale	23	5,590	-	-	-
Total Current Assets		93,610	97,979	38,202	37,845
TOTAL ASSETS		204,958	211,323	100,398	100,041

STATEMENT OF FINANCIAL POSITION
(CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	133,181	133,181	133,181	133,181
Revaluation reserve	25	31,880	25,374	-	-
Accumulated losses		(14,437)	(11,652)	(32,942)	(33,346)
Total Equity		150,624	146,903	100,239	99,835
Non-Current Liabilities					
Loans and borrowings	28	7,967	8,454	-	-
Lease liability	29	2,199	3,258	-	-
Deferred tax liabilities	30	4,900	4,492	-	-
Total Non-Current Liabilities		15,066	16,204	-	-
Current Liabilities					
Loans and borrowings	28	22,648	27,798	-	-
Lease liabilities	29	1,568	1,671	-	-
Trade payables	31	8,990	12,856	-	-
Other payables	32	6,062	5,825	159	162
Tax payable		-	66	-	44
Total Current Liabilities		39,268	48,216	159	206
TOTAL LIABILITIES		54,334	64,420	159	206
TOTAL EQUITY AND LIABILITIES		204,958	211,323	100,398	100,041

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the parents					
	Non-distributable					
	Share capital RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group						
2024						
At beginning of financial year	133,181	25,374	(11,652)	146,903	-	146,903
Loss for the financial year	-	-	(3,500)	(3,500)	-	(3,500)
Other comprehensive income for the year:						
Revaluation of lands and buildings	-	7,221	-	7,221	-	7,221
Total comprehensive income/(loss) for the year	-	7,221	(3,500)	3,721	-	3,721
Realisation of revaluation surplus upon depreciation	-	(715)	715	-	-	-
At end of financial year	133,181	31,880	(14,437)	150,624	-	150,624

STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the parents								
	Non-distributable								
	Share capital RM'000	Other reserve RM'000	Warrant reserve RM'000	Share - based payment reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
2023									
At beginning of financial year	125,973	(68,816)	68,816	793	20,432	(6,296)	140,902	350	141,252
(Loss)/Profit for the financial year	-	-	-	-	-	(6,613)	(6,613)	246	(6,367)
Other comprehensive income for the year:									
Revaluation of lands and buildings	-	-	-	-	5,598	-	5,598	-	5,598
Total comprehensive income/(loss) for the year	-	-	-	-	5,598	(6,613)	(1,015)	246	(769)
Realisation of revaluation surplus upon depreciation	-	-	-	-	(656)	656	-	-	-

STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the parents								
	Non-distributable								
	Share capital RM'000	Other reserve RM'000	Warrant reserve RM'000	Share - based payment reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners:									
Changes in equity interests of subsidiary companies (Note 15)	-	-	-	-	-	(192)	(192)	(595)	(788)
Issuance of ordinary shares pursuant to the Private Placement (Note 24)	7,208	-	-	-	-	-	7,208	-	7,208
ESOS lapsed (Note 27)	-	-	-	(793)	-	793	-	-	-
Warrants expired (Note 26)	-	68,816	(68,816)	-	-	-	-	-	-
At end of financial year	133,181	-	-	-	25,374	(11,652)	146,903	-	146,903

STATEMENT OF CHANGES IN EQUITY
(CONT'D)

	Non-distributable		
	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
2024			
At beginning of financial year	133,181	(33,346)	99,835
Profit for the financial year, representing total comprehensive income for the financial year	-	404	404
At end of financial year	133,181	(32,942)	100,239

STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Non-distributable					
	Share capital RM'000	Other reserve RM'000	Warrant reserve RM'000	Share - based payment reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company						
2023						
At beginning of financial year	125,973	(68,816)	68,816	793	(27,498)	99,268
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(6,181)	(6,181)
Transactions with owners:						
Issuance of ordinary shares pursuant to the Private Placement (Note 24)	7,208	-	-	-	-	7,208
ESOS lapsed (Note 27)	-	-	-	(793)	333	(460)
Warrants expired (Note 26)	-	68,816	(68,816)	-	-	-
At end of financial year	133,181	-	-	-	(33,346)	99,835

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax	(2,517)	(3,731)	548	(5,936)
Adjustments for:				
Dividend income from other investments	(12)	(11)	(12)	(11)
Fair value gain on investment properties	(1,397)	(40)	-	-
Fair value gain on other investments	(57)	(39)	(57)	(39)
Finance costs	2,116	2,262	-	-
Unrealised foreign exchange (gain)/loss	(80)	122	-	-
Gain on disposal of:				
Property, plant and equipment	(1,984)	(53)	-	-
Right-of-use assets	-	(97)	-	-
Impairment losses on:				
Investment in subsidiary companies	-	-	-	5,820
Property, plant and equipment	591	3,357	-	-
Right-of-use assets	448	309	-	-
Trade receivables	701	468	-	-
Interest income	(343)	(274)	(1,149)	(966)
Inventories written off	2,089	326	-	-
Loss on modification of lease terms	-	6	-	-
Property, plant and equipment:				
Depreciation	3,922	4,613	-	-
Written off	6	-	-	-

STATEMENT OF CASH FLOWS
(CONT'D)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reversal of impairment losses on trade receivables	(55)	(40)	-	-
Reversal of impairment losses on property, plant and equipment	(115)	-	-	-
Amortisation of right-of-use assets	2,907	2,840	-	-
Operating profit/(loss) before working capital changes	6,220	10,018	(670)	(1,132)
Changes in working capital:				
Amount due from subsidiary companies	-	-	(177)	(267)
Inventories	8,714	3,710	-	-
Trade and other receivables	(2,246)	(3,612)	-	-
Trade and other payables	(3,509)	3,067	(4)	(2)
Net cash generated from/(used in) operations	9,179	13,183	(851)	(1,401)
Tax paid	(2,408)	(3,186)	(249)	(260)
Tax refunded	14	1,438	-	-
Net cash from/(used in) operating activities	6,785	11,435	(1,100)	(1,661)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of:				
Other investments	-	(2,000)	-	(2,000)
Property, plant and equipment	(1,500)	(2,289)	-	-
Right-of-use assets	(588)	(7,668)	-	-
Advances to subsidiary companies	-	-	(1,649)	(3,699)
Changes in ownership interests in subsidiary companies	-	(788)	-	-
Interest received	343	275	1,149	966
Proceeds from disposal of:				
Property, plant and equipment	3,116	434	-	-
Right-of-use assets	-	317	-	-
Placement of pledged fixed deposits	-	(1,025)	-	-
Net cash from/(used in) investing activities	1,371	(12,744)	(500)	(4,733)

STATEMENT OF CASH FLOWS
(CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES				
Interest paid	(2,116)	(2,262)	-	-
Issuance of ordinary shares pursuant to the Private Placement	-	7,208	-	7,208
Proceeds from term loans	-	5,457	-	-
Repayment of bankers' acceptance	(4,522)	(5,340)	-	-
Repayment of lease liabilities	(2,540)	(1,980)	-	-
Repayment of term loans	(709)	(2,253)	-	-
Net cash (used in)/from financing activities	(9,887)	830	-	7,208
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,731)	(479)	(1,600)	814
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	15,231	15,740	10,326	9,512
Effect of foreign transaction differences on cash and cash equivalents	6	(30)	-	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 22)	13,506	15,231	8,726	10,326

The notes to the financial statements form an integral part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located PTD 6001, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Batu 8, 84200 Muar, Johor Darul Takzim.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 15.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 17 April 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amended MFRSs

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	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

The adoption of these amendments to MFRSs did not have any significant impact on the financial statements of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

Amendments to MFRS 121	Lack of Exchangeability[1]
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11[2]
MFRS 18	Presentation and Disclosure in Financial Statements[3]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2025.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.
[4] Deferred to a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of these standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost unless otherwise indicated in the accounting policy information below.

Functional and presentation currency

Items included in the financial statements of the Group and of the Company are measured using the currency of the primary economic environment is which the Group and the Company operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency. All financial information presented in RM has been rounded to the nearest RM'000.

Basis of consolidation

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

A business combination involving entities under common control is a business combination in which all the combining subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiary companies are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combine are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between the carrying value of the investment in subsidiary companies and the share capital of the Company's subsidiary companies is taken to merger reserve.

Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses.

Goodwill on consolidation

Goodwill arising from business combination represents the excess of cost of acquisition over the Group's interest in the fair value of the acquiree's identifiable assets and liabilities and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

Property, plant and equipment

Property, plant and equipment are measured at cost/valuation less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated.

Other property, plant and equipment are depreciated on straight-line basis over its estimated annual depreciation rates of the assets, as follows:

Freehold buildings	2%
Renovation and electrical installation	10% - 20%
Plant, machinery and equipment	10%
Motor vehicles	10% - 20%
Other assets #	10% - 20%

Other assets comprise of office equipment, furniture and fittings, computers, air-conditioners and signboard.

Lands and buildings are measured at revalued amount, being the fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting year.

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the plant and equipment.

Leases - as lessee

The right of use ("ROU") asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. Leasehold land, leasehold buildings and land use rights are amortised on a straight-line basis over the remaining lease term. The estimated annual depreciation rates of other ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Over the remaining lease period
Leasehold buildings	2%
Plant, machinery and equipment	10%
Motor vehicles	20%
Office equipment	10%
Premises	Over the lease period

Lands and buildings are measured at revalued amount, being the fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting year.

The ROU assets are subject to impairment.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased.

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date.

Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw materials comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods and work-in-progress consist of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Revenue and other income recognition

Revenue is recognised when or as performance obligation in the contract with customer is satisfied, i.e, when the "control" of the good or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

The Group and the Company recognise revenue from the following major sources:

(a) Sales of furniture

Revenue from sales of furniture usually includes the manufacturing and trading of various types of furniture. Revenue is recognised at a point in time when the transfer of control of the completed goods has been passed to the buyer, generally on the delivery of the goods.

In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised when there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sales of plastic

Revenue from sales of plastic ware usually includes the manufacturing and trading of various types of plastic products. Revenue is recognised at a point in time when the transfer of control of the completed goods has been passed to the buyer, generally on the delivery of the goods.

In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised when there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Rental income

Rental income is recognised on a straight-line basis over the lease term in accordance with the substance of the relevant rental agreements. Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of income can be measured reliably.

Rental income from investment properties is recognised as other income in the profit or loss and is accounted for on an accrual basis.

(d) Interest income

Interest income is recognised using the effective interest method. It is recognised over time, based on the effective yield on the financial asset, when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is derived from cash at banks, fixed deposits, and other interest-bearing financial assets.

(e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established, and it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably.

Dividend income is derived from equity investments held by the Group.

(f) Management fee

Management fee income is recognised when services are rendered, and it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

Management fee is derived from services provided to subsidiaries or related companies in accordance with agreed terms.

Employee benefits

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions required determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 27.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

Financial assets categorised as fair value through other comprehensive income ("FVOCI") are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and of the Company does not track changes in credit risk, but instead recognises a loss allowance based on a lifetime ECL at each reporting date. The Group and of the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Statement of cash flow

The Group and the Company adopt the indirect method in the preparation of the statement of cash flow.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives/depreciation of property, plant and equipment and right-of-use ("ROU") assets</u>

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of plant and equipment and ROU assets.

The carrying amounts at the reporting date for plant and equipment and ROU assets are disclosed in Notes 13 and 16 respectively.

<u>Revaluation of property, plant and equipment and ROU assets and fair value of investment properties</u>

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2024 for land and buildings. For property and right of use assets, a valuation methodology based on sales comparison approach was used. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The fair value of buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The key assumptions used to determine the fair value of the properties are provided in Notes 13, 14 and 16 respectively.

Impairment of property, plant equipment and ROU assets

The Group assesses whether there is any indication that property, plant and equipment and ROU assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The key assumptions used to determine the recoverable amounts are disclosed in Notes 13 and 16 respectively.

Impairment of investments in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiaries and amount due from subsidiaries are disclosed in Note 15.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 30.

Valuation of inventories

The inventories comprise of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The allocation of labour and overhead costs including fixed and variable cost, to the inventories costing involve estimation made by management based on their previous experience and historical data. Inaccurate allocation will cause inaccurate inventories balances as at the financial year end.

Reviews are made periodically on the estimation of net realisable value based on the expected sales prices less estimated cost to sell and the assessment of the saleable condition of the inventories. Possible changes in these estimates could result in revisions to the valuation of the inventories.

The carrying amount at the reporting date for inventories is disclosed in Note 18.

Provision for expected credit loss of trade receivables

The Group uses a provision matrix to calculate expected credit loss for trade receivables.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 19.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group and the Company have tax recoverable of RM3,232,000 (2023: RM1,952,000) and tax payable of nil (2023: RM66,000) respectively.

5. SEGMENT REPORTING

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:

Investment holding	Investment holding and provision of management services.
Manufacturing of plastic wares	Manufacturer and trader of plastic wares, utensil and goods.
Manufacturing of furniture	Business of design, manufacture and sales of wooden furniture products.

Except as indicated above, no operating segments have been aggregated to from the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial period.

Business segments

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below:

	Investment holding RM'000	Manufacturing of furniture RM'000	Manufacturing of plastic wares RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Group					
2024					
Revenue					
External revenue	-	48,215	72,984	-	121,199
Inter-segment revenue	-	3,497	14,697	(18,194)	-
Total revenue	-	51,712	87,681	(18,194)	121,199
Results					
Interest income	1,149	223	72	(1,101)	343
Amortisation of right-of-use assets	-	(1,116)	(2,084)	293	(2,907)
Finance costs	-	(1,214)	(2,003)	1,101	(2,116)
Depreciation of property, plant and equipment	-	(1,048)	(2,874)	-	(3,922)
Taxation	(144)	16	(813)	(42)	(983)
Other non-cash item	70	(3,110)	1,019	1,886	(135)
Segment (loss)/profit	403	(7,252)	1,633	1,716	(3,500)
Segment assets	100,397	77,524	133,501	(106,464)	204,958
Segment liabilities	158	35,726	55,778	(37,328)	54,334

Group 2023	Investment holding RM'000	Manufacturing of furniture RM'000	Manufacturing of plastic wares RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	-	44,434	79,147	-	123,581
Management fees	384	-	-	(384)	-
Inter-segment revenue	-	3,417	15,129	(18,546)	-
Total revenue	384	47,851	94,276	(18,930)	123,581
Results					
Interest income	967	210	83	(986)	274
Amortisation of right-of-use assets	-	(1,269)	(1,850)	279	(2,840)
Finance costs	-	(1,187)	(2,093)	1,018	(2,262)
Depreciation of property, plant and equipment	-	(1,686)	(2,927)	-	(4,613)
Taxation	(245)	(416)	(1,888)	(87)	(2,636)
Other non-cash items	50	(4,580)	222	-	(4,308)
Segment (loss)/profit	(6,181)	(8,960)	3,023	5,751	(6,367)
Segment assets	100,041	88,430	132,516	(109,664)	211,323
Segment liabilities	206	40,748	60,669	(37,203)	64,420

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Adjustment and eliminations

Inter-segment revenues and balances are eliminated on consolidation.

Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	Group	
	2024 RM'000	2023 RM'000
Dividend income from other investments	12	11
Fair value gain on investment properties	1,397	40
Fair value gain on other investments	57	39
Unrealised foreign exchanged gain/(loss)	80	(122)
Gain on disposal of:		
Property, plant and equipment	1,984	53
Right-of-use assets	-	97
Impairment losses on:		
Trade receivables	(701)	(468)
Property, plant and equipment	(591)	(3,357)
Right-of-use assets	(448)	(309)
Inventories written off	(2,089)	(326)
Loss on modification of lease terms	-	(6)
Property, plant and equipment written off	(6)	-
Reversal of impairment losses on property, plant and equipment	115	-
Reversal of impairment losses on trade receivables	55	40
	(135)	(4,308)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group				
Asia Pacific	8,635	7,812	-	-
Europe	9,598	5,010	-	-
Malaysia	82,923	88,806	111,348	113,344
Others	20,043	21,953	-	-
	121,199	123,581	111,348	113,344

Major customer

No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

6. REVENUE

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Sales	121,199	123,581	-	-
Management fees	-	-	-	384
	121,199	123,581	-	384
Timing of revenue recognition:				
At a point in time	121,199	123,581	-	-
Over time	-	-	-	384
	121,199	123,581	-	384

7. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Group	
	2024 RM'000	**2023 RM'000**
Net impairment loss on:		
Trade receivables	701	468
Reversal of impairment loss on:		
Trade receivables	(55)	(40)
	646	428

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. FINANCE COSTS

	Group 2024 RM'000	Group 2023 RM'000
Interest expenses on:		
Bank overdrafts	393	317
Bankers' acceptance	1,081	1,222
Term loans	576	412
Lease liabilities	66	311
	2,116	2,262

9. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(crediting) in arriving at (loss)/profit before:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Auditors' remuneration:				
Statutory audits	191	178	38	35
Non-statutory audits	5	5	5	5
Dividend income from other investments	(12)	(11)	(12)	(11)
Fair value gain on investment properties	(1,397)	(40)	-	-
Fair value gain on other investments	(57)	(39)	(57)	(39)
Foreign exchange (gain)/loss:				
Realised	(63)	(14)	-	-
Unrealised	(80)	122	-	-
Gain on disposal of:				
Property, plant and equipment	(1,984)	(53)	-	-
Right-of-use assets	-	(97)	-	-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Impairment losses on:				
Investment in subsidiary companies	-	-	-	5,820
Property, plant and equipment	591	3,357	-	-
Right-of-use assets	448	309	-	-
Trade receivables	701	468	-	-
Reversal of impairment losses on:				
Trade receivables	(55)	(40)	-	-
Property, plant and equipment	(115)	-	-	-
Interest income:				
Fixed deposits with licensed banks	(77)	(98)	-	-
Interest received from banks	(266)	(176)	(240)	(163)
Interest received from subsidiary companies	-	-	(909)	(803)
Inventories written off	2,089	326	-	-
Loss on modification of lease terms	-	6	-	-
Lease expenses relating to short term leases	590	344	-	-
Property, plant and equipment:				
Depreciation	3,922	4,613	-	-
Written off	6	-	-	-
Amortisation right-of-use assets	2,907	2,840	-	-
Rental income	(817)	(159)	-	-

10. STAFF COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' fees	364	294	364	294
Salaries, bonuses and other emoluments	18,794	18,618	23	19
Social security contribution	283	201	4	-
Defined contribution plans	1,247	1,259	-	-
Other benefits	12	174	-	-
Estimated money value of benefits-in-kind	68	65	-	-
	20,768	20,611	391	313

Included in the staff costs is aggregate amount of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and of the subsidiary companies during the financial year as disclosed in Note 34.

11. TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tax expenses recognised in profit or loss				
Current tax	1,407	2,302	139	237
(Over)/Under provision in prior years	(430)	185	5	8
	977	2,487	144	245

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Deferred tax (Note 30)				
Origination and reversal of temporary differences	41	(342)	-	-
Relating to crystallisation of deferred tax liability upon depreciation	(35)	(32)	-	-
Under provision of deferred tax liabilities in prior years	-	523	-	-
	6	149	-	245
	983	2,636	144	245

Malaysia income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

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(CONT'D)

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before tax	(2,517)	(3,731)	548	(5,936)
Tax at Malaysian statutory income tax rate of 24%	(604)	(895)	131	(1,425)
Income not subject to tax	(1,135)	(91)	-	-
Expenses not deductible for tax purposes	1,659	1,826	8	1,662
Deferred tax assets not recognised	1,528	1,316	-	-
Utilisation of unrecognised previously deferred tax assets	-	(196)	-	-
Relating to crystallisation of deferred tax liability on revaluation reserve	(35)	(32)	-	-
(Over)/Under provision of income tax expenses in prior years	(430)	185	5	8
Under provision of deferred tax in prior years	-	523	-	-
	983	2,636	144	245

The Group has estimated unutilised tax losses, unutilised capital allowances, unutilised reinvestment allowances and unutilised investment tax allowances of RM33,750,000 (2023: RM30,563,000), RM7,253,000 (2023: RM5,281,000), RM3,770,000 (2023: RM3,770,000) and RM1,258,000 (2023: RM1,258,000) respectively available for carried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses to a maximum of 10 consecutive years of assessment. The unutilised capital allowances, reinvestment allowances and investment tax allowances do not expire under current tax legislation.

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years.

	Group	
	2024	**2023**
	RM	**RM**
Unutilised tax losses to be carried forward until:		
Year assessment 2029	3,818	3,818
Year assessment 2030	552	552
Year assessment 2031	1,458	1,458
Year assessment 2032	2,614	2,614
Year assessment 2033	22,121	22,121
Year assessment 2034	3,187	-
	33,750	30,563

12. LOSS PER SHARE

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year.

Diluted loss per share is calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential shares.

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(a) Basic loss per share

The basic loss earning per share is calculated based on the consolidated loss profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Loss attributable to owners of the parent	(3,500)	(6,613)
Weighted average number of ordinary shares in issue as at beginning of financial year	302,278	275,078
Issued ordinary shares	-	3,428
Weighted average number of ordinary shares in issue at end of financial year	302,278	278,506
Basic loss per share (sen)	(1.16)	(2.37)

(b) Diluted loss per share

The Group has no dilution in its loss per ordinary share as there are no dilutive potential ordinary shares. There has been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Renovation and electrical installation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Other assets # RM'000	Total RM'000
Group							
2024							
Cost/Valuation							
At beginning of financial year	8,358	3,120	4,190	66,211	3,683	7,482	93,044
Additions	-	-	138	1,182	-	180	1,500
Disposals	-	-	(7)	(7,434)	(104)	(26)	(7,571)
Revaluation	782	64	-	-	-	-	846
Written off	-	-	(490)	(91)	-	(2,147)	(2,728)
Elimination of accumulated depreciation on revaluation	-	(74)	-	-	-	-	(74)
Transfer from right-of -use assets (Note 16)	-	-	-	1,070	104	-	1,174
At end of financial year	9,140	3,110	3,831	60,938	3,683	5,489	86,191
Representing:							
At cost	-	-	3,831	60,938	3,683	5,489	73,941
At valuation	9,140	3,110	-	-	-	-	12,250
	9,140	3,110	3,831	60,938	3,683	5,489	86,191

	Freehold land RM'000	Freehold buildings RM'000	Renovation and electrical installation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Other assets# RM'000	Total RM'000
Accumulated depreciation							
At beginning of financial year	-	12	2,882	48,500	3,568	6,510	61,472
Charged for the financial year	-	62	274	3,269	52	265	3,922
Disposal	-	-	(4)	(4,083)	(76)	(21)	(4,184)
Written off	-	-	(199)	(78)	-	(2,133)	(2,410)
Elimination of accumulated depreciation on revaluation	-	(74)	-	-	-	-	(74)
Transfer from right-of-use assets (Note 16)	-	-	-	472	76	-	548
At end of financial year	-	-	2,953	48,080	3,620	4,621	59,274
Accumulated impairment losses							
At beginning of financial year	-	-	291	2,894	115	57	3,357
Charged for the financial year	-	-	2	567	-	22	591
Disposal	-	-	-	(2,858)	(28)	-	(2,886)
Written off	-	-	(291)	(13)	-	(8)	(312)
Reversal of impairment losses	-	-	-	-	(115)	-	(115)
Transfer from right-of-use assets (Note 16)	-	-	-	281	28	-	309
At end of financial year	-	-	2	871	-	71	944
Carrying amount							
At end of financial year	9,140	3,110	876	11,987	63	797	25,973

	Freehold land RM'000	Freehold buildings RM'000	Renovation and electrical installation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Other assets # RM'000	Total RM'000
Group							
2023							
Cost/Valuation							
At beginning of financial year	6,396	3,220	4,207	64,337	3,094	7,381	88,635
Additions	-	-	348	1,840	-	101	2,289
Disposals	-	-	(365)	(116)	(147)	-	(628)
Revaluation	1,962	238	-	-	-	-	2,200
Elimination of accumulated depreciation on revaluation	-	(338)	-	-	-	-	(338)
Transfer from right-of -use assets (Note 16)	-	-	-	150	736	-	886
At end of financial year	8,358	3,120	4,190	66,211	3,683	7,482	93,044
Representing:							
At cost	-	-	4,190	66,211	3,683	7,482	81,566
At valuation	8,358	3,120	-	-	-	-	11,478
	8,358	3,120	4,190	66,211	3,683	7,482	93,044

	Freehold land RM'000	Freehold buildings RM'000	Renovation and electrical installation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Other assets # RM'000	Total RM'000
Accumulated depreciation							
At beginning of financial year	-	286	2,549	44,697	2,951	6,194	56,677
Charged for the financial year	-	64	379	3,777	77	316	4,613
Disposal	-	-	(46)	(55)	(146)	-	(247)
Elimination of accumulated depreciation on revaluation	-	(338)	-	-	-	-	(338)
Transfer from right-of-use assets (Note 16)	-	-	-	81	686	-	767
At end of financial year	-	12	2,882	48,500	3,568	6,511	61,472
Accumulated impairment losses							
At beginning of financial year	-	-	-	-	-	-	-
Charged for the financial year	-	-	291	2,894	115	57	3,357
At end of financial year	-	-	291	2,894	115	57	3,357
Carrying amount							
At end of financial year	8,358	3,108	1,017	14,817	-	915	28,215

Other assets comprise of office equipment, furniture and fittings, computers, air-conditioners and signboard.

	Company	
	2024	**2023**
	RM'000	**RM'000**
Signboard		
Cost		
At beginning/At end of financial year	11	11
Accumulated depreciation		
At beginning/At end of financial year	11	11
Carrying amount		
At end of financial year	-	-

(a) Assets pledged as securities to financial institutions

The net carrying amount of property, plant and equipment of the Group are pledged to licensed banks for bank facilities as disclosed in Note 28 are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Freehold buildings	3,110	3,108
Freehold land	9,140	8,358
	12,250	11,466

(b) Revaluation of land and buildings

During the financial year, land and buildings of the Group were revalued by Messrs. Henry Butcher Malaysia (Muar) Sdn. Bhd., Jordan Lee & Jaafar (M'CCA) Sdn. Bhd. and PA International Property Consultants (Penang) Sdn. Bhd. independent professional valuers. The fair value of land was within level 2 of the fair value hierarchy. The fair value was determined by based on market value that estimated amount of asset or liability should exchange on the date of valuation between willing buyer and willing seller in an arm's length transaction after proper marketing wherein in the parties had each acted knowledgeably, prudently and without compulsion.

The fair value of buildings was within level 3 of the fair value hierarchy. The fair value was determined using the market comparison approach that reflects recent transaction price or listed for sale within the same location or other comparable localities. There was no transfer between Level 2 and Level 3 during the financial year.

Had the land and buildings been carried at historical cost less accumulated depreciation and impairment loss, their carrying amount would be as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Freehold land and buildings	8,400	8,460

(c) Purchase of property, plant and equipment

The aggregate additional cost for the property, plant and equipment of the Group during the financial year are paid in cash.

(d) Impairment losses of property, plant and equipment

During the financial year, property, plant and equipment under U.D. Wood Products Sdn. Bhd. amounting to RM591,000 (2023: RM115,000) which included in the Group's property, plant and equipment were impaired by the management, as the property, plant and machinery may not be fit for its intended use. As a result, the amount being recognised in other expenses in the statements of profit or loss and other comprehensive income.

In the previous financial year, property, plant and equipment under U.D. Panelform Sdn. Bhd., RM3,242,000 which included in the Group's property, plant and equipment were impaired by the management, as the recoverable amount of the property, plant and machinery lower than the carrying amount. The recoverable amount of the property, plant and equipment estimated based on value-in-use method was nil. As a result, an impairment loss being recognised in other expenses in the statements of profit or loss and other comprehensive income.

(e) Reversal and written of impairment losses of property, plant and equipment

During the financial year, the reversal of property, plant and equipment are derived from U.D. Wood Products Sdn. Bhd. amounting RM115,000 due to the recoverable amount are higher than it carrying amount. The reversal amount are proposed from the management due to disposal of the assets.

During the financial year, property, plant and equipment are which is included in the Group's property, plant and equipment, with an original cost of RM2,289,000 and accumulated impairment of RM2,289,000, was written off by management following the decision to shut down certain operations. As a result, no write-off expense has been recognised in the statements of profit or loss and other comprehensive income.

14. INVESTMENT PROPERTIES

	Group 2024 RM'000	Group 2023 RM'000
At fair value		
Freehold land	2,175	1,900
Leasehold land	4,310	-
Buildings	9,245	405
	15,730	2,305
The movement of investment properties are as follows:		
At beginning of financial year	2,305	2,265
Transfer from right-of-use assets (Note 16)	12,028	-
Change in fair value recognised in profit or loss	1,397	40
At end of financial year	15,730	2,305

(a) Investment properties under leases

Investment properties comprise a number of freehold land and buildings that are leased to third parties. Each of the leases contains a cancellable period of 1 year (2023: 1 year). Subsequent renewals are negotiated with the lessee on an average renewal period of 1 year (2023: 1 years). No contingent rents are charged.

(b) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM15,730,000 (2023: RM2,305,000). The estimated amount of an asset or liability should exchange on the date of valuation between willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the market value comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There was no transfer between different level within fair value during the financial year.

The following are recognised in profit or loss in respect of investment properties:

	Group 2024 RM'000	Group 2023 RM'000
Rental income	709	84
Direct operating expenses:		
Income generating investment properties	(116)	(5)
Non-income generating investment properties	(2)	(2)

15. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2024 RM'000	Company 2023 RM'000
In Malaysia:		
Unquoted shares, at cost	96,656	96,656
Less: Accumulated impairment losses	(35,301)	(35,301)
	61,355	61,355
Cost of investment in relation to share option granted to employees of subsidiary companies	841	841
	62,196	62,196

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company 2024 RM'000	Company 2023 RM'000
At beginning of financial year	35,301	29,481
Impairment losses recognised	-	5,820
At end of financial year	35,301	35,301

In the previous year, certain subsidiary companies of the Group were facing the recoverable amount lower than the carrying amount due to no future business plan. The recoverable amount of the Company's investment in subsidiary companies are estimated based on fair value less cost to sell method which is determined based on the carrying amount of the net assets. Therefore, an impairment loss amounting RM5,820,000 was recognised.

Details of the subsidiary companies are as follows:

Name of company	Place of incorporation	Effective interest 2024 %	2023 %	Principal activities
Syarikat U.D. Trading Sdn. Bhd. ("UDT")	Malaysia	100	100	Dealing of furniture plywood, hardware, parts, equipment and construction materials
U.D. Panelform Sdn. Bhd. ("UDP")	Malaysia	100	100	Paper lamination and manufacturer of furniture and furniture parts
Poh Keong Industries Sdn. Bhd. ("PKI")	Malaysia	100	100	Furniture and parts manufacturing
Ee-Lian Industries Sdn. Bhd. ("ELI")	Malaysia	100	100	Manufacturer and trader of packing materials metal stamping and tooling
Ee-Lian Enterprise (M) Sdn. Bhd. ("ELE")	Malaysia	100	100	Manufacturer and trader of plastic wares, utensils and goods
SWS In Medics Sdn. Bhd. ("SIM")	Malaysia	100	100	Export of medical and dental instrument and supplies, wholesale of pharmaceutical and medical goods
Skywood Residence Sdn. Bhd. ("SKY")	Malaysia	100	100	Investment holding
Held through UDP:				
U.D. Wood Products Sdn. Bhd. ("UDW")	Malaysia	100	100	Veneer lamination
Held through ELE:				
Ee-Lian Plastic Industries (M) Sdn. Bhd. ("ELP")	Malaysia	100	100	Manufacturer and trader of plastic wares, utensils and goods

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Changes in ownership interest

(i) In the previous financial year, the Company had acquired additional 49% equity interest in SWSIM for cash consideration of RM49, increasing its ownership from 51% to 100%. The Group recognised a decrease in non-controlling interest of RM10,025.

The effect of changes in equity interest in SWSIM that is attributable to owners of the Company:

	RM'000
Carrying amount of non-controlling interest acquired	(10)
Consideration paid for non-controlling interest	(-)*
Decrease in parent's equity	(10)

* Included is an amount of RM49 for consideration paid for non-controlling interest

(ii) In the previous financial year, ELE had acquired additional 22.50% equity interest in ELP for cash consideration of RM788,000, increasing its ownership from 77.50% to 100%. The Group recognised a decrease in non-controlling interest of RM606,000.

The effect changes in the equity interest in ELP that is attributable to owners of the Company:

	RM'000
Carrying amount of non-controlling interest acquired	606
Consideration paid for non-controlling interest	(788)
Decrease in parent's equity	(182)

Impairment losses for investment in subsidiary companies

In the previous financial year, U.D. Panelform Sdn. Bhd., the 100% owned subsidiary company in the furniture segment was facing the recoverable amount lower than the carrying amount.

The recoverable amount of RM2,926,000 for the Company's investment in U.D. Panelform Sdn. Bhd. estimated based on fair value method which is determined based on the carrying amount of the net assets. Therefore, an impairment loss amounting to RM582,000 was recognised during the financial year.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

16. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Leasehold buildings RM'000	Capital work- in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Group								
2024								
Cost/Valuation								
At beginning of financial year	31,433	38,218	7,228	8,274	1,911	225	1,229	88,518
Additions	-	-	588	-	-	-	1,618	2,206
Disposals	-	-	-	-	(71)	-	-	(71)
Derecognition arising from lease expiration	-	-	-	-	-	-	(581)	(581)
Revaluation	3,609	2,536	-	-	-	-	-	6,145
Elimination of accumulated amortisation of revaluation	(678)	(1,063)	-	-	-	-	-	(1,741)
Transfer to asset held for sale	(2,210)	(3,380)	-	-	-	-	-	(5,590)
Transfer to property, plant and equipment (Note 13)	-	-	-	(1,070)	(104)	-	-	(1,174)
Transfer to investment property (Note 14)	(4,327)	-	(7,816)	-	-	-	-	(12,143)
At end of financial year	27,827	36,311	-	7,204	1,736	225	2,266	75,569

	Leasehold land RM'000	Leasehold buildings RM'000	Capital work- in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Representing:								
At cost	-	-	-	7,204	1,736	225	2,266	11,431
At valuation	27,827	36,311	-	-	-	-	-	64,138
	27,827	36,311	-	7,204	1,736	225	2,266	75,569
Accumulated amortisation								
At beginning of financial year	545	598	-	2,700	634	87	821	5,385
Charged for the financial year	393	531	-	741	303	22	917	2,907
Disposal	-	-	-	-	(71)	-	-	(71)
Derecognition arising from lease expiration	-	-	-	-	-	-	(341)	(341)
Elimination of accumulated amortisation of revaluation	(678)	(1,063)	-	-	-	-	-	(1,741)
Transfer to property, plant and equipment (Note 13)	-	-	-	(472)	(76)	-	-	(548)
Transfer to investment property (Note 14)	(115)	-	-	-	-	-	-	(115)
At end of financial year	145	66	-	2,969	790	109	1,397	5,476

	Leasehold land RM'000	Leasehold buildings RM'000	Capital work-in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Accumulated impairment losses								
At beginning of financial year	-	-	-	282	27	-	-	309
Charged for the financial year	-	-	-	445	-	-	3	448
Transfer to property, plant and equipment (Note 13)	-	-	-	(282)	(27)	-	-	(309)
At end of financial year	-	-	-	445	-	-	3	448
Carrying amount								
At end of financial year	27,682	36,243	-	3,790	946	113	869	69,645

NOTES TO THE FINANCIAL STATEMENTS
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	Leasehold land RM'000	Leasehold buildings RM'000	Capital work- in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Group								
2023								
Cost/Valuation								
At beginning of financial year	29,810	37,778	-	8,531	3,134	225	1,066	80,544
Additions	-	412	7,228	-	566	-	524	8,730
Disposals	-	(177)	-	(107)	(1,053)	-	-	(1,337)
Derecognition arising from lease expiration	-	-	-	-	-	-	(36)	(36)
Modification of lease terms	-	-	-	-	-	-	(325)	(325)
Revaluation	2,034	1,659	-	-	-	-	-	3,693
Elimination of accumulated amortisation of revaluation	(411)	(1,454)	-	-	-	-	-	(1,865)
Transfer to property, plant and equipment (Note 13)	-	-	-	(150)	(736)	-	-	(886)
At end of financial year	31,433	38,218	7,228	8,274	1,911	225	1,229	88,518

	Leasehold land RM'000	Leasehold buildings RM'000	Capital work- in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Representing:								
At cost	-	-	7,228	8,274	1,911	225	1,229	18,867
At valuation	31,433	38,218	-	-	-	-	-	69,651
	31,433	38,218	7,228	8,274	1,911	225	1,229	88,518
Accumulated amortisation								
At beginning of financial year	348	1,248	-	1,982	2,134	64	776	6,552
Charged for the financial year	608	827	-	840	239	23	303	2,840
Disposal	-	(23)	-	(41)	(1,053)	-	-	(1,117)
Derecognition arising from lease expiration	-	-	-	-	-	-	(36)	(36)
Modification of lease terms	-	-	-	-	-	-	(222)	(222)
Elimination of accumulated amortisation of revaluation	(411)	(1,454)	-	-	-	-	-	(1,865)
Transfer to property, plant and equipment (Note 13)	-	-	-	(81)	(686)	-	-	(767)
At end of financial year	545	598	-	2,700	634	87	821	5,385

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Leasehold land RM'000	Leasehold buildings RM'000	Capital work- in-progress RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Accumulated impairment losses								
At beginning of financial year	-	-	-	-	-	-	-	-
Charged for the financial year	-	-	-	282	27	-	-	309
At end of financial year	-	-	-	282	27	-	-	309
Carrying amount								
At end of financial year	30,888	37,620	7,228	5,292	1,250	138	408	82,824

(a) Assets pledged as securities to financial institutions

The net carrying amount of right-of-use assets of the Group are pledged to licensed banks for bank facilities as disclosed in Note 28 are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Leasehold buildings	36,228	37,619
Leasehold land	27,700	30,888
	63,928	68,507

(b) Revaluation of land and buildings

During the financial year, land and buildings of the Group were revalued by Messrs. Henry Butcher Malaysia (Muar) Sdn. Bhd., Jordan Lee & Jaafar (M'CCA) Sdn. Bhd. and PA International Property Consultants (Penang) Sdn. Bhd., independent professional valuers.

The fair value of land was within level 2 of the fair value hierarchy. The fair value was determined by based on cost approach that reflects the cost to a similar land that were sold recently and those that are currently offered for sale in the vicinity with appropriate adjustments made to reflect the dissimilarities and to arrive at the value of subject land as an improved site.

The fair value of buildings was within level 3 of the fair value hierarchy. The fair value was determined using the market comparison approach that reflects recent transaction price or listed for sale within the same location or other comparable localities.

There was no transfer between Level 2 and Level 3 during the financial year.

Had the land and buildings been carried at historical cost less accumulated depreciation and impairment loss, their carrying amount would be as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Leasehold buildings	19,657	20,030
Leasehold land	8,550	8,626
	28,207	28,656

(c) Leasehold land and buildings

In the current financial year, the remaining lease terms of the leasehold land and buildings are ranging from 44 years to 70 years (2023: 45 years to 71 years).

(d) Purchase of right-of-use assets

The aggregate additional cost for the right-of-use assets of the Group during the financial year are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Aggregate costs	2,206	8,730
Less: Lease liabilities financing	(1,618)	(1,062)
Cash payment	588	7,668

(e) Impairment losses of right-of-use assets

During the financial year, right-of-use assets under U.D. Wood Products Sdn. Bhd. amounting to RM448,000 which included in the Group's right-of-use assets were impaired by the management, as the recoverable amount of the right-of-use assets lower than the carrying amount. The recoverable amount of the right-of-use assets estimated based on value-in-use method was nil. As a result, an impairment loss of RM448,000 is recognised in other expenses in the statements of profit or loss and other comprehensive income.

During previous financial year, right-of-use assets under U.D. Panelform Sdn. Bhd. amounting to RM309,000 which included in the Group's right-of-use assets were impaired by the management, as the recoverable amount of the right-of-use assets lower than the carrying amount. The recoverable amount of the right-of-use assets estimated based on value-in-use method was nil. As a result, an impairment loss of RM309,000 is recognised in other expenses in the statements of profit or loss and other comprehensive income.

17. OTHER INVESTMENTS

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Financial assets measured at fair value through profit or loss				
Money market funds	2,120	2,050	2,120	2,050

18. INVENTORIES

	Group 2024 RM'000	Group 2023 RM'000
At cost:		
Raw materials	12,856	18,828
Work in progress	5,801	6,282
Finished goods	14,474	18,029
	33,131	43,139
At net realisable value:		
Work-in-progress	190	868
Finished goods	210	326
	400	1,194
	33,531	44,333
Recognised in profit or loss:		
Inventories recognised as cost of sales	101,704	100,079
Inventories written off	2,089	326

19. TRADE RECEIVABLES

	Group	
	2024 RM'000	2023 RM'000
Trade receivables	27,868	25,747
Less: Accumulated impairment losses	(2,132)	(1,486)
	25,736	24,261

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2023: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2024 RM'000	2023 RM'000
At beginning of financial year	1,486	1,058
Impairment losses recognised	701	468
Impairment losses reversed	(55)	(40)
At end of financial year	2,132	1,486

The loss allowance account in respect of trade receivables is used to record loss allowance due to the debtor are not meet the obligation to pay the debts within the credit term stated. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Impairment losses reversed during the financial year amounting to RM55,000 (2023: RM40,000) pertains to previously impaired receivables recovered during the financial year.

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
2024			
Neither past due nor impaired	5,552	(15)	5,537
Past due but not impaired:			
Less than 30 days	7,036	(42)	6,994
31 to 60 days	4,493	(40)	4,453
More than 61 days	9,131	(379)	8,752
	20,660	(461)	20,199
	26,212	(476)	25,736
Individually impaired	1,656	(1,656)	-
	27,868	(2,132)	25,736

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
2023			
Neither past due nor impaired	13,064	(24)	13,040
Past due but not impaired:			
Less than 30 days	5,430	(38)	5,392
31 to 60 days	3,618	(47)	3,571
More than 61 days	2,456	(198)	2,258
Total past due but not impaired	11,504	(283)	11,221
	24,568	(307)	24,261
Individually impaired	1,179	(1,179)	-
	25,747	(1,486)	24,261

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

As at 31 December 2024, trade receivables of RM20,199,000 (2023: RM11,221,000) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default.

The Group has applied a provision matrix in calculating loss allowance for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of general economic conditions of the industry and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,656,000 (2023: RM1,179,000), related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

20. OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables	101	806	-	-
Deposits	527	483	1	1
Prepayments	2,182	1,443	-	-
	2,810	2,732	1	1

Included in the Group's prepayments is an amount of RM1,826,000 (2023: RM630,000), representing payments made to suppliers for the purchase of raw materials related to certain secured sales, as well as prepayments for insurance.

21. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2024 RM'000	2023 RM'000
Trade related	819	642
Non-trade related	26,475	24,826
	27,294	25,468

Amount due from subsidiary companies are non-interest bearing and are generally ranged from 30 to 60 days (2023: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from subsidiary companies are unsecured, which bear interest rates at 3.52% to 3.71% (2023: 3.52% to 3.71%) per annum and repayable on demand.

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash and bank balances	16,374	18,528	8,726	10,326
Fixed deposits placed with licensed banks	4,217	4,123	-	-
Total deposits, bank and cash balances	20,591	22,651	8,726	10,326
Less: Fixed deposits pledged with licensed banks	(3,564)	(3,494)	-	-
Bank overdrafts	(3,521)	(3,926)	-	-
Cash and cash equivalents	13,506	15,231	8,726	10,326

Fixed deposits placed with licensed banks of the Group amounting to RM3,564,000 (2023: RM3,494,000) are pledged for as securities for loans and borrowings as disclosed in Note 28.

The effective interest rates and maturities of fixed deposits of the Group as at the end of the reporting period range from 2.00% to 3.90% (2023: 1.75% to 3.90%) per annum and 7 days to 12 months (2023: 7 days to 12 months) respectively.

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23. ASSETS HELD FOR SALE

On 9 October 2024, U.D. Panelform Sdn. Bhd. ("UDP") a wholly-owned subsidiary entered into a Sale and Purchase Agreement ("SPA") with Ecomate Sdn. Bhd. ("Ecomate") for the sale and transfer of the asstes for a total consideration of RM7,000,000. As of the financial year end, the Group has classified the following asset as held for sale:

	Group 2024 RM'000
Leasehold land	2,210
Factory building	3,380
	5,590

The assets have been classified as held for sale following the Group's decision to dispose of the property on 9 October 2024. This is supported by two signed sale and purchase agreements ("SPA") entered into with Ecomate Sdn. Bhd. As at the reporting date, the SPA has not been completed as the Company has received a deposit of RM490,000 and the buyer is in the process of finalising the settlement of the remaining balance.

No impairment loss was recognised as the carrying amount of the asset is lower than its fair value less cost to sell.

24. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Group and company				
At beginning of financial year	302,278	275,078	133,181	125,973
Issuance of ordinary shares pursuant to the Private Placement	-	27,200	-	7,208
At end of financial year	302,278	302,278	133,181	133,181

In previous financial year, the Company increased its issued and paid up share capital through the issuance of 27,200,000 units of new ordinary shares pursuant to the Private Placement at exercise price of RM0.265 per units of ordinary share.

25. REVALUATION RESERVES

The revaluation reserve represents increases in the fair value of land and buildings, and decrease to the extent that such decreases related to an increase on the same asset previously recognised in other comprehensive income.

26. WARRANTS RESERVE/OTHER RESERVE

This reserve is allocated to free detachable warrants B issued along with a right issue.

The company issued 91,171,801 warrants, listed on Bursa Malaysia Securities Berhad on 26 July 2018.

This was done in conjunction with a bonus issue, offering five free warrants for every eight existing ordinary shares held.

The warrants were constituted by a Deed Poll dated 10 April 2018, executed by the company.

Salient Features:

(i) Each warrant entitles the registered holder to subscribe for one new ordinary share at an exercise price of RM0.90 per share, subject to adjustments according to the Deed Poll.

(ii) The warrants may be exercised at any time on or before the expiry date of five years from the issue date of the warrants on 20 July 2018. The warrants not exercised during the exercise period will thereafter become lapse and void.

(iii) All the new ordinary shares in the Company to be issued upon the exercise of the warrant shall, on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company excepts that they shall not to be entitled to any dividends, that may be declared prior to the date of allotment and issue of the new shares, nor shall they be entitled to any distributions or entitlements for which the record date is prior to the date of exercise of the warrants.

As at 18 July 2023, the total number of detachable Warrant B have been expired and removed from the official list of Bursa Malaysia Securities Berhad with total of 91,171,801 remain unexercised.

27. SHARE-BASED PAYMENT RESERVE

The equity-settled employees' benefits reserve relates to share options granted by the Company to employees of the Group under the ESOS.

At the Extraordinary General Meeting held on 26 March 2018, the Company's shareholders approved the establishment of an ESOS. The ESOS was implemented on June 2019 and will be in force for a maximum period of 5 years from the effective date.

The maximum number of the Company's shares under ESOS should not exceed 15% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point in time during the duration of the scheme.

Salient features of the ESOS are as follows:

(a) Employees eligible to participate in the ESOS must have attained 18 years of age, is not an undischarged bankrupt or subject to any bankruptcy proceedings, has been confirmed in service and has not served a notice to resign nor received a notice of termination and is in the employment of any corporation within SWS Group.

(b) The actual entitlement of eligible employees shall essentially be based on the performance, contribution, employment grade, seniority and/or length of service.

(c) The price of which the grantee is entitled to subscribe for shares under ESOS is the volume weighted average market price for the 5 market days preceding the date of offer, subject to a discount of not more than 10% which the Company may at its discretion decide to give.

(d) The shares to be allotted upon the exercise of the option shall, upon issue and allotment, rank pari passu in all respects with the existing issued and paid-up capital of the Company, except that such shares will not be entitled for any dividend, rights, transfer, allotment or distribution declared, made or paid to shareholders prior to the date of allotment and issuance of the new SWS shares.

Movement in the number of share option and weighted average exercise price ("WAEP") are as follows:

		Number of options			
Option shares	**Exercise price**	**At beginning of financial year**	**Granted**	**Lapsed**	**At end of financial year**
Group					
2023					
Grant I	0.49	400,000	-	(400,000)	-
Grant II	0.68	3,600,000	-	(3,600,000)	-

Options granted pursuant to ESOS during the financial period, which are vested and exercisable over a period of 5 years, are as follows:

Option shares	Grant date	Number of options	Expiry date	Exercise price RM	Fair value per option at grant date RM
Grant I	25 June 2019	7,000,000	2 August 2023	0.49	0.218
Grant II	9 December 2020	8,000,000	2 August 2023	0.68	0.196

Fair value of share option granted during the prior financial year

Fair value of the share options granted during the prior financial year was valued using Black-Scholes Valuation model. Input into the valuation model are as follows:

	Grant I	**Grant II**
Share price at grant date	RM0.540	RM0.658
Exercise price	RM0.490	RM0.680
Dividend yield	0%	0%
Expected life	5 years	5 years
Risk-free interest rate	9.33%	1.72%
Volatility	40.67%	44.27%

28. LOANS AND BORROWINGS

	Group	
	2024 RM'000	**2023 RM'000**
Secured		
Term loans	9,040	9,749
Bank overdrafts	3,520	3,926
Bankers' acceptance	18,055	22,577
	30,615	36,252

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Term loans	7,967	8,454
Current		
Term loans	1,073	1,295
Bank overdrafts	3,520	3,926
Bankers' acceptance	18,055	22,577
	22,648	27,798
	30,615	36,252

The term loans, bank overdrafts and bankers' acceptance are secured by the following:

(i) First party legal charge over the Group's properties as disclosed in Notes 13, 14 and 16;

(ii) Pledged of the Group's fixed deposits as disclosed in Note 22;

(iii) Facilities agreement;

(iv) Corporate guarantee by the Company; and

(v) Guarantee by certain Directors of the Company and of the subsidiary companies.

The average effective interest rates per annum are as follows:

	Group	
	2024	2023
	%	%
Term loans	3.50 to 6.76	4.27 to 7.26
Bank overdrafts	6.70 to 9.20	6.70 to 9.20
Bankers' acceptance	3.87 to 5.48	3.88 to 5.46

29. LEASE LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
At beginning of financial year	4,929	5,944
Additions	1,618	1,062
Interest expense incurred (Note 8)	66	311
Modification of lease terms	-	(97)
Repayments:		
Principal	(2,540)	(1,980)
Interest expense	(66)	(311)
Termination of lease term	(240)	-
At end of financial year	3,767	4,929
Presented as:		
Non-current	2,199	3,258
Current	1,568	1,671
	3,767	4,929

The maturity analysis of lease liabilities of the Group as at the end of financial year:

	Group	
	2024 RM'000	2023 RM'000
Within one year	1,729	1,924
1 to 2 years	1,722	1,527
2 to 5 years	655	1,711
More than 5 years	-	318
	4,106	5,480
Less: Future finance charges	(339)	(551)
Present value of lease liabilities	3,767	4,929

The Group leases various land, buildings, motor vehicles, plant, machinery and equipment, office equipment and premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities bear interest at effective rates ranging from 2.19% to 7.15% (2023: 2.19% to 7.15%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. DEFERRED TAX LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
At beginning of financial year	4,492	4,048
Recognised in profit or loss (Note 11):		
Relating to origination and reversal of temporary differences	41	(342)
Relating to crystallisation of deferred tax liability upon depreciation	(35)	(32)
Recognised in other comprehensive income	402	295
Under provision in prior years	-	523
At end of financial year	4,900	4,492

The components and movements of deferred tax assets and liabilities are as follows:

	Unutilised tax losses and capital allowances RM'000	Unutilised reinvestment allowances RM'000	Property, plant and equipment and right-of-use assets RM'000	Revaluation of assets RM'000	Lease liabilities RM'000	Others RM'000	Total RM'000
Group							
2024							
Deferred tax liabilities							
At beginning of financial year	(487)	(317)	4,592	2,019	(692)	(623)	4,492
Recognised in profit or loss	95	-	(512)	-	173	285	41
Relating to crystallisation of deferred tax liability upon depreciation	-	-	-	(35)	-	-	(35)
Relating to revaluation reserve deferred tax liability on revaluation surplus	-	-	-	402	-	-	402
Under/(Over) provision in prior years	-	-	659	(486)	(173)	-	-
At end of financial year	(392)	(317)	4,739	1,900	(692)	(338)	4,900

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Group
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Deferred tax liabilities	Unutilised tax losses and capital allowances RM'000	Unutilised reinvestment allowances RM'000	Property, plant and equipment and right-of-use assets RM'000	Revaluation of assets RM'000	Lease liabilities RM'000	Others RM'000	Total RM'000
At beginning of financial year	(1,704)	(561)	6,217	1,168	(700)	(372)	4,048
Recognised in profit or loss	(101)	-	(315)	-	90	(16)	(342)
Relating to crystallisation of deferred tax liability on revaluation reserve	-	-	-	(32)	-	-	(32)
Relating to revaluation reserve deferred tax liability on revaluation surplus	-	-	-	295	-	-	295
Under/(Over) provision in prior years	1,318	244	(1,310)	588	(82)	(235)	523
At end of financial year	(487)	(317)	4,592	2,019	(692)	(623)	4,492

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses	32,117	28,534
Unutilised capital allowances	7,253	5,281
Unutilised reinvestment allowances	3,770	3,770
Unutilised investment tax allowances	1,258	1,258
Other taxable/(deductible) temporary differences	157	(655)
	44,555	38,188

31. TRADE PAYABLES

	Group	
	2024 RM'000	2023 RM'000
Trade payables	8,990	12,856

Credit terms of trade payables of the Group ranged from 30 to 120 days (2023: 30 to 120 days) depending on the terms of the contracts.

32. OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	1,752	1,660	23	20
Deposits received	1,903	1,284	-	-
Accruals	2,407	2,881	136	142
	6,062	5,825	159	162

Included in the deposit received of the Group are an amount of RM1,830,000 (2023: RM1,189,000) being deposit received from the customer and amount to purchase raw materials for certain secured sales expected to be fulfilled within 1 years.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

			Non-cash changes (ii)			
	At beginning of financial year RM'000	Financing cash flows (i) RM'000	New lease (Note 29) RM'000	Modification of lease term (Note 29) RM'000	Termination of lease term (Note 29) RM'000	At end of financial year RM'000
Group						
2024						
Banker's acceptance	22,577	(4,522)	-	-	-	18,055
Term loan	9,749	(709)	-	-	-	9,040
Lease liabilities	4,929	(2,540)	1,618	-	(240)	3,767
	37,255	(7,771)	1,618	-	(240)	30,862
2023						
Banker's acceptance	27,917	(5,340)	-	-	-	22,577
Term loan	6,545	3,204	-	-	-	9,749
Lease liabilities	5,944	(1,980)	1,062	(97)	-	4,929
	40,406	(4,116)	1,062	(97)	-	37,255

(i) The cash flows from loans and borrowings and lease liabilities make up the net amount of proceeds from or repayment of borrowings in the statement of cash flows.

(ii) The cash flows from non-cash changes include additional, modification and termination of lease term from right-of-use assets.

34. RELATED PARTIES TRANSACTIONS

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Transactions with subsidiary companies				
Management fee	-	-	-	384
Interest income	-	-	909	803
Transactions with companies in which certain Directors have substantial financial interest				
Sale of goods	-	2,695	-	-
Purchase of goods	-	383	-	-
Lease expenses relating to short term leases	-	120	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(c) **Compensation of key management personnel**

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors				
Existing Directors of the Company				
Salaries and other emoluments	539	965	-	-
Fees	-	12	-	12
Social security contributions	2	2	-	-
Defined contribution plans	70	48	-	-
Estimated money value of benefits-in-kinds	-	28	-	-
	611	1,055	-	12
Existing Directors of the Subsidiary Companies				
Salaries and other emoluments	983	914	-	-
Social security contributions	4	4	-	-
Defined contribution plans	128	119	-	-
Estimated money value of benefits-in-kinds	34	31	-	-
	1,149	1,068	-	-
Past Directors of the Company				
Salaries and other emoluments	746	637	-	-
Social security contributions	2	2	-	-
Defined contribution plans	31	23	-	-
Estimated money value of benefits-in-kinds	28	-	-	-
	807	662	-	-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-executive Directors				
Existing Directors of the Company				
Fees	364	195	364	195
Other emoluments	27	8	27	8
	391	203	391	203
Past Directors of the Company				
Fees	-	87	-	87
Other emoluments	-	11	-	11
	-	98	-	98
Other Members of Key Management				
Salaries and other emoluments	296	272	-	-
Social security contributions	2	2	-	-
Defined contribution plans	35	32	-	-
Estimated money value of benefits-in-kinds	5	5	-	-
	338	311	-	-
Total Directors and key management remuneration	3,296	3,397	391	313

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. FINANCIAL INSTRUMENTS

Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Financial assets				
Fair value through profit or loss				
Other investments	2,120	2,050	2,120	2,050
At amortised cost				
Trade receivables	25,736	24,261	-	-
Other receivables	628	1,289	1	1
Amount due from subsidiary companies	-	-	27,294	25,468
Deposits, cash and bank balances	20,591	22,651	8,726	10,326
Financial liabilities				
At amortised cost				
Trade payables	8,990	12,856	-	-
Other payables	6,062	5,825	159	162
Loans and borrowings	30,615	36,252	-	-
Lease liabilities	3,767	4,929	-	-

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for banking facilities granted to certain subsidiary companies. There are no significant changes as compared to previous financial year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position except for financial guarantees given to banks and financial institutions for banking facilities granted to certain subsidiary companies.

The Company's maximum exposure in their respect is RM21,603,000 (2023: RM27,134,000), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting year.

Credit risk concentration

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Average interest rate %	**On demand or within 1 year RM'000**	**1 to 5 years RM'000**	**2 to 5 years RM'000**	**More than 5 years RM'000**	**Total contractual cash flows RM'000**	**Total carrying amount RM'000**
2024							
Financial liabilities							
Loans and borrowings	6.35	23,127	1,563	3,524	5,561	33,775	30,615
Lease liabilities	4.67	1,729	1,722	655	-	4,106	3,767
Trade payables	-	8,990	-	-	-	8,990	8,990
Other payables	-	6,062	-	-	-	6,062	6,062
		39,908	3,285	4,179	5,561	52,933	49,434

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Average interest rate %	On demand or within 1 year RM'000	1 to 5 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
2023							
Financial liabilities							
Loans and borrowings	6.54	28,329	1,579	4,080	5,037	39,025	36,252
Lease liabilities	4.67	1,924	1,527	1,711	318	5,480	4,929
Trade payables	-	12,856	-	-	-	12,856	12,856
Other payables	-	5,825	-	-	-	5,825	5,825
		48,934	3,106	5,791	5,355	63,186	59,862

	Average effective interest rate %	On demand or within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company				
2024				
Financial liabilities				
Other payables	-	159	159	159
Financial guarantee liabilities*	-	21,603	21,603	-
		21,762	21,762	159
2023				
Financial liabilities				
Other payables	-	162	162	162
Financial guarantee liabilities*	-	27,134	27,134	-
		27,296	27,296	162

* *Based on the maximum amount that can be called for under the financial guarantee contract.*

The Company provides unsecured financial guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily United States Dollar ("USD") and others.

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	USD RM'000	**Others RM'000**	**Total RM'000**
Group			
2024			
Trade receivables	2,493	289	2,782
Other receivable	880	-	880
Cash and bank balances	286	26	312
Trade payables	(50)	(66)	(116)
Other payables	(5)	-	(5)
	3,604	249	3,853
2023			
Trade receivables	5,038	-	5,038
Cash and bank balances	2,834	3	2,837
Trade payables	(87)	(161)	(248)
Other payables	(18)	-	(18)
	7,767	(158)	7,609

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency.

	Change in currency rate	Effect on profit before tax RM'000
Group		
2024		
USD	Strengthened 5%	180
	Weakened 5%	(180)
Others	Strengthened 5%	12
	Weakened 5%	(12)
2023		
USD	Strengthened 5%	388
	Weakened 5%	(388)
Others	Strengthened 5%	8
	Weakened 5%	(8)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and financial institutions and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2024 RM'000	2023 RM'000
Group		
Fixed rate instruments		
Financial assets	4,217	4,123
Financial liabilities	(3,767)	(4,929)
	450	(804)
Floating rate instruments		
Financial liabilities	(30,615)	(36,252)
Company		
Floating rate instruments		
Financial assets	26,475	24,826

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's (loss)/profit before tax by RM306,000 and RM265,000 (2023: RM363,000 and RM248,000) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Fair value of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2024										
Financial liabilities										
Term loans	-	-	-	-	-	(10,545)	-	(10,545)	(10,545)	(9,040)
Lease liabilities	-	-	-	-	-	(1,992)	-	(1,992)	(1,992)	(3,767)
	-	-	-	-	-	(12,537)	-	(12,537)	(12,537)	(12,807)
2023										
Financial liabilities										
Term loans	-	-	-	-	-	(7,602)	-	(7,602)	(7,602)	(9,749)
Lease liabilities	-	-	-	-	-	(3,074)	-	(3,074)	(3,074)	(4,929)
	-	-	-	-	-	(10,676)	-	(10,676)	(10,676)	(14,678)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

36. CAPITAL MANAGEMENT

The Group's management manages its capital to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2024 RM'000	2023 RM'000
Loans and borrowings	30,615	36,252
Lease liabilities	3,767	4,929
Less: Deposits, cash and cash equivalents	(20,591)	(22,651)
Net debts	13,791	18,530
Total equity	150,624	146,903
Gearing ratio (times)	0.09	0.13

There were no changes in the Group's approach to capital management during the financial year.

37. CAPITAL COMMITMENT

As of the end of the reporting period, the Group has capital commitment in respect of acquisition of right-of-use assets as follow:

	Group	
	2024 RM'000	2023 RM'000
Contract but not provided for:		
Construction of factory and office building	-	290

LIST OF MATERIAL PROPERTIES
AS AT 31 DECEMBER 2024

The Group's policy on revaluation of landed properties is as stated in Note 4 (b) to the Financial Statements.

Address / Location	Description	Land Area	Existing Use	Tenure / Age of Building	Carrying Amount	Date of Valuation
		square metres			RM'000	
No. 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.	Industrial land with double-storey office and single storey warehouse	16,657	Office with plastic manufacturing facilities	60 years leasehold expiring in 12-10-2068 / 15 years	29,500	31/12/2024
No. 947, Lorong Perindustrian Bukit Minyak 11, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.	Industrial land with double-storey office and single storey factory	8,274	Office with plastic manufacturing facilities	60 years leasehold expiring in 31-01-2062 / 18 years	13,000	31/12/2024
Plot 319 (d), Batu Kawan Industrial Park, Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang.	Industrial land with double storey office and single storey warehouse	6,674	Rented	60 years leasehold expiring in 11-08-2076 / 1 years	13,000	31/12/2024
Lot 8791, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Bukit Bakri, 84200 Muar, Johor.	Industrial land with 2 adjoining blocks of factory building with three-storey office block	10,056	Office with furniture manufacturing facilities	99 years leasehold expiring in 29-12-2094 /26 years	7,480	31/12/2024
Lot 1789, GM1142, Mukim of Sungai Raya, District of Muar, Johor.	Industrial land with double-storey office and single storey factory	19,391	Office with furniture manufacturing facilities	Freehold / 17 years	6,567	31/12/2024
No. 1028, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.	Industrial land with double-storey office and single storey warehouse	4,088	Office with plastic manufacturing facilities	60 years leasehold expiring in 12-10-2068 / 15 years	6,800	31/12/2024
Lot 8784, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Muar, Johor.	Industrial land with single-storey factory	5,502	Furniture manufacturing facilities	99 years leasehold expiring in 29-12- 2094 / 20 years	5,470	31/12/2024

LIST OF MATERIAL PROPERTIES (CONT'D)

Address / Location	Description	Land Area	Existing Use	Tenure / Age of Building	Carrying Amount	Date of Valuation
		square metres			RM'000	
Lot 8800, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Bukit Bakri, 84200 Muar, Johor.	Industrial land with double-storey office and single storey factory	8,217	Assets held for sale	99 years leasehold expiring in 29-12-2094 / 20 years	5,590	30/12/2022
PTD 5960, HS(D) 35568, Mukim Parit Jawa, Daerah Muar, Johor	Industrial land	13,046	Vacant	Freehold / N/A	4,213	31/12/2024
No 18, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor.	Double storey terrace warehouse with office	991	Rented	Freehold / 29 years	2,300	31/12/2024
Lot 8792, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Bukit Bakri, 84200 Muar, Johor.	Industrial land with single storey factory	2,321	Furniture manufacturing facilities	99 years Leasehold expiring in 29-12-2094 / 19 years	1,675	31/12/2024

ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2025

SHARE CAPITAL

TOTAL NUMBER OF ISSUED SHARES	:	302,278,160 Ordinary Shares
CLASS OF SHARES	:	Ordinary Share
VOTING RIGHTS	:	One vote per Ordinary Share
NUMBER OF SHAREHOLDERS	:	2,242

DISTRIBUTION OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 28 MARCH 2025

SIZE OF HOLDING	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	81	3.61	2,863	0.00
100 - 1,000	147	6.56	70,261	0.02
1,001 - 10,000	1,030	45.94	5,269,980	1.74
10,001 - 100,000	781	34.84	28,039,308	9.28
100,001 - LESS THAN 5% OF ISSUED SHARES	202	9.01	173,200,648	57.30
5% AND ABOVE OF ISSUED SHARES	1	0.04	95,695,100	31.66
TOTAL :	**2,242**	**100.00**	**302,278,160**	**100.00**

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follow:-

NO.	NAME	NO. OF SHARES HELD DIRECT	%	NO. OF SHARES HELD INDIRECT	%
1	TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI	23,592,625	7.81	2,987,988 (1)	0.99
2	DATO' CHUA HEOK WEE	2,181,856	0.72	95,695,100 (2)	31.66
3	CHUA KANG SING	–	–	95,695,100 (2)	31.66
4	DATO' SERI SIMON TOH BOON WAN	3,928,100	1.30	3,590,500 (3)	1.19
5	KOAY HOOI LYNN	–	–	–	–
6	LIU TIAN KHIEW	–	–	–	–
7	ONG PENG TENG	–	–	–	–

Remarks:-
(1) Deemed interest by virtue of shares held through his son and daughter, pursuant to Section 59(11)(c) of the Companies Act, 2016 ("the CA")
(2) Deemed interest by virtue of shares held through Muar Ban Lee Group Berhad, pursuant to Section 8 of the CA.
(3) Deemed interest by virtue of shares held through Tiger Mark Sdn. Bhd., pursuant to Section 8 of the CA.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

		NO. OF SHARES HELD		NO. OF SHARES HELD	
NO.	NAME	DIRECT	%	INDIRECT	%
1	DATO' CHUA HEOK WEE	2,181,856	0.72	95,695,100 (1)	31.66
2	MUAR BAN LEE GROUP BERHAD	95,695,100	31.66	–	–
3	CHUA KANG SING	–	–	95,695,100 (1)	31.66
4	TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI	23,592,625	7.81	2,987,988 (2)	0.99
5	PUAN SRI DATIN SERI CHAN MEI CHENG	–	–	26,580,613 (3)	8.79

Remarks:-

(1) Deemed interest by virtue of shares held through Muar Ban Lee Group Berhad, pursuant to Section 8 of the Companies Act, 2016 ("the CA").

(2) Deemed interest by virtue of shares held through his son and daughter, pursuant to Section 59(11)(c) of the CA.

(3) Deemed interest by virtue of shares held through her husband, son and daughter, pursuant to Section 8 of the CA.

30 LARGEST SECURITIES ACCOUNTS HOLDERS

(Based on Record of Depository as at 28 March 2025)

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	MUAR BAN LEE GROUP BERHAD	95,695,100	31.658
2	TAN SOON PING	11,601,500	3.838
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI(M01)	11,523,350	3.812
4	ROCKWILLS TRUSTEE BERHAD DATO' SERI MR. SERM JUTHAMONGKHON (BURSA TRUST)	10,537,125	3.486
5	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH HAN CHUAN (SMART)	9,325,000	3.085
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI (6000117)	6,823,750	2.257
7	CHAN HONG JI	5,329,475	1.763
8	NEO TIAM HOCK	4,029,656	1.333
9	DATO' SERI SIMON TOH BOON WAN	3,928,100	1.299
10	TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI	3,831,500	1.268
11	BO ENG CHEE	3,710,000	1.227

30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)

(Based on Record of Depository as at 28 March 2025)

NO.	SHAREHOLDERS	NO. OF SHARES	%
12	TIGER MARK SDN. BHD.	3,590,500	1.188
13	ETERNAL BAY SDN BHD	3,539,800	1.171
14	TEH KHEE SOK	3,537,900	1.170
15	HENG SEW HUA	3,250,000	1.075
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH EE HENG	2,785,000	0.921
17	DESMOND TOH BOON KHIAN	2,735,000	0.905
18	LOH KAH HOCK	2,657,700	0.879
19	VIP SERVICE SUITE SDN BHD	2,610,206	0.864
20	HENG LIH JIUN	2,352,000	0.778
21	CH'NG TEIK HOCK	2,200,600	0.728
22	DATO' CHUA HEOK WEE	2,181,856	0.722
23	AWAN TRAVEL SDN. BHD.	2,030,100	0.672
24	TAN MUI ING	1,820,000	0.602
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON TIONG (E-BMM)	1,804,525	0.597
26	OOI SIEW SUAN	1,500,000	0.496
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG YAK HOI	1,441,900	0.477
28	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI (SMART)	1,414,025	0.468
29	LAU TECK POH	1,407,500	0.466
30	YOW MING LOONG	1,400,000	0.463

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) Annual General Meeting ("AGM") of SWS Capital Berhad ("SWSCAP" or the "Company") will be held at Function Hall, Level 1 of Annex Building of Ee-Lian Enterprise (M) Sdn. Bhd., 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, in Malaysia on Tuesday, 20 May 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees and other benefits of up to RM396,000 for the period commencing from the conclusion of the 25th AGM of the Company until the conclusion of the next AGM of the Company in the year 2026. *Ordinary Resolution 1*

3. To re-elect the following retiring Directors who retire pursuant to Clause 21.5(a) of the Company's Constitution and are eligible, have offered themselves for re-election: -

   (i) Dato' Chua Heok Wee *Ordinary Resolution 2*
   (ii) Chua Kang Sing *Ordinary Resolution 3*

4. To re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Ordinary Resolution 4*

As Special Business:

To consider and, if thought fit, to pass the following resolutions:

5. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *Ordinary Resolution 5*

   "THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 ("**the Act**") read together with Clause 7.1 and Clause 15.2 of the Company's Constitution.

   THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("**Bursa Securities**") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued

   AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

6. To transact any other business of which due notices shall have been given in accordance with the Act.

BY ORDER OF THE BOARD,

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621/ SSM PC No. 201908002254)
Company Secretaries

Dated: 23 April 2025

Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.

2. The proxy form must be duly completed and deposited at the office of the Share Registrar of the Company, Plantation Agencies Sdn Berhad at 3rd Floor, 2, Lebuh Pantai, 10300 Georgetown, Pulau Pinang, Malaysia or email to sharereg@plantationagencies.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting.

3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.

4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.

5. The instrument appoint a proxy shall be in writing under the hand of the Member or his/her attorney duly authorised in writing. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

6. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("ROD") as at **13 May 2025** and only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

1. Audited Financial Statements for the Financial Year Ended 31 December 2024

This Agenda item is meant for discussion only as Section 340(1) (a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS: (CONT'D)

2. **Ordinary Resolution 1: Payment of Directors' Fees and Monthly Allowances**

   The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' Fees and other benefits payable to Non-Executive Directors.

   The total estimated monthly allowances payable is calculated based on the estimated number of scheduled Board and Board Committees' meetings for the period from the conclusion of the 25th AGM until the next AGM of the Company in the year 2026.

   This resolution is to facilitate payment of Directors' fees and other benefits payable to Non-Executive Directors on a current financial year basis. In the event the Directors' fees proposed are insufficient (e.g. due to more meetings), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. **Ordinary Resolution 2 & 3- Re-election of Director pursuant to Clause 21.5(a) of the Company's Constitution**

   Clause 21.5(a) of the Company's Constitution states that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

   Dato' Chua Heok Wee and Mr Chua Kang Sing are standing for re-election as a Director of the Company and being eligible, has offered themselves for re-election.

   To determine the eligibility of the Directors to stand for re-election at the 25th AGM, the Nomination and Remuneration Committee ("NRC") has considered and recommended Dato' Chua Heok Wee and Mr Chua Kang Sing for re-election as Director according to Clause 21.5(a) of the Company's Constitution.

4. **Ordinary Resolution 5: Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act**

   The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

   The 10% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(According to Paragraph 8.27(2) of MMLR of Bursa Securities)

1. No notice of nomination has been received to date from any member nominating any individual for election as a Director at the AGM of the Company. There is therefore no individual standing for election as a Director, save for the above Directors who are standing for re-election at the forthcoming 25th AGM of the Company.

2. The detailed information relating to the general mandate for the issue of securities under Paragraph 6.03(3) of the MMLR of Bursa Securities is set out under Explanatory Notes on Special Business for Ordinary Resolution 5 of the Notice of the 25th AGM of the Company.

SWS Capital Berhad
(Registration No. 199901027346 (502246-P))
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

PROXY FORM

I/We, ... (NRIC/Company No.) ....
(Full Name in Block Letters)

of ....
(Full Address)

Email Address: .... Tel No. .... being a member of **SWS Capital Berhad** [Registration No. 199901027346 (502246-P)] ("SWS" or the "Company") hereby appoint:

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 4 set out below)
Address	Email Address	Contact No.

and/or failing him/her

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 4 set out below)
Address	Email Address	Contact No.

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fifth (25th) Annual General Meeting ("AGM") of the Company will be held at Function Hall, Level 1 of Annex Building of Ee-Lian Enterprise (M) Sdn. Bhd., 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, in Malaysia on Tuesday, 20 May 2025 at 10.00 a.m. or at any adjournment thereof, on the following resolutions in the manner indicated below:-

My/Our proxy is to vote as indicated below:-

No.	Agenda	Resolutions	For	Against
1.	To approve the payment of Directors' fees and other benefits of up to RM396,000 for the period commencing from the conclusion of the 25th AGM of the Company until the conclusion of the next AGM of the Company in the year 2026.	Ordinary Resolution 1		
2.	To re-elect Dato' Chua Heok Wee as Director of the Company.	Ordinary Resolution 2		
3.	To re-elect Chua Kang Sing as Director of the Company.	Ordinary Resolution 3		
4.	To re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
As Special Business:				
5.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Ordinary Resolution 5		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

Signed this ____________ day of __________________________, 2025.

____
Signature
(If shareholder is a corporation, this form should be executed under seal)

Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
2. The proxy form must be duly completed and deposited at the office of the Share Registrar of the Company, at Plantation Agencies Sdn Berhad at 3rd Floor, 2, Lebuh Pantai, 10300 Georgetown, Pulau Pinang, Malaysia or email to sharereg@plantationagencies.com. my not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
5. The instrument appoint a proxy shall be in writing under hand of the Member or his/her attorney duly authorised in writing. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("ROD") as at **13 May 2025** and only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar of
SWS Capital Berhad
[Registration No. 199901027346 (502246-P)]
Plantation Agencies Sdn Berhad
3rd Floor, 2 Leboh Pantai,
10300 Georgetown,
Pulau Pinang

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Fold This Flap For Sealing

SWS CAPITAL BERHAD
[199901027346 (502246-P)]

PTD 6001, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri,
Batu 8, 84200 Muar, Johor.

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