



FOR IMMEDIATE RELEASE

SWS CAPITAL BERHAD BACK ON TRACK FOR RAYA SEASON

Penang, August 29, 2022 – SWS CAPITAL BERHAD (“SWS”), a furniture and plastic products manufacturing company based in Malaysia, has posted a 29.7% jump in its consolidated revenue to RM47.07 million for the second quarter ended 30 June 2022 (“FY2022”) from RM36.30 million recorded in the previous year corresponding quarter ended 30 June 2021 (“FY2021”). The increase in revenue is mainly contributed by the Plasticware division which reported a revenue of RM27.28 million in Q2 FY2022, representing an increase of 29.2% compared to RM21.12 million recorded in Q2 FY2021 due to optimisation in operational efficiency. Furniture division’s revenue increased by 30.4% from RM15.18 million in Q2 FY2021 to RM19.79 million in Q2 FY2022.

Plasticware division’s revenue spike since introduction and marketing of the new Raya Series in March 2022. The increase in sales of plastic industrial products mainly due to the recovery of development and construction industry since easing of restrictions under National Recovery Plan. The Group recorded a gross profit of RM8.66 million in Q2 FY2022, an improvement of 35.2% from RM6.40 million recorded in Q2 FY2021. Gross profit margin has also increased from 17.6% in Q2 FY2021 to 18.4% in Q2 FY2022 mainly due to improvement in monitoring of production efficiency and quality. The Group recorded profit before tax of RM2.42 million in Q2 FY2022, mainly contributed by the Plasticware division which accounted for 97.2% of the Group’s profit before tax.

The Group’s reported consolidated revenue of RM94.15 million for cumulative quarter ended 30 June 2022, 16.2% increased compare to RM81.01 million in previous year corresponding quarter ended 30 June 2021. Gross profit margin was higher at 18.3% against 17.1% in the corresponding period FY2021 while absolute amount was higher at RM17.22 million against RM13.84 million in the corresponding period FY2021. Both divisions have fully recovered from the negative impact during the Movement Control Order. In addition, the Group has recorded profit before tax of RM5.29 million for the cumulative quarter FY 2022.

The Group recorded a turnover of RM47.07 million during the quarter under review, 58% from plasticware division and 42% from furniture division. Gross profit was marginally higher at RM8.66 million against RM8.56 million achieved in Q1 FY2022. Gross profit margin was also similar at 18.4% against 18.2% in Q1 FY2022. The gross profit margin for the Plasticwares division improved from 19.5% in preceding quarter to 22.6% in Q2 FY2022 whilst the gross profit margin for the Furniture division decreased from 16.1% in Q1 FY2022 to 12.6% in Q2 FY2022.

“The Group anticipated a challenging export market as negative effects from high inflation rate, inconsistent supply-demand and increased logistic charges are becoming global issues. The annual inflation rate in US hit an over 40-year high of 9.1% in June 2022. Euro zone inflation rose to another record high in July 2022. Global food and energy costs spike due to Russian invasion of Ukraine since February 2022.” commented SWS Group Chairman, Tan Sri Tan King Tai.

“Notwithstanding, with the continued growth momentum of the Plasticwares division, the management is optimistic that the Group will continue to deliver satisfactory financial and operational results in FYE 2022. The management is diligently taking strategic actions for sustainable growth by optimising existing capacity and exploring the opportunity to expand its product portfolio and markets” SWS Group Chairman, Tan Sri Tan King Tai added.

About SWS Capital Berhad

SWS commenced operations on 1 December 2003 as an investment holding company and listed on the Bursa Malaysia Securities Berhad on 15 March 2004.

The business activities of SWS and the subsidiaries (“Group”) can be classified into 2 main divisions:

- 1. Furniture division, based in Muar, Johor, produces wood-based furniture, furniture plywood, paper and veneer laminations. The furniture division is also involved in trading of hardware, furniture parts, equipment, construction materials, packing materials, metal stamping and tooling.*
- 2. Plastic wares division is principally a plastic ware solutions provider specialising in designing, developing, manufacturing and distributing a wide range of plastic storage, preparation, containment, serving and cleaning products for the home, office and industrial applications. The plastic wares division is located at Simpang Ampat, Penang.*

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