

SWS CAPITAL BERHAD
[Registration No. 199901027346 (502246-P)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF SWS CAPITAL BERHAD (“SWSCAP” OR “THE COMPANY”) CONDUCTED FULL VIRTUAL AT ONLINE MEETING PLATFORM OPERATED BY DIGERATI TECHNOLOGIES SDN BHD IN MALAYSIA VIA THE LINK AT [HTTPS://AGM.DIGERATI.COM.MY/SWS-ONLINE](https://agm.digerati.com.my/sws-online). ON FRIDAY, 30 JULY 2021, AT 11.00 A.M.

DIRECTORS	:	Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai – Non-Independent Non-Executive Chairman Mr Teoh Han Chuan – Managing Director Dr Loh Yee Feei – Executive Director / Chief Operating Officer Mr Teh Li King – Executive Director Mr Tan Kok Tiam – Independent Non-Executive Director Mr Chen Thien Yin – Independent Non-Executive Director Mr Khoo Chee Siang – Independent Non-Executive Director
MEMBERS	:	As per Attendance List
PROXY HOLDERS	:	As per Attendance List
INVITEES/OTHERS	:	As per Attendance List
IN ATTENDANCE	:	Ms. Thien Lee Mee (Company Secretary)

1. CHAIRMAN

Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai (“Tan Sri Chairman”) was in the Chair and welcomed all present to the live streaming of the Extraordinary General Meeting of the Company.

Tan Sri Chairman informed the shareholders that in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia dated 1 June 2021 where all members of the Board of Directors, Senior Management and the Chairman were joined the AGM remotely via video conference from respective locations.

Tan Sri Chairman then proceeded to introduce the Directors and Company Secretary of the Company to the shareholders who joined from their respective locations.

2. QUORUM

Tan Sri Chairman called upon the Company Secretary, Ms Heidi Thien Lee Mee to confirm the presence of the requisite quorum as at the commencement of this Meeting.

The requisite quorum being present, Tan Sri Chairman called the Meeting to order at 11.00 a.m.

3. NOTICE

With the consent of the Meeting, the Notice convening the Meeting having been circulated within the prescribed period was taken as read.

4. PRELIMINARY

Tan Sri Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation and must be independent of the person undertaking the polling process.

Tan Sri Chairman further informed the Meeting that Digerati Technologies Sdn. Bhd. has been appointed as Poll Administrator to conduct the polling process and Baker Tilly MH (Penang) Sdn. Bhd. was appointed as Scrutineer to verify the poll results.

Tan Sri Chairman informed that the poll voting process for all the resolution set out in the Notice of the Meeting would be carried out after the discussions of all Agenda items of the Meeting.

Tan Sri Chairman announced that the online remote voting was accessible by the shareholders from the start of the proceedings until the time to be announced by Tan Sri Chairman later.

Tan Sri Chairman then invited the shareholders to submit their questions via the query box. Tan Sri Chairman informed that questions which were similar in nature would be grouped and answered together during the Questions and Answers (“Q&A”) session held after deliberations all item on Agenda set out in the Notice of the Meeting.

The Meeting was then briefed on the electronic and remote poll voting process via video presentation.

5. ORDINARY RESOLUTION
PROPOSED PRIVATE PLACEMENT OF UP TO 97,046,000 NEW ORDINARY SHARES, REPRESENTING APPROXIMATELY 46% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES IN SWS CAPITAL BERHAD (“PROPOSED PRIVATE PLACEMENT”)

The Meeting was informed that the only item on the Agenda was for the approval of the Ordinary Resolution on the Proposed Private Placement of up to 97,046,000 new Ordinary Shares, representing approximately 46% of the existing total number of issued Shares in SWS Capital Berhad. The details and rationale of the Proposed Private Placement were provided in the Circular to Shareholders dated 14 July 2021, which have been provided to the shareholders within the prescribed period.

Tan Sri Chairman informed that the Company has received a letter from the Minority Shareholders Watch Group (“MSWG”) on 21 July 2021 with a total of 2 questions raised by them and the responses to the questions raised would be presented at the Q&A session now.

Q1: The Company plans to undertake a private placement of 97 million shares which represents 46% of its existing issued shares at an indicative price of RM0.4545 per share. The private placement is expected to raise RM44.1 million of funds for the Company.

- a) The Company had undertaken a private placement in February this year. Does the Company plan for any other fund-raising activities in the near future?
- b) Has the company identified any potential placees?

Answer:

- a) The Company does not have immediate plans for new fund-raising activity as of now, until if there is such need arises.
- b) Yes, the Company has identified a few potential placees.

Q2: As at 30 April 2021, the total borrowings of the Company were approximately RM52.79 million. The Company proposes to utilise RM30.43 million of the proceeds of the private placement to repay the bank borrowings. The repayment of the Company's borrowings is expected to result in gross interest savings of up to approximately RM1.71 million per annum based on an average interest rate of 5.62% per annum.

- a) Did the Company renegotiate the terms of the borrowings due to the pandemic as the average interest rate of 5.62% per annum seems to be on the high side?
- b) What will be the gearing ratio of the Company once it pares down its debts by RM30.43 million post the placement?

Answer:

- a) The Company is negotiating the terms of the borrowings with major bankers due to the pandemic.
- b) As disclosed in Section 5.2: NA and gearing of the Circular, the pro forma of gearing ratio will be reduced from 0.55 time to 0.18 time under Base Scenario and 0.55 time to 0.11 time under Maximum Scenario. The details of which are as follows:

Base scenario

		(I)	(II)
	Audited as at 31 December 2020	Subsequent events up to the LPD	After (I) and the Proposed Private Placement
	RM'000	RM'000	RM'000
Share capital	106,233	⁽¹⁾ 108,318	⁽²⁾⁽³⁾ 150,973
Reserves	(3,236)	(3,236)	(3,236)
NA attributable to Shareholders of SWS	102,997	105,082	147,737
Borrowings	57,757	57,757	⁽⁴⁾ 27,330
Gearing (times)	0.56	0.55	0.18

Maximum scenario

		(I)	(II)	(III)
	Audited as at 31 December 2020	Subsequent events up to the LPD	After (I) and assuming full exercise of the convertible securities	After (II) and the Proposed Private Placement
	RM'000	RM'000	RM'000	RM'000
Share capital	106,233	⁽¹⁾ 108,318	⁽²⁾⁽³⁾⁽⁴⁾ 200,344	⁽⁵⁾⁽⁶⁾ 242,998
Reserves	(3,236)	(3,236)	⁽⁴⁾ (5,055)	⁽⁴⁾ (5,055)
NA attributable to Shareholders of SWS	102,997	105,082	195,289	237,943
Borrowings	57,757	57,757	57,757	⁽⁷⁾ 27,330
Gearing (times)	0.56	0.55	0.30	0.11

There being no other questions received during the Meeting, Tan Sri Chairman informed that the Q&A session is closed.

6. ONLINE REMOTE VOTING PROCESS

After dealing with all items on the Agenda of the Notice, Tan Sri Chairman informed that the online remote voting session will be closed in 5 minutes and the Shareholders who have yet to cast their votes are advised to do so now.

Tan Sri Chairman declared the voting session for the EGM closed and adjourned the Meeting at 11.16 a.m. for 10 minutes for the poll count and poll validation by the Poll Administrator and the Scrutineer, respectively.

7. ANNOUNCEMENT OF POLL RESULTS

Tan Sri Chairman then called the EGM to order at 11.18 a.m. for the declaration of the poll results. Tan Sri Chairman announced the poll results which had been duly validated by the Scrutineer.

The poll results were displayed on the screen as follows:

Resolution	Voted For		Voted Against		Results
	No of Shares	%	No of Shares	%	
Ordinary Resolution	86,665,717	99.9999	2	0.0001	Carried

Based on the poll results, Tan Sri Chairman declared that the Ordinary Resolution of the EGM was carried.

8. CLOSURE OF MEETING

There being no other business, Tan Sri Chairman, on behalf of the Board thanked all present for their attendance at the Meeting and declared the EGM duly closed at 11.20 a.m.

CONFIRMED AS A CORRECT RECORD:

TAN SRI DATO' SERI DR. TAN KING TAI
@ TAN KHOON HAI
CHAIRMAN OF THE MEETING

Dated: