



FOR IMMEDIATE RELEASE

SWS CAPITAL BERHAD BACK ON TRACK FOR RAYA SEASON

Penang, November 29, 2022 – SWS CAPITAL BERHAD (“SWS”), a furniture and plastic products manufacturing company based in Malaysia, has posted a 43.3% jump in its consolidated revenue to RM32.64 million for the third quarter ended 30 September 2022 (“FY2022”) from RM22.77 million recorded in the previous year corresponding quarter ended 30 September 2021 (“FY2021”). The revenue is mainly contributed by the Plasticware division which reported a revenue of RM21.83 million in Q3 FY2022, representing an increase of 15.6% compared to RM18.89 million recorded in Q3 FY2021. Furniture division’s revenue increased from RM3.89 million in Q3 FY2021 to RM10.81 million in Q3 FY2022.

The improvement in Plasticware division’s revenue is attributed to the introduction and marketing of the new container and organizer series in Q3 2022. The Group recorded a gross profit of RM6.42 million in Q3 FY2022, an improvement from RM0.55 million recorded in Q3 FY2021. Gross profit margin has also increased from 2.4% in Q3 FY2021 to 19.7% in Q3 FY2022 mainly due to improvement in monitoring of production efficiency and quality. The Group recorded a profit before tax of RM1.06 million in Q3 FY2022, mainly contributed by the Plasticware division which reported a profit before tax of RM3.03 million.

The Group reported a consolidated revenue of RM126.79 million for cumulative quarter ended 30 September 2022 representing a 22.2% increase compared to RM103.78 million recorded in the corresponding period FY2021. Gross profit margin was higher at 18.6% against 13.9% in the corresponding period FY2021 while the absolute amount was higher at RM23.64 million against RM14.39 million in the corresponding period FY2021. Both divisions have fully recovered from the negative impact during the Movement Control Order. Accordingly, the Group recorded a profit before tax of RM6.35 million for the cumulative quarter FY 2022.

The Group recorded a turnover of RM32.64 million during the quarter under review, 66.9% from plasticware division and 33.1% from furniture division. Gross profit was marginally lower at RM6.42 million against RM8.66 million achieved in Q2 FY2022. However, gross profit margin was higher at 19.7% against 18.4% in Q2 FY2022. The gross profit margin for the Plasticwares division improved from 22.6% in preceding quarter to 29.0% in Q3 FY2022 whilst the gross profit margin for the Furniture division decreased from 12.6% in Q2 FY2022 to 0.9% in Q3 FY2022.

“The sharp rise in inflation and the conflict in Eastern Europe continue affecting the supply chain disruptions and soaring commodity prices, continue to add pressure on businesses. The Group anticipates that the export market will remain challenging as customers are still carrying way too much inventory.” commented SWS Group Chairman, Tan Sri Tan King Tai.

“Notwithstanding, with the continued growth momentum of the plasticware industry, the management is optimistic that the Group will continue to deliver satisfactory financial and

operational results in FYE 2022. Furniture industry is showing sign of recovery for export order by year 2023. The management is working on market and product diversification to capture opportunities for expansion. ” 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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