

<b>Type</b>	ANNOUNCEMENT
<b>Subject</b>	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
<b>Description</b>	INCORPORATION OF NEW SUBSIDIARY

## 1. INTRODUCTION

The Board of Directors of SWS Capital Berhad (“SWS” or the “Company”) (“Board”) is pleased to announce that SWS, has on 1<sup>st</sup> October 2020 incorporated a new company in Malaysia, known as SWS In Medics Sdn. Bhd. (“InMedics”). SWS hold 51 ordinary shares, representing 51% of the total issued share capital of InMedics.

## 2. DETAILS OF THE NEW SUBSIDIARY

InMedics [202001030854 (1387174-M)] is a company limited by shares duly incorporated in Malaysia under the Companies Act 2016 (“Act”) on 1st October 2020 and having registered address at 85, Muntri Street, 10200 Georgetown, Pulau Pinang, Malaysia.

The principal activity of InMedics includes export of medical and dental instrument and supplies, wholesale of pharmaceutical and medical goods.

The directors of InMedics are: -

- a. Khairilnuar Bin Abdul Rahman
- b. Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai

The shareholders together with their respective shareholdings are as follows:

No	Shareholders	Number of shares held	% of shareholding
1	Khairilnuar Bin Abdul Rahman	49	49%
2	SWS Capital Berhad	51	51%

## 3. DETAILS OF SWS

SWS [199901027346 (502246-P)] is a listed company duly incorporated in Malaysia under the Companies Act 1965 and is deemed registered under the Act and having its registered address at No.7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim, Malaysia. SWS commenced operations on 1 December 2003 and listed in the Main Market of Bursa Malaysia Securities Berhad on 15 March 2004.

The principal activity of the Company is investment holding. The principal activity of its subsidiaries are manufacturing and sale of dining furniture, occasional furniture, buffet & hutch and bedroom sets, lamination of veneer and paper, trading of various type of boards, polyethylene, pneumatic fasteners, nails and others, manufacturing and trading of plastic wares, utensils and goods, marketing and distribution of plastic household and industrial products.

#### **4. ORIGINAL COST OF INVESTMENT**

The total issued share capital of InMedics are 100 ordinary shares of RM1.00 each. SWS invested RM51.00 for 51 ordinary shares, representing 51% of the total issued share capital of InMedics.

#### **5. RATIONALE FOR THE INCORPORATION**

The incorporation provides an opportunity for SWS diversify into trading of medical supplies. The Board is in the opinion that the new business risk may be mitigated by the appointment of qualified key management to ensure the smooth running of the new business.

#### **6. APPROVALS REQUIRED**

The approval of the shareholders of SWS is not required for the incorporation.

#### **7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED**

None of the Directors, major shareholders of SWS and/or person connected with directors and major shareholders has any interest, direct or indirect, in the incorporation.

#### **8. HIGHEST APPLICABLE PERCENTAGE RATIO**

The highest percentage ratio applicable to the incorporation pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.00001%, calculated based on the aggregate value of the consideration paid in relation to the incorporation, compare with the Net Assets of SWS Group.

#### **9. STATEMENT BY DIRECTORS**

The Board, having taken into consideration all aspects of the incorporation, is of the opinion that the incorporation is in the best interests of SWS Group.

This announcement is dated 2<sup>nd</sup> October 2020.