



FOR IMMEDIATE RELEASE

SWS CAPITAL BERHAD BACK ON TRACK FOR RAYA SEASON

Penang, May 30, 2022 – SWS CAPITAL BERHAD (“SWS”), a furniture and plastic products manufacturing company based in Malaysia, has posted a 5.3% jump in its consolidated revenue to RM47.08 million for the first quarter ended 31 March 2022 (“FY2022”) from RM44.71 million recorded in the previous year corresponding quarter ended 31 March 2021 (“FY2021”). The increase in revenue is mainly contributed by the Plasticware division which reported a revenue of RM29.37 million in Q1 FY2022, representing an increase of 21.7% compared to RM24.13 million recorded in Q1 FY2021.

The introduction of the new Raya Series under the Plasticware division coupled with our marketing strategy, inventory control and optimisation in operational efficiency has resulted in one of the best monthly sales in March and April 2022. The Plasticware division is back on track having recovered from the negative impact and halt in production operations during the Movement Control Order (“MCO”) imposed over the past 2 years. The Group recorded a gross profit of RM8.56 million in Q1 FY2022, an improvement of 15.0% from RM7.44 million recorded in Q1 FY2021. Gross profit margin has also increased from 16.6% in Q1 FY2021 to 18.2% in Q1 FY2022. The Group recorded profit before tax of RM2.86 million in Q1 FY2022, mainly contributed by the Plasticware division which accounted for 81.8% of the Group’s profit before tax.

The Group recorded a lower turnover of RM47.08 million during the quarter under review against a turnover of RM55.96 million in the preceding quarter ended 31 December 2021. However, gross profit was higher at RM8.56 million against RM8.35 million achieved in Q4 FY2021. Gross profit margin was also higher at 18.2% against 14.9% in Q4 FY2021 mainly due to improvement in monitoring of production efficiency and quality. The gross profit margin for the Furniture division recovered from 10.0% in preceding quarter to 16.1% in Q1 FY2022 whilst the gross profit margin for the Plasticwares division increased from 18.2% in Q4 FY2021 to 19.5% in Q1 FY2022.

“The management is optimistic of the Group’s prospects as the Group continues to forge a resilient path to growth and success. With the continued growth momentum of both the Plasticwares division and Furniture division, the management is confident that the Group will continue to deliver satisfactory financial and operational results in FYE 2022.” commented SWS Group Chairman, Tan Sri Tan King Tai.

“The Group anticipated a slowdown in the export market especially the United State of America (“US”) which is facing supply-demand issues coupled with increased global logistic charges. The new norm requires changes that will mean moving out of our respective comfort zones. The Group will continue to implement strategies to capture growth opportunities by increasing capacity and capabilities, introducing more value-added and sustainable products, and broadening its product portfolio and markets. The management is diligently taking strategic actions for sustainable growth” 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.*

For more information, please visit our website at www.swscap.com