

SWS exercises purchase option for drone services firm

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KUALA LUMPUR, Aug 5 (Bernama) -- SWS Capital has exercised its option to purchase a 51 per cent stake in drone and robotics technology firm, MATA Aerotech Sdn Bhd for RM4.73 million.

This followed its options agreement in July with local information technology company Nexus Union Sdn Bhd, to purchase 3.44 million shares (or a 51 per cent stake) in its 70 per cent-owned subsidiary MATA Aerotech, a joint venture company formed with Taiwan-listed Geosat Aerospace and Technology Inc.

SWS executive chairman Tan Sri Tan Khoon Hai said the purchase was aimed at diversifying the company's business from manufacturing plastics and furniture to the drone services business, particularly in agriculture.

Meanwhile, SWS also announced the acquisition of Ee Jia Housewares (M) Sdn Bhd, which trades in and markets plastic ware and utensils for RM64 million, to be satisfied via a combination of RM20 million in cash and issuance of 50 million SWS shares at 80 sen each.

"The new drone business is expected to contribute RM2 million in profit by 2020 with vast potential in future, while the Ee Jia acquisition provides a RM5.6 million profit guarantee each year for the financial years 2019 and 2020 ending Dec 31," he told reporters at an event to announce the acquisitions here today.

On the drone service business, MATA Aerotech chief executive officer Wan Azrain Adnan said the company had received multiple indications of interest from large agribusinesses companies and government ministries, both locally and in the region, hence, it was positive with its business potential.

He said following a memorandum of understanding with the Federal Land Consolidation and Rehabilitation Authority (FELCRA) in July this year, to collaborate in incorporating drone technology into the management and operations of its plantations, the first phase rollout is projected to contribute about RM10 million in revenue by 2020.

FELCRA with 257,078 hectares of land under management, he said, wanted to leverage on drone and data analytics to drive down costs, increase crop efficiency and reduce the use of manual labour on its estates.

Wan Azrain said MATA Aerotech would commence its operations in September this year, starting with FELCRA's paddy plantations and would invest over RM3 million by 2020 to expand its operation, especially its fleet of drones and training of drone pilots and technicians.

“Precision agriculture is the future of farming. By utilising drone and robotics technology, pioneering research and development for the agricultural sector and training drone pilots in our academy, we are propelling the sector into the 21st century.

“This would vastly reduce the dependency on foreign labour, while allowing the local workforce to be up-skilled and redeployed in higher- value jobs in the agricultural ecosystem,” he added.

PricewaterhouseCoopers has estimated that the market for Drones-as-a-Service (Daas) would be worth US\$127 billion by next year, driven by its ability to complement other data sources, including satellite imagery, manned aircraft and ground robots.

Daas is most favoured by industries like infrastructure, agriculture , transportation, security, media and entertainment, insurance, telecommunications and mining.

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