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SWS CAPITAL BERHAD TO BE BACK ON TRACK FOR FYE 2023

Penang, February 27, 2023 – SWS CAPITAL BERHAD (“SWS”), a furniture and plastic products manufacturing company based in Malaysia, has posted a consolidated revenue of RM31.62 million for the fourth quarter ended 31 December 2022 (“FY2022”). The revenue is mainly contributed by the Plasticware division which reported a revenue of RM20.55 million in Q4 FY2022 whilst the Furniture division posted a revenue of RM11.07 million in Q4 FY2022. This was a decrease from the consolidated revenue of RM55.96 million recorded in the previous year corresponding quarter ended 31 December 2021 (“FY2021”). The slowdown in both division’s revenue is mainly due to a slower recovery in the export market.

The Group recorded a gross profit of RM4.18 million in Q4 FY2022 with gross profit margins at 13.2%. However, the Group recorded a loss before tax of RM1.77 million in Q4 FY2022 mainly due to the Furniture division.

The Group reported a consolidated revenue of RM158.40 million for FY2022 compared to RM159.74 million recorded in FY2021 with the Plasticware division being the main revenue contributor recording a revenue of RM99.03 million as compared to RM97.42 million in FY 2021. Gross profit margin of the Group was higher at 17.6% against 14.2% in FY2021 while the absolute amount was higher at RM27.82 million, a 22.3% improvement against RM22.74 million in FY2021. This was mainly contributed by improvement in production efficiency and quality. Accordingly, the Group recorded a profit before tax of RM4.58 million for FY 2022, compare to RM4.55 million in FY 2021. The group also reported a revaluation surplus of land and building of RM13.67 million for FY 2022.

Commenting on the Group’s performance, SWS Group Chairman, Tan Sri Tan King Tai said “The sharp rise in global inflation and the military conflict in Eastern Europe continues to affect the supply chain, causing soaring commodity prices and raising concerns about global growth prospects. This continues to add pressure on businesses.”

Tan Sri Tan further commented that “On the local front, the Malaysian economy is dealing with inflation issues, increased business costs and the persistent shortage of manpower. GDP growth in 2023 is also expected to moderate to between 4% and 5%, as compared to 8.7% in 2022.”

“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 2023. The furniture division is working on market and product diversification to capture opportunities for expansion.” He 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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