

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 March 2023**

	<b>Unaudited As At 31.03.2023 (3 months) RM</b>	<b>Audited As At 31.12.2022 (12 months) RM</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	31,185,718	31,958,898
Investment properties	2,265,000	2,265,000
Right-of-use asset	<u>75,404,874</u>	<u>73,991,530</u>
Sub-total	<u>108,855,592</u>	<u>108,215,428</u>
<b>Current Assets</b>		
Inventories	47,279,249	48,369,474
Trade receivables	28,456,791	21,649,595
Other receivables	2,347,296	2,218,812
Tax Recoverable	2,263,559	2,683,748
Cash and bank balances	15,988,957	16,381,489
Fixed deposits with licensed bank	<u>4,044,217</u>	<u>4,023,991</u>
Sub-total	<u>100,380,069</u>	<u>95,327,109</u>
<b>TOTAL ASSETS</b>	<b><u>209,235,661</u></b>	<b><u>203,542,537</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	125,325,602	125,325,602
Share-based payment reserve	1,440,170	1,440,170
Warrant reserve	68,816,475	68,816,475
Other reserve	(68,816,475)	(68,816,475)
Revaluation reserve	20,401,921	20,431,932
Accumulated losses	<u>(5,458,484)</u>	<u>(6,296,383)</u>
Sub-total	141,709,209	140,901,321
Non-controlling interest	<u>570,578</u>	<u>349,554</u>
<b>Total Equity</b>	<b><u>142,279,787</u></b>	<b><u>141,250,875</u></b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Loans and borrowings	4,961,653	4,191,986
Lease liabilities	2,749,611	3,904,121
Deferred tax liabilities	<u>4,046,464</u>	<u>4,048,043</u>
Sub-total	<u>11,757,728</u>	<u>12,144,150</u>
<b>Current Liabilities</b>		
Trade payables	15,286,854	10,970,002
Other payables	4,694,345	4,612,036
Tax payables	168,101	58,506
Loans and borrowings	32,414,499	32,466,920
Lease liabilities	<u>2,634,347</u>	<u>2,040,048</u>
Sub-total	<u>55,198,146</u>	<u>50,147,512</u>
Net Current Assets	45,181,923	45,179,597
Total Liabilities	<u>66,955,874</u>	<u>62,291,662</u>
<b>Net Assets</b>	<b><u>142,279,787</u></b>	<b><u>141,250,875</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>209,235,661</u></b>	<b><u>203,542,537</u></b>
<b>Net asset per share attributable to Owners of the Parent (In RM)</b>	<b>0.52</b>	<b>0.51</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2022)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**As At 31 March 2023**  
**(Unaudited)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM	RM	RM	RM
Revenue	35,487,788	47,077,067	35,487,788	47,077,067
Cost of Sales	(28,226,294)	(38,521,186)	(28,226,294)	(38,521,186)
<b>Gross Profit</b>	<b>7,261,494</b>	<b>8,555,881</b>	<b>7,261,494</b>	<b>8,555,881</b>
Administration expenses	(3,451,083)	(3,392,695)	(3,451,083)	(3,392,695)
Selling and distribution expenses	(1,565,125)	(1,762,829)	(1,565,125)	(1,762,829)
Other income / (expenses)	297,014	35,000	297,014	35,000
Net gain on impairment of financial instruments	5,287	26,300	5,287	26,300
<b>Operating profit</b>	<b>2,547,587</b>	<b>3,461,657</b>	<b>2,547,587</b>	<b>3,461,657</b>
Finance costs	(557,826)	(597,653)	(557,826)	(597,653)
<b>Profit before tax</b>	<b>1,989,761</b>	<b>2,864,004</b>	<b>1,989,761</b>	<b>2,864,004</b>
Taxation	(960,850)	(713,850)	(960,850)	(713,850)
<b>Profit after tax for the financial period</b>	<b>1,028,911</b>	<b>2,150,154</b>	<b>1,028,911</b>	<b>2,150,154</b>
<b>Other comprehensive income net of tax</b>	<b>30,012</b>	<b>30,012</b>	<b>30,012</b>	<b>30,012</b>
<b>Total comprehensive income for the financial period</b>	<b>1,058,923</b>	<b>2,180,166</b>	<b>1,058,923</b>	<b>2,180,166</b>
Profit attributable to :				
Owners of the Parent	807,888	2,096,704	807,888	2,096,704
Non-Controlling Interest	221,023	53,450	221,023	53,450
	<b>1,028,911</b>	<b>2,150,154</b>	<b>1,028,911</b>	<b>2,150,154</b>
Total comprehensive income attributable to :				
Owners of the Parent	837,900	2,126,716	837,900	2,126,716
Non-Controlling Interest	221,023	53,450	221,023	53,450
	<b>1,058,923</b>	<b>2,180,166</b>	<b>1,058,923</b>	<b>2,180,166</b>
Basic earning per share (in sen)	0.29	0.76	0.29	0.76
Fully diluted earning per share (in sen)	0.29	0.76	0.29	0.76

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 December 2022)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Statement of Changes In Equity**  
**As At 31 March 2023**  
**(Unaudited)**

	← Attributable to Owners of the Parent →						Non-distributable	←	→					
	Share Capital	Share-based Payment Reserve	Warrant Reserve	Other Reserve	Revaluation Reserve	Accumulated Losses						Total	Non-Controlling Interests	Total Equity
	RM	RM	RM	RM	RM	RM						RM	RM	RM
Balance as at 1 January 2023	125,325,602	1,440,170	68,816,475	(68,816,475)	20,431,933	(6,296,384)	140,901,321		349,555	141,250,876				
Profit after tax for the financial period	-	-	-	-	-	807,888	807,888		221,023	1,028,911				
Realisation of revaluation surplus upon depreciation	-	-	-	-	(30,012)	30,012	-		-	-				
<b>Balance as at 31 March 2023</b>	<b>125,325,602</b>	<b>1,440,170</b>	<b>68,816,475</b>	<b>(68,816,475)</b>	<b>20,401,921</b>	<b>(5,458,484)</b>	<b>141,709,209</b>		<b>570,578</b>	<b>142,279,787</b>				
	-	-	-	-	-	-	-		-	-				
Balance as at 1 January 2022	109,971,602	1,440,170	68,816,475	(68,816,475)	7,204,580	(9,353,838)	109,262,514		6,799	109,269,313				
Profit after tax for the financial period	-	-	-	-	-	2,096,704	2,096,704		46,272	2,142,976				
Realisation of revaluation surplus upon depreciation	-	-	-	-	(30,012)	30,012	-		-	-				
<b>Balance as at 31 March 2022</b>	<b>109,971,602</b>	<b>1,440,170</b>	<b>68,816,475</b>	<b>(68,816,475)</b>	<b>7,174,568</b>	<b>(7,227,122)</b>	<b>111,359,218</b>		<b>53,071</b>	<b>111,412,289</b>				

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2022)

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Cash Flows Statement**  
**As At 31 March 2023**  
**(Unaudited)**

	<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,989,761	2,864,004
Adjustments for :		
Allowance for doubtful debts	31,000	-
Amortisation of right-of-use asset	101,787	72,229
Bad debts recovered	(5,287)	(1,300)
Depreciation of property, plant and equipment	1,800,871	1,666,496
Fair value gain on derivatives	-	(13,413)
Finance costs	552,942	585,698
Finance income	(79,751)	(23,285)
Gain on disposal of property, plant & equipment	(120,000)	-
Interest expense on lease liabilities	-	11,955
Unrealised loss / (gain) on foreign exchange	12,286	(64,689)
Operating profit before changes in working capital	<u>4,283,609</u>	<u>5,097,695</u>
Changes in working capital:		
- Inventories	1,090,225	(1,514,167)
- Trade and other receivables	(6,681,090)	(6,454,330)
- Other current assets	(280,297)	(466,759)
- Trade and other payables	4,399,161	236,907
<b>Cash flows generated from / (used in) operations</b>	<u>2,811,608</u>	<u>(3,100,654)</u>
Tax paid	(432,646)	183,767
Tax refunded	-	-
<b>Net cash flows from / (used in) operating activities</b>	<u>2,378,962</u>	<u>(2,916,887)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,542,825)	(1,051,884)
Proceeds from disposal of property, plant and equipment	120,000	27,360
Interest received	79,751	23,285
(Withdrawal) / Placement of deposits with licensed banks	(16,500)	983,499
<b>Net cash flows used in investing activities</b>	<u>(2,359,574)</u>	<u>(17,740)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,703,000)	(2,526,296)
(Repayment) / Drawdown of lease liabilities	(560,212)	1,637,576
Repayment of term loans	(620,770)	(789,406)
Interest paid	(552,942)	(597,653)
<b>Net cash flows used in financing activities</b>	<u>(3,436,924)</u>	<u>(2,275,779)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,417,536)</b>	<b>(5,210,406)</b>

**SWS CAPITAL BERHAD [199901027346 (502246-P)]**  
**Condensed Consolidated Cash Flows Statement (cont'd)**  
**As At 31 March 2023**  
**(Unaudited)**

	<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
Net decrease in cash and cash equivalents	(3,417,536)	(5,210,406)
Effect of exchange rate changes on cash and cash equivalents	(12,286)	64,689
Cash and cash equivalents at beginning of financial period	15,740,387	1,758,382
Cash and cash equivalents at end of financial period	<u><b>12,310,565</b></u>	<u><b>(3,387,335)</b></u>
 Cash and cash equivalents included in the cash flow statements comprise the followings:		
Deposit, bank and cash balances	20,033,174	9,276,103
Less: Bank overdrafts	<u>(5,237,792)</u>	<u>(9,303,085)</u>
	14,795,382	(26,982)
Less: Deposits pledged with banks	<u>(2,484,817)</u>	<u>(3,360,353)</u>
	<u><b>12,310,565</b></u>	<u><b>(3,387,335)</b></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 31 December 2022)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL  
REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1. BASIS OF PREPARATION**

These condensed consolidation interim financial statements, for the financial period ended 31 March 2023, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The audited financial statements of the Group for the financial year ended 31 December 2022 are available upon request from the Company registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2022 and include the adoption of MFRS Framework and Interpretation which applicable to the Group. The adoption of MFRS, amendments to MFRSs and Interpretation Committee Interpretations do not have material impact on the financial statement in the period of initial application.

**A3. AUDITORS’ REPORT**

The audited financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

#### A4. SEASONAL OR CYCLICAL FACTORS

The Group's operation is seasonal and cyclical in nature whereby the performance is normally higher during back-to-school, Christmas, New Year and Hari Raya celebration.

#### A5. EXTRAORDINARY AND EXCEPTIONAL ITEMS

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

#### A6. CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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

#### A7. SEGMENTAL INFORMATION

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

Revenue and Expenses	3 months ended 31 March 2023				
	Other RM	Manufacturing of furniture RM	Manufacturing of plastic wares RM	Eliminations RM	Consolidated RM
External sales	0	8,418,120	27,069,668	0	35,487,788
Management income	96,000	0	0	(96,000)	0
Inter-company transaction	0	652,077	4,443,455	(5,095,532)	0
Total	96,000	9,070,197	31,513,123	(5,191,532)	35,487,788

Results	3 months ended 31 March 2023				
	Other RM	Manufacturing of furniture RM	Manufacturing of plastic wares RM	Eliminations RM	Consolidated RM
Interest income	236,331	51,946	16,908	(225,434)	79,751
Finance costs	0	(271,589)	(506,787)	225,434	(552,942)
Interest expense on lease liabilities	0	(1,502)	(3,382)	0	(4,884)
Depreciation of property, plant and equipment	0	(546,701)	(1,169,662)	(84,508)	(1,800,871)
Amortisation of ROU	0	(101,787)	0	0	(101,787)
Taxation	(37,500)	(179,406)	(744,000)	56	(960,850)
Other non-cash items	0	12,286	0	0	12,286
Segment profit/(loss)	(50,634)	(1,749,423)	3,789,818	0	1,989,761
Segment assets	99,598,996	84,079,132	137,980,121	(112,422,588)	209,235,661
Segment liabilities	240,940	35,054,140	66,150,689	(34,489,895)	66,955,874

**A8. CHANGES IN DEBT AND EQUITY SECURITIES**

There was no issuance, repurchase and repayment of debt and equity securities for the current quarter under review and financial period to-date.

**A9. DIVIDENDS PAID**

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

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

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

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A12. CHANGES IN CONTINGENT LIABILITIES/ASSETS**

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

**A13. CAPITAL COMMITMENTS**

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



#### A14. RELATED PARTY TRANSACTIONS

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

Subsidiaries	Transacting parties	Relationship	Nature of transactions	Current quarter (RM)	Financial year to-date (RM)
Ee-Lian Enterprise (M) Sdn Bhd ("ELE")	Ee Jia Housewares (M) S/B ("EJ")	Director of ELE	Sales of plastic wares and other household products	1,129,048	1,129,048
			Purchases of plastic wares and other household products	166,686	166,686
ELE	E Sponge Household S/B ("ES")	Director of ELE	Sales of plastic wares and other household products	(23)	(23)
			Purchases of cleaning products	52,324	52,324
ELE	Ebottles Marketing (M) S/B ("EBM")	Director of ELE	Purchases of water bottles and tumblers	Nil	Nil
Ee-Lian Plastic Industries (M) Sdn Bhd ("ELP")	EJ	Director of ELP	Sales of plastic wares and other household products	1,775	1,775
			Purchases of plastic wares and other household products	60,000	60,000
ELP	EBM	Director of ELP	Sales of printing services	45,258	45,258

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

Compensation paid/payable to key management personnel	Current quarter (RM)	Financial year to-date (RM)
Short term employee benefits	514,998	514,998
Other employee benefits	28,737	28,737

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

**B1. PERFORMANCE REVIEW**

Revenue	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	31-Mar-23 (RM)	31-Mar-22 (RM)		31-Mar-23 (RM)	31-Mar-22 (RM)	
Furniture Division	8,418,120	17,706,989		8,418,120	17,706,989	
Plastic Wares Division	27,069,668	29,370,078		27,069,668	29,370,078	
<b>Total</b>	<b>35,487,788</b>	<b>47,077,067</b>	<b>(25)</b>	<b>35,487,788</b>	<b>47,077,067</b>	<b>(25)</b>

For current quarter under review, the Group's turnover decreased to RM35.49 million, as compared to RM47.08 million in the corresponding quarter of the previous year, which ended on March 31, 2022. The Furniture division's revenue for Q1 2023 was RM8.42 million, showing a decrease of 52.5% compared to Q1 2022's RM17.71 million.

In Q1 2023, the plastic wares division's revenue contribution decreased by 7.8% to RM27.07 million, compared to RM29.37 million in Q1 2022. The sales of Raya series products also declined compared to previous years, primarily due to changes in consumer spending behaviour.

Profit / (Loss) Before Tax	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	31-Mar-23 (RM)	31-Mar-22 (RM)		31-Mar-23 (RM)	31-Mar-22 (RM)	
Furniture Division	(1,749,423)	598,151		(1,749,423)	598,151	
Plastic Wares Division	3,789,818	2,342,897		3,789,818	2,342,897	
Others	(50,634)	(77,044)		(50,634)	(77,044)	
<b>Total</b>	<b>1,989,761</b>	<b>2,864,004</b>	<b>(24)</b>	<b>1,989,761</b>	<b>2,864,004</b>	<b>(24)</b>

For the quarter under review, the Group recorded a total gross profit of RM7.26 million, compared to RM8.55 million in the corresponding quarter of the previous year, which ended on March 31, 2022. The gross profit margin increased from 18.2% in Q1 2022 to 20.5% in Q1 2023. This improvement in gross profit margin can be attributed to fluctuations in raw material costs and improvements in monitoring production efficiency and quality within the plastic wares division. Furniture and plastic wares division contributed RM0.09 million and RM7.17 million respectively. The furniture division faced a challenge of insufficient sales orders to cover the fixed operational overhead.

In Q1 2023, the Group achieved a profit before tax of RM1.99 million, compared to a profit before tax of RM2.86 million in Q1 2022. The furniture division recorded a loss before tax of RM1.75 million in Q1 2023, in contrast to a profit before tax of RM0.60 million in Q1 2022. On the other hand, the plastic wares division saw an increase in profit before tax by 61.8%, reaching RM3.79 million in Q1 2023, as compared to RM2.34 million in Q1 2022.

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

<b>Profit / (Loss) Before Tax</b>	<b>Individual quarter 31-Mar-23 (RM)</b>	<b>Preceding quarter 31-Dec-22 (RM)</b>	<b>+ / - (RM)</b>
Furniture Division	(1,749,423)	(1,243,333)	(506,090)
Plastic Wares Division	3,789,818	(464,536)	4,254,354
Others	(50,634)	(66,196)	15,562
<b>Total</b>	<b>1,989,761</b>	<b>(1,774,065)</b>	<b>3,763,826</b>

The Group recorded a higher turnover of RM35.49 million during the quarter under review against turnover of RM31.62 million in the preceding quarter ended 31 December 2022. Gross profit margin was higher at 20.5% against 13.2% in the preceding quarter while absolute amount was higher at RM7.26 million against RM4.22 million in the preceding quarter.

The gross profit margin for furniture division decreased from 7.9% in preceding quarter to 1.0% in Q1 2023. Gross profit margin of plastic wares division increased from 16.3% in preceding quarter to 26.5% in Q1 2023. In addition, the Group has recorded profit before tax of RM1.99 million for the quarter under review compared to loss before tax to RM1.77 million registered in the preceding quarter.

## B3. PROSPECT

On 24 February 2023, the Unity government presented the new Budget 2023 as a replacement for the Budget 2023 previously introduced by the Ministry of Finance on 7 October 2022. The Malaysian economy is currently grappling with issues such as inflation, cost of living pressures, increased business costs, persistent manpower shortages, and a higher interest rate environment. The GDP growth forecast for 2023 is moderate, ranging between 4% and 5%, indicating a global slowdown compared to the impressive 8.7% growth experienced in 2022. In response to these economic conditions, Bank Negara Malaysia has resumed monetary tightening by raising the overnight policy rate (OPR) by 25 basis points to 3% on 3 May 2023.

The plastic wares division is experiencing improved performance due to effective marketing strategies and growth in consumer spending. The management remains cautiously optimistic about the division's prospects, despite the challenges posed by increased operating costs. The Group foresees a significant increase in raw material costs and labour charges throughout 2023.

The furniture division expects the export market conditions to remain challenging. The elevated inflation rates in the US and Eurozone, along with the implementation of higher interest rates to combat inflation, are expected to negatively impact both demand and supply. The ongoing military conflict in Eastern Europe is causing disruptions in the supply chain and leading to soaring commodity prices, which raises concerns about global growth prospects. Additionally, China's reopening of its borders in January 2023 after a three-year lockdown adds to the uncertainty surrounding a potential global recession.

The Group is committed to implementing strategies aimed at seizing growth opportunities. This includes increasing capacity and capabilities to enhance competitiveness. The Group plans to achieve this by introducing more value-added and sustainable products, as well as expanding its product portfolio and entering new markets. Efforts are also being made to address the existing manpower shortage, ensuring optimal utilization of existing capacity. Moreover, the Group is exploring opportunities for expansion to further enhance its operations and market presence.

#### **B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

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

#### **B5. TAXATION**

	Current quarter RM	Financial year to-date RM
Current taxation	(960,906)	(960,906)
Deferred taxation	56	56
	<u>(960,850)</u>	<u>(960,850)</u>

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

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

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

#### **B7. QUOTED SECURITIES**

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

#### **B8. STATUS OF CORPORATE PROPOSALS**

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

#### **B9. GROUP'S BORROWINGS**

The Group's borrowings as at 31 March 2023 are as follows:

	RM
Secured Short Term Borrowings	
- denominated in Ringgit Malaysia	32,414,499
- denominated in US Dollar	0
Secured Long Term Borrowings	
- denominated in Ringgit Malaysia	4,961,653
Total Borrowings	<u>37,376,152</u>

## **B10. FINANCIAL INSTRUMENTS - DERIVATIVES**

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

There were no outstanding foreign currency forward contracts as at 31 March 2023.

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

## **B11. MATERIAL LITIGATION**

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

## **B12. DIVIDEND**

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

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

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

	Current quarter RM	Financial year to-date RM
Allowance for doubtful debts	31,000	31,000
Amortisation of ROU	101,787	101,787
Bad debts recovered	(5,287)	(5,287)
Depreciation of property, plant and equipment	1,800,871	1,800,871
Finance costs	552,942	552,942
Finance income	(79,751)	(79,751)
(Gain)/Loss on foreign exchange		
Realised	8,459	8,459
Unrealised	(12,286)	(12,286)
Gain on disposal of property, plant and equipment	(120,000)	(120,000)
Interest expense on lease liabilities	4,884	4,884
Rental received	(21,000)	(21,000)

## B14. EARNINGS PER SHARE

### *Basic earnings per share*

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

		Current quarter	Financial year-to-date
Profit attributable to			
Owners of the Parent	(RM)	807,888	807,888
Weighted average number of shares	(shares)	275,078,160	275,078,160
Basic earnings per share	(sen)	0.29	0.29

### *Diluted earnings per share*

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

**Board of Directors**  
**SWS Capital Berhad**  
**29<sup>th</sup> May 2023**