

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

**MINUTES OF THE TWENTY-FIFTH (25<sup>th</sup>) ANNUAL GENERAL MEETING (“AGM”) OF SWS CAPITAL BERHAD (“SWSCAP” OR “THE COMPANY”) HELD AT FUNCTION HALL, LEVEL 1 OF ANNEX BUILDING OF EE-LIAN ENTERPRISE (M) SDN BHD, 1027, LENGKOK PERINDUSTRIAN BUKIT MINYAK 1, KAWASAN PERINDUSTRIAN BUKIT MINYAK 1, 14100 SIMPANG AMPAT, PENANG, ON TUESDAY, 20 MAY 2025, AT 10.00 A.M.**

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**DIRECTORS**

Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai – Non-Independent Non-Executive Chairman

Dato’ Chua Heok Wee – Group Managing Director

Mr Chua Kang Sing – Executive Director

Dato’ Seri Simon Toh Boon Wan – Independent Non-Executive Director

Ms Koay Hooi Lynn – Independent Non-Executive Director

Ms Ong Peng Teng – Independent Non-Executive Director

IN ATTENDANCE :

1. Ms. Heidi Thien Lee Mee (Company Secretary)
2. Mr. Lee Chaw Hsien (Chief Financial Officer)
3. Mr. Lim Kai Jie (Representative from Messrs. Morison LC PLT, External Auditor of the Company)

ABSENT WITH APOLOGIES:

Mr Liu Tian Khiew – Independent Non-Executive Director

The shareholders and proxyholders (collectively referred to as “Members”) who attended and participated at the 25<sup>th</sup> AGM were set out in the Attendance List.

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**1. CHAIRMAN**

Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai (“Tan Sri Chairman”) presided the 25<sup>th</sup> AGM and welcomed all present to the 25<sup>th</sup> AGM of the Company.

Tan Sri Chairman then proceeded to introduce the Directors and Company Secretary of the Company to the shareholders who present in the venue.

**2. QUORUM**

Tan Sri Chairman called upon the Company Secretary to confirm the presence of the requisite quorum as at the commencement of the Meeting. The Company Secretary confirmed that there was a sufficient quorum for the convening of the Meeting.

The requisite quorum being present, Tan Sri Chairman called the Meeting to order at 10:00 a.m.

**3. NOTICE OF MEETING**

The Notice convening the Meeting, having been circulated within the prescribed period with the permission of the Meeting be taken as read.

#### 4. ADMINISTRATIVE MATTERS

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 Plantation Agencies Sdn Berhad 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 resolutions 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 informed the shareholders present that there will be a Questions and Answer (“Q&A”) session held after deliberations on all items on the agenda set out in the Notice of the Meeting. Tan Sri Chairman further added that the Company has received a letter from Minority Shareholders Watch Group (“MSWG”) on 9 May 2025 with a total 5 questions raised by them, the questions raised and answer from the Company will be presented during the Q&A session.

#### 5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Meeting was informed that the first item on the agenda was to receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2024, together with the Reports of the Directors and Auditors thereon (“**Audited Financial Statements**”).

Tan Sri Chairman informed that the Audited Financial Statements were meant for discussion only as it does not require formal approval from the shareholders. Hence, it was not put forward for voting.

Tan Sri Chairman further informed that the Board would address the questions raised by the members during the Questions and Answers (“Q&A”) session, which would be carried out after all items on the agenda were dealt with.

It was then declared that the Audited Financial Statements were duly received by the shareholders.

**6. ORDINARY RESOLUTION 1  
APPROVAL OF THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS OF UP TO RM396,000 FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 25<sup>TH</sup> AGM OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY IN THE YEAR 2026**

The Meeting was informed that Ordinary Resolution 1 was to approve the payment of Directors' fees and other benefits of up to RM396,000 for the period commencing from the conclusion of the 25th AGM of the Company until the conclusion of the next AGM of the Company in the year 2026.

**7. ORDINARY RESOLUTION 2  
RE-ELECTION OF DATO' CHUA HEOK WEE, WHO RETIRED PURSUANT TO BY ROTATION CLAUSE 21.5(a) OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that pursuant to Clause 21.5(a) of the Company's Constitution, Dato' Chua Heok Wee, who was retiring as Director of the Company and being eligible, had offered himself for re-election.

**8. ORDINARY RESOLUTION 3  
RE-ELECTION OF CHUA KANG SING WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 21.5(a) OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 3 was to re-elect the retiring Director, Dato' Chua Heok Wee, who retired by rotation pursuant to Clause 21.5(a) of the Company's Constitution and being eligible, had offered himself for re-election.

**9. ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF MESSRS. MORISON LC PLT AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Meeting was informed that Ordinary Resolution 4 was to re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The Meeting was informed that Messrs. Morison LC PLT have indicated their willingness to continue in office as Auditors of the Company.

**10. SPECIAL BUSINESS - ORDINARY RESOLUTION 5  
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Meeting was informed that the next item on the agenda was a special business for the approval of Ordinary Resolution 5 in respect of the Authority to issue and allot shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

Tan Sri Chairman further explained that the Proposed Ordinary Resolution 5 would give the Directors flexibility to allot and issue shares from time to time for such purposes as the Directors, in their absolute discretion, consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the

shares to be allotted and issued do not exceed 10% of the issued share capital of the Company for the time being.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 7.1 and Clause 15.2 of the Company’s Constitution, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

## 11. Q&A SESSION

As highlighted earlier, Tan Sri Chairman informed the Meeting that MSWG’s questions and answers, together with the Company’s response thereto, were then presented to the shareholders as follows:

### **Operational & Financial Matters**

#### **1) Question**

The Group reported a loss before tax of RM2.5 million in FYE 2024. However, this marks an improvement from the RM3.7 million loss before tax in the previous year, primarily due to a RM2.0 million gain from the disposal of property, plant, and equipment, as well as a RM1.4 million gain from the revaluation of investment properties during FYE 2024 (Page 15 of the Annual Report (AR) 2024).

Without the abovementioned two gains, which are not considered from the major sources of revenue (Pages 127 & 128 of AR 2024), SWSCAP would have recorded a widening pretax loss of RM5.9 million.

How does the Board plan to reduce this widening loss and return to profitability via the primary business income?

#### **Answer to Question 1**

***The Board remains committed to steering the Group back to profitability through strategic efforts aimed at strengthening its core business operations. The Plasticware division is actively diversifying the Group's revenue streams by tapping into new market segments and broadening its customer base, both locally and internationally. To stay competitive and meet changing market demands, the Group is also investing in product development and service enhancements, including upgrading existing products and launching new ones at competitive prices.***

***At the same time, the Group is focused on restructuring its loss-making operations within the Furniture division to boost cost efficiency and productivity. This includes optimizing the supply chain, improving resource management, and adopting more cost-effective technologies.***

***The Board is confident that these targeted strategies will not only help to minimize current losses but also pave the way for sustainable growth and long-term profitability within its main business segments.***

2) **Question**

The US Government's recent announcement of new tariffs, including a 90-day pause for many countries, has created significant uncertainty in international trade.

As the Group exports to the US, to what extent could the abovementioned new tariffs impact the Group's business? How much of the Group's revenue is currently derived from the US market?

**Answer to Question 2**

***The US Government's recent announcement of new tariffs has introduced uncertainty that may slow down the Group's export activities to the US market. At present, the US accounts for less than 10% of the Group's total revenue. Management and the marketing team are actively working with customers to address and manage any potential cost impacts.***

3) **Question**

The Group's inventories written off increased significantly to RM2.09 million (FYE 2023 : RM0.33 million) (Page 119 of AR 2024).

- a) What were the main reasons for the significant increase in inventories written off? What type of inventories and the breakdown of inventories that have been written off between Plastic Wares Division and Furniture Division?
- b) What are the measures to be taken by the Group to improve inventory management and reduce the amount of inventory written off in the future?

**Answer to Question 3**

- a) ***The significant increase in inventories written off was mainly due to obsolescence and slow-moving stocks with low recoverable value. In the Furniture Division, the written-off inventories primarily consisted of RM0.82 million in raw materials, RM0.39 million in finished goods, and RM0.88 million in work-in-progress. Most of the write-offs were driven by challenges such as discontinued parts, order cancellations, ageing inventory, and quality issues.***
- b) ***To enhance inventory management and minimize future write-offs, the Group is focusing on strengthening its inventory tracking systems to identify slow-moving or obsolete stock at an earlier stage. Efforts are also being made to improve demand forecasting accuracy to prevent overproduction and excessive stock accumulation. Additionally, procurement activities are being aligned with market demand to avoid unnecessary inventory buildup. To further reduce excess inventory, effective clearance strategies are being implemented for slow-moving stock.***

4) **Question**

The Group disclosed that the percentage of operations assessed for corruption-related risks was zero for FY2024 (Page 88 of AR 2024).

- a) Why were there no operations assessed for corruption-related risks in 2024?
- b) When will the Company start assessing operations for corruption risks?

**Answer to Question 4**

***For FY2024, no operations were assessed for corruption-related risks as the Group was in the process of strengthening its governance and compliance frameworks, including the development of a formal risk assessment methodology. During this period, the focus was on reviewing existing policies and identifying the appropriate tools and processes to support a more structured and comprehensive approach to corruption risk assessment.***

**Corporate Governance Matters**

5) **Question**

We observed that two directors also hold executive positions in another public listed company. The two directors are Dato' Chua Heok Wee, the Group Managing Director (GMD) of SWSCAP, who is also the Managing Director cum Chief Executive Officer of Muar Ban Lee Group Berhad and Chua Kang Sing, the Executive Director of the Company and also an Executive Director of Muar Ban Lee Group Berhad (Page 25 of AR 2024).

Given the above situation, how does the Board ensure that these directors will have adequate time commitment, given that both are highly demanding executive positions requiring a full-time commitment? Do their positions in another public listed company affect their time commitment as the GMD and Executive Director of SWSCAP?

**Answer to Question 5**

***The Board is confident that Dato' Chua Heok Wee and Chua Kang Sing are able to fulfill their roles and responsibilities effectively in both companies. Both directors have demonstrated strong time management skills and a deep commitment to their executive positions at SWSCAP. They have established clear schedules and maintain open communication with the management teams of both organizations to manage their responsibilities efficiently.***

***Additionally, the Board is satisfied that their roles at Muar Ban Lee Group Berhad do not interfere with their duties at SWSCAP, as both directors have proven capable of balancing their commitments effectively. Their extensive experience in leadership positions also brings added value to SWSCAP, contributing to strategic decision-making and business growth.***

***The Board remains confident that the current structure allows for effective governance and oversight, with both directors continuing to provide their full dedication to SWSCAP's growth and success.***

Tan Sri Chairman then responded to the following question as follows:

No.	Questions	Answers
1.	Has the Board introduced the Board members and the Key Senior Management of the Group?	Yes.

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

## 12. ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at this Meeting of which due notice had been given.

## 13. VOTING SESSION

After dealing with all items on the Agenda of the Notice, The Meeting was then briefed on the poll voting process by Tan Sri Chairman and the Representative from the Plantation Agencies Sdn Berhad.

Tan Sri Chairman informed that the voting session begin and the Shareholders can proceed to cast their votes to the ballot box carried by the representative from Plantation Agencies Sdn Berhad.

After 10 minutes later, Tan Sri Chairman declared the voting session for the 25<sup>th</sup> AGM closed and adjourned the 25<sup>th</sup> AGM for approximately 10 minutes for the poll count and poll validation by the Poll Administrator and the Scrutineer, respectively.

## 14. ANNOUNCEMENT OF POLL RESULTS

Tan Sri Chairman then called the 25<sup>th</sup> AGM to order at 10:27 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:

Resolutions	Voted For		Voted Against		Results
	No of Shares	%	No of Shares	%	
Ordinary Resolution 1	158,438,167	99.9994	1,000	0.0006	Carried
Ordinary Resolution 2	158,439,067	99.9999	100	0.0001	Carried
Ordinary Resolution 3	158,439,067	99.9999	100	0.0001	Carried
Ordinary Resolution 4	158,439,167	100	0	0	Carried
Ordinary Resolution 5	158,439,167	100	0	0	Carried

Based on the above poll results, Tan Sri Chairman declared that Ordinary Resolutions 1 to 5 were all carried.

**15. CLOSURE OF MEETING**

There being no other business, Tan Sri Chairman declared the Meeting closed at 10:36 a.m.

**CONFIRMED AS A CORRECT RECORD:**

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

Dated: 20 May 2025