

SWS CAPITAL BERHAD (502246-P) (“SWS”)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“Meeting”) of the Company held at 3rd Floor, Plot 243A (Lot Lama 7064), Jalan Perindustrian Bukit Minyak 3, Bukit Minyak Industrial Park, 14100 Seberang Perai Tengah, Penang on Monday, 29 July 2019 at 12.00 noon.

Present : The attendance below is in accordance with the Attendance List of Directors and Company Secretary in Annexure 1.

Board of Directors

1. Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai (Executive Chairman) (“Tan Sri Dato’ Seri Dr. Tan”)
2. Dato’ Seri MR. Serm Juthamongkhon (Independent Non-Executive Deputy Chairman)
3. Mr Teoh Han Chuan (Managing Director)
4. Mr Piong Yew Peng (Senior Independent Non-Executive Director)
5. Mr Tan Kok Tiam (Independent Non-Executive Director)
6. Dr. Loh Yee Feei (Independent Non-Executive Director) (“Dr. Chairman”)
7. Mr Chew Seng Guan (Independent Non-Executive Director)

Absent with apologies : 1. Mr Chua Heok Wee (Independent Non-Executive Director)

In Attendance : 1. Ms Ng Mei Wan (Company Secretary)

: The attendance of shareholders/proxies and others is in accordance with the summary of Attendance List in Annexure 2.

1. CHAIRMAN OF THE MEETING

In view of Tan Sri Dato’ Seri Dr. Tan was one of the interested Director for the business to pass today, the present unanimously agreed to appoint Dr. Loh Yee Feei as the Chairman of this Meeting.

2. QUORUM

The quorum for the EGM (or “Meeting”) was confirmed as present.

3. NOTICE OF THE MEETING

The Notice convening this Meeting had been sent to all shareholders within the prescribed time.

4. PRELIMINARY OF THE MEETING

4.1 There was a total Thirty-two (32) persons present in person as shareholders and proxies (including certain Directors) holding a total of 71,936,879 shares, equivalent to 39.43% of the total issued capital of the Company at this Meeting (as per the enclosed “Information Relating to Attendance”). Dr. Chairman reiterated that there is a corporate shareholder, holding 2,500,000 shares or equivalent to 1.37% of the total issued capital of the Company appointed him as its proxy. Dr. Chairman continued to introduce each and every Director as well as the Company Secretary, the representative of the Advisor, Inter-Pacific Securities Sdn. Bhd. (“IPS”), and the representative of the Independent Advisor, M&A Securities Sdn. Bhd. who were in attendance.

4.2 Before the Meeting dealt with the business on hand, Dr. Chairman briefed the shareholders and proxies that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), a listed corporation must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, Tricor Investor & Issuing House Services Sdn. Bhd. and SC Lim, NG & Co. were engaged as the Poll Administrator and the Independent Scrutineer respectively.

- 4.3 Dr. Chairman continued to highlight briefly to the Meeting on the rationale as stated in Section 3 of the Circular to Shareholders dated 05 July 2019 of the proposals tabled.
- 4.4 To facilitate the polling process, Dr. Chairman proposed to the Meeting that the Agenda item to be deliberated first, followed by the poll voting. Upon collection of polling slips from the floor, the vote counting and validation process would then be conducted simultaneously with the questions and answers ("Q&A") session. Without any objection from the floor, Dr. Chairman proceeded with the business on hand.
5. **AGENDA 1 (ORDINARY RESOLUTION NO. 1)
PROPOSED ACQUISITION OF 5,250,000 ORDINARY SHARES IN EE JIA HOUSEWARES (M) SDN. BHD. ("EE JIA") ("EE JIA SHARE(S)"), REPRESENTING THE ENTIRE EQUITY INTEREST IN EE JIA FOR A PURCHASE CONSIDERATION OF RM64.0 MILLION TO BE SATISFIED VIA A COMBINATION OF RM20.0 MILLION IN CASH AND THE ISSUANCE OF 55,000,000 NEW ORDINARY SHARES IN SWS ("SWS SHARE(S)") AT AN ISSUE PRICE OF RM0.80 EACH ("PROPOSED ACQUISITION")**
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Noted : Tan Sri Dato' Seri Dr. Tan, Mr Teoh Han Chuan, Mr Heng Sew Hua, Mr Ooi Chen Hoon and Mr Tan Soon Ping being the Ee Jia's Vendors, together with the persons connected to them were abstained from all deliberation and voting in respect of the Proposed Acquisition.

Mr Tan Kok Tiam being an Independent Non-Executive Director of SWS and also the Head of Corporate Finance Department of IPS, which was appointed as the Advisor to SWS in relation to the Proposed Acquisition, Mr Tan Kok Tiam had abstained and would continue to abstain from deliberation and recommendation in the Proposed Acquisition.

Proposer and Secunder : The motion was proposed by Mr Lee Chaw Hsien, the shareholder and seconded by Mr Lim Say Long, the shareholder.

6. **AGENDA 2 (ORDINARY RESOLUTION NO. 2)
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 547,031,166 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN SWS ("ICPS") ("RIGHTS ICPS") AT AN ISSUE PRICE OF RM0.07 EACH ON THE BASIS OF TWO (2) RIGHTS ICPS FOR EVERY ONE (1) EXISTING SWS SHARE HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF ICPS")**
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Noted : Tan Sri Dato' Seri Dr. Tan, Mr Teoh Han Chuan, Mr Heng Sew Hua, Mr Ooi Chen Hoon and Mr Tan Soon Ping being the Ee Jia's Vendors, together with the persons connected to them were abstained from all deliberation and voting in respect of the Proposed Acquisition.

Mr Tan Kok Tiam being an Independent Non-Executive Director of SWS and also the Head of Corporate Finance Department of IPS, which was appointed as the Advisor to SWS in relation to the Proposed Rights Issue of ICPS, Mr Tan Kok Tiam had abstained and would continue to abstain from deliberation and recommendation in the Proposed Rights Issue of ICPS.

Proposer and Secunder : The motion was proposed by Ms Tan She Mei, the shareholder and seconded by Ms Chew Huey See, the shareholder.

7. **AGENDA 3 (ORDINARY RESOLUTION NO. 3)
PROPOSED PRIVATE PLACEMENT OF UP TO 143,000,000 NEW ICPS (“PLACEMENT ICPS”) AT AN ISSUE PRICE TO BE DETERMINED LATER THAT SHALL NOT BE LOWER THAN RM0.07 EACH (“PROPOSED PRIVATE PLACEMENT OF ICPS”)**

Noted : Mr Tan Kok Tiam being an Independent Non-Executive Director of SWS and also the Head of Corporate Finance Department of IPS, which was appointed as the Advisor to SWS in relation to the Proposed Private Placement of ICPS, Mr Tan Kok Tiam had abstained and would continue to abstain from deliberation and recommendation in the Proposed Private Placement of ICPS.

Proposer and Secunder : The motion was proposed by Ms Lau Pei Lin, the shareholder and seconded by Ms Chew Gaik Bee, the shareholder.

8. **AGENDA 4 (SPECIAL RESOLUTION)
THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF SWS (“PROPOSED AMENDMENTS”)**

Noted : Tan Sri Dato’ Seri Dr. Tan, Mr Teoh Han Chuan, Mr Heng Sew Hua, Mr Ooi Chen Hoon and Mr Tan Soon Ping being the Ee Jia’s Vendors, together with the persons connected to them were abstained from all deliberation and voting in respect of the Proposed Amendments.

Mr Tan Kok Tiam being an Independent Non-Executive Director of SWS and also the Head of Corporate Finance Department of IPS, which was appointed as the Advisor to SWS in relation to the Proposed Amendments, Mr Tan Kok Tiam had abstained and would continue to abstain from deliberation and recommendation in the Proposed Amendments.

Proposer and Secunder : The motion was proposed by Mr Cheah Cheng Sip, the shareholder and seconded by Mr Chow Boon Chye, the shareholder.

9. **Q&A SESSION**

For and on behalf of the Board, Dr. Chairman briefed the Meeting on the enquiries raised by the Minority Shareholder Watchdog Group (“MSWG”) via its letter dated 23 July 2019 as well as the Management and/or the Board’s representation and/or explanation (“Reply”). A copy each of the said MSWG’s letter and the Reply dated 29 July 2019 had been provided and/or distributed to MSWG as well as those present at this Meeting during the registration.

10. **POLLING PROCEDURES**

Dr. Chairman invited the Poll Administrator personnel from Tricor Investors & Issuing House Services Sdn. Bhd. to brief the Meeting on the polling procedures and informed that it would take approximately 30 minutes to validate the votes.

11. **POLLING PROCESS**

The Meeting was adjourned for the conduct of polling process. Dr. Chairman informed the shareholders that they were given 10 minutes to cast their votes and deposit the ballot paper into balloting boxes which were carried by the Poll Administrator personnel.

12. **ANNOUNCEMENT OF POLL RESULTS**

Dr. Chairman called the Meeting to order and the poll results (as per the enclosed “Results on Voting by Poll”) were read out as follow:

Ordinary resolution 1

	No. of Shares and Percentage
For	43,538,687 (99.688%)
Against	136,300 (0.312%)
Total	43,674,987 (100.000%)
	No. of Shares
Abstained	59,430,725
Spoilt	-

In view thereof, Dr. Chairman declared that Ordinary Resolution 1 which shall read as follows be carried:

“RESOLVED THAT, subject to the passing of Ordinary Resolution 2 and the Special Resolution, and subject to the approvals of all relevant authorities and/or parties being obtained (where required), the Board of Directors of SWS (“Board”) be hereby authorised to acquire 5,250,000 Ee Jia Shares, representing the entire equity interest in Ee Jia from Tan Sri Dato’ Seri Dr. Tan, Teoh Han Chuan, Heng Sew Hua, Ooi Chen Hoon and Tan Soon Ping (collectively the “Vendors”) for a purchase consideration of RM64.0 million to be satisfied via a combination of RM20.0 million in cash and the issuance of 55,000,000 new SWS Shares at an issue price of RM0.80 per new SWS Share (“Consideration Share(s)”), in accordance with the terms and conditions of the conditional share purchase agreement dated 28 January 2019 entered into between SWS and the Vendors.

RESOLVED THAT the Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SWS Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotment and/or any other forms of distribution that may be declared, made or paid to shareholders of SWS, of which the entitlement date precedes the date of allotment and issuance of the Consideration Shares.

AND RESOLVED THAT the Board be hereby authorised to sign and execute all documents, do all acts, deeds and things as it may deem fit and necessary to give effect to the Proposed Acquisition with full powers to assent to any terms, conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities in the best interest of the Company”

12. **ANNOUNCEMENT OF POLL RESULTS (CONT'D)**

Ordinary resolution 2

	No. of Shares and Percentage
For	43,537,687 (99.686%)
Against	137,300 (0.314%)
Total	43,674,987 (100.000%)
	No. of Shares
Abstained	59,430,725
Spoilt	-

In view thereof, Dr. Chairman declared that Ordinary Resolution 2 which shall read as follows be carried:

“RESOLVED THAT, subject to the passing of Ordinary Resolution 1 and the Special Resolution, and subject to the approval of the relevant authorities and/or parties being obtained (where required), approval be hereby given to the Board to provisionally issue and allot by way of a renounceable rights issue of up to 547,031,166 Rights ICPS at an issue price of RM0.07 each on the basis of two (2) Rights ICPS for every one (1) existing SWS Share held by the entitled shareholders of SWS on an entitlement date to be determined and announced later with a minimum subscription level of 364,687,564 Rights ICPS;

RESOLVED THAT the Board be hereby empowered and authorised to deal with any fractional entitlements of the Rights ICPS that may arise from the Proposed Rights Issue of ICPS in such manner and on such terms and conditions as the Board shall in its absolute discretion, deem fit, necessary and/or expedient or in the best interests of the Company (including, without limitation, to disregard such fractional entitlements);

RESOLVED THAT the ICPS shall rank pari passu amongst themselves and shall rank in priority to any other class of shares in the capital of SWS. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) the ICPS shall confer on the holders the right to receive in priority to the holders of SWS Shares, cash repayment in full of the amount of any cumulative preferential dividend that is payable and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of SWS; and
- (ii) in the event that SWS has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of SWS shall be distributed pro rata on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.

All new SWS Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank pari passu in all respects with the existing SWS Shares except that such new SWS Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new SWS Shares arising from the conversion of the ICPS;

RESOLVED THAT any Rights ICPS which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess shares applications in such manner as the Board shall determine in a fair and equitable manner, and on such basis as the Board may deem fit or expedient or in the best interest of the Company;

RESOLVED THAT the Board be hereby authorised to utilise the proceeds to be derived from the Proposed Rights Issue of ICPS in the manner as set out in Section 2.2.6 of the Circular to Shareholders of the Company dated 5 July 2019 and the Board be authorised to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

12. **ANNOUNCEMENT OF POLL RESULTS (CONT'D)**

Ordinary resolution 2 (Cont'd)

AND RESOLVED THAT the Board be hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Rights Issue of ICPS with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Rights Issue of ICPS or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of ICPS in the best interests of the Company.”

Ordinary resolution 3

	No. of Shares and Percentage
For	102,965,537 (99.867%)
Against	137,300 (0.133%)
Total	103,102,837 (100.000%)
	No. of Shares
Abstained	2,875
Spoilt	-

In view thereof, the Dr. Tan King Tai @ Tan Khoon Hai declared that Ordinary Resolution 3 which shall read as follows be carried:

“RESOLVED THAT subject to the passing of Ordinary Resolution 2 and the Special Resolution, and subject to the approval of the relevant authority and/or parties being obtained (where required) approval be hereby given to the Board to issue and allot up to 143,000,000 Placement ICPS at an issue price to be determined later that shall not be lower than RM0.07 each;

RESOLVED THAT the issue price of the Placement ICPS shall be fixed by the Board at a later date(s) after the receipt of all relevant approvals for the Proposed Private Placement of ICPS. The issue price of the Placement ICPS will be determined by the Board prior to the price-fixing date(s);

RESOLVED THAT the Board be hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement of ICPS in the manner as set out in Section 2.3.6 of the Circular to Shareholders of the Company dated 5 July 2019 and the Board be authorised to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

12. **ANNOUNCEMENT OF POLL RESULTS (CONT'D)**

Ordinary resolution 3 (cont'd)

RESOLVED THAT the ICPS shall rank pari passu amongst themselves and shall rank in priority to any other class of shares in the capital of SWS. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) The ICPS shall confer on the holders the right to receive in priority to the holders of SWS Shares, cash repayment in full of the amount of any cumulative preferential dividend that is payable and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of SWS.
- (ii) In the event that SWS has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of SWS shall be distributed pro rata on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.

All new SWS Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank pari passu in all respects with the existing SWS Shares except that such new SWS Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new SWS Shares arising from the conversion of the ICPS;

AND RESOLVED THAT the Board be hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Private Placement of ICPS with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Private Placement of ICPS or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement of ICPS in the best interests of the Company.”

12. **ANNOUNCEMENT OF POLL RESULTS (CONT'D)**

Special resolution

	No. of Shares and Percentage
For	43,538,687 (99.688%)
Against	136,300 (0.312%)
Total	43,674,987 (100.000%)
	No. of Shares
Abstained	59,430,725
Spoilt	-

In view thereof, Dr. Chairman declared that Special Resolution which shall read as follows be carried:

“RESOLVED THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, and subject to the approval of the relevant authority and/or parties being obtained (where required), the Proposed Amendments as set out in Section 2.4 and Appendix V of the Circular to the Shareholders of the Company dated 5 July 2019 be hereby approved.

AND RESOLVED THAT the Board be hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Amendments with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Amendments or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Amendments in the best interests of the Company.”

13. **CONCLUSION OF MEETING**

There being no further business, the Meeting was ended at 1.00 p. m. with a vote of thanks to the Dr. Chairman.

Dr. Chairman thanked the shareholders and proxies for their presence.

Confirmed as correct records:

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DR LOH YEE FEEI
Chairman of the Meeting

Dated this 31 July 2019