

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
As At 30 June 2025
(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	19,957	30,642	46,168	68,207
Cost of Sales	(18,861)	(26,157)	(41,182)	(57,314)
Gross Profit	1,096	4,485	4,986	10,893
Administration expenses	(3,241)	(3,836)	(6,763)	(7,589)
Selling and distribution expenses	(1,278)	(1,773)	(2,790)	(3,630)
Other income / (expenses)	43	583	(33)	1,155
Net gain / (loss) on impairment of financial assets	4	(47)	(47)	(99)
(Loss) / Profit from operation	(3,376)	(588)	(4,647)	730
Finance costs	(432)	(575)	(908)	(1,145)
Loss before tax	(3,808)	(1,163)	(5,555)	(415)
Taxation	(181)	(380)	(555)	(905)
Loss after tax for the financial period	(3,989)	(1,543)	(6,110)	(1,320)
Other Comprehensive Income				
Other comprehensive income net of tax	-	-	-	-
Total comprehensive loss for the financial period	(3,989)	(1,543)	(6,110)	(1,320)
Loss attributable to :				
Owners of the Parent	(3,989)	(1,543)	(6,110)	(1,320)
Non-Controlling Interests	-	-	-	-
	(3,989)	(1,543)	(6,110)	(1,320)
Total comprehensive loss attributable to :				
Owners of the Parent	(3,989)	(1,543)	(6,110)	(1,320)
Non-Controlling Interests	-	-	-	-
	(3,989)	(1,543)	(6,110)	(1,320)
Basic loss per share (in sen)	(1.32)	(0.51)	(2.02)	(0.44)
Diluted loss per share (in sen)	(1.32)	(0.51)	(2.02)	(0.44)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Financial Position
As At 30 June 2025

	Unaudited As At 30.06.2025 RM'000	Audited As At 31.12.2024 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	24,655	25,973
Investment properties	15,730	15,730
Right-of-use assets	67,965	69,645
Total Non-Current Assets	<u>108,350</u>	<u>111,348</u>
Current Assets		
Other investments	2,157	2,120
Inventories	25,948	33,531
Trade receivables	20,964	25,736
Other receivables	1,689	2,810
Tax Recoverable	3,815	3,232
Cash and bank balances	12,288	16,374
Fixed deposits with licensed bank	8,166	4,217
Assets held for sale	5,590	5,590
Total Current Assets	<u>80,617</u>	<u>93,610</u>
TOTAL ASSETS	<u>188,967</u>	<u>204,958</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	133,181	133,181
Revaluation reserve	31,414	31,880
Accumulated losses	(20,081)	(14,437)
Total Equity	<u>144,514</u>	<u>150,624</u>
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	7,617	7,967
Lease liabilities	1,313	2,199
Deferred tax liabilities	4,892	4,900
Total Non-Current Liabilities	<u>13,822</u>	<u>15,066</u>
Current Liabilities		
Loans and borrowings	16,635	22,648
Lease liabilities	1,341	1,568
Trade payables	6,326	8,990
Other payables	6,329	6,062
Total Current Liabilities	<u>30,631</u>	<u>39,268</u>
TOTAL LIABILITIES	<u>44,453</u>	<u>54,334</u>
TOTAL EQUITY AND LIABILITIES	<u>188,967</u>	<u>204,958</u>
Net asset per share attributable to Owners of the Parent (In RM)	0.48	0.50

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Changes In Equity
As At 30 June 2025
(Unaudited)

	Attributable to Owners of the Parent			
	Non-distributable			
	Share Capital	Revaluation Reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
2025				
At beginning of financial period	133,181	31,880	(14,437)	150,624
Loss for the financial period	-	-	(6,110)	(6,110)
Realisation of revaluation surplus upon depreciation	-	(466)	466	-
At end of financial period	133,181	31,414	(20,081)	144,514
2024				
At beginning of financial period	133,181	25,374	(11,652)	146,903
Loss for the financial period	-	-	(1,320)	(1,320)
Realisation of revaluation surplus upon depreciation	-	(401)	401	-
At end of financial period	133,181	24,973	(12,571)	145,583

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Cash Flows
As At 30 June 2025
(Unaudited)

	CUMULATIVE QUARTER	
	30.06.2025	30.06.2024
	RM	RM
Cash flows from operating activities		
Loss before tax	(5,555)	(415)
Adjustments for :		
Allowance for doubtful debts	(64)	(99)
Amortisation of right-of-use asset	301	453
Bad debts recovered	(17)	-
Bad debts written off	10	-
Deposit written off	(61)	-
Depreciation of property, plant and equipment	3,159	3,366
Finance costs	868	1,127
Loss / (Gain) on disposal of property, plant & equipment	9	(87)
Interest expense on lease liabilities	40	18
Interest income	(157)	(178)
Property, plant and equipment written off	-	3
Unrealised loss / (gain) on foreign exchange	389	(79)
Operating (loss) / profit before changes in working capital	<u>(1,078)</u>	<u>4,109</u>
Changes in working capital:		
- Inventories	7,582	3,060
- Trade and other receivables	4,842	(5,824)
- Other current assets	1,183	801
- Trade and other payables	<u>(2,396)</u>	<u>5,349</u>
Cash flows generated from operations	<u>10,133</u>	<u>7,495</u>
Tax paid	(1,158)	(1,232)
Tax refunded	12	-
Net cash flows from operating activities	<u>8,987</u>	<u>6,263</u>
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(1,451)	(809)
Interest received	120	143
Placement of deposits with licensed banks	-	(42)
Proceeds from disposal of property, plant and equipment	841	163
Net cash flows used in investing activities	<u>(490)</u>	<u>(545)</u>
Cash flows used in financing activities		
Interest paid	(868)	(1,127)
Placement of fixed deposit	(3,943)	-
(Withdrawal) / Repayment of bankers' acceptance	(3,213)	2,944
Repayment of lease liabilities	(1,014)	(1,889)
Repayment of term loans	<u>(377)</u>	<u>(300)</u>
Net cash flows used in financing activities	<u>(9,415)</u>	<u>(372)</u>

SWS CAPITAL BERHAD [199901027346 (502246-P)]
Condensed Consolidated Statement of Cash Flows (cont'd)
As At 30 June 2025
(Unaudited)

	CUMULATIVE QUARTER	
	30.06.2025	30.06.2024
	RM	RM
Net (decrease) / increase in cash and cash equivalents	(918)	5,346
Effect of exchange rate changes on cash and cash equivalents	(389)	79
Cash and cash equivalents at beginning of financial period	13,506	15,231
Cash and cash equivalents at end of financial period	<u>12,199</u>	<u>20,656</u>
Cash and cash equivalents included in the cash flow statements comprise the followings:		
Deposit, bank and cash balances	20,454	25,202
Less: Bank overdrafts	<u>(748)</u>	<u>(1,010)</u>
	19,706	24,192
Less: Fixed deposits pledged with licensed banks	<u>(7,507)</u>	<u>(3,536)</u>
	<u>12,199</u>	<u>20,656</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 31 December 2024)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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

A1. BASIS OF PREPARATION

These condensed consolidation interim financial statements, for the financial period ended 30 June 2025, 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 2024 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 2024.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2024.

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 2024 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 2024 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 Hari Raya Puasa and New Year 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	6 months ended 30 June 2025				
	Others	Manufacturing	Manufacturing	Eliminations	Consolidated
	RM'000	of plastic wares RM'000	of furniture RM'000	RM'000	RM'000
External sales	-	33,875	12,293	-	46,168
Inter-company transaction	-	7,402	304	(7,706)	-
Total	-	41,277	12,597	(7,706)	46,168

Results	Others	Manufacturing	Manufacturing	Eliminations	Consolidated
	RM'000	of plastic wares RM'000	of furniture RM'000	RM'000	RM'000
Finance income	709	43	137	(732)	157
Finance costs	-	(951)	(649)	732	(868)
Interest expense on lease liabilities	-	(21)	(19)	-	(40)
Depreciation of property, plant and equipment	-	(2,422)	(551)	(186)	(3,159)
Amortisation of right-of-use assets	-	-	(301)	-	(301)
Taxation	(120)	(268)	(171)	4	(555)
Other non-cash items	-	-	389	-	389
Segment (loss) / profit	(384)	(6,853)	1,127	-	(6,110)
Segment assets	100,529	133,940	64,800	(110,302)	188,967
Segment liabilities	86	55,099	30,251	(40,983)	44,453

A8. CHANGES IN DEBT AND EQUITY SECURITIES

There was no issuance, repurchase and repayment of debt and equity securities for the current quarter under review and financial period to-date, other than as disclosed in Note B8.

A9. DIVIDENDS PAID

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

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluation of property, plant and equipment for the financial period under review.

A11. 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.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

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

A13. 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.

A14. CAPITAL COMMITMENTS

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

A15. RELATED PARTY TRANSACTIONS

There were no related party transactions during the current quarter under review and financial year to-date.

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

Compensation paid/payable to key management personnel	Current quarter RM'000	Financial year to-date RM'000
Short term employee benefits	371	780
Other employee benefits	38	77

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

B1. PERFORMANCE REVIEW

Revenue	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	30-Jun-25 RM'000	30-Jun-24 RM'000		30-Jun-25 RM'000	30-Jun-24 RM'000	
Plastic Wares Division	15,876	18,576		33,875	41,763	
Furniture Division	4,081	12,066		12,293	26,444	
Total	19,957	30,642	(35)	46,168	68,207	(32)

For current quarter under review ended on 30 June 2025, the Group's revenue decreased by 34.9% to RM19.96 million as compared to RM30.64 million recorded in the corresponding quarter of the previous year, which ended on 30 June 2024.

The revenue contribution from the plastic wares division decreased by 14.5% to RM15.88 million as compared to Q2 2024 of RM18.58 million. The decreased in local sales was primarily a result of economic factors and shifts in consumer spending behaviour and increased competition from alternative suppliers. Furniture division recorded revenue of RM4.08 million for Q2 2025, 66.2% decreased as compared to Q2 2024 of RM12.07 million. The export sales decreased mainly due to market uncertainties arising from political instability and conflicts.

Profit / (Loss) Before Tax	Individual quarter		+/- (%)	Cumulative quarter		+/- (%)
	30-Jun-25 RM'000	30-Jun-24 RM'000		30-Jun-25 RM'000	30-Jun-24 RM'000	
Plastic Wares Division	462	557		1,295	2,257	
Furniture Division	(4,129)	(1,631)		(6,585)	(2,524)	
Others	(141)	(89)		(265)	(148)	
Total	(3,808)	(1,163)	227	(5,555)	(415)	1,239

In Q2 2025, the Group recorded a total gross profit of RM1.10 million as compared to RM4.49 million recorded in Q2 2024. The gross profit margin decreased from 14.6% in Q2 2024 to 5.5% in Q2 2025. The decreased in gross profit margin mainly due to fluctuation of raw material and direct labour cost.

Plastic wares division's gross profit margin increased from 22.4% in Q2 2024 to 22.9% in Q2 2025, recorded RM3.64 million gross profit. Furniture division's gross profit margin decreased from 2.7% in Q2 2024 to negative 62.2% in Q2 2025, recorded RM2.54 million gross loss. The division faced challenges in securing sufficient sales orders to cover fixed operational overheads.

In Q2 2025, the Group recorded loss before tax of RM3.81 million as compared to loss before tax of RM1.16 million recorded in Q2 2024. Plastic wares division's profit before tax decreased by 17.1% to RM0.46 million as compared to Q2 2024 of RM0.56 million. Furniture division recorded loss before tax of RM4.13 million as compared to loss before tax of RM1.63 million in Q2 2024.

B2. VARIANCE IN PROFIT / (LOSS) BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter 30-Jun-25 RM'000	Preceding quarter 31-Mar-25 RM'000	+ / - RM'000
Plastic Wares Division	462	832	(370)
Furniture Division	(4,129)	(2,456)	(1,673)
Others	(141)	(124)	(17)
Total	(3,808)	(1,748)	(2,060)

The Group recorded a lower turnover of RM19.96 million for the quarter under review, compared to RM26.21 million in the preceding quarter ended 31 March 2025.

In Q2 2025, the gross profit margin decreased to 5.5% from 14.8% in Q1 2025, while the absolute gross profit amount decreased to RM1.10 million, compared to RM3.89 million in Q1 2025. Additionally, the Group reported a loss before tax of RM3.81 million for the quarter under review, a decreased from the loss before tax of RM1.75 million recorded in the preceding quarter.

B3. PROSPECT

The Group remains committed to maximising value for its stakeholders while maintaining a strong competitive position in the industry. Management expects the second half of 2025 to remain challenging, especially with the expansion of the service tax scope effective from 1st July 2025, and the mandatory Employees Provident Fund (EPF) contributions for foreign workers starting from 1st October 2025.

The recent announcement of new and revised US tariff rates has further added uncertainty to international trade activities. In view of this, Management has decided to shut down the furniture division, which relies heavily on the export market. This decision was made after taking into account the division's weak track record and its ability to return to profitability.

As for the plasticware division, the Management and marketing team are actively engaging with customers to manage and cushion any potential cost impacts, while also working to diversify revenue streams both locally and overseas. At the same time, the Group is investing in product development and service enhancements, focusing on upgrading current products and launching new ones at competitive prices to cater to the changing market needs.

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'000	Financial year to-date RM'000
Current taxation	(182)	(557)
Deferred taxation	-	2
	<u>(182)</u>	<u>(555)</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 30 June 2025 are as follows:

	RM'000
Secured Short Term Borrowings	16,635
Secured Long Term Borrowings	7,617
Total Borrowings	<u>24,252</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 was no outstanding foreign currency forward contracts as at 30 June 2025.

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

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

	Current quarter RM'000	Financial year to-date RM'000
Allowance for doubtful debts	(13)	(64)
Amortisation of right-of-use asset	150	301
Bad debts recovered	(17)	(17)
Bad debts written off	(10)	(10)
Depreciation of property, plant and equipment	1,548	3,159
Finance costs	409	868
Finance income	(98)	(157)
(Gain) / Loss on foreign exchange		
Realised	155	(28)
Unrealised	170	389
(Gain) / Loss on disposal of property, plant & equipment	(107)	9
Interest expense on lease liabilities	23	40
Rental received	(337)	(673)
	<u> </u>	<u> </u>

B14. LOSS PER SHARE***Basic loss per share***

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

		Current quarter	Financial year to-date
Loss attributable to			
Owners of the Parent	(RM'000)	(3,989)	(6,110)
Weighted average number of shares	(shares)	302,278,160	302,278,160
Basic loss per share	(sen)	<u> (1.32) </u>	<u> (2.02) </u>

**Board of Directors
SWS Capital Berhad
28th August 2025**