



2025



ANNUAL REPORT

CONTENTS



CORPORATE OVERVIEW

01	Corporate Profile
02	Corporate Information
04	Corporate Structure
08	Global Presence

MANAGEMENT OVERVIEW

10	Chairman's Statement
13	Management Discussion and Analysis
25	Board of Directors' Profile
32	Key Senior Management Profile
34	Financial Highlights

GOVERNANCE AND SUSTAINABILITY

35	Corporate Governance Overview Statement
51	Statement on Risk Management and Internal Control
56	Audit Committee Report
59	Statement of Directors' Responsibility
60	Sustainability Statement
107	Other Disclosure Requirements

FINANCIAL

108	Financial Statements
-----	----------------------

OTHER INFORMATION

215	Shariah Screening Disclosure
217	List of Material Properties
219	Analysis of Shareholdings
222	Notice of Annual General Meeting
224	Statement Accompanying Notice of Annual General Meeting
	Proxy Form





RATIONALE

The cover design symbolises SWSCAP's ongoing journey of progress from vision to success. The plastic houseware business remains a key pillar supporting the Group's growth. The vibrant colours reflect the energy, dedication and forward momentum that drive our organisation, underscoring our commitment to excellence and sustainable progress.

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

During the financial year, SWSCAP ceased the operations of its furniture division as part of the Group business rationalisation and right-sizing efforts. The Board of SWSCAP is of the opinion that this rationalisation aligns with the long-term interests of the Group, taking into consideration that the Furniture Division operates in a very competitive environment and that the decision to cease operations was made based on past financial performance and future business prospects.

SWSCAP places great emphasis on manufacturing high quality products by following strict quality control and monitoring systems. The Group also remains committed to product development and design enhancement initiatives, focusing on upgrading existing product lines and introducing new offers at competitive pricing to meet evolving market demands. Affordability, durability and convenience remain key considerations in the Group's product strategy.



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)

AUDIT COMMITTEE

Chairperson

Ong Peng Teng

Members

**Dato' Seri
Simon Toh Boon Wan**

Koay Hooi Lynn

Liu Tian Khiew

NOMINATION AND REMUNERATION COMMITTEE

Chairperson

Koay Hooi Lynn

Members

**Dato' Seri
Simon Toh Boon Wan**

Liu Tian Khiew

Ong Peng Teng

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

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 Advocates & Solicitors
Chris Lee & Partners Advocates & Solicitors
Teh & Lee Advocates & Solicitors
NSK & Partners

SHARE REGISTRAR

Plantation Agencies Sdn Berhad
3rd Floor, 2, Lebuhr Pantai
10300 Georgetown
Pulau Pinang, Malaysia
Tel : +604- 2625333 | Fax : +604- 2622018
Email : sharereg@plantationagencies.com.my

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
Email : info@swscap.com

PENANG OFFICE

1027, Lengkok Perindustrian Bukit Minyak 1,
Kawasan Perindustrian Bukit Minyak,
14100 Simpang Ampat,
Pulau Pinang, Malaysia
Tel : +604-5023511 | Fax : +604-5023588

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")





Neat *Kitchen* Starts Here





BPA FREE

elianware
CASSEROLE
3.2L

100% BPA FREE
100% POLYPROPYLENE
100% RECYCLED MATERIAL







e!ianware 4.5L
CASSEROLE
BPA FREE
100% BPA & PVC FREE
Virgin grade polycarbonate













GLOBAL PRESENCE



















AFRICA



-  Mauritius 
-  South Africa 

ASIA

-  Brunei Darussalam 
-  Hong Kong, China 
-  Indonesia 
-  Philippines 
-  Singapore 
-  Thailand 

EUROPE


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

 Plastic wares  Furniture

GLOBAL PRESENCE
(CONT'D)



NORTH AMERICA

-  Canada 
-  United States 

OCENIA

-  Fiji 
-  New Zealand 

 Plastic wares  Furniture

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of SWS Capital Berhad (“SWS”), it is my privilege to present our Annual Statement for the financial year ended 31 December (“FYE”) 2025.

The year marked a significant turning point for the Group, as we made the strategic decision to cease our traditional furniture operations. This bold move was taken after careful consideration of the evolving market landscape, intensifying global competition, ongoing political conflicts, and the impact of US tariffs on exports. By exiting the furniture business, the Group can now focus on higher-growth and more sustainable segments, particularly our plastic wares division, positioning SWS for long-term resilience and value creation for our shareholders.

OPERATING ENVIRONMENT

The global economy in 2025 remained subdued with growth prospects tempered by persistent uncertainties. Trade tensions and tariff policies continued to weigh on international commerce and investment flows, contributing to slower global economic expansion. Aside from trade protectionism, geopolitical conflicts in key regions added further volatility to commodity prices and supply chains, impacting business sentiment and export oriented sectors worldwide.

According to the International Monetary Fund (IMF) World Economic Outlook, global growth is projected to ease slightly from 3.3% in 2024 to 3.2% in 2025, reflecting a more cautious expansion amid evolving policy and trade dynamics.

(Source: <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>)

These global economic challenges directly impacted the Malaysian furniture sector, including SWS’s traditional furniture operations, resulting in sustained earnings pressure. Rising global competition, trade barriers such as US tariffs, and market uncertainties constrained export performance and profitability. In response to these persistent challenges, the Board took the strategic decision in August 2025 to cease the Group’s traditional furniture operations. This strategic shift enables SWS to prioritise more promising and sustainable segments, particularly our plastic wares division, thereby strengthening the Group’s long term stability and enhancing shareholder returns.

Against this challenging global backdrop, Malaysia’s economy demonstrated resilience, expanding by 5.2% in 2025 compared with 5.1% in 2024. Growth was supported by strong domestic demand, sustained private and public sector investments, and government-led initiatives. Continued development in industrial activities and infrastructure projects provided a stable operating environment for domestic businesses

(Source: https://www.bnm.gov.my/-/qb25q4_en_pr)

CHAIRMAN'S STATEMENT (CONT'D)

OPERATING ENVIRONMENT (CONT'D)

Amid this complex economic environment, the Group recorded a revenue contraction of RM44.5 million, or 36.7%, decreasing from RM121.2 million in FYE 2024 to RM76.7 million in FYE 2025. The decline was primarily attributable to weaker performance in the Furniture Division, which fell by RM34.2 million, alongside a RM10.3 million decrease in the Plastic Wares Division.

The reduction in revenue from the Plastic Wares Division was largely influenced by changing consumer sentiments due to economic uncertainties, evolving spending patterns, and heightened competition from alternative suppliers across both domestic and export markets. The Group reported a loss before tax of RM12.1 million for FYE 2025, mainly attributable to a loss before tax of RM11.8 million from discontinued operations, with the remaining loss arising from the Plastic Wares Division.

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

Globally, economic growth is projected to remain steady at approximately 3.3% in 2026. While headwinds from shifting trade policies, geopolitical tensions, and currency volatility are expected to persist, these may be partially offset by continued investment in technology, supportive fiscal and monetary policies, and the adaptability of the private sector.

(Source: <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>)

Domestically, Malaysia's economy is expected to remain resilient in 2026, with GDP projected to expand between 4.0% and 4.5% according to projections by the Ministry of Finance. Growth is anticipated to be driven by the continued implementation of multi-year investment projects, catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (13MP), as well as sustained demand in the electrical and electronic sector.

Public infrastructure development, utilities upgrades, and expansion in transportation and telecommunications are expected to provide a supportive operating environment. At the same time, the tourism recovery under Visit Malaysia Year 2026 may indirectly stimulate broader economic activities. These factors are expected to contribute positively to industrial activities and trading demand within the domestic market.

(Source: https://www.bnm.gov.my/-/qb25q4_en_pr)

For SWS, these macroeconomic developments are particularly significant to our Plastic Wares Division. Strong demand, driven by rising consumer and industrial consumption, is expected to underpin growth in both household and industrial plastic products. At the same time, the Group remains cautiously optimistic, remaining vigilant of challenges such as raw material cost fluctuations, rising input costs, and increasing competition from alternative homeware materials. Our approach continues to be guided by resilience, prudence, and adaptability, ensuring that we remain well-positioned to navigate an evolving market environment.

To address these challenges and seize growth opportunities, SWS will continue to work closely with our customers, partners, and suppliers to manage cost pressures, improve supply chain efficiency, and diversify revenue streams across domestic and international markets. The Group remains committed to continuous product innovation and design enhancement, focusing on refining existing product lines while introducing new offerings that combine quality, functionality, and competitive pricing. Affordability, durability, and convenience will remain central to our product strategy, enabling us to meet evolving consumer needs while driving sustainable long-term growth.

A detailed review of the Group's financial and operational performance is provided in the "Management Discussion and Analysis of Business Operations and Financial Performance" section of this Annual Report, offering shareholders a comprehensive overview of our performance and strategic initiatives.

CHAIRMAN'S STATEMENT (CONT'D)

DIVIDEND

The Group remains focused on strengthening its operations and building a foundation for long-term sustainability. Given the prevailing market challenges and economic uncertainties, the Board has decided not to recommend a dividend payment for FYE 2025. This decision reflects our commitment to prudent financial management, preserving resources for strategic initiatives, and safeguarding the Group against potential risks.

The Board remains dedicated to delivering value to shareholders and will continue to monitor the Group's financial position closely. Dividend payments will be reinstated at the earliest appropriate opportunity, once the Group's financial performance and market conditions support a sustainable and responsible distribution.

ACKNOWLEDGEMENT

As we reflect on the past year, I would like to convey my sincere appreciation to our shareholders for their continued trust and confidence in SWS. Your unwavering support has been instrumental in helping the Group navigate challenges and remain resilient through a period of significant transformation.

I also extend my deepest gratitude to our employees for their dedication, commitment, and professionalism. Their hard work has been critical in driving operational efficiency, maintaining service excellence, and supporting the Group's strategic objectives during a challenging environment.

The Board and I also wish to acknowledge the invaluable support of our business partners, advisors, and relevant government and regulatory agencies. Their guidance, collaboration, and expertise have been pivotal in helping SWS adapt to changing market conditions and execute our strategic priorities effectively.

Lastly, I extend my heartfelt gratitude to my fellow Board members for their steadfast support, strategic counsel, and unwavering commitment. As we move forward, the Board remains resolute in its focus on delivering sustainable value to all stakeholders, and we look ahead with optimism toward new opportunities, growth initiatives, and milestones in the years to come.

Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai
Chairman of the Board
20 April 2026



MANAGEMENT DISCUSSION AND ANALYSIS

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 subsequently 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.

On 22 August 2025, the Board of SWS announced that, as part of the Group's business rationalisation and right-sizing efforts, the Furniture Division would cease operations. This division was previously operated through the Group's wholly-owned subsidiaries, namely Poh Keong Industries Sdn. Bhd., U.D. Panelform Sdn. Bhd., Syarikat UD Trading Sdn. Bhd., and UD Wood Products Sdn. Bhd. The Group is currently in the process of disposing of the operating assets related to this segment.

The decision to exit the Furniture Division was influenced by persistent earnings pressure faced by local furniture manufacturers amid market uncertainties, driven by political instability, global conflicts, and the impact of US tariffs on exports. The Board believes that this rationalisation is aligned with the long-term interests of the Group, considering the highly competitive operating environment of the Furniture Division and its historical unsustainable financial performance and limited business prospects.

By refocusing resources on higher-growth and more sustainable segments, particularly the Plastic Wares Division, the Group aims to strengthen operational efficiency, improve financial resilience, and deliver sustainable value to shareholders.

Plastic Wares Division

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

The division's product portfolio includes essential household plastic wares, such as storage containers, food preparation tools, serving items, and cleaning products. It also provides plastic furniture and industrial products through manufacturing and trading activities. While the division primarily serves the domestic market, approximately 10% of its products are exported to ASEAN countries, reflecting the Group's growing international presence.

With a catalogue of over 1,300 products, the division continuously introduces innovative and visually appealing designs to meet mass-market demands. Functionality, durability, and safety remain top priorities. Most products are Bisphenol A (“**BPA**”)-free, although products manufactured from Polycarbonate (“**PC**”) may contain trace amounts of BPA due to the nature of the material. Regardless, all products comply with stringent safety and regulatory standards.

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

Operating in a highly dynamic plastic industry, the division continuously prioritises innovation and adaptability. SWS invests in product development and process improvements to enhance production efficiency and maintain product quality. By closely monitoring market trends and technological advancements, the division ensures it remains competitive in both domestic and international markets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

To drive growth, SWS continues to implement strategic marketing initiatives aimed at strengthening brand visibility, enhancing product positioning, and responding effectively to evolving consumer preferences.

Recognising the environmental impact of its operations, the division is committed to integrating sustainable practices across its business. These include responsible waste management and resource conservation. Further details on the Group's sustainability initiatives are presented in the "Sustainability Report" section of this Annual Report.

YEAR-ON-YEAR FINANCIAL REVIEW

In 2025, global economic growth moderated amid persistent trade tensions, evolving tariff policies, and cautious business sentiment. Although some earlier trade escalations were partially eased through subsequent agreements, volatility continued to influence global supply chains, commodity prices, and international trade flows. These developments contributed to a more cautious operating environment for export-oriented industries.

The global furniture sector, particularly among exporters, was significantly affected by these uncertainties. Local furniture manufacturers faced mounting pressure arising from geopolitical tensions, global conflicts, and the continued impact of tariffs imposed on key export markets, including the United States. These challenges led to declining export demand and reduced production volumes across the sector. In light of the sustained weak performance and the limited prospects for recovery in the near term, the Group made the strategic decision to cease its furniture operations in August 2025, as the business was no longer commercially sustainable.

Meanwhile, global demand for plastic products, including household plastic wares, remained relatively stable despite the challenging macroeconomic environment. Moderate global economic expansion, coupled with continued industrial and consumer demand, supported steady consumption across several plastic end-use sectors. Industry reports indicate that global plastics demand is expected to grow at a moderate pace of approximately 2% to 3% annually between 2025 and 2027, reflecting stable yet measured growth in consumption trends.

(Source: <https://www.krungsri.com/en/research/industry/industry-outlook/petrochemicals/plastics/io/io-plastics-2025-2027>)

The ASEAN plastics market similarly demonstrated robust demand in 2025, with the South-East Asia (SEA) market size estimated at approximately 31.78 million tons, driven by rapid urbanisation, manufacturing expansion, and a growing middle class. The sector continues to evolve, balancing strong demand for packaging and household products with a shift towards sustainable, high-value materials.

(Source: <https://www.mordorintelligence.com/industry-reports/south-east-asia-sea-plastics-market>)

Despite this positive demand backdrop, the plastic wares industry faces several challenges. Competition is particularly intense in the household plastics segment, amplified by the growing availability of alternative homeware materials, such as glass, stainless steel, and silicone. Consumers are increasingly seeking environmentally friendly and durable products, adding pressure on manufacturers to innovate and differentiate.

Moreover, global economic uncertainties, geopolitical tensions, and trade disruptions contributed to volatile raw material costs and supply chain pressures. Simultaneously, expanding global production capacity in petrochemicals and plastics has resulted in oversupply in certain segments, exerting downward pressure on profit margins for manufacturers.

Given this challenging business landscape, the Group recorded a revenue decline of RM44.5 million, or 36.7%, from RM121.2 million in the financial year ended ("FYE") 31 December 2024 to RM76.7 million in FYE 2025. The reduction was primarily attributable to the weak performance of the Furniture Division prior to its cessation, as well as softer demand in the Plastic Wares Division amid cautious consumer spending and competitive market conditions. Consequently, the Group recorded a loss before tax of RM12.1 million for FYE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Despite these challenges, SWS remains focused on strengthening its financial resilience and operational capabilities. The Group continues to prioritise cost optimisation, operational efficiency, and product innovation as key strategies to navigate the evolving industry landscape. By adapting to market trends, enhancing operational discipline, and investing in product development, the Group aims to reinforce its market position within the plastic wares segment and drive sustainable growth over the long term.

Financial performance	Audited FYE 2025 RM'000	Audited FYE 2024 RM'000	Variance	
			RM'000	%
Revenue	76,740	121,199	-44,459	-36.7
Gross profit ("GP")	6,033	17,406	-11,373	-65.3
Loss before tax ("LBT")	-12,109	-2,517	-9,592	-381.2
Loss after tax ("LAT")	-13,305	-3,500	-9,805	-280.2
GP margin (%)	7.9%	14.4%		-6.5
LBT margin (%)	-15.8%	-2.1%		-13.7
LAT margin (%)	-17.3%	-2.9%		-14.5

Revenue by segment	Audited FYE 2025 RM'000	Audited FYE 2024 RM'000	Variance	
			RM'000	%
<i>Continuing operations</i>				
Plastic wares	62,662	72,984	-10,322	-14.1
<i>Discontinued operations</i>				
Furniture	14,078	48,215	-34,137	-70.8
Revenue	76,740	121,199	-44,459	-36.7

GP / Gross loss ("GL") by segment	Audited FYE 2025 RM'000	Audited FYE 2024 RM'000	Variance	
			RM'000	%
<i>Continuing operations</i>				
Plastic wares	13,743	15,289	-1,546	-10.1
<i>Discontinued operations</i>				
Furniture	-7,710	2,117	-9,827	-464.2
GP	6,033	17,406	-11,373	-65.3

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

GP/GL margin	Audited FYE 2025 %	Audited FYE 2024 %	Variance	
			RM'000	%
<i>Continuing operations</i>				
Plastic wares	21.9	20.9		1.0
<i>Discontinued operations</i>				
Furniture	-54.8	4.4		-59.2
GP margin	7.9	14.4		-6.5

Profit/(Loss) before tax ("PBT"/"LBT") by segment	Audited FYE 2025 RM'000	Audited FYE 2024 RM'000	Variance	
			RM'000	%
<i>Continuing operations</i>				
Plastic wares	-109	2,136	-2,245	-105.1
Others	-209	-375	166	44.3
<i>Discontinued operations</i>				
Furniture	-11,791	-4,278	-7,513	-175.6
PBT/LBT	-12,109	-2,517	-9,592	-381.2

Revenue

The Group recorded a decline in revenue from RM121.2 million in FYE 2024 to RM76.7 million in FYE 2025, representing a year-on-year ("YoY") decrease of RM44.5 million or 36.7%. The decline was primarily attributable to lower contributions from both the Furniture Division and the Plastic Wares Division during the financial year.

The Furniture Division reported a significant reduction in revenue of RM34.2 million or 70.8%, declining from RM48.2 million in FYE 2024 to RM14.0 million in FYE 2025. As previously explained, the Group made the strategic decision to cease its Furniture Division in August 2025, following sustained operational challenges and declining demand within the sector.

Meanwhile, the Plastic Wares Division recorded a revenue decrease of RM10.3 million or 14.1%, from RM73.0 million in FYE 2024 to RM62.7 million in FYE 2025. The decline was largely influenced by broader economic uncertainties, cautious consumer sentiment, shifts in spending patterns, and intensified competition from alternative suppliers in both domestic and export markets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Gross profit / loss

In line with the decline in revenue, the Group's GP decreased by RM11.4 million or 65.3%, from RM17.4 million in FYE 2024 to RM6.0 million in FYE 2025. Consequently, the Group's GP margin contracted from 14.4% in FYE 2024 to 7.9% in FYE 2025.

The significant reduction in GP was mainly attributable to the Furniture Division, which recorded a GL of RM7.7 million in FYE 2025, compared to a GP of RM2.1 million in FYE 2024, representing a negative variance of RM9.8 million. The deterioration reflects the weaker operating performance of the division prior to the cessation of operations during the year.

Despite the decline in revenue from the Plastic Wares Division, the division recorded a comparatively resilient performance. GP decreased moderately by RM1.5 million or 10.1%, from RM15.3 million in FYE 2024 to RM13.7 million in FYE 2025. Notably, the GP margin improved by 1.0 percentage point, increasing from 20.9% in FYE 2024 to 21.9% in FYE 2025.

This improvement in margin reflects the Group's continued efforts in cost management, operational efficiencies, and product mix optimisation within the Plastic Wares Division, which helped mitigate the impact of lower sales volume during the year.

Loss/Profit before tax

For FYE 2025, the Group recorded a LBT of RM12.1 million, compared with an LBT of RM2.5 million in FYE 2024.

The larger loss was primarily attributable to the Furniture Division, which recorded an LBT of RM11.8 million in FYE 2025. The division continued to face significant operational challenges, including declining demand and sustained losses, which ultimately led the Group to make the strategic decision to cease the Furniture Division's operations in August 2025.

Meanwhile, the Plastic Wares Division recorded a near breakeven performance, reporting a LBT of RM0.1 million in FYE 2025, compared with a PBT of RM2.1 million in FYE 2024. The decline in profitability was largely attributable to lower sales volumes and the impact of fixed operating expenses, which could not be proportionately reduced in line with the decrease in revenue during the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Loss after tax

In line with the higher LBT recorded during the year, the Group's LAT increased from RM3.5 million in FYE 2024 to RM13.3 million in FYE 2025.

Correspondingly, the Group's basic loss per share widened to 4.40 sen per share in FYE 2025, compared with 1.16 sen per share in FYE 2024.

Financial position	Audited As at 31 December 2025 RM'000	Audited As at 31 December 2024 RM'000	Variance	
			RM'000	%
Non-current assets	109,152	111,348	-2,196	-2.0
Current assets	74,063	88,020	-13,957	-15.9
Asset classified as held for sale	1,675	5,590	-3,915	-70.0
Non-current liabilities	12,760	15,066	-2,306	-15.3
Current liabilities	27,577	39,268	-11,691	-29.8
Equity attributable to owners of the Company	144,553	150,624	-6,071	-4.0

Assets

The Group's non-current assets primarily comprise right-of-use assets, property, plant and equipment ("**PPE**"), and investment properties. As at 31 December 2025, total non-current assets stood at RM109.1 million, representing a decrease of RM2.2 million from RM111.3 million recorded a year earlier.

The reduction was mainly attributable to a decline in PPE of RM10.8 million, which was partially offset by an increase in investment properties of RM6.6 million and right-of-use assets of RM2.0 million.

The decrease in PPE was primarily due to depreciation charges of RM3.3 million recognised during the year, the disposal of assets amounting to RM2.8 million, and reclassification of land and properties as investment properties of RM6.6 million. These reductions were partially offset by capital expenditure of RM1.3 million incurred during the financial year.

The increase in investment properties of RM6.6 million was mainly attributable to the reclassification of property under the Furniture Division that is generating rental income from PPE. Meanwhile, the increase in right-of-use assets of RM2.0 million was primarily due to the revaluation of leasehold properties as well as renewal and extension of lease arrangements, resulting in the recognition of additional right-of-use assets in accordance with the applicable accounting standards.

The Group's current assets, which comprise inventories, trade and other receivables, other investments, tax recoverable, cash and bank balances, and fixed deposits, decreased by RM13.9 million or 15.9%, from RM88.0 million as at 31 December 2024 to RM74.1 million as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Assets (Cont'd)

The decline was mainly driven by a reduction in inventories of RM14.0 million, as well as a decrease of RM10.8 million in trade and other receivables. The lower receivables balance was largely attributable to the cessation of the Furniture Division and the reduction in revenue from the Plastic Wares Division during the year.

These decreases were partially offset by an increase of RM12.5 million in cash and bank balances and fixed deposits. Further details on this increase are provided in the "Liquidity, Capital Resources and Gearing" section of this report.

Liabilities

The Group's non-current liabilities, comprising loans and borrowings, lease liabilities, and deferred tax liabilities, decreased by RM2.3 million or 15.3% YoY, from RM15.1 million as at 31 December 2024 to RM12.8 million as at 31 December 2025. This reduction was mainly attributable to a RM1.0 million decrease in long-term loans and borrowings and a RM1.6 million decline in lease liabilities during the year.

Similarly, current liabilities, which include short-term loans and borrowings, trade and other payables, and lease liabilities, declined by RM11.7 million or 29.8% YoY, from RM39.3 million as at 31 December 2024 to RM27.6 million as at 31 December 2025. The decrease was primarily driven by a net repayment of RM7.9 million in short-term loans and borrowings and a RM3.2 million reduction in trade and other payables.

The reductions in both current and non-current liabilities were mainly due to the cessation of the Furniture Division, where the Group cleared all outstanding loans and payables.

Liquidity, capital resources and gearing

As of 31 December 2025, the Group's cash and cash equivalents increased by RM15.2 million to RM28.7 million, compared to RM13.5 million as of 31 December 2024. Cash and cash equivalents comprise cash and bank balances, fixed deposits not pledged with licensed banks and are offset by bank overdrafts.

Cash flow from/(used in)	Audited As at 31 December 2025 RM'000	Audited As at 31 December 2024 RM'000	Variance	
			RM'000	%
Operating activities	17,836	6,785	11,051	162.9
Investing activities	8,374	1,371	7,003	510.8
Financing activities	-11,050	-9,887	-1,163	11.8
Net changes in cash and cash equivalents	15,160	-1,731	16,891	975.8
Effects of changes in exchange rate	-	6	-6	-100

For FYE 2025, the Group reported a LBT of RM12.1 million. After adjusting for non-cash items, the Group recorded an operating loss before changes in working capital of RM3.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Liquidity, capital resources and gearing (Cont'd)

Improvements in working capital contributed to a net cash inflow of RM20.3 million, primarily driven by:

- A RM13.3 million inflow from reductions in inventories,
- A RM10.2 million inflow from lower trade and other receivables,
- Partially offset by a RM3.2 million outflow from decreases in trade and other payables.

After accounting for net tax refunds of RM0.8 million, the net cash generated from operating activities amounted to RM17.8 million.

From investing activities, the Group recorded a net cash inflow of RM8.4 million, largely attributable to RM10.0 million in proceeds from the disposal of PPE, partially offset by RM1.3 million in capital expenditure, RM0.4 million paid for real property gain tax and RM0.2 million placement in fixed deposits. Additionally, RM0.3 million was received in interest income.

The proceeds from the disposal of PPE primarily relate to a transaction announced on 9 October 2024, whereby the Board approved the sale of certain assets of SWS's subsidiary, U.D. Panelform Sdn. Bhd., to Ecomate Sdn. Bhd., under a Sale and Purchase Agreement and a Sale of Plant & Machinery Agreement for a total consideration of RM8.85 million, as disclosed in the "Corporate Exercise" section of this Report.

Financing activities resulted in a net cash outflow of RM11.1 million, primarily due to:

- Net repayment of loans and borrowings of RM6.2 million,
- Interest payments of RM1.6 million, and
- Lease liability repayments of RM3.4 million.

As a result of these activities, the Group's gearing position improved significantly, with net cash exceeding total borrowings as at 31 December 2025. This represents a substantial reduction in financial leverage compared with 0.09 times as at 31 December 2024, highlighting the Group's strong liquidity and prudent financial management.

The Group's operations are financed through a combination of internal and external sources. Internal funding primarily comprises shareholders' equity and cash flows from operations, while external funding includes bank borrowings and supplier credit arrangements, which generally range between 30 and 120 days.

Management is confident that, given the current cash and bank balances and expected cash flows from operations, the Group has sufficient working capital to support its ongoing and foreseeable business needs. Other than the factors disclosed above, there are no known trends or events that could materially affect the Group's operations, financial performance, or liquidity.

During FYE 2025, the Group did not enter into any capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF OPERATING ACTIVITIES

Corporate Exercise

On 9 October 2024, 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 was 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 disposal formed part of SWS's ongoing group-wide rationalisation exercise of its furniture manufacturing division. It enabled the Group to realise the value of its investments and redeploy the proceeds into other operating units, thereby optimising manufacturing capacity and enhancing overall competitiveness. The proceeds from this disposal were received in July 2025.

On 28 July 2025, SWS's subsidiary, U.D. Panelform Sdn. Bhd., entered into a Sale and Purchase Agreement with Jason Koh Jian Hui and Bo Lireen for the disposal of a single-storey detached factory building situated on leasehold industrial land (PN 9615, Lot 8792, Mukim Jalan Bakri, District of Muar, Johor), for a total consideration of RM1.71 million.

Following the agreement, the property was classified as an asset held for sale. The proceeds from the disposal are expected to be received in the second quarter of 2026.

On 22 August 2025, SWS announced the cessation of operations of its Furniture Division, which is currently carried out through the following direct and indirect wholly-owned subsidiaries:

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

The Group is currently in the process of disposing of the remaining operating assets related to this division.

The Board of SWS Capital Berhad is of the view that this rationalisation exercise is in the best long-term interests of the Group, taking into account the highly competitive nature of the furniture manufacturing industry, as well as the division's past financial performance and future business prospects.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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. Hence, we are susceptible to the risks inherent to our industry. 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.

(ii) Operational risks

The supply of raw materials for the plastic wares division is always at risk of shortages and pricing issues, due to market supply availability and competition. In prior years, plastic wares division has 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 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.

Investment in automated plant and machinery in the past years has enabled 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK PROFILES (CONT'D)

(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.

(iv) Foreign exchange risks

Plastic wares division's export sales contributed approximately 6.5% 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

Plastic wares division is experiencing stiff competition from both established and new players. 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 demand for plastic products, including household and industrial plastic wares, is projected to grow moderately at 2%–3% per annum between 2025 and 2027. This growth is supported by stable consumption trends across downstream sectors such as packaging, automotive, construction, and electronics, reflecting continued industrial and consumer demand for versatile plastic solutions.

(Source: <https://www.krungsri.com/en/research/industry/industry-outlook/petrochemicals/plastics/io/io-plastics-2025-2027>)

Regionally, the ASEAN plastics market is expected to remain robust in 2026, driven by rapid urbanisation, industrial expansion, and a growing middle class. Demand for household and industrial plastics continues to rise, accompanied by an increasing shift toward higher-value and sustainable materials. These trends create opportunities for manufacturers that can offer innovative, environmentally conscious, and high-quality products.

(Source: <https://www.mordorintelligence.com/industry-reports/south-east-asia-sea-plastics-market>)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORWARD-LOOKING STATEMENT (CONT'D)

Domestically, the Malaysian plastics market is projected to grow from USD 4.04 billion in 2025 to approximately USD 4.19 billion in 2026, reflecting sustained expansion of the sector. Over the medium term (2026–2031), the market is expected to grow at a CAGR of approximately 3.86%, driven by export-oriented manufacturing clusters, growing domestic consumption, and increasing demand for recycled and bio-based plastics.

(Source: <https://www.mordorintelligence.com/industry-reports/malaysia-plastics-market>)

For SWS, these macroeconomic and industry trends provide a positive backdrop for the Plastic Wares Division, which remains the Group's primary growth engine following the cessation of the Furniture Division. The Group anticipates moderate growth in the retail market for plastic wares in 2026, supported by:

- Steady consumer demand for affordable, durable, and lightweight household products;
- Expansion of online and physical retail channels, enhancing accessibility and convenience for consumers; and
- Regional export opportunities, particularly in ASEAN markets, reflecting the continued strength of the plastics sector.

However, growth is expected to remain measured due to sustainability considerations, raw material cost fluctuations, and intensifying competition from alternative homeware materials such as glass, stainless steel, and silicone.

To capitalise on market opportunities and mitigate these challenges, the Group will focus on:

1. *Operational efficiency and production excellence* – improving manufacturing processes to enhance cost-effectiveness and product quality.
2. *Customer collaboration and revenue diversification* – working closely with domestic and international clients to manage cost pressures and broaden sales channels.
3. *Product innovation and design enhancement* – upgrading existing product lines and introducing new offerings at competitive pricing, ensuring that products remain relevant, functional, and appealing.
4. *Sustainability initiatives* – exploring recyclable, reusable, and environmentally friendly product solutions to align with evolving consumer and regulatory expectations.

Affordability, durability, and convenience will continue to underpin SWS's product strategy, guiding the Group in delivering long-term sustainable growth while strengthening its market position in both domestic and regional markets.

BOARD OF DIRECTORS' PROFILE

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

Non-Independent
Non-Executive
Chairman



Nationality
Malaysia

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.



Gender
Male

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 44 years of working experience in the fields of auditing, accounting and corporate finance.



Aged
70

Tan Sri Dato' Seri Dr. Tan holds directorship in other public listed company, which are listed in Main Market and ACE 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.

BOARD OF DIRECTORS' PROFILE (CONT'D)

DATO' CHUA HEOK WEE

Group
Managing
Director



Nationality
Malaysia

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.



Gender
Male

With more than 31 years' experience in the design and manufacture of oil seed expellers, ancillary machinery and spare parts, he has steered MBL 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.



Aged
53

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.

Director of:-

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

BOARD OF DIRECTORS' PROFILE (CONT'D)

CHUA KANG SING

Executive
Director



Nationality
Malaysia

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.



Gender
Male

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 13 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.



Aged
35

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, a company listed on the Main Market of Bursa Malaysia Securities 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.

Director of:-

1. Poh Keong Industries Sdn. Bhd.
2. Syarikat U.D. Trading Sdn. Bhd.
3. U.D. Panelform Sdn. Bhd.
4. U.D. Wood Products Sdn. Bhd.

BOARD OF DIRECTORS' PROFILE (CONT'D)

DATO' SERI SIMON TOH BOON WAN *

Independent
Non-Executive
Director



Nationality
Malaysia

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.



Gender
Male

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.



Aged
51

BOARD OF DIRECTORS' PROFILE (CONT'D)

**KOAY
HOOI LYNN ***

Independent
Non-Executive
Director



Nationality
Malaysia

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")



Gender
Female

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.



Aged
55

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.

BOARD OF DIRECTORS' PROFILE (CONT'D)

LIU TIAN KHIEW

Independent
Non-Executive
Director



Nationality
Malaysia



Gender
Male



Aged
68

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 (Mr Liu) 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.

BOARD OF DIRECTORS' PROFILE (CONT'D)

ONG PENG TENG

Independent
Non-Executive
Director



Nationality
Malaysia

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 the Ministry of Finance Malaysia. Ms. Ong is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), a Chartered Accountant of the Malaysian Institute of Accountants (MIA), and a member of ASEAN CPA.



Gender
Female

Ms. Ong began her professional career in 2007 as an audit assistant and progressed through the ranks to become an approved auditor licensed by the Ministry of Finance in 2016. She has extensive experience in accounting, taxation, auditing, and finance, gained through her years in public practice firms.



Aged
43

In 2019, she established her own professional firm, OPT & Co, which provides a range of services including accounting, auditing, taxation, and management advisory services. Ms. Ong does not have any 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



Nationality
Malaysia



Gender
Male



Aged
55

Executive Director of:-

1. Ee-Lian Enterprise (M) Sdn. Bhd.
2. Ee-Lian Industries Sdn. Bhd.
3. Ee-Lian Plastic Industries (M) Sdn. Bhd.
4. Skywood Residence Sdn. Bhd.
5. SWS In Medics Sdn. Bhd.

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 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



Nationality
Malaysia



Gender
Male



Aged
53

Executive Director of:-

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

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 wares division production and IT divisions. He has no family relationship with any other Director or major shareholder of the Company.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

TAN KEAN AIK



Nationality
Malaysia



Gender
Male



Aged
35

Executive Director of:-

1. Ee-Lian Enterprise (M) Sdn. Bhd.
2. Ee-Lian Industries Sdn. Bhd.
3. Ee-Lian Plastic Industries (M) Sdn. Bhd.
4. Poh Keong Industries Sdn. Bhd.
5. Skywood Residence Sdn. Bhd.
6. SWS In Medics Sdn. Bhd.
7. Syarikat U.D. Trading Sdn. Bhd.
8. U.D. Panelform Sdn. Bhd.
9. U.D. Wood Products Sdn. Bhd.

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
Malaysia



Gender
Male



Aged
44

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

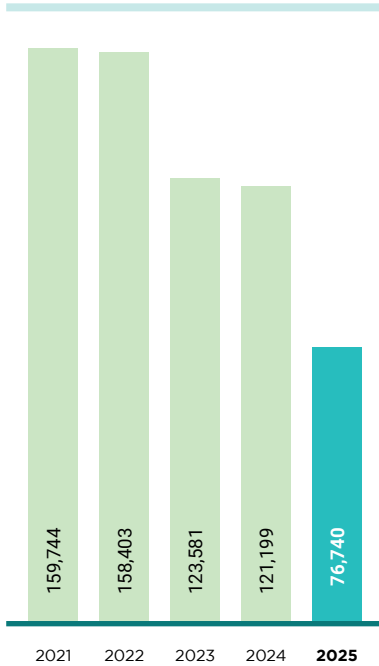
No Key Senior Management has any conflict of interest with the Company.

Conviction of offence

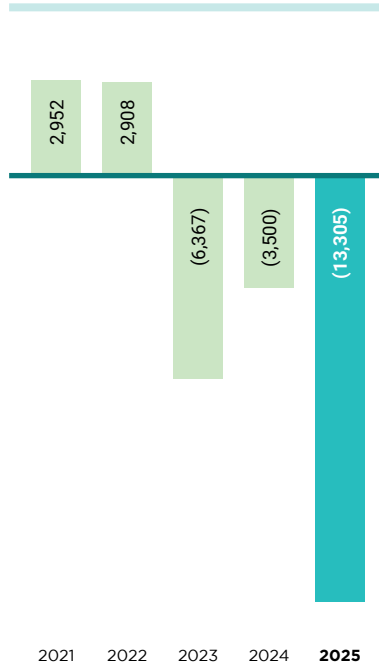
No Key Senior Management has been convicted of any offence within the past five (5) years other than traffic offences.

FINANCIAL HIGHLIGHTS

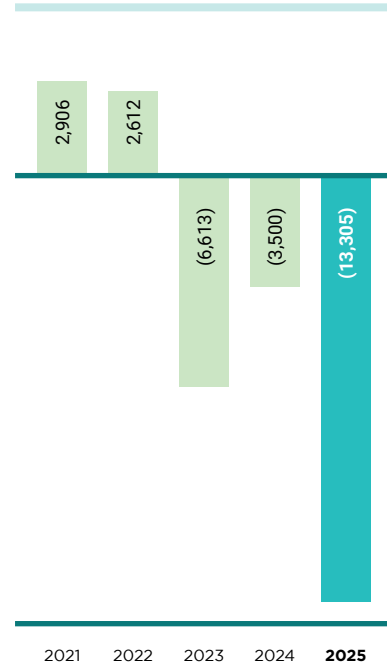
Revenue
(RM'000)



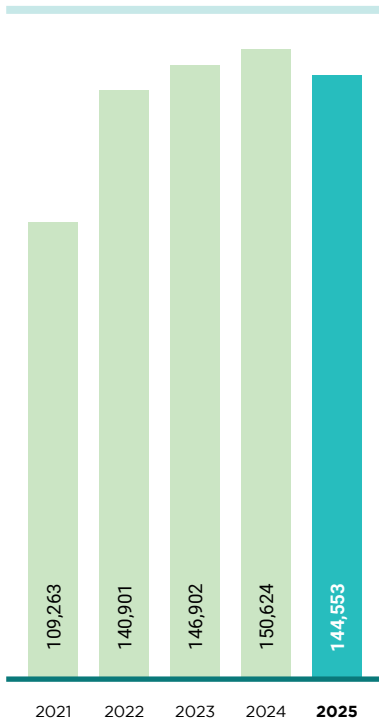
Profit/(Loss) After Tax
(RM'000)



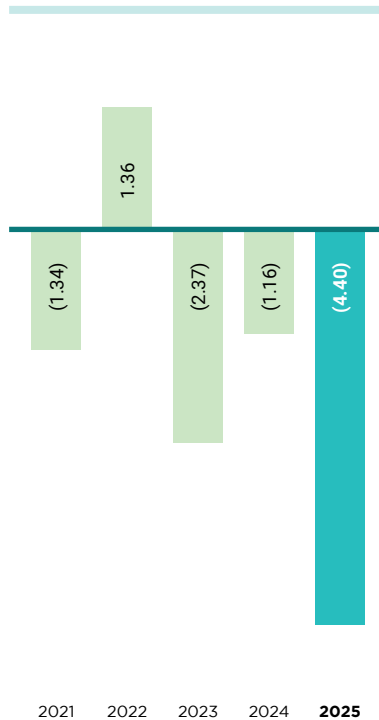
**Net Profit/(Loss)
Attributable to Equity Holders**
(RM'000)



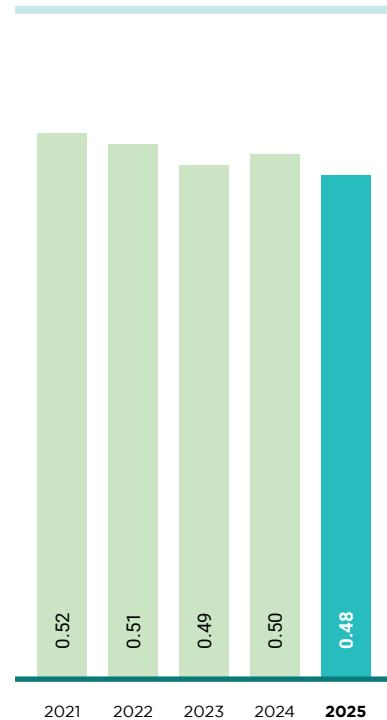
Shareholders' Fund
(RM'000)



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 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. All 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 keep abreast of the evolving market environment, regulatory changes and developments in CG through continuous training.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 35 to 70, 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.

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 Director is set out on pages 25 to 31 of this Annual Report.

Nomination and Remuneration Committee

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 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 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1.2 Board Composition (Cont'd)

Nomination and Remuneration Committee (Cont'd)

The ToR of the NRC also provides that it shall have specific responsibilities in relation to nomination matters. With respect to nomination matters, the specific responsibilities of the NRC 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.

The ToR of the NRC also 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1.2 Board Composition (Cont'd)

Recruitment or Appointment of Directors (Cont'd)

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 26th Annual General Meeting of the Company are as follows:

<u>Name</u>	<u>Designation</u>
Koay Hooi Lynn	Independent Non-Executive Director
Dato' Seri Simon Toh Boon Wan	Independent Non-Executive Director

Koay Hooi Lynn and Dato' Seri Simon Toh Boon Wan are due to retire pursuant to clause 21.5(a) of the Constitution of the Company at the 26th 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 25 to 31 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 will adopt the board members' self and peer evaluation form, Independent Directors' evaluation form, Board and Board committee evaluation form in future.

The annual assessment for financial year ended 31 December 2025 ("FYE 2025") was conducted via Questionnaires. The Company Secretary summarised the results of evaluation and reported to each Board and Board Committee member by providing with summarised 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.

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 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1.2 Board Composition (Cont'd)

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.

<i>Name</i>	<i>Board</i>	<i>AC</i>	<i>NRC</i>
<i>Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai</i>	5/5*	N/A	N/A
<i>Dato' Chua Heok Wee</i>	5/5	N/A	N/A
<i>Chua Kang Sing</i>	5/5	N/A	N/A
<i>Dato' Seri Simon Toh Boon Wan</i>	5/5	5/5	2/2
<i>Koay Hooi Lynn</i>	5/5	5/5	2/2*
<i>Liu Tian Khiew</i>	4/5	4/5	2/2
<i>Ong Peng Teng</i>	5/5	5/5*	2/2

* Chairman of Board Committee
N/A - Not Applicable

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 Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1.2 Board Composition (Cont'd)

Directors' Commitment (Cont'd)

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 is, 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 member is 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:-

<i>Name</i>	<i>Training Programmes</i>	<i>Date</i>
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	Impact of Malaysia Budget	10/10/2025
	Seminar on "[SSM Webinar] Resolving Boardroom and Shareholders Disputes"	17/03/2026
	Seminar on "[SSM Webinar] Handling Boardroom Tussle & Tension : A Workshop For Company Secretaries"	26/03/2026
Dato' Chua Heok Wee	SST Implementation	07/08/2025 - 08/08/2025
Chua Kang Sing	Essential of Franchising Course	23/07/2025- 24/07/2025
	SST Implementation	07/08/2025- 08/08/2025

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' Seri Simon Toh Boon Wan	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	26/11/2025 & 27/11/2025
Koay Hooi Lynn	SSM National Conference – Leading Governance for Sustainable Growth Audit Oversight Board by Security Commission	19/08/2025 & 20/08/2025 25/11/2025
Liu Tian Khiew	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) ICDM Virtual Classroom	26/11/2025 & 27/11/2025
Ong Peng Teng	A Comprehensive Review of Latest Developments in MPERS An Overview of The Malaysian Private Entities Reporting Standard (MPERS) - Practical Approach to Recognition and Measurement Principles Including Updates	17/09/2025 16/10/2025 & 17/10/2025

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 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 specific responsibilities of the NRC 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 NRC on remuneration matters, where necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1.3 Remuneration Committee (Cont'd)

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.

The Board approved the NRC's recommendation on the fee of the Non-Executive Directors, and Directors' fees for FYE 2026 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.

The details of the remuneration of the Directors of the Company for the financial year from 01.01.2025 to 31.12.2025:

	EXECUTIVE DIRECTORS		
	Dato' Chua Heok Wee	Chua Kang Sing	TOTAL
Salaries and other emoluments	360,000	180,000	540,000
Social contribution plan	1,393	1,393	2,785
Defined contribution plan	46,800	21,600	68,400
	408,193	202,993	611,185

	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	4,000	4,000	3,200	4,000	19,200
Fee	140,000	56,000	56,000	56,000	56,000	364,000
Social contribution plan	893	769	769	483	769	3,683
	144,893	60,769	60,769	59,683	60,769	386,883

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 01.01.2025 to 31.12.2025: (Cont'd)

	PAST EXECUTIVE DIRECTORS	
	Dato' Teoh Han Chuan	TOTAL
Salaries and other emoluments	37,161	37,161
Social contribution plan	149	149
Defined contribution plan	1,489	1,489
	38,799	38,799

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.

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	1
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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 56 to 58 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 MD 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2.1 Audit Committee (Cont'd)

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 13 April 2026, 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 Messrs. 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 Messrs. Morison LC PLT, the Audit Committee unanimously recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the 26th 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 32 to the annual audited financial statements on pages 199 to 202 of this Annual Report.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2.2 Risk Management and Internal Control Framework (Cont'd)

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 MCGG 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 56 to 58 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

Shareholder Participation at General Meeting (Cont'd)

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 26th Annual General Meeting.

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 the 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 26th Annual General Meeting will include the Chairman's briefing on the Company's overall performance for FYE 2025 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 26th Annual General Meeting by the Minority Shareholder Watch Group, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 (Cont'd)

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.

(i) 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 20 April 2026.

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 (“SORMIC Guide 2025”), 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 2025 (“FYE 2025”).

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 meets 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.

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

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.

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

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 RM31,000.

ASSURANCE PROVIDED BY THE GROUP MANAGING DIRECTOR

In line with the Guidelines, the 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.

Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 (revised March 2026) does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report of the Company, in all material respects:

- Had not been prepared in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025; or
- Is factually inaccurate.

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

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 20 April 2026.



AUDIT COMMITTEE REPORT

INTRODUCTION

The Audit Committee of SWS Capital Berhad (“SWSCAP” or “Company”) comprises three (3) 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 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 2025 (“FYE 2025”), 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 2025 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 2025 to present the audit review memorandum and auditors’ report on the annual audited financial statements for FYE 2025.

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 Chairman 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.

AUDIT COMMITTEE REPORT (CONT'D)

MEETINGS (CONT'D)

The Audit Committee Chairman presented to the Board the recommendations of the Audit Committee for approval of the annual and quarterly financial statements. The Audit Committee Chairman 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 Malaysian Code on Corporate Governance 2017.
- 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
 - 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 2025, 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 pages 51 to 55 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 2025, 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 STATEMENT

ABOUT THIS REPORT

SWS Capital Berhad (“SWS” or “the Company”), together with its subsidiaries (collectively referred to as “the Group”), is pleased to present its Sustainability Report for the financial year ended 31 December (“FYE”) 2025.

This Report outlines the Group’s sustainability strategy, guiding principles, key initiatives, and performance for FYE 2025. It addresses the material sustainability issues identified through our materiality assessment, which are most relevant to our stakeholders. The Report also provides updates on the Group’s ongoing sustainability efforts across core business units and operations, demonstrating the progress made toward fulfilling our sustainability commitments. These efforts reflect our continued focus on integrating sustainable practices and generating long-term value for all stakeholders.

Our approach to sustainability continues to evolve in response to emerging challenges and opportunities. Recognising that sustainability is a continuous journey, we remain committed to enhancing our strategies to ensure meaningful contributions to both society and the environment.

REPORTING FRAMEWORKS AND STANDARDS

This Report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) as a key framework. Additionally, this Report has been prepared with reference to the United Nations Sustainable Development Goals (“UN SDGs”).



REPORTING SCOPE AND BOUNDARIES

This Report covers the reporting period from 1 January 2025 to 31 December 2025, and it includes comparative historical data where relevant and available to provide context and continuity in our disclosure.

The scope of this Report encompasses the sustainability performance and progress of SWS and its subsidiaries, including the Group’s headquarters and all operations in Malaysia. The Report excludes the activities of associate companies and joint ventures, which are not under the direct operational control of the Group.

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.

SUSTAINABILITY STATEMENT (CONT'D)

FEEDBACK ON THE REPORT

As part of our ongoing commitment to continuous improvement, we aim to enhance the depth, accuracy, and transparency of our sustainability reporting with each annual cycle. We greatly value the perspectives of our stakeholders and welcome any questions, feedback, or suggestions that may contribute to the refinement of our sustainability practices and disclosures. Stakeholders are encouraged to share their input via email at info@swscap.com

ABOUT US

SWS Capital Berhad



Plastic Wares Division

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

On 22 August 2025, the Board of SWS announced that, as part of the Group's business rationalisation and right-sizing efforts, the Furniture Division would cease operations. This division was previously operated through the Group's wholly-owned subsidiaries, namely Poh Keong Industries Sdn. Bhd., U.D. Panelform Sdn. Bhd., Syarikat UD Trading Sdn. Bhd., and UD Wood Products Sdn. Bhd.

The decision to exit the Furniture Division was influenced by persistent earnings pressure faced by local furniture manufacturers amid market uncertainties, driven by political instability, global conflicts, and the impact of US tariffs on exports. The Board believes that this rationalisation is aligned with the long-term interests of the Group, considering the highly competitive operating environment of the Furniture Division and its historical unsustainable financial performance and limited business prospects.

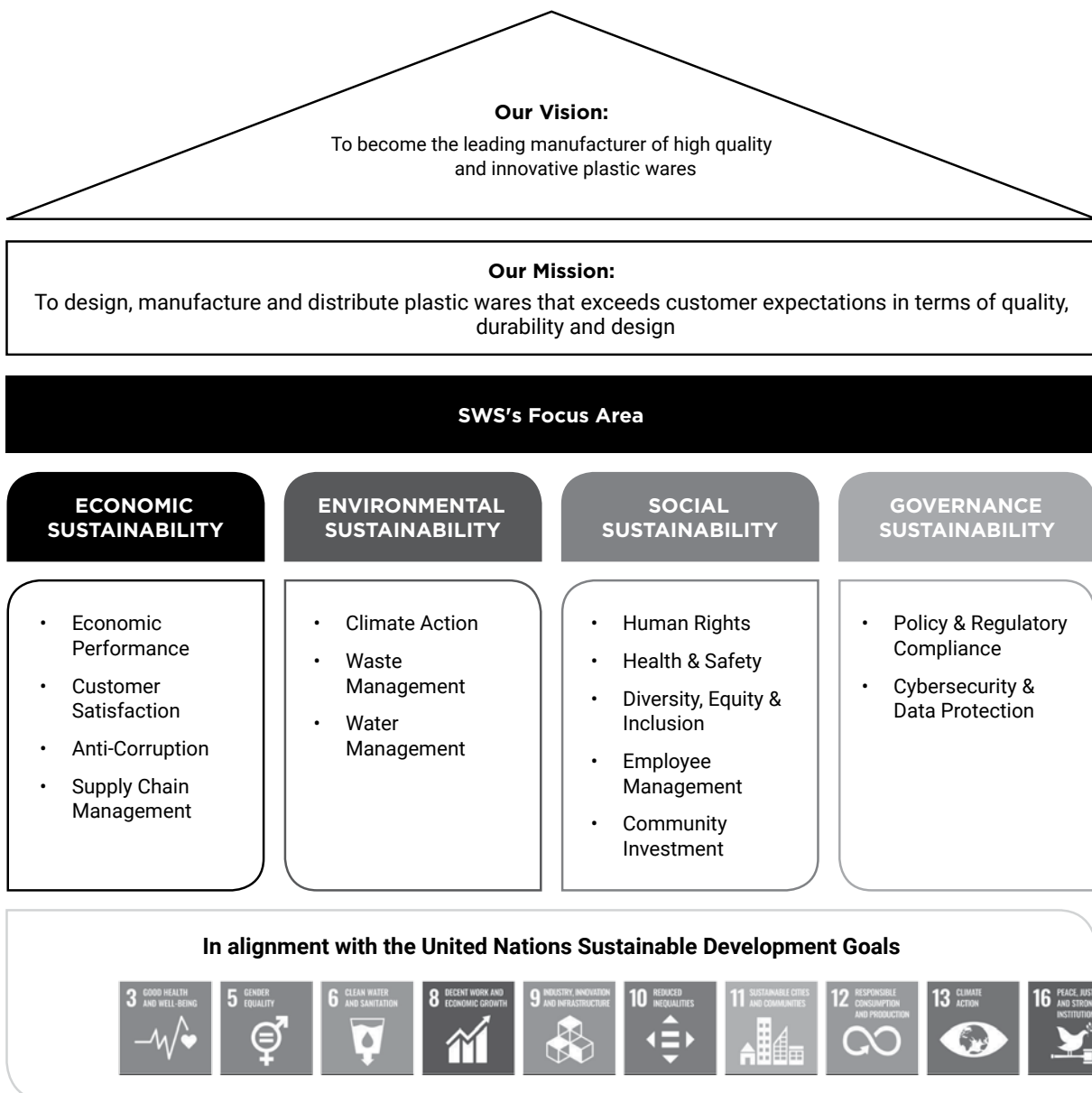
By refocusing resources on higher-growth and more sustainable segments, particularly the Plastic Wares Division, the Group aims to strengthen operational efficiency, improve financial resilience, and deliver sustainable value to shareholders.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH

SUSTAINABILITY FRAMEWORK

Our sustainability framework is structured around four core pillars: Economic, Environmental, Social and Governance, and is closely aligned with the Company's identified material matters. This holistic approach enables us to consistently address our key sustainability priorities in a balanced and integrated manner. As we deepen our understanding of how best to align our business objectives with the broader global sustainability agenda, the framework will be regularly reviewed and refined to ensure its continued relevance, effectiveness, and responsiveness to emerging challenges and opportunities.



SUSTAINABILITY STATEMENT (CONT'D)

COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

SWS is committed to advancing the UN SDGs as part of our broader sustainability agenda. We recognise the importance of these global goals in addressing critical economic, environmental, and social challenges, and have taken deliberate steps to align our strategies and operations with selected SDGs that are most relevant to our business and stakeholders. Through our initiatives and performance across our key sustainability pillars, we aim to contribute meaningfully to the achievement of these goals while fostering long-term value for society and the environment.



SUSTAINABILITY POLICY

As SWS continues to grow, our commitment to sustainability remains unwavering. We have established a clear and purposeful sustainability philosophy that guides economic, strategic, and operational decision-making across the Group.

Sustainability is deeply embedded in our corporate culture and is a key driver of our long-term value creation. We are committed to operating in a manner that is safe, responsible, and sustainable, ensuring that our growth does not come at the expense of environmental or social wellbeing.



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

SWS's governance structure is designed to ensure effective oversight and execution of the Group's sustainability responsibilities through clearly defined roles, accountability mechanisms, and performance monitoring. To support our sustainability agenda, the Group has established a robust three-tiered sustainability governance framework.

1. *Board of Directors*

At the highest level, the Board provides strategic oversight of the Group's overall sustainability direction, including the management of material sustainability matters and performance outcomes. The Board is responsible for embedding sustainability into the Group's core business strategy and is assisted by the respective Board Committees in overseeing the implementation and effectiveness of sustainability management. Key areas under the Board's purview include :

- Engagement with key stakeholders
- Materiality assessment processes
- Identification and management of sustainability-related risks and opportunities
- Communication of sustainability strategies, priorities, and targets, as well as performance against these targets, to both internal and external stakeholders

2. *Key Senior Management*

The second tier is the Key Senior Management. This team supports the Board by:

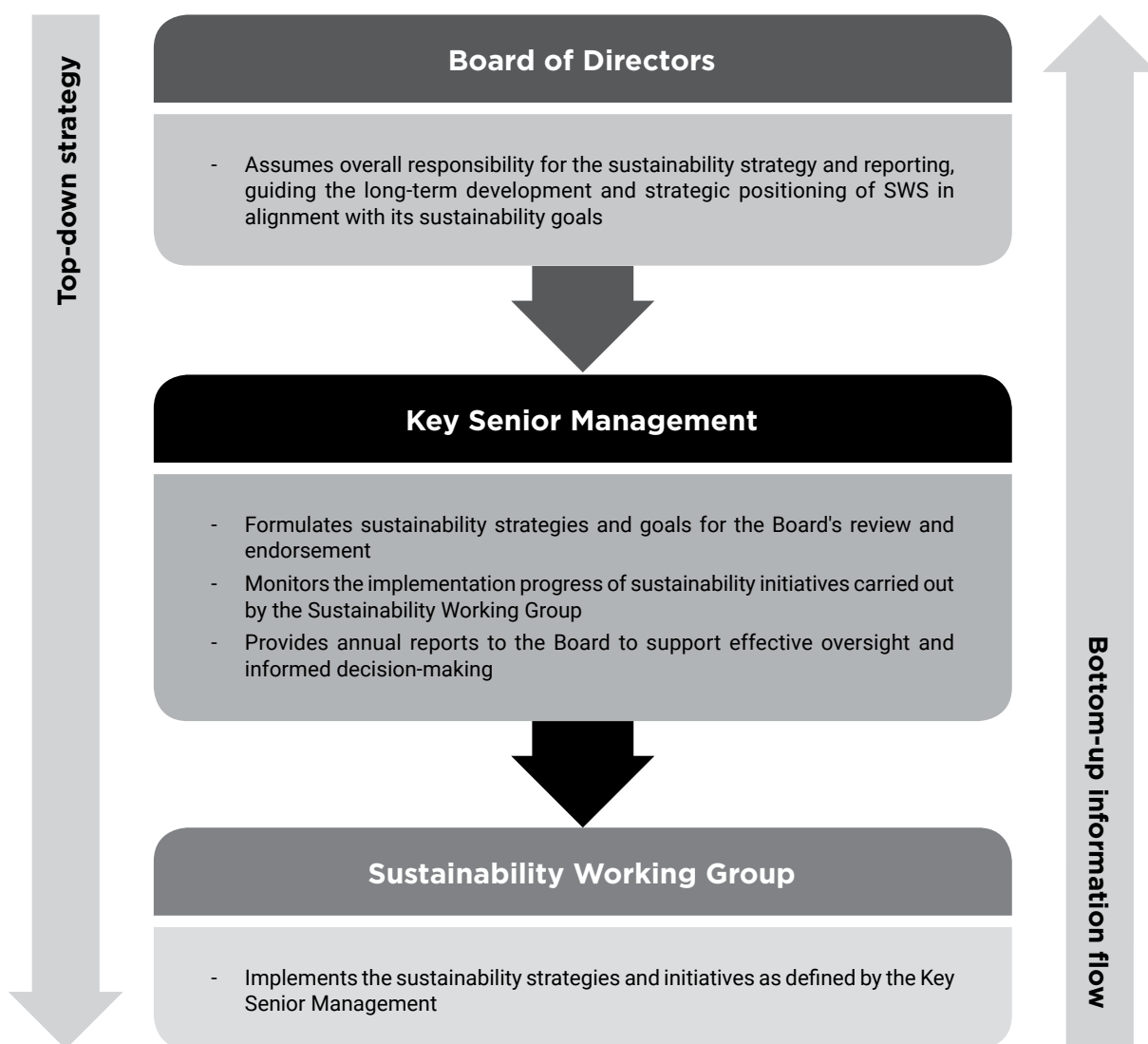
- Formulating sustainability strategies and goals for the Board's endorsement
- Reviewing and advising on ongoing sustainability initiatives
- Monitoring and evaluating progress against strategic sustainability targets
- Reporting on the Group's sustainability performance to the Board on a yearly basis

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE (CONT'D)

3. Sustainability Working Group

The third tier consists of representatives from relevant departments across the Group. This team is responsible for the implementation of sustainability strategies and initiatives. Their involvement reflects our collective commitment to embedding sustainability into day-to-day operations and decision-making processes.



To ensure accountability across all levels, annual assessments are conducted to evaluate the effectiveness of the Board and Key Senior Management in advancing the Group's sustainability agenda. This includes reviewing progress against established sustainability targets, analysing key performance indicators ("KPIs"), and identifying areas requiring improvement. Where performance gaps or challenges are identified, targeted interventions are proposed for senior-level deliberation and decision-making.

SUSTAINABILITY STATEMENT (CONT'D)

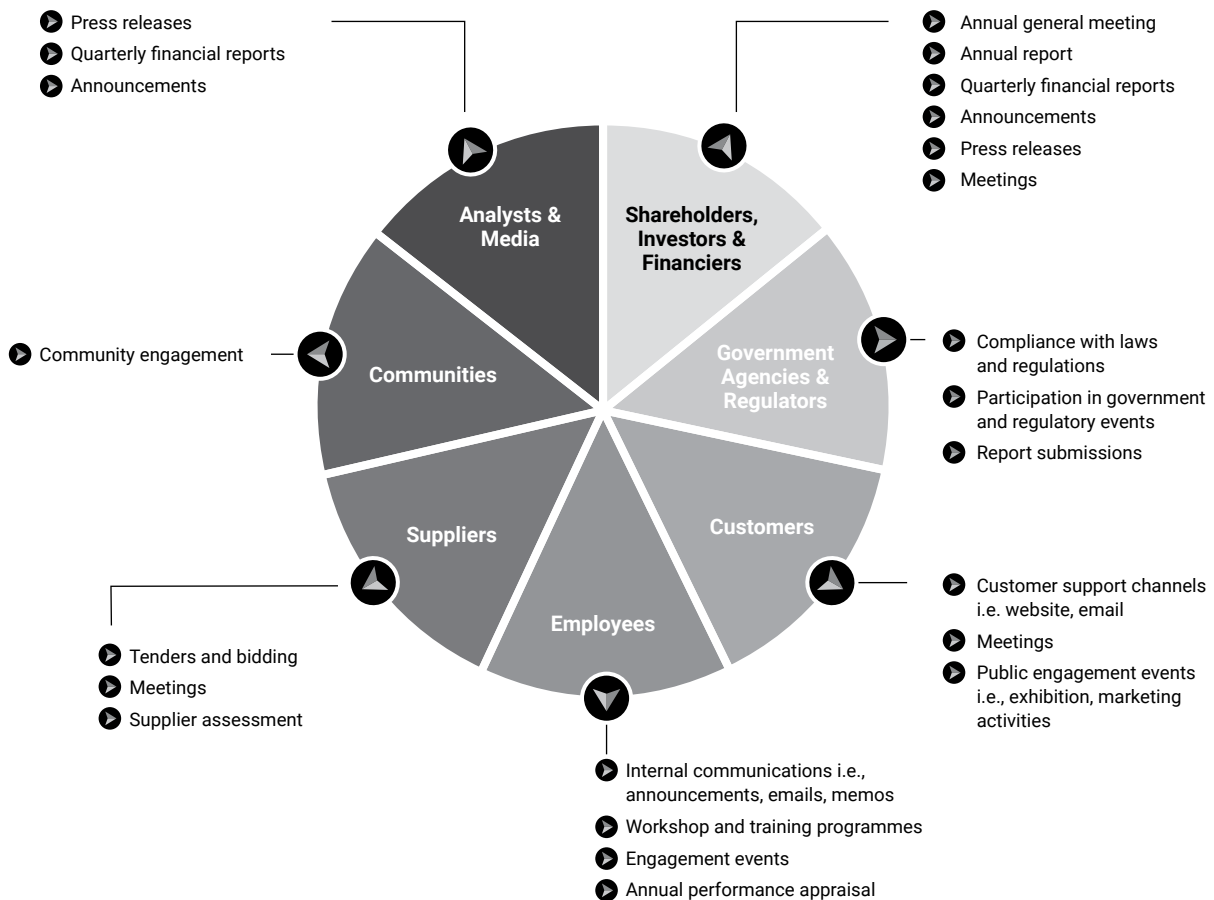
STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a fundamental component of SWS's sustainability strategy and business operations. By actively considering the perspectives, expectations, and concerns of its stakeholders, SWS ensures that its activities, performance, and value creation efforts are aligned with stakeholder priorities.

SWS is committed to building an inclusive organisation that proactively addresses the diverse needs of its stakeholders. We recognise that meaningful engagement is essential to achieving long-term, sustainable growth. In identifying stakeholders, SWS focuses on individuals or groups who are significantly affected by or have considerable influence over the Group's operations and presence. These stakeholders are recognised as key contributors in shaping material matters related to the Group's sustainability priorities.

Through consistent engagement, SWS has gained valuable insights into stakeholder concerns and expectations, fostering a deeper understanding of their needs. This ongoing dialogue conducted through both formal and informal channels continues to inform leadership decisions, influence business strategies, and enhance the Group's ability to deliver sustainable value.

Stakeholder feedback plays a vital role in identifying topics of material importance and clarifying stakeholder expectations. As there have been no changes to the Group's key stakeholder groups, the stakeholder engagement table presented for FYE 2025 is a continuation from the previous financial year.



SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholders	Areas of Interest	Our Response	Related Material Matters
Shareholders, Investors & Financiers	<ul style="list-style-type: none"> • Business strategies and future plans • Return on investment • Financial and operational performance • Strong management and corporate governance • Sustainability initiatives 	<ul style="list-style-type: none"> • Provide timely updates on the Group's strategy and financial performance through official announcements • Uphold sound governance practices across the Group • Monitor and report sustainability performance and targets via Bursa Malaysia Environment, Social and Governance Reporting Platform 	<ul style="list-style-type: none"> • Economic Performance • Customer Satisfaction • Anti-Corruption • Cybersecurity & Data Protection • Supply Chain Management • Policy & Regulatory Compliance • Climate Action • Human Rights • Health & Safety
Government Agencies & Regulators	<ul style="list-style-type: none"> • Regulatory compliance • Corporate governance practices 	<ul style="list-style-type: none"> • Regularly review and monitor operations to ensure full compliance with applicable regulations in Malaysia and Indonesia • Adopt best practices in accordance with the Malaysian Code on Corporate Governance 	<ul style="list-style-type: none"> • Economic Performance • Policy & Regulatory Compliance • Anti-Corruption • Climate Action • Waste Management • Human Rights • Health & Safety
Customers	<ul style="list-style-type: none"> • Customer satisfaction i.e. cost optimisation and high-quality products • Customer experience i.e. speed of customer service response, on-time delivery • Innovation in product quality and deliverables • Data privacy 	<ul style="list-style-type: none"> • Deliver affordable and high-quality products • Maintain adherence to quality standards • Comply with the Personal Data Protection Act 2010 to safeguard customer information 	<ul style="list-style-type: none"> • Customer Satisfaction • Anti-Corruption • Cybersecurity & Data Protection • Policy & Regulatory Compliance • Climate Action • Waste Management • Human Rights • Health & Safety

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholders	Areas of Interest	Our Response	Related Material Matters
Employees	<ul style="list-style-type: none"> • Business growth and strategic direction • Inclusive and supportive workplace • Remuneration and benefits • Career development and upskilling opportunities • Occupational safety and health 	<ul style="list-style-type: none"> • Promote transparent and consistent communication across all levels • Provide equal employment opportunities and a non-discriminatory work environment • Offer competitive remuneration and benefits packages • Support career growth through relevant upskilling and training programmes • Ensure full compliance with the Occupational Safety and Health Act (OSHA) 	<ul style="list-style-type: none"> • Human Rights • Health & Safety • Employee Management • Diversity, Equity & Inclusion • Economic Performance • Cybersecurity & Data Protection • Policy & Regulatory Compliance
Suppliers	<ul style="list-style-type: none"> • Transparency in procurement processes • Business growth opportunities • Timely payment 	<ul style="list-style-type: none"> • Ensure transparent and fair procurement practices • Make timely payments in accordance with agreed credit terms 	<ul style="list-style-type: none"> • Supply Chain Management • Anti-Corruption • Cybersecurity & Data Protection • Economic Performance
Communities	<ul style="list-style-type: none"> • Community welfare and long-term likelihood 	<ul style="list-style-type: none"> • Invest in initiatives that enhance community well-being 	<ul style="list-style-type: none"> • Climate Action • Water Management • Waste Management • Community Investment • Human Rights • Health & Safety
Analysts & Media	<ul style="list-style-type: none"> • Transparent communication of business performance and key initiatives 	<ul style="list-style-type: none"> • Ensure clear and timely communication through official announcements and media engagement 	<ul style="list-style-type: none"> • Economic Performance • Customer Satisfaction • Anti-Corruption • Cybersecurity & Data Protection • Supply Chain Management • Policy & Regulatory Compliance • Climate Action • Human Rights • Health & Safety

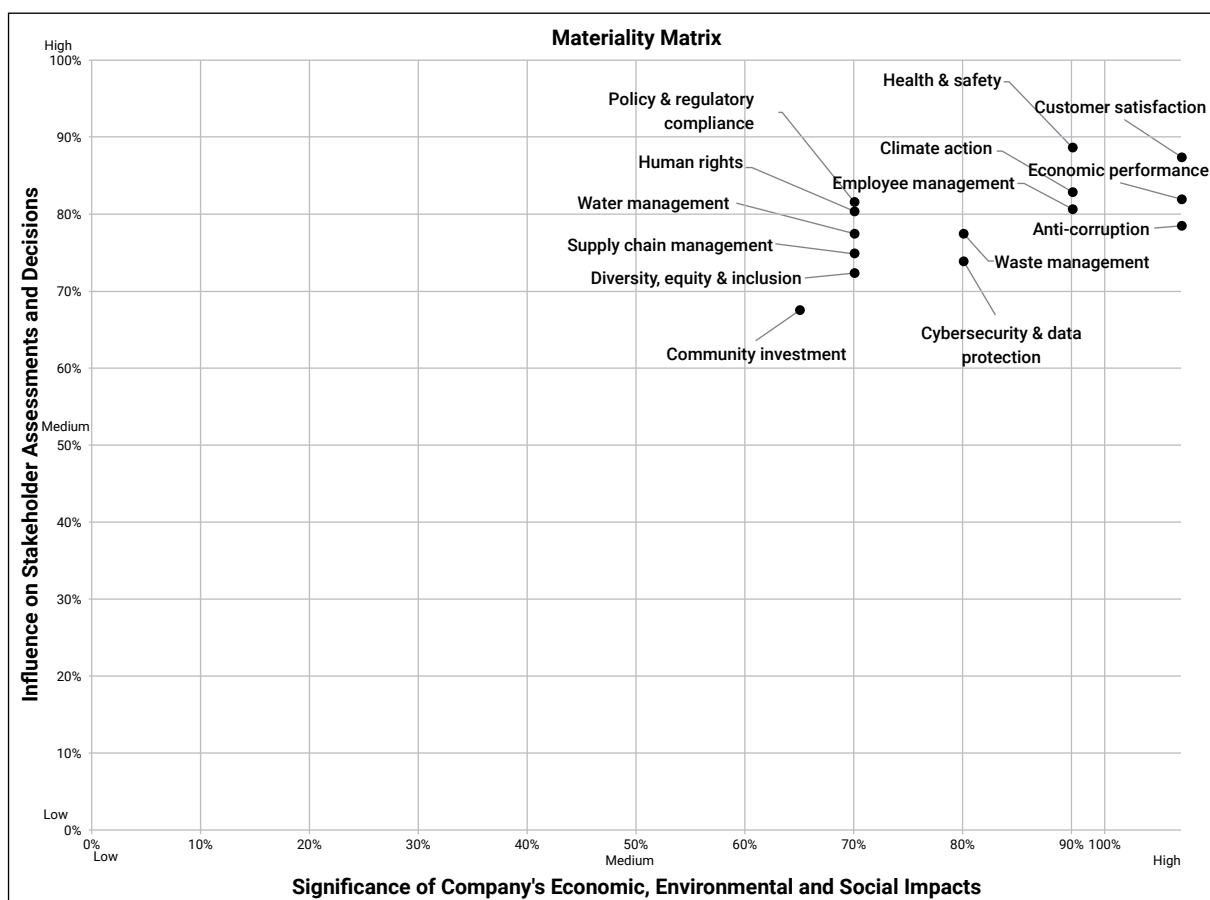
SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS

Materiality assessment remains a core component of our sustainability agenda, enabling us to align business planning, strategic direction, and performance management with the Group’s key sustainability priorities.

In FYE 2025, we conducted an internal review of our material matters, building on the limited-scale assessment completed in prior year. This review incorporated insights from key internal stakeholders who regularly engage with our primary stakeholder groups, helping us to better identify and prioritise the economic, environmental, social, and governance issues most relevant to our business and stakeholders. Notably, there were no changes to the top 14 material matters identified in FYE 2025.

Looking ahead, under the National Sustainability Reporting Framework (“NSRF”), all listed issuers and large non-listed companies will be required to adopt the International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”), namely IFRS S1 and IFRS S2. These standards are designed to improve the consistency and reliability of sustainability and climate-related disclosures, thereby enhancing investor confidence and Malaysia’s global competitiveness. To ensure continued relevance and regulatory compliance, we will revisit and update our materiality matrix in FYE 2026 to align with the evolving disclosure requirements.



SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT

At SWS, our unwavering commitment to effective risk management is fundamental to ensuring long-term resilience, enhancing stakeholder confidence, and delivering sustainable value.

We have established a robust and comprehensive system of risk management and internal control that extends beyond financial oversight to encompass operational and compliance-related risks. This integrated approach is part of an ongoing and coordinated effort to manage, rather than eliminate, the risks that could impede the achievement of our business objectives. It also serves to minimise the potential for fraud, error, and other disruptions across the organisation.

The Group identifies and assesses sustainability-related risks and opportunities across short-term, medium-term and long-term time horizons, aligned with its strategic planning cycles. This assessment considers the potential impact on the Group's business model, operations, financial performance and long-term value creation.

- short-term (0-2 years)
- medium-term (3-5 years)
- long term (>5 years)

Short-term risks primarily relate to regulatory compliance and operational efficiency, while medium- to long-term risks include climate-related physical and transition risks, changing stakeholder expectations and evolving market demands. Correspondingly, the Group identifies opportunities to enhance operational resilience, develop sustainable offerings and strengthen its competitive position over time.

Material Matters	Time Horizon	Risks	Opportunities
Economic Performance	Short-term & Medium-term	Weak financial performance, declining consumer demand, rising operating costs, and sustained losses in underperforming business segments may adversely affect profitability and business sustainability.	Strategic business rationalisation, including the Board's decision to cease the Group's Furniture Division in 2025, enables the Group to streamline operations and reallocate resources towards strengthening the Plastic Wares Division. This supports improved operational efficiency, sustainable financial performance, and the pursuit of new growth opportunities in domestic and regional markets.
Customer Satisfaction	Short-term & Medium-term	Failure to meet customer expectations in product quality, safety standards, pricing competitiveness, delivery timelines, and after-sales support may lead to customer dissatisfaction, reduced repeat purchases, and reputational damage	Providing high-quality, safe, and competitively priced plastic wares, supported by efficient distribution channels and responsive customer service, strengthens long-term relationships with retailers, distributors, and industrial customers while reinforcing SWS's brand reputation.

SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT (CONT'D)

Material Matters	Time Horizon	Risks	Opportunities
Anti-Corruption	Short-term	Corruption can tarnish reputation, cause financial losses, and reduce competitiveness.	Strong governance to combat corruption enhances credibility and provides a competitive advantage.
Supply Chain Management	Short-term & Medium-term	Reliance on limited or single supplier increases risks of disruption, quality issues, and price volatility, exposing the organisation to market changes or supplier behaviour.	Building collaborative supplier relationships based on trust and transparency fosters innovation, cost savings, and competitive advantage.
Human Rights	Short-term	Violations such as labour exploitation, discrimination, or unsafe working conditions can damage the organisation's reputation, leading to loss of stakeholder trust, negative public perception, and legal liabilities.	Demonstrating commitment to human rights and ethical practices enhances reputation, builds stakeholder trust, and attracts socially conscious consumers, investors, and partners.
Health & Safety	Short-term	Failure to address hazards can cause workplace accidents, injuries, or fatalities, resulting in human suffering, legal liabilities, and financial losses.	Prioritising health and safety foster a culture of care, trust, and respect, boosting employee morale, motivation, and engagement.
Employment Management	Medium-term	Difficulty attracting and retaining skilled employees can hinder growth and innovation, causing competitive disadvantages.	Engaged employees are more productive, committed, and loyal, leading to higher job satisfaction, retention, and organisational success.
Diversity, Equity & Inclusion	Medium-term	Exclusionary practices can cause alienation and disengagement among underrepresented groups, limiting collaboration, innovation, and productivity.	Embracing diversity and equity creates an inclusive culture where employees contribute diverse perspectives, driving innovation and creativity.
Community Investment	Short-term	Failure to address social issues, economic disparities, and community grievances may lead to social unrest, protests, and opposition, causing operational disruptions, reputational damage, and regulatory scrutiny.	Strategic community investment initiatives, philanthropic donations, and social programmes enable the organisation to tackle social challenges, support underserved communities, and contribute positively to poverty alleviation, education, healthcare, and sustainable development goals.

SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT (CONT'D)

Material Matters	Time Horizon	Risks	Opportunities
Climate Action	Medium-term & Long-term	Increasing regulatory pressure to reduce greenhouse gas (“GHG”) emissions and improve energy efficiency may require additional investments in energy-efficient machinery, low-carbon technologies, and enhanced monitoring systems. Climate-related events such as extreme weather, disruptions in raw material supply, or fluctuations in energy costs may also affect manufacturing operations, logistics, and supply chains, leading to increased operating costs and operational inefficiencies.	Enhancing energy efficiency, optimising manufacturing processes, and adopting environmentally responsible practices can reduce operational costs, lower emissions, and strengthen the Group’s environmental performance. These initiatives also position the Group as a responsible manufacturer that supports sustainable industry practices and meets evolving stakeholder expectations.
Water Management	Medium-term & Long-term	Disruptions to water supply caused by droughts, climate change, or infrastructure issues may affect manufacturing activities that require water for cooling, cleaning, and processing, potentially leading to operational interruptions	Implementing water conservation initiatives and efficient water management practices can reduce water consumption, enhance operational efficiency, and support responsible resource management.
Waste Management	Medium-term & Long-term	Improper handling or disposal of plastic waste, scrap materials, packaging waste, or other industrial by-products may result in regulatory non-compliance, environmental harm, and reputational damage.	Adopting structured waste reduction, recycling, and responsible disposal practices can improve environmental performance, ensure compliance with environmental regulations, and support cost efficiencies through better resource utilisation.
Policy & Regulatory Compliance	Short-term	Non-compliance with policies and regulations can lead to legal penalties, fines, or lawsuits, significantly affecting financial stability and reputation.	Compliance with policies and regulations fosters trust and credibility among stakeholders, including customers, investors, employees, and regulators, strengthening long-term relationships and supporting business growth.

SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT (CONT'D)

Material Matters	Time Horizon	Risks	Opportunities
Cybersecurity & Data Protection	Short-term & Medium-term	Cyberattacks, phishing attempts, or system breaches may result in unauthorised access, data theft, or exposure of sensitive information, leading to financial loss, legal liabilities, regulatory penalties, and reputational damage.	Strengthening cybersecurity infrastructure and data protection protocols fosters trust among clients, investors, and business partners. Robust digital safeguards not only ensure regulatory compliance but also enhance brand reputation and support the secure delivery of digital advertising services.

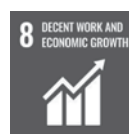
MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC SUSTAINABILITY

At SWS, we view long-term economic sustainability as essential to delivering value for our stakeholders and contributing to the broader development of the communities we serve. Our business success enables us to support employment, foster entrepreneurship, strengthen local supply chains, and contribute meaningfully to national and local tax revenues.

Material Matters :

- Economic Performance
- Customer Satisfaction
- Anti-Corruption
- Supply Chain Management



ECONOMIC PERFORMANCE

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 2025, SWS reported a total revenue of RM 76.7 million. During the year, the Group also undertook a strategic business rationalisation exercise with the cessation of its Furniture Division, allowing the Group to streamline operations and focus on strengthening its Plastic Wares Division. This decision reflects the Group's commitment to improving operational efficiency and supporting long-term sustainable growth.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

CUSTOMER SATISFACTION (CONT'D)

Product quality & safety (Cont'd)

- Industrial Plastic Products

Our commitment to product safety is further demonstrated through our BS EN ISO 23907:2012 certification awarded by SIRIM QAS International Sdn. Bhd., which recognises our capability in designing and manufacturing sharps containers that meet internationally recognised safety standards.

Through rigorous quality assurance processes, internationally recognised certifications, and continuous product improvement initiatives, SWS remains committed to delivering safe, reliable, and high-quality products that meet the evolving needs and expectations of our customers.



Innovation and Sustainable Materials

Innovation is a key driver of SWS's long-term growth and competitiveness. It enables the Group to respond proactively to evolving consumer preferences, industry trends, and environmental considerations while enhancing the value and functionality of our products.

SWS offers an extensive portfolio of more than 1,300 household plastic products, with continuous efforts to introduce innovative and visually appealing designs that meet the practical needs of everyday consumers. As a leading supplier of plastic containers and household products, we recognise that product design, functionality, and innovation are essential in strengthening consumer confidence and brand loyalty. By closely monitoring market trends and customer preferences, we aim to ensure our products remain relevant, practical, and reliable for daily use.

In line with our commitment to sustainability, the Group continues to explore opportunities to incorporate environmentally responsible materials and processes in our manufacturing operations. Through collaborations with Milliken, a United States-based specialty chemicals manufacturer, and Lotte Chemical Titan, a Malaysia-based polymer producer, SWS utilises UL-certified materials that enable lower processing temperatures during production. This innovation contributes to approximately 10% annual energy savings, while also reducing carbon dioxide emissions associated with the manufacturing process.

SWS is also proud to be the first Malaysian producer authorised to display the UL-certified Green Label for its plastic products. This certification signifies that our products meet recognised environmental standards and have undergone independent third-party verification.

By integrating innovation with sustainable material solutions, SWS continues to enhance its manufacturing efficiency while supporting more environmentally responsible product development. These initiatives reflect the Group's ongoing commitment to responsible manufacturing, operational efficiency, and long-term environmental stewardship.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ANTI-CORRUPTION

SWS upholds the highest standards of business ethics, transparency, and regulatory compliance across the Group. Our commitment to anti-corruption practices is central to safeguarding the long-term interests of the company and our stakeholders, while fostering trust and confidence in our business operations.

Governance and policy framework

Our Board and Management are committed to conducting business with integrity and in full compliance with applicable laws. This commitment is guided by:

- Code of Conduct ("**COC**") – which outlines ethical standards and expected behaviours for all employees and Board.
- Anti-Corruption & Bribery ("**ACB**") Policy – articulates our zero-tolerance stance towards bribery and corruption. This policy is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and best governance practices.
- Whistle Blowing Policy and Procedures – provides a secure and confidential channel for employees and external parties to report misconduct, unethical behaviour, or corruption-related concerns. Reports can be submitted directly to the Group Managing Director or Chairman of Audit Committee via email or post.

All three policies are publicly available on our corporate website, ensuring transparency and accessibility for all stakeholders.

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 for 2025, marking another consecutive year of full completion following 2023 and 2024. This significant milestone underscores our steadfast commitment to nurturing a workplace culture characterised by transparency, integrity, and ethical conduct.

In addition, all employees, including the Board, are provided with a briefing on the Group's ACB Policy upon appointment, reinforcing awareness and accountability from the outset.

Employee Category	Completion Rate (%) 2025	Completion Rate (%) 2024	Completion Rate (%) 2023	Completion Target (%) 2025
Management	100%	100%	100%	100%
Executive	100%	100%	100%	100%
Non-executive/Technical staff	100%	100%	100%	100%

Corruption incidents

We are pleased to report that as of 31 December 2025, there were zero reported incidents of bribery or corruption within SWS's operations.

	2025	2024	2023	Target
Number of complaints of bribery or corruptions reported	Nil	Nil	Nil	Nil

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SUPPLY CHAIN MANAGEMENT

At SWS, we place strong emphasis on trust, transparency, and integrity in all supplier and subcontractor relationships. As a responsible business, we recognise our role in supporting a resilient and inclusive supply chain, particularly by empowering local small and medium-sized enterprises (SMEs), which are vital to Malaysia's economic recovery and long-term growth.

Ethical & responsible procurement

We are committed to fair and transparent procurement practices, working only with suppliers who operate with integrity and uphold strong ethical, social, and environmental values. Our procurement processes are designed to identify and engage the most qualified partners while promoting responsible business conduct.

Suppliers are expected to comply with our procurement requirements and demonstrate accountability across key areas, including labour practices, environmental compliance, and operational efficiency.

Prioritising local sourcing

In line with our commitment to supporting the local economy, SWS prioritises sourcing products and services from local suppliers wherever feasible. This approach not only reduces transport-related emissions, supporting our environmental goals, but also helps create jobs and foster economic resilience within the communities we serve.

In 2025, our business allocated 98% of our procurement budget to engaging local suppliers, an increase from 95% in 2024. This focus was placed on suppliers with a proven track record of reliability, high-quality service, and the ability to meet agreed-upon delivery schedules. This strategy not only supports local businesses but also ensures that we maintain the high standards of quality and service essential to our operations. Through these efforts, we continue to foster long-term, ethical partnerships that contribute to our success and support the broader economic recovery in the regions where we operate.

	2025	2024	2023	Target
Proportion of spending on local suppliers	98%	95%	95%	95%

ENVIRONMENTAL SUSTAINABILITY

Climate change remains one of the most critical global challenges, posing long-term risks to businesses across all industries. As a Group engaged in the manufacturing and trading of plastic wares and industrial plastic products, SWS recognises that its operations, including plastic injection moulding processes, material handling, and logistics activities, may contribute to environmental impacts that must be managed responsibly.

The Group is committed to reducing its environmental footprint while strengthening operational resilience and ensuring compliance with applicable environmental regulations. SWS continuously evaluates opportunities to improve environmental performance across its manufacturing operations and supply chain.

Our environmental initiatives focus on key areas such as energy efficiency, emissions management, responsible waste handling, and resource optimisation. Through improvements in production processes, the adoption of more energy-efficient technologies, and the responsible use of materials, the Group seeks to minimise environmental impact while maintaining operational efficiency.

Through these efforts, SWS aims to support the transition towards more sustainable manufacturing practices, while ensuring that its operations remain efficient, compliant, and aligned with long-term environmental sustainability goals.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ENVIRONMENTAL SUSTAINABILITY

Material Matters :

- Climate Action
- Waste Management
- Water Management



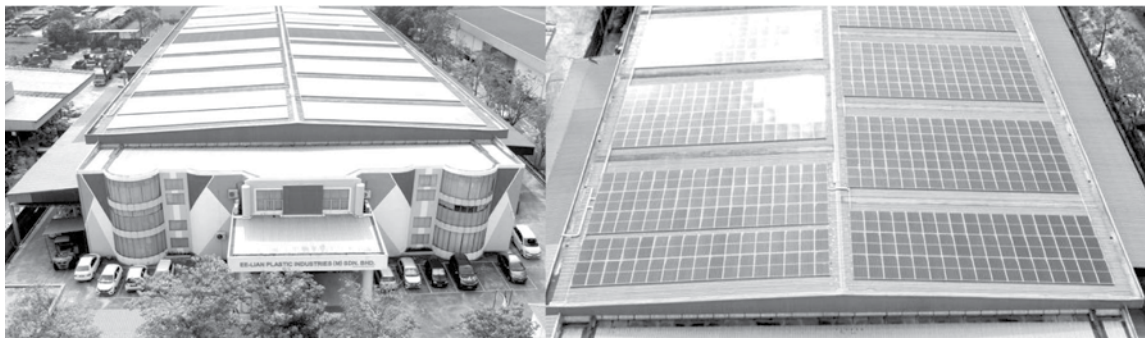
CLIMATE ACTION

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 integration:** 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 28% of the total energy usage, up from 11%, significantly 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.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

CLIMATE ACTION (CONT'D)

Energy consumption (Cont'd)

This year, the total energy consumption recorded was 2,323,229 kWh with a significant reduction of 64% from FYE 2024 mainly due to cessation of Furniture Division.

	2025 kWh	2024 kWh	2023 kWh
Electricity usage	2,323,229	6,517,676	6,287,628

Carbon emissions

GHG emissions are categorised into three scopes - Scope 1, Scope 2, and Scope 3 - providing a comprehensive view of an organisation's carbon footprint. This classification helps businesses measure, manage, and mitigate their impact on climate change by identifying both direct and indirect emission sources.

- **Scope 1** emissions are direct emissions from owned or controlled sources, such as fuel combustion in company-operated vehicles, boilers, and manufacturing processes. These emissions result from on-site operations and energy use.
- **Scope 2** emissions refer to indirect emissions from purchased electricity, heat, or steam consumed by the organisation. Although these emissions occur at the facility where the energy is generated, they are attributed to the end-user's carbon footprint.
- **Scope 3** emissions include all other indirect emissions across the value chain, such as supply chain activities, transportation, employee commuting, product usage, and waste disposal. These emissions often represent the largest share of an organisation's total carbon footprint.

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 (tCO₂-e)	2025	2024
Scope 1 - Direct emissions from sources owned by the Company	205	412
Scope 2 - Indirect emissions from the electricity consumption from the grid	1,231	4,497*
Scope 3 - Indirect emissions for business travel and employee commuting	209	318

* Restated

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WATER MANAGEMENT

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 2025, the Group consumed 44,875 litres of water, representing a reduction of 33% against the FYE 2024 baseline mainly due to cessation of Furniture Division.

	2025 litres	2024 litres	2023 litres
Water usage	44,875	66,820	77,139

WASTE MANAGEMENT

At SWS, responsible waste management is an important component of our environmental stewardship. As a manufacturer of plastic wares and industrial plastic products, our operations generate various types of waste, including recyclable plastic materials, general waste, and certain scheduled wastes arising from machinery maintenance and production processes. Improper handling or disposal of these wastes may result in environmental harm, including soil contamination, air and water pollution, and potential health risks to employees and surrounding communities.

Recognising these risks, the Group is committed to implementing responsible waste management practices across its operations to minimise environmental impact and ensure compliance with applicable environmental regulations.

To enhance waste management and reinforce our sustainability efforts, the Group has implemented procedures aimed at maximising the reuse and recycling of plastic waste generated during production. At our manufacturing facilities in Bukit Minyak, Penang, dedicated recycling processes are in place to collect, sort, and reprocess plastic scraps generated from injection moulding and trimming activities. These recycled materials are then reintegrated into selected manufacturing processes where appropriate, reducing reliance on virgin plastic raw materials and promoting resource efficiency.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WASTE MANAGEMENT



SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WASTE MANAGEMENT (CONT'D)

For non-recyclable waste and scheduled waste, proper handling and disposal procedures are implemented to ensure environmental compliance. Certain materials generated from machinery operations, such as used lubricants, oils, and chemical residues, are carefully collected and stored before being disposed of through licensed waste management contractors, in accordance with regulations and guidelines established by the Department of Environment (“DOE”) Malaysia.

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.

In addition, the Group continues to implement several initiatives to minimise waste generation and improve waste management practices:

- *Lean Manufacturing Practices*

We adopt lean manufacturing principles to optimise production efficiency and minimise material wastage. This includes improving machine utilisation, reducing excess raw material usage, and enhancing production planning to prevent unnecessary waste generation.

- *Employee Awareness and Engagement*

Employees are regularly encouraged to practise responsible waste management through awareness initiatives and workplace practices that promote waste reduction, proper segregation, and recycling. These initiatives help cultivate a culture of environmental responsibility across the organisation.

Beyond manufacturing operations, sustainability initiatives are also promoted within our administrative offices. The Group encourages the use of digital platforms for document management to reduce paper consumption. Where printing is necessary, double-sided printing is encouraged, and recycling bins are provided to facilitate proper waste segregation.

Through these initiatives, SWS aims to minimise waste generation, improve resource efficiency, and contribute towards more sustainable manufacturing practices, while ensuring full compliance with environmental regulations.

Employee Category	2025 MT	2024 MT
Total waste generated	68	79
Total waste diverted from disposal	22	20
Total waste directed to disposal	46	59

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY

As SWS continues to grow, attracting, developing, and retaining talent is essential to our long-term success. We are committed to cultivating a workplace that upholds human rights, prioritises safety and well-being, and fosters a culture of inclusivity, respect, and continuous development. These principles also guide our broader efforts to engage with and uplift the communities in which we operate.

Material Matters :

- Human Rights
- Health & Safety
- Diversity, Equity & Inclusion
- Employee Management
- Community Investment



HUMAN RIGHTS

At SWS, we are steadfast in our commitment to protecting and promoting the rights of every individual within our organisation. We believe in treating all employees with dignity, fairness, and respect, and in recognising the unique value each person brings.

Our leadership plays a critical role in establishing and maintaining high ethical standards, guided by a robust COC that applies to all employees and external stakeholders. This ensures our operations are aligned with principles of professionalism, equality, and accountability.

We actively promote:

- Safe and fair working conditions
- Freedom of association
- Equal opportunity and non-discrimination
- Protection from harassment or unfair treatment

Our employment policies comply fully with Malaysia's labour laws, including the Employment Act 1955 and the Employment (Amendment) Act 2022. We uphold strict prohibitions against child and forced labour and ensure full adherence to legal requirements on working hours and compensation.

Fair compensation & benefits

SWS continuously evaluates employee compensation and benefits to ensure that our people are well-supported and fairly rewarded. We comply with the Minimum Wage Order 2024, ensuring that all employees receive at least the minimum wage and fair remuneration for overtime and additional responsibilities.

A recent review of our policies confirmed alignment with the updated Minimum Wage Order 2024, which sets the minimum monthly wage at RM1,700 effective 1 February 2025, as well as other amendments to Malaysia's employment laws. This review reaffirmed SWS's commitment to legal compliance and the fair and lawful treatment of all employees.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

HUMAN RIGHTS (CONT'D)

Fair compensation & benefits (Cont'd)

Employee benefits include:



Annual leave, sick leave, hospitalization leave, marriage leave, maternity/paternity leave, compassionate leave, replacement leave and no-pay leave



Medical insurance, personal accident insurance, travel insurance



Motor vehicle benefit in kind

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.

Grievance mechanism & whistleblowing

We maintain an open and transparent environment where all individuals, employees or external parties, can raise concerns freely and without fear of retaliation.

Our Whistle Blowing Policy and Procedures promotes ethical conduct, protects whistleblowers, and ensures concerns are addressed fairly and confidentially. Procedures for lodging a complaint are available on the Company's website, and reports may be directed to the Group Managing Director or Chairman of Audit Committee via email or post for independent review.

We are committed to investigating all reports impartially, maintaining confidentiality, and providing timely redress wherever necessary. Our goal is to maintain zero incidents of human rights violations, fostering a workplace built on trust, respect, and integrity.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

HUMAN RIGHTS (CONT'D)

Grievance mechanism & whistleblowing (Cont'd)

	2025	2024	2023	Target
Number of substantiated complaints concerning human rights violations	Nil	Nil	Nil	Nil

HEALTH & SAFETY

In our commitment to fostering a sustainable and safe organization, SWS places a strong emphasis on employee health and safety. We are steadfast in our goal to eliminate unsafe practices while promoting a proactive "safety-first" culture within the workplace. At SWS, we seamlessly integrate health and safety into our daily operations, making it an essential part of our organizational practices. By enforcing rigorous safety procedures, we ensure the physical well-being of our on-site employees and actively promote mental health awareness. Our aim is to achieve zero fatalities and significantly reduce our Lost Time Injury Rate ("LTIR").

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 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.

**SUSTAINABILITY STATEMENT
(CONT'D)**

MANAGEMENT APPROACH FOR MATERIAL MATTERS (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 2025, 50 employees and contractors participated in safety training programs, up from 33 in the previous period. 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.

	2025	2024	2023
Number of employees and contractors trained on health and safety standards	50	33	144



Fire Drill Training

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

HEALTH & SAFETY (CONT'D)

Safety & health upskilling (Cont'd)



Forklift Safety Handling Training



Basic Life Support First Aid Training

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

HEALTH & SAFETY (CONT'D)

Safety & health upskilling (Cont'd)



Basic Fire Fight & Emergency Response Plan and Preparedness 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.

In FYE 2025, 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.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

HEALTH & SAFETY (CONT'D)

Safety & health reporting (Cont'd)

Employee Category	2025	2024	2023	Target
Total hours worked	808,302	1,351,915	1,543,720	N/A
Number of fatalities	Nil	Nil	Nil	Nil
Number of lost time injuries	Nil	Nil	Nil	Nil
LTIR	Nil	Nil	Nil	Nil

DIVERSITY, EQUITY & INCLUSION

At SWS embracing diversity is not only a moral imperative but a strategic one. We recognise that a diverse workforce, encompassing differences in gender, age, race, ethnicity, religion, abilities, and sexual orientation, enhances innovation, decision-making, and resilience across our business.

Our inclusive culture values every employee's unique perspective and experience. We are committed to providing a workplace free from discrimination, harassment, and marginalisation, where all individuals are respected, empowered, and able to thrive.

Inclusive culture and equal opportunities

We promote equity in all aspects of our operations, ensuring fair recruitment, equal pay, and merit-based progression across all levels. Performance assessments, promotions, and remuneration are based on objective key performance indicators, with no tolerance for gender or other biases.

- **Wage Equity:** We ensure that wages are competitive and free from gender bias.
- **Merit-Based Development:** Career growth is guided by clear criteria and aligned with individual performance and contribution.

Workforce snapshot

As at 31 December 2025, the total number of employees stood at 233 employees, with 30% being female and the remaining 70% 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 of 46% of our workforce when excluding general labour categories. This reflects our commitment to fostering gender diversity across all levels and roles within the organization. Moving forward, SWS remains dedicated to enhancing gender diversity by creating more opportunities for women throughout the company.

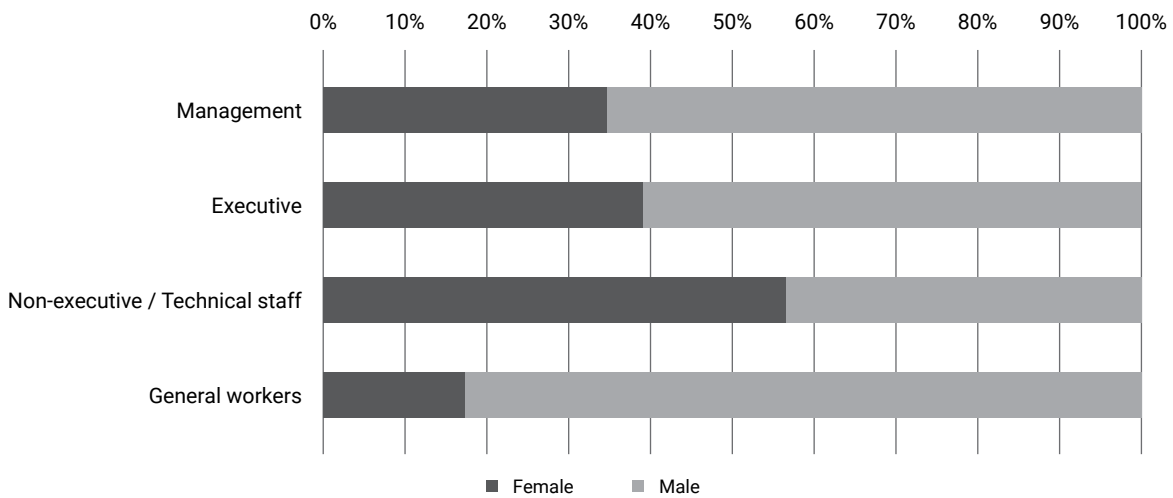
**SUSTAINABILITY STATEMENT
(CONT'D)**

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

Workforce snapshot (Cont'd)

2025 Gender Diversity by Employee Group

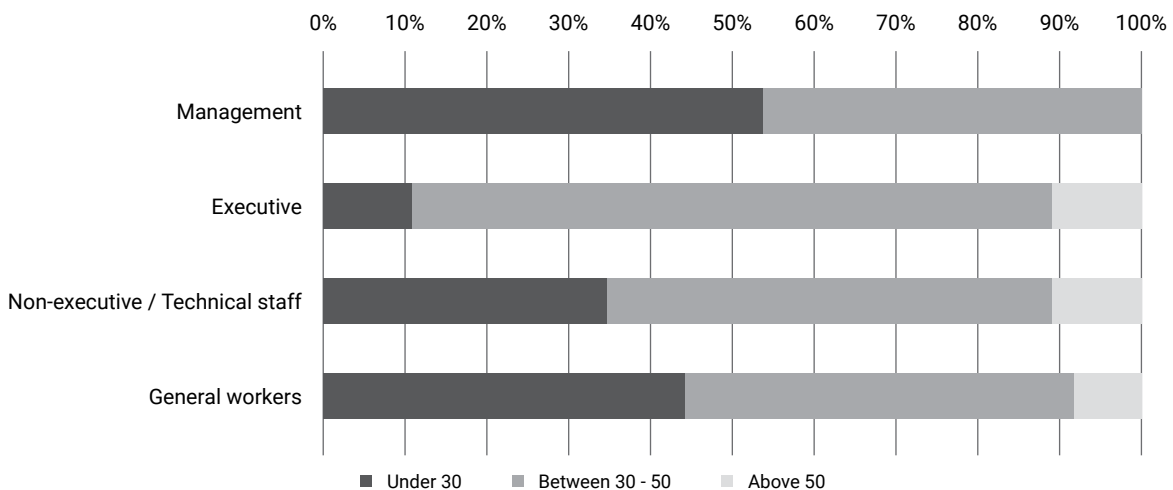


The age distribution of our workforce in 2025 demonstrates a diverse and balanced composition across all levels of the organisation. At the management level, the employees are evenly distributed between the 30-50 and above 50 age groups, reflecting a balanced mix of mid-career leadership and seasoned experience.

Executive is predominantly comprised of individuals aged 30–50, accounting for 79% of the group. This provides a foundation of strong leadership, supported by a depth of industry knowledge and experience.

Our non-executive / technical staff are comparatively younger, with 35% under the age of 30 and another 54% in the 30-50 age bracket. This balanced age profile promotes innovation, adaptability, and effective knowledge transfer, contributing to a dynamic, agile, and future-ready organisation.

2025 Gender Diversity by Employee Group



SUSTAINABILITY STATEMENT (CONT'D)

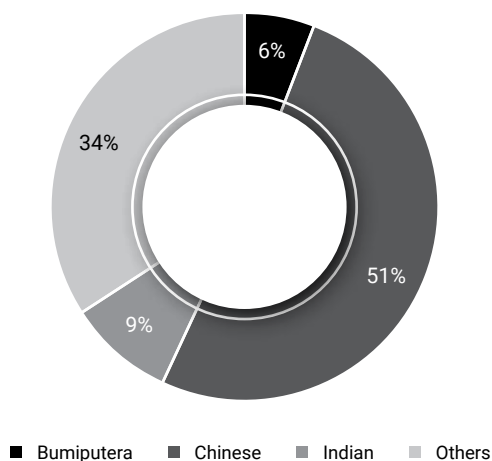
MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

Ethnic & local representation

SWS is committed to nurturing local talent, with 66% of its workforce comprising Malaysia residents. By prioritising local hiring, the Company not only strengthens the national economy but also fosters cultural alignment and a strong sense of community within its workforce. SWS's diverse talent pool includes individuals of Malay, Chinese, Indian, and other ethnic backgrounds, reflecting the rich multicultural fabric of the regions it serves.

2025 Ethnicity Diversity



Board diversity

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 financial year under review, women Directors represented 29% of the Board, an improvement from 25% in the previous financial year, and approaching the 30% target recommended under Practice 5.9 of the MCGG. 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 MCGG. Nevertheless, there remains a strong commitment to achieving gender balance, both in the boardroom and across the Management team and the wider workplace.

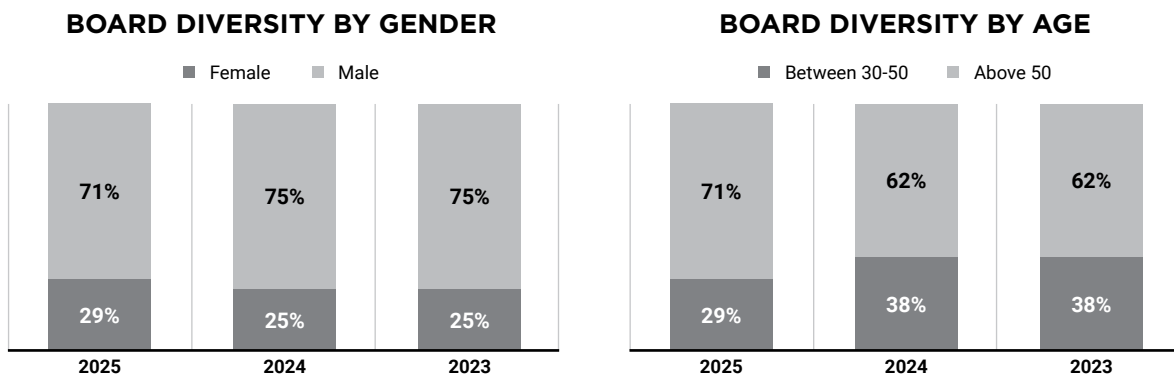
As part of this ongoing commitment, the Board is actively seeking potential women Directors and intends to appoint additional women Directors as suitable candidates are identified. Furthermore, efforts will be made to explore opportunities for improving gender balance across the organisation, helping to promote a more inclusive and diverse workplace.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

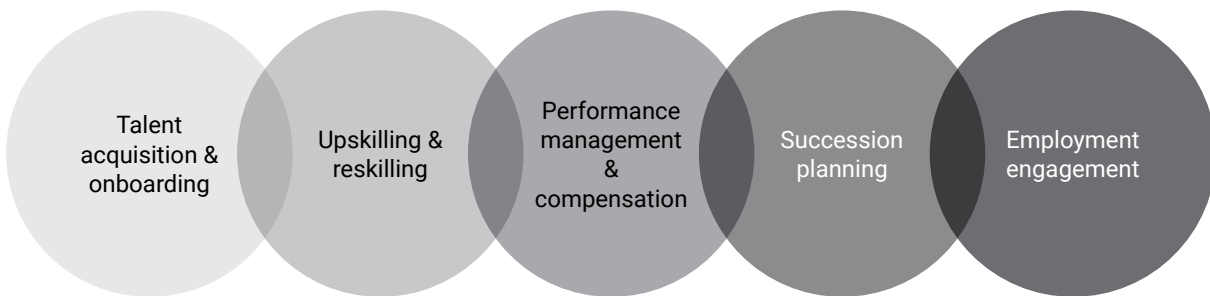
Board diversity (Cont'd)



EMPLOYEE MANAGEMENT

At SWS, our employees are our greatest asset. We are committed to fostering a positive, supportive, and safe work environment where everyone feels valued and respected. By ensuring equal access to opportunities for growth, development, and well-being, we create a workplace that empowers individuals and strengthens our business for long-term success.

Talent Management Framework



Talent acquisition & onboarding

Our goal at SWS is to nurture and advance the professional growth of our existing workforce, providing ample opportunities for career progression within the company. We are committed to maximizing the potential of our internal talent pool, ensuring that our team members have the resources and support they need to thrive and advance their careers.

When external recruitment is necessary, our Human Resources team applies fair and structured selection processes to attract candidates whose skills and values align with our organisational goals. New employees are supported through a structured onboarding programme, which helps them integrate smoothly into the company and understand our culture, values, and operational standards from day one.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

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 2025, we remain committed to investing in training and development programmes, through both physical and online channels. A total of 1,048 training hours were recorded, consistent with the 1,050 hours achieved in the prior year. These training sessions encompassed both internal and external learning and development programmes. Notably, the average training hours per employee increased across all employee categories, with overall average training hours rising from 2 hours in 2024 to 4 hours in 2025, reflecting a more focused and effective approach to workforce development.

Employee Category	Total hours of training 2025	Total hours of training 2024	Total hours of training 2023
Management	284	270	272
Executive	340	318	512
Non-executive/Technical staff	352	360	1,048
General workers	72	102	368
Total	1,048	1,050	2,200

Employee Category	Average training hours per employee 2025	Average training hours per employee 2024	Average training hours per employee 2023
Management	11	8	8
Executive	12	3	9
Non-executive/Technical staff	8	5	8
General workers	1	0*	1

* Less than 1 hour

	2025	2024	2023
Overall average training hours per employee (hours)	4	2	4

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Upskilling & reskilling (Cont'd)



Team Building 2025



In-house training

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Performance management & compensation

Our performance culture is built around being result-oriented, accountable, collaborative, and commitment to shared success. KPIs are established for both the business and individual employees to ensure alignment with our strategic goals.

We conduct annual year-end performance reviews to provide constructive feedback, recognise achievements, and identify each employee's development needs and career aspirations. This ongoing dialogue helps drive continuous improvement and professional growth.

Outstanding performance is recognised through bonuses and promotions, rewarding exceptional results and exemplary behaviour. We also benchmark our remuneration packages regularly to ensure they remain competitive within the industry and are aligned with local market standards.

Succession planning

We recognise the importance of strong leadership continuity. Our Nomination and Remuneration Committee oversees the Group's human capital strategy and succession planning, focusing on leadership development and internal talent readiness. Managerial staff receive targeted training to support their progression into future leadership roles.

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.



Chinese New Year celebration

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Employee engagement (Cont'd)



Chinese New Year celebration

Employee retention & attribution

In 2025, our attrition rate was 172%, compared to 19% in the previous year, primarily due to the cessation of the Furniture Division, which resulted in a significant reduction in workforce during the year.

We aim to reduce attrition over the longer term by enhancing our salary and reward frameworks, developing a robust talent pipeline, and strengthening our talent development programs. These initiatives are intended to improve employee satisfaction and retention, while supporting the Group's ability to attract and retain talent.

Employee Category	Total numbers of new hires 2025	Total numbers of new hires 2024	Total numbers of new hires 2023
Management	4	3	9
Executive	4	10	5
Non-executive/Technical staff	9	8	18
General workers	13	82	87
Total	30	103	119

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Employee retention & attribution (Cont'd)

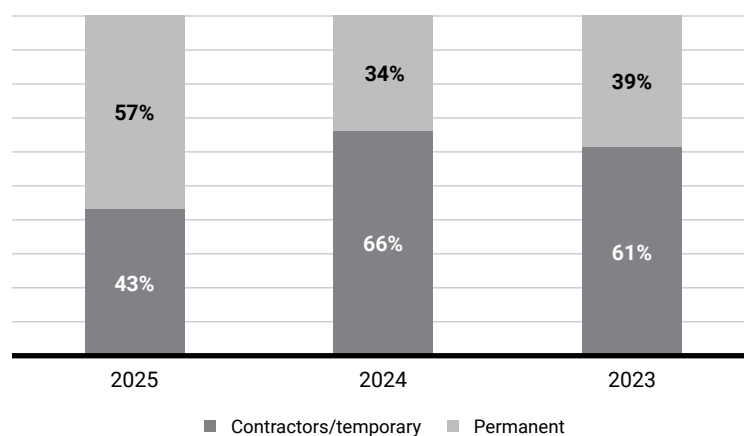
Employee Category	Total numbers of employee turnover 2025	Total numbers of employee turnover 2024	Total numbers of employee turnover 2023
Management	15	5	11
Executive	30	13	9
Non-executive/Technical staff	69	21	23
General workers	286	76	65
Total	400	115	108

	2025	2024	2023
New hire rates (%)	13%	17%	19%
Turnover rates (%)	172%	19%	18%

Below is an overview of the proportion of temporary staff within our workforce across the reporting periods. Temporary staff play a vital role in our operational model. This approach provides the Group with the flexibility to scale resources in line with market demand.

In 2025, the proportion of the permanent workforce increased to 57% from 34% in 2024, primarily due to the cessation of the Furniture Division, which resulted in a shift in overall workforce composition. While temporary staff complement our permanent workforce, we remain committed to treating all individuals engaged by the Group fairly and in accordance with our labour practices and standards.

Percentage of Temporary Workforce



SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

COMMUNITY INVESTMENT

We are committed to being a responsible corporate citizen by engaging with and supporting the communities in which we operate. Our approach focuses on building positive relationships with local communities and contributing, where appropriate, to initiatives that promote social well-being and inclusivity. We recognise that community engagement remains an important aspect of sustainable business practices and continue to explore opportunities to support meaningful initiatives over the long term.

During the financial year, SWS contributed RM2,100 in monetary donations to support selected charitable organisations. The lower level of contribution in 2025 reflects a more cautious and measured approach in line with the Group's financial performance for the year. Notwithstanding this, the Group remains committed to supporting community development initiatives in a sustainable manner as business conditions improve.

	2025	2024	2023
Total amount invested where the target beneficiaries are external to SWS	2,100	59,100	34,740
Total number of individual beneficiaries of the investment in communities	21	591	310



Corporate visit

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

GOVERNANCE SUSTAINABILITY

At SWS, we are committed to the highest standards of corporate governance and ethical conduct. This commitment is demonstrated through our strict compliance with relevant laws and regulations, alongside continuous efforts to foster a culture of transparency, accountability, and integrity throughout the organisation.

In today's increasingly digital environment, we recognise the critical importance of protecting data and maintaining stakeholder trust. To this end, we have established robust cybersecurity and data

protection measures to safeguard sensitive information, comply with regulatory requirements, and ensure the privacy and security of all those we serve.

Material Matters :

- Policy & Regulatory Compliance
- Cybersecurity & Data Protection



POLICY & REGULATORY COMPLIANCE

Regulatory compliance remains a cornerstone of our sustainability strategy. By prioritising ethical business practices, SWS enhances stakeholder confidence, strengthens risk resilience, and supports long-term value creation. Conversely, non-compliance may result in regulatory sanctions, legal liabilities, reputational damage, and operational setbacks.

To mitigate these risks, we closely monitor the regulatory landscape and maintain strong internal systems to ensure continued compliance.

Corporate governance policies

Our governance practices are guided by the Malaysian Code on Corporate Governance 2021 and Bursa Malaysia's Main Market Listing Requirements. These frameworks form the foundation of our corporate conduct, helping to ensure that we operate with overview integrity and in the best interests of our stakeholders. Further details are available in our Corporate Governance Overview Statement on pages 35 to 50 of this Annual Report.

Legal & regulatory oversight

SWS routinely reviews its legal register to ensure alignment with evolving laws and standards. Our internal compliance mechanisms enable us to assess regulatory performance, identify gaps, and implement timely improvements. This proactive approach supports effective risk management and reinforces our commitment to responsible business practices.

CYBERSECURITY & DATA PROTECTION

As SWS continues to strengthen its manufacturing and trading capabilities and digitalisation of operations, the importance of robust cybersecurity and data protection has become increasingly critical. Operating in an environment that relies on digital systems for design, production planning, inventory management, supply chain coordination, and customer engagement, the Company recognises that safeguarding information assets is essential to business continuity, regulatory compliance, and stakeholder trust.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

CYBERSECURITY & DATA PROTECTION (CONT'D)

Unauthorised internal or external access to SWS's information systems presents a material risk, potentially resulting in data breaches, operational disruptions, intellectual property loss, or manipulation of production and distribution processes. Such incidents could adversely affect operational efficiency, compromise sensitive customer and commercial information, and damage the Company's reputation and reliability as a trusted partner.

To mitigate these risks, SWS has implemented a cybersecurity framework focused on strengthening the resilience of our IT infrastructure, digital assets, and internal networks. Our approach emphasises proactive monitoring, regular reviews, and alignment with industry best practices to ensure a secure and reliable digital environment for our stakeholders.

Our data handling and storage practices are aligned with the Personal Data Protection Act (PDPA) 2010, ensuring that all personal and sensitive data is managed securely and lawfully.

Cyber hygiene is promoted internally through mandatory cybersecurity awareness training, simulated phishing exercises, and regular employee engagement on data protection best practices. Our IT and compliance teams work closely together to monitor threats, address emerging vulnerabilities, and enhance our security framework.

In FYE 2025, there were no reported incidents of customer data breaches or violations of privacy regulations, underscoring our commitment to data security and responsible digital operations.

Employee Category	2025	2024	2023	Target
Number of substantiated complaints concerning breaches in customer privacy or data loss	Nil	Nil	Nil	Nil

MOVING FORWARD

At SWS, sustainability is not just a guiding principle; it is central to our identity and informs every aspect of our decision-making. We recognise that responsible practices are both a moral duty and a strategic advantage in today's dynamic business landscape.

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

As a listed issuer, SWS complies with the mandatory ESG disclosure requirements under Bursa Malaysia's Main Market Listing Requirements, in accordance with the enhanced Sustainability Reporting Guide (3rd Edition). The performance data table below, extracted from the ESG Reporting Platform, presents key indicators aligned with our identified material sustainability matters.

SWS CAPITAL BERHAD

BMLR Transition Period

Date & Time: 2026-04-17 09:43:39

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100.00	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	100.00	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	100.00	—	No assurance
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	—	No assurance
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,100.00	—	No assurance
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2100	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Under 30	Percentage	0	—	No assurance

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CON'T)

SWS CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-04-17 09:43:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Between 30-50	Percentage	54.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Above 50	Percentage	46.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Under 30	Percentage	11.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Between 30-50	Percentage	79.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Above 50	Percentage	10.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive/Technical Staff Under 30	Percentage	35.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive/Technical Staff Between 30-50	Percentage	54.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive/Technical Staff Above 50	Percentage	11.00	—	No assurance

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CON'T)

SWS CAPITAL BERHAD
BMLR Transition PeriodDate & Time: 2026-04-17 09:43:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - General Workers Under 30	Percentage	44.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - General Workers Between 30-50	Percentage	47.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - General Workers Above 50	Percentage	9.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	65.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	35.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Male	Percentage	61.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Female	Percentage	39.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive/Technical Staff Male	Percentage	43.00	—	No assurance

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CON'T)

SWS CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-04-17 09:43:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive/Technical Staff Female	Percentage	57.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - General Workers Male	Percentage	83.00	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - General Workers Female	Percentage	17.00	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	71.00	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	29.00	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 30-50	Percentage	29.00	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	71.00	—	No assurance
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	2,323.00	—	No assurance
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	—	No assurance
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-17 09:43:39

Page 4 of 6

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CON'T)

SWS CAPITAL BERHAD
BMLR Transition Period

Date & Time: 2026-04-17 09:43:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	50.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Management	Hours	284.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	34.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	352.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - General Workers	Hours	72.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	43.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	15.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	30.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	69.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - General Workers	Number	286.00	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-17 09:43:39

Page 5 of 6

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CON'T)

SWS CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-04-17 09:43:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	—	No assurance
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	0.04	—	No assurance
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric tonnes	68.00	—	No assurance
Bursa (Waste management)	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	22.00	—	No assurance
Bursa (Waste management)	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	46.00	—	No assurance
Bursa (Emissions management)	Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	205.00	—	No assurance
Bursa (Emissions management)	Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,231.00	—	No assurance
Bursa (Emissions management)	Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	209.00	—	No assurance

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 2025 (“FYE 2025”) are as follows:

	The Company (RM)	The Group (RM)
Audit fees	66,800	175,500
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 2025.



FINANCIAL STATEMENTS



109	Directors' Report
116	Statement by Directors
117	Statutory Declaration
118	Independent Auditors' Report to the Members
124	Statements of Profit or Loss and Other Comprehensive Income
127	Statements of Financial Position
129	Statements of Changes In Equity
132	Statements of Cash Flows
136	Notes to the Financial Statements



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 2025.

PRINCIPAL ACTIVITIES

The principal activity 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 for the financial year		
Continuing operations	(964)	(2,654)
Discontinued operations	<u>(12,341)</u>	<u>-</u>
	<u>(13,305)</u>	<u>(2,654)</u>
Attributable to:		
Owners of the Company		
From continuing operations	(964)	(2,654)
From discontinued operations	<u>(12,341)</u>	<u>-</u>
	<u>(13,305)</u>	<u>(2,654)</u>

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.

DIRECTORS' REPORT (CONT'D)

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.

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 all known bad debts had been written off and that adequate allowance 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.

**DIRECTORS' REPORT
(CONT'D)**

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

- (a) which would render the amount written off as bad debts or the 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)

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 certain 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 (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	01.01.2025	Number of ordinary shares		31.12.2025
		Bought	Sold	
Interest in the Company				
Direct interests				
Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	17,592,625	6,765,000	(20,000)	24,337,625
Dato' Chua Heok Wee	2,181,856	-	-	2,181,856
Dato' Seri Simon Toh Boon Wan	3,928,100	-	-	3,928,100

DIRECTORS' REPORT (CONT'D)

	01.01.2025	Number of ordinary shares		31.12.2025
		Bought	Sold	
Indirect interests				
Tan Sri Dato' Seri Dr. Tan King				
Tai @ Tan Khoo Hai #	2,987,988	849,500	-	3,837,488
Dato' Chua Heok Wee *	95,695,100	-	-	95,695,100
Chua Kang Sing *	95,695,100	-	-	95,695,100
Dato' Seri Simon Toh Boon				
Wan ^	3,590,500	-	-	3,590,500

Deemed interest by virtue of shares held by 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	Company RM'000
Executive Directors:		
Salaries and other emoluments	577	60
Social security contributions	3	-*
Defined contribution plans	69	8
	649	68

DIRECTORS' REPORT (CONT'D)

	Group RM'000	Company RM'000
Non-executive Directors:		
Directors' fees	364	364
Salaries, bonuses and other emoluments	19	19
Social security contributions	4	4
	387	387

* Amount below RM1,000

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 RM12,000, 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 the financial year ended 31 December 2025 are as follow:

	Group RM'000	Company RM'000
Auditors' remuneration:		
Statutory audits	175	67
Non-statutory audits	5	5
	180	72

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,
20 April 2026

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 2025 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,
20 April 2026

DECLARATION BY THE DIRECTOR PRIMARYLY 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 20th day of April, 2026.

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 2025 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 124 to 214.

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 2025, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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
<p>Valuation of inventories</p> <p>As at 31 December 2025, the Group's inventories totalling RM19,511,000 and representing 11% of the Group's total assets, comprised raw material, work-in-progress, and finished goods.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> (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 sales transactions subsequent to financial year end 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 Group and 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and 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.

**INDEPENDENT AUDITORS' REPORT
(CONT'D)**

Other Matter

This report is made solely to the members 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,
20 April 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000 (Restated)*	2025 RM'000	2024 RM'000
Continuing operations					
Revenue	6	62,662	72,984	-	-
Cost of sales		<u>(48,919)</u>	<u>(57,649)</u>	<u>-</u>	<u>-</u>
Gross profit		13,743	15,335	-	-
Other operating income		2,306	3,302	1,131	1,219
Administrative expenses		(10,924)	(10,211)	(3,674)	(671)
Selling and distribution expenses		(3,440)	(3,781)	-	-
Net losses on impairment of financial assets	7	<u>(634)</u>	<u>(583)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) from operation		1,051	4,062	(2,543)	548
Finance costs	8	<u>(1,369)</u>	<u>(1,567)</u>	<u>-</u>	<u>-</u>
(Loss)/Profit before tax	9	(318)	2,495	(2,543)	548
Taxation	11	<u>(646)</u>	<u>(988)</u>	<u>(111)</u>	<u>(144)</u>
(Loss)/Profit from continuing operations		(964)	1,507	(2,654)	404
Loss from discontinued operations, net of tax		<u>(12,341)</u>	<u>(5,007)</u>	<u>-</u>	<u>-</u>
(Loss)/Profit for the financial year		<u>(13,305)</u>	<u>(3,500)</u>	<u>(2,654)</u>	<u>404</u>

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

	Group		Company	
	2025 RM'000	2024 RM'000 (Restated)*	2025 RM'000	2024 RM'000
Other comprehensive income				
<i>Item that will not be reclassified subsequently to profit or loss, net of tax</i>				
Revaluation of lands and buildings	7,234	7,221	-	-
Total comprehensive (loss)/income for the financial year	<u>(6,071)</u>	<u>3,721</u>	<u>(2,654)</u>	<u>404</u>
(Loss)/Profit for the financial year attributable to:				
Owners of the company:				
Continuing operations	(964)	1,507	(2,654)	404
Discontinued operations	<u>(12,341)</u>	<u>(5,007)</u>	<u>-</u>	<u>-</u>
	<u>(13,305)</u>	<u>(3,500)</u>	<u>(2,654)</u>	<u>404</u>
Total comprehensive (loss)/income for the financial year attributable to:				
Owners of the company:				
Continuing operations	6,445	6,898	(2,654)	404
Discontinued operations	<u>(12,516)</u>	<u>(3,177)</u>	<u>-</u>	<u>-</u>
	<u>(6,071)</u>	<u>3,721</u>	<u>(2,654)</u>	<u>404</u>

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

	Note	2025 RM	Group 2024 RM (Restated)*
Loss per share (sen) attributable to ordinary equity holders of the Company:			
Basic	12		
Continuing operations		(0.32)	0.51
Discontinued operations		<u>(4.08)</u>	<u>(1.67)</u>
		<u>(4.40)</u>	<u>(1.16)</u>
Diluted	12		
Continuing operations		(0.32)	0.51
Discontinued operations		<u>(4.08)</u>	<u>(1.67)</u>
		<u>(4.40)</u>	<u>(1.16)</u>

* The comparative figure in this statement for the Group and the related notes has been represented to show the discontinued operation, as disclosed in Note 35 to the financial statements.

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	15,145	25,973	-	-
Investment properties	14	22,327	15,730	-	-
Investment in subsidiary companies	15	-	-	59,347	62,196
Right-of-use assets	16	71,680	69,645	-	-
Total Non-Current Assets		<u>109,152</u>	<u>111,348</u>	<u>59,347</u>	<u>62,196</u>
Current Assets					
Other investments	17	2,192	2,120	2,192	2,120
Inventories	18	19,511	33,531	-	-
Trade receivables	19	16,094	25,736	-	-
Other receivables	20	1,670	2,810	1	1
Amount due from subsidiary companies	21	-	-	20,382	27,294
Tax recoverable		1,460	3,232	143	61
Deposit, cash and bank balances	22	33,136	20,591	15,698	8,726
		74,063	88,020	38,416	38,202
Assets held for sale	23	1,675	5,590	-	-
Total Current Assets		<u>75,738</u>	<u>93,610</u>	<u>38,416</u>	<u>38,202</u>
TOTAL ASSETS		<u>184,890</u>	<u>204,958</u>	<u>97,763</u>	<u>100,398</u>

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	133,181	133,181	133,181	133,181
Revaluation reserve	25	36,548	31,880	-	-
Accumulated losses		<u>(25,176)</u>	<u>(14,437)</u>	<u>(35,596)</u>	<u>(32,942)</u>
Total Equity		<u>144,553</u>	<u>150,624</u>	<u>97,585</u>	<u>100,239</u>
Non-Current Liabilities					
Loans and borrowings	26	7,007	7,967	-	-
Lease liabilities	27	612	2,199	-	-
Deferred tax liabilities	28	<u>5,141</u>	<u>4,900</u>	<u>-</u>	<u>-</u>
Total Non-Current Liabilities		<u>12,760</u>	<u>15,066</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Loans and borrowings	26	14,749	22,648	-	-
Lease liabilities	27	936	1,568	-	-
Trade payables	29	7,952	8,990	-	-
Other payables	30	<u>3,940</u>	<u>6,062</u>	<u>178</u>	<u>159</u>
Total Current Liabilities		<u>27,577</u>	<u>39,268</u>	<u>178</u>	<u>159</u>
Total Liabilities		<u>40,337</u>	<u>54,334</u>	<u>178</u>	<u>159</u>
TOTAL EQUITY AND LIABILITIES		<u>184,890</u>	<u>204,958</u>	<u>97,763</u>	<u>100,398</u>

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company			Total equity RM'000
	Non-distributable	Revaluation reserve RM'000	Accumulated losses RM'000	
Share capital RM'000	Share capital RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total equity RM'000
At beginning of financial year	133,181	31,880	(14,437)	150,624
Loss for the financial year	-	-	(13,305)	(13,305)
Other comprehensive income for the financial year: Revaluation of lands and buildings	-	7,234	-	7,234
Total comprehensive income/(loss) for the financial year	-	7,234	(13,305)	(6,071)
Reversal of revaluation reserve due to disposal	-	(1,849)	1,849	-
Realisation of revaluation surplus upon depreciation	-	(717)	717	-
At end of financial year	133,181	36,548	(25,176)	144,553

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

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

Group
2024

At beginning of financial year

Loss for the financial year

Other comprehensive income for the financial year:

Revaluation of lands and buildings

Total comprehensive income/(loss) for the financial year

Realisation of revaluation surplus upon depreciation

At end of financial year

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	<u>Non- distributable</u> Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
2025			
At beginning of financial year	133,181	(32,942)	100,239
Loss for the financial year, representing total comprehensive loss for the financial year	-	(2,654)	(2,654)
At end of financial year	<u>133,181</u>	<u>(35,596)</u>	<u>97,585</u>
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	<u>133,181</u>	<u>(32,942)</u>	<u>100,239</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000 (Restated)*	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax				
Continuing operations	(318)	2,495	(2,543)	548
Discontinued operations	(11,791)	(5,012)	-	-
	(12,109)	(2,517)	(2,543)	548
Adjustments for:				
Amortisation of right-of- use assets	2,807	2,907	-	-
Depreciation of property, plant and equipment	3,270	3,922	-	-
Derecognition of right- of-use assets	(13)	-	-	-
Dividend income from other investments	(5)	(12)	(5)	(12)
Finance costs	1,577	2,116	-	-
(Gain)/Loss on disposal of:				
Assets held for sale	(1,410)	-	-	-
Property, plant and equipment	383	(1,984)	-	-
Right-of-use assets	669	-	-	-
Gain on fair value of:				
Investment properties	(30)	(1,397)	-	-
Other investments	(67)	(57)	(67)	(57)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000 (Restated)*	2025 RM'000	2024 RM'000
Impairment losses on:				
Investment in subsidiary company	-	-	2,849	-
Property, plant and equipment	254	591	-	-
Right-of-use assets	305	448	-	-
Trade receivables	842	701	-	-
Other receivables	2	-	-	-
Interest income	(269)	(343)	(1,059)	(1,149)
Reversal of impairment losses:				
Trade receivables	(568)	(55)	-	-
Property, plant and equipment	(543)	(115)	-	-
Right-of-use assets	(143)	-	-	-
Unrealised foreign exchange loss/(gain)	403	(80)	-	-
Written off of:				
Property, plant and equipment	223	6	-	-
Inventories	726	2,089	-	-
Trade receivables	325	-	-	-
Other receivables	80	-	-	-
Operating (loss)/profit before working capital changes	(3,291)	6,220	(825)	(670)
Changes in working capital:				
Amount due to/(from) subsidiary companies	-	-	752	(177)
Inventories	13,294	8,714	-	-
Trade and other receivables	10,162	(2,246)	-	-
Trade and other payables	(3,160)	(3,509)	19	(4)
Net cash generated from/(used in) operations	17,005	9,179	(54)	(851)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000 (Restated)*	2025 RM'000	2024 RM'000
Tax paid	(1,415)	(2,408)	(193)	(249)
Tax refunded	2,246	14	-	-
Net cash from/(used in) operating activities	17,836	6,785	(247)	(1,100)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of:				
Property, plant and equipment	(1,258)	(1,500)	-	-
Right-of-use assets	-	(588)	-	-
Interest received	269	343	1,059	1,149
Placement of pledged fixed deposits	(209)	-	-	-
Proceeds from disposal of:				
Assets held for sale	7,000	-	-	-
Property, plant and equipment	2,014	3,116	-	-
Right-of-use assets	943	-	-	-
Repayment from/(Advances to) subsidiary companies	-	-	6,160	(1,649)
RPGT paid	(385)	-	-	-
Net cash from/(used in) investing activities	8,374	1,371	7,219	(500)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000 (Restated) *	2025 RM'000	2024 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES				
Interest paid	(1,577)	(2,116)	-	-
Repayment of bankers' acceptance	(5,232)	(4,522)	-	-
Repayment of lease liabilities	(3,315)	(2,540)	-	-
Repayment of term loans	<u>(926)</u>	<u>(709)</u>	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>(11,050)</u>	<u>(9,887)</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREA SE) IN CASH AND CASH EQUIVALENTS	15,160	(1,731)	6,972	(1,600)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	13,506	15,231	8,726	10,326
Effect of foreign transaction differences on cash and cash equivalents	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 22)	<u>28,666</u>	<u>13,506</u>	<u>15,698</u>	<u>8,726</u>

* The comparative figure in this statement for the Group and the related notes has been represented to show the discontinued operation, as disclosed in Note 35 to the financial statements.

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 2025

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 20 April 2026.

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 121	Lack of Exchangeability
------------------------	-------------------------

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ 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. The adoption of these new MFRSs and amendments to MFRSs may not have an impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. The International Accounting Standard Board (“IASB”) did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 *Basis of Preparation of Financial Statements* and MFRS 7 *Financial Instruments: Disclosures*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses included in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including “operating profit or loss” and “profit or loss before financing and income taxes”;
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

The adoption of these new MFRSs may have an impact on the financial statements of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effects from the adoption of these new MFRSs until the Company undertakes a detailed review.

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 in 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-represented as if the operation had been discontinued from the start of the comparative period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Freehold 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 period.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 and leasehold buildings 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	Over the remaining lease period
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 measured initially 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 plastic ware

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.

(b) 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.

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.

Other income

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(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

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Other investment are classified as at FVTPL, unless the Group and the Company designate other investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Financial assets that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset that is included in the “other operating income” or “other operating expenses” line item.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 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.

Statements of cash flow

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

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and bank balances and short-term deposits, and exclude pledged deposits with financial institutions and bank overdrafts.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(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:

Useful lives/depreciation of property, plant and equipment and right-of-use (“ROU”) assets

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.

Revaluation of property, plant and equipment and ROU assets and fair value of investment properties

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 2025 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

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 2025, the Group and the Company have tax recoverable of RM1,460,000 (2024: RM3,232,000).

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 2 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

The Group has ceased the manufacturing of furniture segment as disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 plastic wares RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Group 2025				
Revenue				
External revenue	-	62,662	-	62,662
Inter-company revenue	-	14,218	(14,218)	-
Total revenue	-	76,880	(14,218)	62,662
Results				
Interest income	1,060	89	(880)	269
Amortisation of right-of-use assets	-	(2,177)	-	(2,177)
Finance costs	-	(1,861)	492	(1,369)
Depreciation of property, plant and equipment	-	(2,641)	-	(2,641)
Other non-cash item	71	1,945	(583)	(1,433)
Segment (loss)/profit before taxation	(2,543)	(2,218)	4,443	(318)
Taxation	(110)	(541)	5	(646)
(Loss)/Profit for the financial year	(2,543)	2,241	(662)	(964)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Investment holding RM'000	Manufacturing of plastic wares RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Segment assets	97,763	134,148	(47,021)	184,890
Segment liabilities	178	49,950	(9,791)	40,337
Group 2024 (Restated)*				
Revenue	-	72,984	-	72,984
External revenue	-	14,697	(14,697)	-
Inter-company revenue	-	-	-	-
Total revenue	-	87,681	(14,697)	72,984
Results				
Interest income	1,149	72	(878)	343
Amortisation of right-of-use assets	-	(2,085)	-	(2,085)
Finance costs	-	(2,003)	462	(1,541)
Depreciation of property, plant and equipment	-	(2,874)	-	(2,874)
Other non-cash item	70	1,019	(1,224)	(135)
Segment profit/(loss) before taxation	547	2,438	(490)	2,495
Taxation	(144)	(813)	(31)	(988)
Profit/(Loss) for the financial year	403	1,625	(521)	1,507

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Investment holding RM'000	Manufacturing of plastic wares RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Segment assets	100,397	133,501	(28,940)	204,958
Segment liabilities	158	55,778	(1,602)	54,334

* The comparative figure in this statement for the Group and the related notes has been represented to show the discontinued operation, as disclosed in Note 35.

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	
	2025 RM'000	2024 RM'000
Dividend income from other investments	5	12
Gain on fair value:		
Investment properties	30	1,397
Other investments	67	57
Gain/(Loss) on disposal of:		
Assets held for sale	1,410	-
Property, plant and equipment	(383)	1,984
Right-of-use assets	(669)	-
Impairment losses on:		
Property, plant and equipment	(254)	(591)
Right-of-use assets	(305)	(448)
Trade receivables	(842)	(701)
Other receivables	(2)	-
Derecognition of right-of-use assets	13	-
Reversal of impairment losses on:		
Property, plant and equipment	543	115
Right-of-use assets	143	
Trade receivables	568	55
Unrealised foreign exchange (loss)/gain	(403)	80
Written off of:		
Property, plant and equipment	(223)	(6)
Inventories	(726)	(2,089)
Trade receivables	(325)	-
Other receivables	(80)	-
	(1,433)	(135)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Asia Pacific	62,201	72,237	109,152	111,348
Europe	45	139	-	-
Others	416	608	-	-
	62,662	72,984	109,152	111,348

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	
	2025 RM'000	2024 RM'000
Continuing operations		
Recognition at a point of time:		
Sales of plastic wares	62,662	72,984
Discontinued operations		
Recognition at a point of time:		
Sales of furniture	14,078	48,215
Total revenue, representing revenue from contract with customers	76,740	121,199

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. NET LOSSES ON IMPAIRMENT OF FINANCIAL ASSETS

	Group	
	2025 RM'000	2024 RM'000
Continuing operations		
Impairment loss on trade receivables	649	633
Reversal of impairment loss on trade receivables	(15)	(50)
	634	583
Discontinued operations		
Impairment loss on:		
Trade receivables	193	68
Other receivables	2	-
Written off on:		
Trade receivables	325	-
Other receivables	80	-
Reversal of impairment loss on trade receivables	(553)	(5)
	47	63
	681	646

8. FINANCE COSTS

	Group	
	2025 RM'000	2024 RM'000
Continuing operations		
Interest expenses on:		
Bank overdrafts	179	165
Bankers' acceptance	627	838
Term loans	422	538
Lease liabilities	141	26
	1,369	1,567

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Group	
	2025 RM'000	2024 RM'000
Discontinued operations		
Interest expenses on:		
Bank overdrafts	-	228
Bankers' acceptance	53	243
Term loans	29	38
Lease liabilities	126	40
	208	549
	1,577	2,116

9. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Auditors' remuneration:				
Statutory audits	141	109	67	38
Non-statutory audits	5	5	5	5
Dividend income from other investments	(5)	(12)	(5)	(12)
Foreign exchange loss/(gain):				
Realised	243	(46)	-	-
Unrealised	(61)	(139)	-	-
Gain on fair value of:				
Investment properties	-	(973)	-	-
Other investments	(67)	(57)	(67)	(57)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment losses on investment in subsidiary companies	-	-	2,849	-
Interest income:				
Fixed deposits with licensed banks	-	(69)	-	-
Banks	(161)	(242)	(159)	(240)
Subsidiary companies	-	-	(900)	(910)
Lease expenses relating to short term leases	32	316	-	-
Property, plant and equipment				
Depreciation	2,649	2,874	-	-
Loss/(Gain) on disposal	11	(72)	-	-
Reversal of impairment losses	-	(115)	-	-
Written off	-	6	-	-
Rental income	(1,348)	(744)	-	-
Right-of-use assets:				
Amortisation	2,177	2,085	-	-
Derecognition	13	-	-	-

	Group	
	2025 RM'000	2024 RM'000
Discontinued operations		
Auditors' remuneration:	34	82
Amortisation of right-of-use assets	630	822
Depreciation of property, plant and equipment	621	1,048
Foreign exchange (gain)/loss:		
Realised	(132)	(17)
Unrealised	464	59

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Group	
	2025	2024
	RM'000	RM'000
(Gain)/Loss on disposal of:		
Assets held for sale	(1,410)	-
Property, plant and equipment	372	(1,912)
Right-of-use assets	669	-
Gain on fair value of investment properties	(30)	(424)
Impairment losses on:		
Property, plant and equipment	254	591
Right-of-use assets	305	448
Interest income:		
Fixed deposits with licensed banks	(87)	(8)
Banks	(21)	(24)
Lease expenses relating to short term leases	252	274
Rental income	(78)	(73)
Reversal of impairment losses on:		
Property, plant and equipment	(543)	-
Right-of-use assets	(143)	-
Written off of:		
Property, plant and equipment	223	-
Inventories	726	2,089
	726	2,089

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Directors' fees	364	364	364	364
Salaries, bonuses and other emoluments	13,541	11,013	79	23
Social security contribution	162	171	4	4
Defined contribution plans	976	854	8	-
Estimated money value of benefits-in-kind	39	61	-	-
	<u>15,082</u>	<u>12,463</u>	<u>455</u>	<u>391</u>
Discontinued operations				
Salaries, bonuses and other emoluments	5,002	7,781	-	-
Social security contribution	59	113	-	-
Defined contribution plans	174	393	-	-
Other benefits	-	12	-	-
Estimated money value of benefits-in-kind	-	6	-	-
	<u>5,235</u>	<u>8,305</u>	<u>-</u>	<u>-</u>
	<u>20,317</u>	<u>20,768</u>	<u>455</u>	<u>391</u>

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 32.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Tax expenses recognised in profit or loss:				
Current tax	862	1,279	88	139
(Over)/Under provision in prior financial years	<u>(185)</u>	<u>(265)</u>	<u>23</u>	<u>5</u>
	<u>677</u>	<u>1,014</u>	<u>111</u>	<u>144</u>
Deferred tax (Note 28):				
Relating to crystallisation of deferred tax liability upon depreciation	<u>(31)</u>	<u>(26)</u>	<u>-</u>	<u>-</u>
	<u>646</u>	<u>988</u>	<u>111</u>	<u>144</u>
Discontinued operations				
Tax expenses recognised in profit or loss:				
Current tax	415	169	-	-
Over provision in prior financial years	<u>(143)</u>	<u>(165)</u>	<u>-</u>	<u>-</u>
	<u>272</u>	<u>4</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax (Note 28):				
Relating to crystallisation of deferred tax liability upon depreciation	<u>(107)</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
Real property gain tax:				
Current financial year	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>550</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
	<u>1,196</u>	<u>983</u>	<u>111</u>	<u>144</u>

Malaysia income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Loss)/Profit before tax				
Continuing operations	(318)	2,495	(2,543)	548
Discontinued operations	<u>(11,791)</u>	<u>(5,012)</u>	<u>-</u>	<u>-</u>
	<u>(12,109)</u>	<u>(2,517)</u>	<u>(2,543)</u>	<u>548</u>
Tax at Malaysian statutory income tax rate of 24%	(2,906)	(604)	(610)	131
Income not subject to tax	(3,097)	(1,135)	-	-
Expenses not deductible for tax purposes	2,540	1,659	698	8
Deferred tax assets not recognised	4,740	1,528	-	-
Relating to crystallisation of deferred tax liability on revaluation reserve	(138)	(35)	-	-
(Over)/Under provision of income tax expenses in prior financial years	(328)	(430)	23	5
Real property gain tax	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,196</u>	<u>983</u>	<u>111</u>	<u>144</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Group has estimated unutilised tax losses, unutilised capital allowances, unutilised reinvestment allowances and unutilised investment tax allowances of RM36,976,000 (2024: RM33,103,000), RM4,012,000 (2024: RM7,253,000), RM3,253,000 (2024: RM3,770,000) and nil (2024: 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. The 2024 comparative figures have been adjusted to reflect actual amounts based on tax submissions.

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.

Reinvestment allowances and investment tax allowances are available for set-off against statutory income, subject to applicable limits and conditions under the tax legislation.

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the Group, 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	
	2025	2024
	RM'000	RM'000
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	21,521	21,521
Year assessment 2034	3,140	3,140
Year assessment 2035	3,873	-
	36,976	33,103

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 Company 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.

(a) Basic 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 Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025	2024
	RM'000	RM'000
(Loss)/Profit attributable to owners of the Company:		
Continuing operations	(964)	1,507
Discontinued operations	(12,341)	(5,007)
	(13,305)	(3,500)
Weighted average number of ordinary shares (Unit'000)	302,278	302,278
Basic (loss)/earnings per ordinary share (sen):		
Continuing operations	(0.32)	0.51
Discontinued operations	(4.08)	(1.67)
	(4.40)	(1.16)

(b) Diluted loss per share

The Group has no dilution in its loss per 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. PROPERTY, PLANT AND EQUIPMENT

Group 2025	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
Cost/Valuation							
At beginning of financial year	9,140	3,110	3,831	60,938	3,683	5,489	86,191
Additions	-	-	14	778	95	371	1,258
Disposals	-	-	-	(8,442)	(2,602)	(443)	(11,487)
Revaluation	20	62	-	-	-	-	82
Written off	-	-	(1,064)	(86)	-	(561)	(1,711)
Elimination of accumulated depreciation on revaluation	-	(62)	-	-	-	-	(62)
Transfer to investment properties (Note 14)	(4,067)	(2,500)	-	-	-	-	(6,567)
At end of financial year	5,093	610	2,781	53,188	1,176	4,856	67,704
Representing:							
At cost	-	-	2,781	53,188	1,176	4,856	62,001
At valuation	5,093	610	-	-	-	-	5,703
	5,093	610	2,781	53,188	1,176	4,856	67,704

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	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	-	-	2,953	48,080	3,620	4,621	59,274
Charged for the financial year	-	62	91	2,642	29	446	3,270
Disposal	-	-	-	(5,798)	(2,577)	(362)	(8,737)
Written off	-	-	(716)	(70)	-	(702)	(1,488)
Elimination of accumulated depreciation on revaluation	-	(62)	-	-	-	-	(62)
At end of financial year	-	-	2,328	44,854	1,072	4,003	52,257
Accumulated impairment losses							
At beginning of financial year	-	-	2	871	-	71	944
Charged for the financial year	-	-	119	101	8	26	254
Disposal	-	-	-	(304)	-	(49)	(353)
Reversal of impairment losses	-	-	-	(537)	-	(6)	(543)
At end of financial year	-	-	121	131	8	42	302
Carrying amount							
At end of financial year	5,093	610	332	8,203	96	811	15,145

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Group 2024	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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	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 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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Company	
	2025	2024
	RM'000	RM'000
Signboard		
Cost		
At beginning/end of financial year	11	11
Accumulated depreciation		
At beginning/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 26 are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Freehold buildings	610	3,110
Freehold land	5,093	9,140
	5,703	12,250

(b) Revaluation of land and buildings

The 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. the 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 2 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Had the land and buildings been carried at historical cost less accumulated depreciation and impairment loss, their carrying amount would be as follows:

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings	5,340	8,400

(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, the Group recognised impairment losses on property, plant and equipment amounting to RM254,000 (2024: RM591,000) in respect of subsidiaries within the furniture division, namely U.D. Wood Products Sdn. Bhd., Syarikat U.D. Trading Sdn. Bhd. and Poh Keong Industries Sdn. Bhd.

During the financial year, the impairments were recognised following the cessation of operations of the furniture division as disclosed in Note 35, whereby the related assets are no longer expected to generate future economic benefits. In the previous financial years, the impairment were recognised as the property, plant and machinery may not be fit for its intended use.

The Group assessed the recoverable amount of the property, plant and equipment as the higher of value-in-use and fair value less costs of disposal. The value-in-use was estimated based on discounted cash flow projections. Management has assessed that the assets are no longer in use and are not expected to generate future economic benefits. Accordingly, no future cash inflows were projected, resulting in a value-in-use of nil. The Group also considered the fair value less costs of disposal of the assets and determined that the expected disposal proceeds are insignificant. Consequently, the recoverable amount was assessed to be negligible. As the recoverable amount is lower than the carrying amount, an impairment loss has been recognised in the statements of profit or loss and other comprehensive income.

(e) Reversal and written off impairment losses of property, plant and equipment

During the financial year, the Group recognised a reversal of impairment on property, plant and equipment amounting to RM543,000 (2024: RM115,000) in respect of U.D. Wood Products Sdn. Bhd., as the recoverable amount of the assets exceeded their carrying amount. The recoverable amount was determined based on fair value less costs of disposal, using estimated selling prices in connection with the planned disposal of the assets and reversal of impairment has been recognised in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

In the previous financial year, certain property, plant and equipment included in the Group's assets, with an original cost of RM2,289,000 and accumulated impairment of RM2,289,000, were written off following management's decision to cease certain operations. Accordingly, no write-off expense was recognised in the statements of profit or loss and other comprehensive income.

14. INVESTMENT PROPERTIES

	Group	
	2025	2024
	RM'000	RM'000
At fair value		
Freehold lands	6,397	2,300
Leasehold lands	5,750	5,750
Buildings	10,180	7,680
	22,327	15,730
The movement of investment properties are as follows:		
At beginning of financial year	15,730	2,305
Transfer from property, plant and equipment (Note 13)	6,567	-
Transfer from right-of-use assets (Note 16)	-	12,028
Change in fair value recognised in profit or loss	30	1,397
At end of financial year	22,327	15,730

(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 (2024: 1 year). Subsequent renewals are negotiated with the lessee on an average renewal period of 1 year (2024: 1 years). No contingent rents are charged.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(b) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by Messrs. Henry Butcher Malaysia (Muar) Sdn. Bhd., Jordan Lee & Jaafar (M'CCA) Sdn. Bhd. and PA International Property Consultants (Penang) Sdn. Bhd. the independent professional valuers amounting to RM22,327,000 (2024: RM15,730,000). 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, condition of the building, accessibility and the location. 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	
	2025	2024
	RM'000	RM'000
Rental income	611	709
Direct operating expenses:		
Income generating investment properties	(62)	(116)
Non-income generating investment properties	(2)	(2)

During the financial year, the Group reclassified its freehold land and building held by Poh Keong Industries Sdn. Bhd, a wholly owned subsidiary company, from property, plant and equipment to investment property following a change in use, as the assets are now held to earn rental income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025	2024
	RM'000	RM'000
In Malaysia:		
Unquoted shares, at cost	96,656	96,656
Less: Accumulated impairment losses	(38,150)	(35,301)
	58,506	61,355
Cost of investment in relation to share option granted to employees of subsidiary companies	841	841
	59,347	62,196

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	2025	2024
	RM'000	RM'000
At beginning of financial year	35,301	35,301
Impairment losses recognised	2,849	-
At end of financial year	38,150	35,301

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective interest		Principal activities
		2025 %	2024 %	
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Impairment losses for investment in subsidiary companies

During the financial year, U.D. Panelform Sdn. Bhd., the 100% owned subsidiary company in the furniture segment was ceased operations as disclosed in Note 35.

The recoverable amount of the Company's investment in U.D. Panelform Sdn. Bhd. was estimated based on the fair value method, determined with reference to the carrying amount of the subsidiary's net assets. As the subsidiary was in a net liabilities position, the recoverable amount was assessed to be nil. Accordingly, an impairment loss amounting to RM2,849,000 was recognised during the financial year.

The impairment loss was recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. RIGHT-OF-USE ASSETS

Group 2025	Leasehold land RM'000	Leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Cost/Valuation							
At beginning of financial year	27,827	36,311	7,204	1,736	225	2,266	75,569
Additions	-	-	-	335	-	411	746
Disposals	-	-	(1,711)	(704)	-	(228)	(2,643)
Derecognition arising from lease liabilities	-	-	-	-	-	(520)	(520)
Modification of lease terms	-	-	-	-	-	376	376
Revaluation	2,700	4,482	-	-	-	-	7,182
Elimination of accumulated amortisation of revaluation	(420)	(632)	-	-	-	-	(1,052)
Transfer to assets held for sale	(775)	(900)	-	-	-	-	(1,675)
At end of financial year	29,332	39,261	5,493	1,367	225	2,305	77,983
Representing:							
At cost	-	-	5,493	1,367	225	2,305	9,390
At valuation	29,332	39,261	-	-	-	-	68,593
	29,332	39,261	5,493	1,367	225	2,305	77,983

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Leasehold land RM'000	Leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Premises RM'000	Total RM'000
Accumulated amortisation							
At beginning of financial year	145	66	2,969	790	109	1,397	5,476
Charged for the financial year	449	650	627	258	22	801	2,807
Disposals	-	-	(627)	(288)	-	(116)	(1,031)
Derecognition arising from lease liabilities	-	-	-	-	-	(507)	(507)
Elimination of accumulated amortisation of revaluation	(420)	(632)	-	-	-	-	(1,052)
At end of financial year	174	84	2,969	760	131	1,575	5,693
Accumulated impairment losses							
At beginning of financial year	-	-	445	-	-	3	448
Charged for the financial year	-	-	305	-	-	-	305
Reversal	-	-	(140)	-	-	(3)	(143)
At end of financial year	-	-	610	-	-	-	610
Carrying amount							
At end of financial year	29,158	39,177	1,914	607	94	730	71,680

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Group 2024	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
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 liabilities	-	-	-	-	-	-	(581)	(581)
Revaluation	3,609	2,536	-	-	-	-	-	6,145
Elimination of accumulated amortisation of revaluation	(678)	(1,063)	-	-	-	-	-	(1,741)
Transfer to assets 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

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
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 liabilities	-	-	-	-	-	-	(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

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	-	-	-	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	36,245	-	3,790	946	116	866	69,645

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(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 26 are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Leasehold buildings	39,177	36,243
Leasehold land	29,158	27,682
	68,335	63,925

(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 2 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 leasehold land and buildings been carried at historical cost less accumulated amortisation and impairment loss, their carrying amount would be as follows:

	Group	
	2025	2024
	RM'000	RM'000
Leasehold buildings	19,307	19,657
Leasehold land	8,475	8,550
	27,782	28,207

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(c) Leasehold land and buildings

In the current financial year, the remaining lease terms of the leasehold land and buildings are ranging from 43 years to 69 years (2024: 44 years to 70 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	
	2025	2024
	RM'000	RM'000
Aggregate costs	746	2,206
Less: Lease liabilities financing	<u>(746)</u>	<u>(1,618)</u>
Cash payment	<u>-</u>	<u>588</u>

(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 RM305,000 (2024: 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. In the current financial year, the right-of-use assets are no longer in use and are not expected to generate future economic benefits. Accordingly, the recoverable amount was determined based on value-in-use, with no projected future cash inflows, resulting in a value-in-use of nil. In the previous financial year, the assets were still in use and the recoverable amount was determined based on value-in-use with projected cash flows. As a result, an impairment loss of RM305,000 (2024: RM448,000) is recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

17. OTHER INVESTMENTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value through profit or loss				
Money market funds	<u>2,192</u>	<u>2,120</u>	<u>2,192</u>	<u>2,120</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
At cost:		
Raw materials	3,239	12,856
Work-in-progress	536	5,801
Finished goods	15,736	14,474
	19,511	33,131
At net realisable value:		
Work-in-progress	-	190
Finished goods	-	210
	-	400
	19,511	33,531
Recognised in profit or loss:		
Inventories recognised as cost of sales	69,981	101,704
Inventories written off	726	2,089

19. TRADE RECEIVABLES

	Group	
	2025 RM'000	2024 RM'000
Trade receivables	18,500	27,868
Less: Accumulated impairment losses	(2,406)	(2,132)
	16,094	25,736

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2025	2024
	RM'000	RM'000
At beginning of financial year	2,132	1,486
Impairment losses recognised	842	701
Impairment losses reversed	(568)	(55)
	<u>2,406</u>	<u>2,132</u>

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 RM568,000 (2024: RM55,000) 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			
2025			
Neither past due nor impaired	4,995	(15)	4,980
Past due but not impaired:			
Less than 30 days	4,004	(25)	3,979
31 to 60 days	2,365	(22)	2,343
More than 61 days	5,246	(454)	4,792
	<u>11,615</u>	<u>(501)</u>	<u>11,114</u>
	16,610	(516)	16,094
Individually impaired	<u>1,890</u>	<u>(1,890)</u>	<u>-</u>
	<u>18,500</u>	<u>(2,406)</u>	<u>16,094</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	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
	<u>20,660</u>	<u>(461)</u>	<u>20,199</u>
	26,212	(476)	25,736
Individually impaired	<u>1,656</u>	<u>(1,656)</u>	<u>-</u>
	<u><u>27,868</u></u>	<u><u>(2,132)</u></u>	<u><u>25,736</u></u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2025, trade receivables of RM11,114,000 (2024: RM20,199,000) 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 RM1,890,000 (2024: RM1,656,000), 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	247	101	-	-
Less: Accumulated impairment losses	(2)	-	-	-
	245	101	-	-
Deposits	462	527	1	1
Prepayments	963	2,182	-	-
	<u>1,670</u>	<u>2,810</u>	<u>1</u>	<u>1</u>

Included in the Group's prepayments is an amount of RM876,000 (2024: RM1,826,000), representing payments made to suppliers for the purchase of raw materials related to certain secured sales. As at the reporting date, the raw materials have not yet been delivered and control has not been transferred to the Group's.

Movements in the allowance for impairment losses of other receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	-	-
Impairment losses recognised	2	-
At end of financial year	<u>2</u>	<u>-</u>

Other receivables are non-interest bearing and are generally on 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The loss allowance account in respect of other 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2025 RM'000	2024 RM'000
Trade related (i)	67	819
Non-trade related (ii)	<u>20,315</u>	<u>26,475</u>
	<u>20,382</u>	<u>27,294</u>

(i) Amount due from subsidiary companies are non-interest bearing and are generally ranged from 30 to 60 days (2024: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Amount due from subsidiary companies are unsecured, which bear interest rates at 3.52% to 3.71% (2024: 3.52% to 3.71%) per annum and receivable on demand.

22. DEPOSIT, CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	25,522	16,374	11,798	8,726
Fixed deposits placed with licensed banks	<u>7,614</u>	<u>4,217</u>	<u>3,900</u>	<u>-</u>
Total deposits, bank and cash balances	33,136	20,591	15,698	8,726
Less: Fixed deposits pledged with licensed banks	(3,651)	(3,565)	-	-
Bank overdrafts (Note 26)	<u>(819)</u>	<u>(3,520)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>28,666</u>	<u>13,506</u>	<u>15,698</u>	<u>8,726</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Fixed deposits placed with licensed banks of the Group amounting to RM3,651,000 (2024: RM3,565,000) are pledged as securities for loans and borrowings as disclosed in Note 26.

The effective interest rates and maturities of fixed deposits of the Group and of the Company as at the end of the reporting period range from 2.00% to 3.90% (2024: 2.00% to 3.90%) and 2.25% (2024: nil) per annum, respectively and 7 days to 12 months (2024: 7 days to 12 months) and 12 months (2024: nil), respectively.

23. ASSETS HELD FOR SALE

	Group	
	2025	2024
	RM'000	RM'000
Leasehold land	775	2,210
Factory building	900	3,380
	1,675	5,590

During the financial year

On 28 July 2025, U.D. Panelform Sdn. Bhd. (“UDP”), a wholly-owned subsidiary entered into a Sale and Purchase Agreement (“SPA”) with an independent third party for the sale and transfer of the assets for a total consideration of RM1,710,000.

Following the execution of the SPA, the assets have been classified as held for sale. As at the reporting date, the disposal has not been fully completed as the legal transfer of ownership is still in progress. A deposit of RM120,000 has been received as at year end, while the remaining balance was received subsequent to financial year end, on 7 April 2026.

No impairment loss was recognised as the carrying amount of the asset is lower than its fair value less cost to sell.

In the previous financial year

On 9 October 2024, UDP a wholly-owned subsidiary entered into a Sale and Purchase Agreement (“SPA”) with an independent third party for the sale and transfer of the assets for a total consideration of RM7,000,000.

On 31 August 2025, the disposal have been completed as the conditions precedent of the SPA have been fulfilled. Upon completion, the Group recognised a gain on disposal of RM1,410,000 in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
Group and Company				
<u>Issued and fully paid with no par value</u>				
At beginning and end of financial year	<u>302,278</u>	<u>302,278</u>	<u>133,181</u>	<u>133,181</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

25. REVALUATION RESERVE

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. LOANS AND BORROWINGS

	Group	
	2025 RM'000	2024 RM'000
Secured		
Term loans	8,114	9,040
Bank overdrafts	819	3,520
Bankers' acceptance	<u>12,823</u>	<u>18,055</u>
	<u>21,756</u>	<u>30,615</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Term loans	7,007	7,967
Current		
Term loans	1,107	1,073
Bank overdrafts	819	3,520
Bankers' acceptance	12,823	18,055
	<u>14,749</u>	<u>22,648</u>
	<u>21,756</u>	<u>30,615</u>

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	
	2025 %	2024 %
Term loans	3.50 to 6.76	3.50 to 6.76
Bank overdrafts	6.70 to 9.20	6.70 to 9.20
Bankers' acceptance	<u>3.51 to 4.63</u>	<u>3.87 to 5.48</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. LEASE LIABILITIES

	Group	
	2025	2024
	RM'000	RM'000
At beginning of financial year	3,767	4,929
Additions	746	1,618
Interest expense incurred (Note 8)	267	66
Modification of lease terms	376	-
Repayments:		
Principal	(3,315)	(2,540)
Interest expense	(267)	(66)
Derecognition of lease liabilities	(26)	(240)
At end of financial year	1,548	3,767
Presented as:		
Non-current	612	2,199
Current	936	1,568
	1,548	3,767

The maturity analysis of lease liabilities of the Group as at the end of financial year:

	Group	
	2025	2024
	RM'000	RM'000
Within one year	889	1,729
One to two years	749	1,722
Two to five years	-	655
	1,638	4,106
Less: Future finance charges	(90)	(339)
Present value of lease liabilities	1,548	3,767

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 5.25% (2024: 2.19% to 7.15%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. DEFERRED TAX LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	4,900	4,492
Recognised in profit or loss (Note 11):		
Relating to crystallisation of deferred tax liability upon depreciation	(138)	(35)
Relating to origination and reversal of temporary differences	-	41
Recognised in other comprehensive income	379	402
At end of financial year	5,141	4,900

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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							
2025							
Deferred tax liabilities/(assets)							
At beginning of financial year	(392)	(317)	4,951	1,900	(904)	(338)	4,900
Recognised in profit or loss	(571)	-	39	-	532	-	-
Relating to crystallisation of deferred tax liability upon depreciation	-	-	-	(138)	-	-	(138)
Relating to revaluation reserve deferred tax liability on revaluation surplus	-	-	-	379	-	-	379
At end of financial year	<u>(963)</u>	<u>(317)</u>	<u>4,990</u>	<u>2,141</u>	<u>(372)</u>	<u>(338)</u>	<u>5,141</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	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/(assets)							
At beginning of financial year	(487)	(317)	5,083	2,019	(1,183)	(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	-	-	380	(486)	106	-	-
At end of financial year	(392)	(317)	4,951	1,900	(904)	(338)	4,900

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2025	2024
	RM'000	RM'000
Unutilised tax losses	32,963	32,117
Unutilised capital allowances	4,012	7,253
Unutilised reinvestment allowances	1,932	3,770
Unutilised investment tax allowances	-	1,258
Other deductible temporary differences	25,398	157
	64,305	44,555

29. TRADE PAYABLES

	Group	
	2025	2024
	RM'000	RM'000
Trade payables	7,952	8,990

Credit terms of trade payables of the Group ranged from 30 to 120 days (2024: 30 to 120 days) depending on the terms of the contracts.

30. OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other payables	1,711	1,752	15	23
Deposits received	542	1,903	-	-
Accruals	1,687	2,407	163	136
	3,940	6,062	178	159

Included in the deposits received of the Group is an amount of RM497,000 (2024: RM1,830,000), which comprises deposits received from customers for secured sales, rental deposits, and deposits received in relation to the sale of assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. 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:

	At beginning of financial year RM'000	Financing cash flows (i) RM'000	Non-cash changes (ii)			At end of financial year RM'000
			New lease (Note 27) RM'000	Modification of lease term (Note 27) RM'000	Termination of lease term (Note 27) RM'000	
Group						
2025						
Bankers' acceptance	18,055	(5,232)	-	-	-	12,823
Term loans	9,040	(926)	-	-	-	8,114
Lease liabilities	3,767	(3,315)	746	376	(26)	1,548
	<u>30,862</u>	<u>(9,473)</u>	<u>746</u>	<u>376</u>	<u>(26)</u>	<u>22,485</u>
2024						
Bankers' acceptance	22,577	(4,522)	-	-	-	18,055
Term loans	9,749	(709)	-	-	-	9,040
Lease liabilities	4,929	(2,540)	1,618	-	(240)	3,767
	<u>37,255</u>	<u>(7,771)</u>	<u>1,618</u>	<u>-</u>	<u>(240)</u>	<u>30,862</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- (i) The cash flows from bankers' acceptance and term loans and lease liabilities make up the net amount of proceeds from or repayment of borrowings in the statements of cash flows.
- (ii) The cash flows from non-cash changes include additional, modification and termination of lease liabilities.

32. 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

	Company	
	2025	2024
	RM'000	RM'000
Transaction with subsidiary companies		
Interest income	900	909

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive Directors				
<u>Existing</u>				
<u>Directors of the Company</u>				
Salaries, bonuses and other emoluments	540	539	60	-
Social security contributions	3	2	-*	-
Defined contribution plans	68	70	8	-
	<u>611</u>	<u>611</u>	<u>68</u>	<u>-</u>
<u>Existing</u>				
<u>Directors of the subsidiary companies</u>				
Salaries, bonuses and other emoluments	988	983	-	-
Social security contributions	3	4	-	-
Defined contribution plans	130	128	-	-
Estimated money value of benefits-in-kinds	39	34	-	-
	<u>1,160</u>	<u>1,149</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Past Directors of the Company</u>				
Salaries, bonuses and other emoluments	37	746	-	-
Social security contributions	2	2	-	-
Defined contribution plans	-	31	-	-
Estimated money value of benefits- in-kinds	-	28	-	-
	39	807	-	-

* Amount below RM1,000.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-executive Directors				
<u>Existing Directors of the Company</u>				
Directors' fees	364	364	364	364
Salaries, bonuses and other emoluments	19	-	19	-
Social security contributions	4	27	4	27
	387	391	387	391

**NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other				
Members of Key Management				
Salaries, bonuses and other emoluments	465	296	-	-
Social security contributions	3	2	-	-
Defined contribution plans	58	35	-	-
Estimated money value of benefits-in-kinds	5	5	-	-
	<u>531</u>	<u>338</u>	<u>-</u>	<u>-</u>
Total Directors and key management remuneration	<u>2,728</u>	<u>3,296</u>	<u>455</u>	<u>391</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
<i>Fair value through profit or loss</i>				
Other investments	2,192	2,120	2,192	2,120
<i>At amortised cost</i>				
Trade receivables	16,094	25,736	-	-
Other receivables	707	628	1	1
Amount due from subsidiary companies	-	-	20,382	27,294
Deposits, cash and bank balances	33,136	20,591	15,698	8,726
Financial liabilities				
<i>At amortised cost</i>				
Trade payables	7,952	8,990	-	-
Other payables	3,895	5,989	178	159
Loans and borrowings	21,756	30,615	-	-
Lease liabilities	1,548	3,767	-	-

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 and market 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 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.

Exposure to credit risk

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 RM15,872,000 (2024: RM21,603,000), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period.

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 advances to its subsidiary companies where risks of default have been assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2 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
Group							
2025							
Financial liabilities							
Loans and borrowings	6.35	15,223	1,505	2,563	5,596	24,887	21,756
Lease liabilities	4.67	889	749	-	-	1,638	1,548
Trade payables	-	7,952	-	-	-	7,952	7,952
Other payables	-	3,895	-	-	-	3,895	3,895
		27,959	2,254	2,563	5,596	38,372	35,151
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	-	5,989	-	-	-	5,989	5,989
		39,835	3,285	4,179	5,561	52,860	49,361

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Average effective interest rate %	On demand or within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company				
2025				
Financial liabilities				
Other payables	-	178	178	178
Financial guarantee liabilities*	-	<u>15,872</u>	<u>15,872</u>	<u>-</u>
		<u>16,050</u>	<u>16,050</u>	<u>178</u>
2024				
Financial liabilities				
Other payables	-	159	159	159
Financial guarantee liabilities*	-	<u>21,603</u>	<u>21,603</u>	<u>-</u>
		<u>21,762</u>	<u>21,762</u>	<u>159</u>

* *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. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(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			
2025			
Trade receivables	841	173	1,014
Cash and bank balances	1,938	8	1,946
Trade payables	-	(73)	(73)
	2,779	108	2,887
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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		
2025		
USD	Strengthened 5%	139
	Weakened 5%	(139)
Others	Strengthened 5%	5
	Weakened 5%	<u>(5)</u>
2024		
USD	Strengthened 5%	180
	Weakened 5%	(180)
Others	Strengthened 5%	12
	Weakened 5%	<u>(12)</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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:

	2025 RM'000	2024 RM'000
Group		
Fixed rate instruments		
Financial assets	7,614	4,217
Financial liabilities	<u>(1,548)</u>	<u>(3,767)</u>
	<u>6,066</u>	<u>450</u>
Floating rate instruments		
Financial liabilities	<u>(21,756)</u>	<u>(30,615)</u>
Company		
Floating rate instruments		
Financial assets	<u>24,215</u>	<u>26,475</u>

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 (loss)/profit before tax by RM218,000 (2024: RM306,000), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Company's (loss)/profit before tax by RM242,000 (2024: RM265,000), arising mainly as a result of lower/higher interest income on floating rate other investments.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

	Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Group 2025						
Financial liabilities						
Term loans	-	(9,655)	-	(9,655)	(9,655)	(8,114)
2024						
Financial liabilities						
Term loans	-	(10,545)	-	(10,545)	(10,545)	(9,040)

(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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

34. 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	
	2025	2024
	RM'000	RM'000
Loans and borrowings	21,756	30,615
Lease liabilities	1,548	3,767
Less: Deposits, cash and bank balances	<u>(33,136)</u>	<u>(20,591)</u>
Net (cash)/debts	<u>(9,832)</u>	<u>13,791</u>
Total equity	<u>144,553</u>	<u>150,624</u>
Gearing ratio (times)	<u>#</u>	<u>0.09</u>

Gearing ratio not applicable to the Group as the cash and bank balances is sufficient to cover the entire borrowing obligations.

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. DISCONTINUED OPERATIONS

During the financial year, the Group ceased the operations of its furniture division as part of the Group's strategic plan to streamline its business operations. The furniture division represents a separate major line of business of the Group.

Accordingly, the financial results of the furniture division have been presented separately in the Statements of Profit or Loss and Other Comprehensive Income as "Loss from discontinued operations, net of tax" in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The results of the discontinued operations during the financial year are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Revenue	14,078	48,215
Cost of sales	<u>(21,788)</u>	<u>(46,144)</u>
Gross (loss)/profit	(7,710)	2,071
Other operating income	3,774	2,296
Administrative expenses	(6,781)	(6,187)
Selling and distribution expenses	(819)	(2,580)
Net losses on impairment of financial assets	<u>(47)</u>	<u>(63)</u>
Loss from operations	(11,583)	(4,463)
Finance costs	<u>(208)</u>	<u>(549)</u>
Loss before tax	(11,791)	(5,012)
Taxation	<u>(550)</u>	<u>5</u>
Loss from discontinued operations	<u>(12,341)</u>	<u>(5,007)</u>
Loss for the financial year attributable to:		
Owners of the company	<u>(12,341)</u>	<u>(5,007)</u>

Cash flows generated from/(used in) discontinued operations during the financial year are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Net cash from/(used in) operating activities	61,221	(3,439)
Net cash from investing activities	9,390	3,332
Net cash used in financing activities	<u>(5,625)</u>	<u>(2,686)</u>
Net effect on cash flows	<u>64,986</u>	<u>(2,793)</u>

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements - Paragraph 9.41(b) of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Remarks	Group	
		2025 RM'000	2024 RM'000
Total Income			
Revenue		76,740	121,199
Other income		2,970	2,442
Interest income		269	343
Dividend income		5	12
Other	Rental income	1,426	817
Other	Gain on disposal of assets held for sale	1,410	-
Other	Gain on disposal of property, plant and equipment	-	1,984
Total		82,820	126,797
Total Assets		184,890	204,958

(B) Business Activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Interest income	Banks	182	266
Interest income	Fixed deposits with licensed banks	87	77
Dividend income received from conventional shares and instruments		5	12
Total		274	355

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position

(i) Cash Component

Remarks	Group	
	2025 RM'000	2024 RM'000
Islamic Account / Instruments		
Cash in hand	86	102
Total	86	102
Conventional Account / Instruments		
Cash at bank (exclude cash in hand)	25,436	16,272
Deposits with licensed bank	7,614	4,217
Total	33,050	20,489

(ii) Debt Component

Remarks	Group	
	2025 RM'000	2024 RM'000
Islamic Financing		
Current	–	–
Non-Current	–	–
Total	–	–

Remarks	Group	
	2025 RM'000	2024 RM'000
Conventional Borrowing		
Current		
Bank overdrafts	819	3,520
Banker's acceptances	12,823	18,055
Term loans	1,107	1,073
Other Lease liabilities	936	1,568
Non-Current		
Term loans	7,007	7,967
Other Lease liabilities	612	2,199
Total	23,304	34,382

LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2025

The Group's policy on revaluation of landed properties is as stated in Note 4 (b) to the annual audited 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 / 16 years	32,700	31/12/25
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 / 19 years	15,500	31/12/25
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 / 2 years	13,000	31/12/25
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 / 16 years	7,700	31/12/25
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	Vacant	99 years leasehold expiring in 29/12/2094 / 27 years	7,480	31/12/25
Lot 1789, GM1142, Mukim of Sungai Raya, District of Muar, Johor.	Industrial land with single storey factory	19,391	Rented	Freehold / 18 years	6,567	31/12/25
Lot 8784, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Muar, Johor.	Industrial land with single-storey factory	5,502	Vacant	99 years leasehold expiring in 29/12/2094 / 21 years	5,000	31/12/25

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	
PTD 5960, HS(D) 35568, Mukim Parit Jawa, Daerah Muar, Johor	Industrial land	13,046	Vacant	Freehold / N/A	4,213	31/12/25
No 18, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor.	Double storey terrace warehouse with office	991	Rented	Freehold / 30 years	2,300	31/12/25
Lot 8792, Batu 8, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Bukit Bakri, 84200 Muar, Johor.	Industrial land with single storey factory	2,321	Assest held for sales	99 years Leasehold expiring in 29/12/2094 / 20 years	1,675	31/12/25



ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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	:	2,106

DISTRIBUTION OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 31 MARCH 2026

SIZE OF HOLDING	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	86	4.08	3,154	0.00
100 - 1,000	142	6.74	65,820	0.02
1,001 - 10,000	958	45.49	4,816,005	1.59
10,001 - 100,000	720	34.19	25,422,033	8.41
100,001 - LESS THAN 5% OF ISSUED SHARES	199	9.45	176,276,048	58.32
5% AND ABOVE OF ISSUED SHARES	1	0.05	95,695,100	31.66
TOTAL :	2,106	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		NO. OF SHARES HELD	
		DIRECT	%	INDIRECT	%
1	TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI	24,337,625	8.05	3,837,488 ⁽¹⁾	1.27
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	-	-	-	-

Remark:

- ⁽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.	NAME	NO. OF SHARES HELD		NO. OF SHARES HELD	
		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	24,337,625	8.05	3,837,488 ⁽²⁾	1.27

Note:

⁽¹⁾ Deemed interest by virtue of shares held through Muar Ban Lee Group Berhad, pursuant to Section 8 of the CA.

⁽²⁾ Deemed interest by virtue of shares held through his son and daughter, pursuant to Section 59(11)(c) of the CA.

30 LARGEST SECURITIES ACCOUNTS HOLDERS

(Based on Record of Depositors as at 31 March 2026)

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 SERM JUTHAMONGKHON (BURSA TRUST)	10,537,125	3.486
5	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH HAN CHUAN (SMART)	8,975,000	2.969
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI (6000117)	8,823,750	2.919
7	ETERNAL BAY SDN BHD	8,055,906	2.665
8	CHAN HONG JI	5,378,475	1.779
9	NEO TIAM HOCK	4,029,656	1.333
10	DATO' SERI SIMON TOH BOON WAN	3,928,100	1.299

ANALYSIS OF SHAREHOLDINGS (CONT'D)

30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)

(Based on Record of Depositors as at 31 March 2026)

NO.	SHAREHOLDERS	NO. OF SHARES	%
11	BO ENG CHEE	3,710,000	1.227
12	TIGER MARK SDN. BHD.	3,590,500	1.188
13	TEH KHEE SOK	3,537,900	1.170
14	HENG SEW HUA	3,250,000	1.075
15	DESMOND TOH BOON KHIAN	2,735,000	0.905
16	LOH KAH HOCK	2,657,700	0.879
17	QUEK KHENG LONG	2,600,900	0.860
18	TAN SRI DATO' SERI DR. TAN KING TAI @ TAN KHOON HAI	2,576,500	0.852
19	HENG LIH JIUN	2,352,000	0.778
20	CH'NG TEIK HOCK	2,200,600	0.728
21	DATO' CHUA HEOK WEE	2,181,856	0.722
22	AWAN TRAVEL SDN. BHD.	2,030,100	0.672
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	2,000,000	0.662
24	TAN MUI ING	1,820,000	0.602
25	TAN KEAN AIK	1,660,600	0.549
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	THE KULIM-BALING ROAD TRANSPORT COMPANY, SDN.BHD.	1,400,900	0.463

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) 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 Sdn. Bhd., 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, in Malaysia on Friday, 22 May 2026 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 2025 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note 1</i> |
| 2. | To approve the payment of Directors’ fees and other benefits of up to RM396,000 payable to the Non-Executive Directors for the period commencing from the conclusion of the 26th AGM of the Company until the conclusion of the next AGM of the Company in the year 2027. | <i>Ordinary Resolution 1</i> |
| 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) Koay Hooi Lynn | <i>Ordinary Resolution 2</i> |
| | (ii) Dato’ Seri Simon Toh Boon Wan | <i>Ordinary Resolution 3</i> |
| 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. | <i>Ordinary Resolution 4</i> |

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 | <i>Ordinary Resolution 5</i> |
|----|--|------------------------------|

“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 Annual General Meeting (“**AGM**”) of the Company.”

- | | | |
|----|---|--|
| 6. | To transact any other business of which due notices shall have been given in accordance with the Act. | |
|----|---|--|

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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: 24 April 2026

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, Lebu 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 **15 May 2026** 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 2025

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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS: (CONT'D)

2. **Ordinary Resolution 1: Payment of Directors' Fees and Other benefits**

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 26th AGM until the next AGM of the Company in the year 2027.

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 annual general meeting 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.

Koay Hooi Lynn and Dato' Seri Simon Toh Boon Wan are standing for re-election 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 26th AGM, the Nomination and Remuneration Committee ("NRC") has considered and recommended Koay Hooi Lynn and Dato' Seri Simon Toh Boon Wan 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 26th 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 26th 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)] ("SWSCAP" 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-Sixth (26th) Annual General Meeting ("AGM") of the Company will be held at Function Hall, Level 1 of Annex Building of Ee Lian Enterprise Sdn. Bhd., 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, in Malaysia on Friday, 22 May 2026 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 payable to the Non-Executive Directors for the period commencing from the conclusion of the 26th AGM of the Company until the conclusion of the next AGM of the Company in the year 2027.	Ordinary Resolution 1		
2.	To re-elect Koay Hooi Lynn as Director of the Company.	Ordinary Resolution 2		
3.	To re-elect Dato' Seri Simon Toh Boon Wan 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 _____, 2026.

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 **15 May 2026** 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.

1st Fold Here

AFFIX
STAMP

The Share Registrar of
SWS Capital Berhad
[Registration No. 199901027346 (502246-P)]
Plantation Agencies Sdn Berhad
3rd Floor, 2 Lebuh Pantai,
10300 Georgetown,
Pulau Pinang

2nd Fold Here

Fold This Flap For Sealing

SWS CAPITAL BERHAD

[199901027346 (502246-P)]

PRINCIPAL PLACE OF BUSINESS

PTD 6001, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri,
Batu 8, 84200 Muar, Johor.

PENANG OFFICE

1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian
Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.



+604-502 3511



+604-502 3588



Info@swscap.com



www.swscap.com