

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

MINUTES OF THE TWENTY-SIXTH (26th) 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 FRIDAY, 22 MAY 2026, AT 10.00 A.M.

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. Mr. Lee Jun Siong (Representative of 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 26th AGM were set out in the Attendance List.

1. CHAIRMAN

Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoon Hai (“Tan Sri Chairman”) presided the 26th AGM and welcomed all present to the 26th AGM of the Company.

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

2. QUORUM

Tan Sri Chairman called upon the Representative of 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 15 May 2026 with a total 4 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 2025 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 2025, 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 26TH AGM OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF
THE COMPANY IN THE YEAR 2027**

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 26th 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 KOAY HOOI LYNN, 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, Ms Koay Hooi Lynn, who was retiring as Director of the Company and being eligible, had offered herself for re-election.

**8. ORDINARY RESOLUTION 3
RE-ELECTION OF DATO' SERI SIMON TOH BOON WAN 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' Seri Simon Toh Boon Wan, 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 1

SWSCAP discloses that the plastic wares face several challenges, including shifting in spending patterns and intensifying competition from alternative suppliers in both domestic and export markets. Against this backdrop, the segment recorded revenue of RM62.66 million in FYE2025 against RM72.98 million in FYE2024, reversing from profit before tax of RM2.14 million in FYE2024 to a loss before tax of RM0.11 million in FYE2025 (Page 15-16 of the Annual Report (AR) 2025).

- a) The Group continues to prioritise cost optimization, operational efficiency, and product innovation as key strategies to navigate the evolving industry landscape (Page 15 of the AR 2025).
- b) Within what timeframe does the Board expect a return to positive operating performance?

Answer to Question 1

- a) ***The Group has implemented various initiatives focusing on cost optimization, operational efficiency, and product innovation. Under cost optimization initiatives, the Group has strengthened controls over procurement, operating expenses, and inventory management to improve cost efficiency. For operational efficiency, the Group focuses on improving production planning, enhancing machine utilisation, and reducing material wastage and production downtime. In terms of product innovation, the Group continues to develop new and customized products to meet changing customer preferences and market demand.***

To measure the effectiveness of these initiatives, the Group monitors various internal key performance indicators (“KPIs”). These include operating cost savings and gross profit margin under cost optimization strategies; production efficiency, machine utilisation rates, material wastage, and downtime reduction under operational efficiency strategies as well as sales performance, customer retention, and new product contribution under product innovation strategies.

- b) ***The Board expects the Group's operating performance to gradually improve over the medium to longer term, subject to stabilisation in raw material supply and prices, recovery in consumer demand, and improvement in overall market conditions. However, given the prevailing global uncertainties, supply disruptions, and increase in raw material costs, the recovery process may take a longer period than initially anticipated.***

Nevertheless, the Board remains cautiously optimistic that the ongoing cost optimization, operational improvement, and product innovation initiatives undertaken by the Group will contribute positively towards the Group's financial performance going forward.

2) **Question 2**

During the financial year, the Group ceased the operations of its furniture division as part of the Group's strategic plan to streamline its business operations, leaving the plastic wares segment as the Group's sole revenue-generating operation (Note 6, Page 155 and Note 35, Page 213 of the AR 2025). As at year end, assets held for sale of RM1.68 million remained on the Group's balance sheet as the legal transfer of ownership was still in progress, with the remaining balance received subsequent to the financial year end, on 7 April 2026 (Note 15, Page 177 and Note 23, Page 190 of the AR 2025).

- a) Noting that the Group has cleared all outstanding loans and payables of the Furniture Division upon cessation (page 19 of the AR 2025), are there any outstanding employee entitlements, contingent liabilities, or legal exposures within the furniture entities that remain unsettled, and what is the expected timeline for complete wind-down?
- b) With the Group now dependent on a single segment, what steps in the Group taking to diversify its revenue base and reduce concentration risk?

Answer to Question 2

- a) ***Following the cessation of the furniture division's operations, the Group has substantially settled the outstanding liabilities of the furniture entities, including trade payables and borrowings. As at the date of this response, the Group is not aware of any material outstanding employee entitlements, contingent liabilities, or legal exposures that would have a significant financial impact on the Group.***

The remaining administrative matters relating to the cessation of operations and completion of the asset disposal process are expected to be finalised within the next 12 months.

- b) ***Following the cessation of the furniture division, the Group is focusing on strengthening and expanding its plastic wares segment through product innovation, customer diversification, and expansion into new markets and customer segments. The Group is also exploring opportunities in industrial-related plastic products and actively evaluating new business opportunities and strategic collaborations that are complementary to its existing operations to broaden its revenue base and reduce business concentration risk over the longer term.***

3) **Question 3**

The external auditors identified the valuation of inventories as the sole Key Audit Matter for FYE2025, noting that inventories totalled RM19,511,000, representing 11% of the Group's total assets, and that management employed significant judgements and estimates in relation to standard costing allocations, the estimation of net realizable value, and the assessment of the saleable condition of the inventories (Page 119 of the AR 2025).

Given that inventory valuation was identified as the sole Key Audit Matter for FY2025, are there any items within the remaining RM19.51 million inventory balance that management considers at risk of write-down in FY2026? If so, what is the estimated exposure?

Answer to Question 3

The identification of inventory valuation as a Key Audit Matter reflects the significance of inventories to the Group's financial position and the level of judgement involved in assessing standard costing allocations, net realisable value, and the saleable condition of inventories.

As at the date of this response, management continuously reviews the inventory ageing profile, turnover rate, and market demand of its products, and is not aware of any material inventory items that are expected to result in significant write-down exposure in FYE2026 beyond the normal course of business provisions.

Nevertheless, the actual level of inventory write-down, if any, will depend on future market demand, customer orders, raw material price movements, and overall economic conditions.

4) **Question 4**

As at 31 December 2025, the ageing analysis of the Group's trade receivables shows RM5.25 million past due by more than 61 days carrying a loss allowance of only RM454,000, representing a provision rate of 8.65% on this aged category. The relatively low provision rate against a long-overdue balance raises concern over the adequacy of the impairment assessment. No further breakdown beyond 61 days is disclosed (Note 19, Page 186 of the AR 2025)

- a) What is the breakdown of the RM5.25 million balance past due by more than 61 days, particularly the portion past due beyond 90days? What is the Group's assessment of the recoverability of these amounts? To date, how much of the RM5.25 million in trade receivables has been collected?
- b) What recovery actions have been initiated against these debtors, and what is the basis for management's assessment that the current provision rate of 8.6% is adequate given the age of these balances?

Answer to Question 4

- a) ***The RM5.25 million trade receivables past due by more than 61 days mainly comprise balances from long-standing customers with established repayment records and ongoing business relationships. A substantial***

portion of these balances relates to amounts past due between 61 to 90 days, while the portion exceeding 90 days is actively monitored by management.

The Group assesses the recoverability of these receivables based on customers' payment history, subsequent collections, current financial position, and ongoing business dealings. As at the date of this response, the Group has successfully collected a portion of the outstanding balances subsequent to the financial year end, which supports management's assessment on recoverability.

- b) The Group has undertaken continuous follow-up actions on the outstanding receivables, including regular reminders, engagement with customers on repayment schedules, and close monitoring of overdue accounts. Credit terms and exposure limits are also reviewed periodically to manage credit risk. Where necessary, the Group will also consider initiating appropriate legal actions to recover long outstanding balances and safeguard the Group's interests.**

The provision rate was determined based on the Group's expected credit loss assessment, taking into consideration historical collection trends, subsequent collections, ageing profile, customer-specific risk assessment, and prevailing economic conditions. Based on management's assessment and available collection evidence, the Group believes that the current provision level is adequate and reasonable as at 31 December 2025.

The Board then responded to the questions from the floor as follows:

No.	Questions	Answers
1.	It was noted that the Group are under restructuring and rationalizing the businesses within the Group. The internal audit fees of the Group recorded for FY2025 was RM24,000.00. Is the Board feel the RM24,000 internal audit fees are sufficient for the Group in view that the Group is undergoing restructuring?	<p>The Board is of the view that the current internal audit fees, which cover two audit cycles per financial year, are adequate for the Group's operations. The Board does not presently foresee the need for additional internal audit resources, as the ongoing business restructuring initiatives primarily involve rightsizing and streamlining operations rather than significant expansion or diversification activities.</p> <p>Nevertheless, the adequacy of the internal audit function and related resources will continue to be reviewed periodically to ensure they remain appropriate to the Group's operational and governance requirements.</p>
2.	The Company has highlighted pricing issue and the competitions facing by the Group in the plastic industry. Can the Board elaborate more on what sort competitions and level of competition is facing by the Group? Is the competition very stiff?	The Group continued to face a challenging operating environment during the financial year. Rising petroleum prices resulted in significant increases in plastic raw material costs, which placed pressure on the profitability of the Group's plastic products. In addition, the domestic market has become increasingly competitive with the entry of more manufacturers and suppliers, particularly from China.

		<p>To remain competitive, the Group's Product Development and Design Department has continued to introduce new product models and designs aimed at meeting evolving consumer preferences and attracting younger generations of consumers.</p> <p>The Board also observed softer market demand during the financial year, attributable in part to reduced consumer spending and lower disposable income. Historically, the Hari Raya festive season has been one of the Group's strongest sales periods. However, unlike previous years, the Group did not experience a significant uplift in sales during the Raya season, reflecting the more cautious spending behaviour of consumers.</p> <p>Notwithstanding the subdued market conditions, the Group experienced a temporary increase in demand arising from market concerns over potential supply disruptions and further cost increases following geopolitical tensions in the Middle East. This led to a short-term increase in purchases by customers, enabling the Group to reduce a substantial portion of its inventory holdings during the period.</p>
3.	<p>How the Group cope and face the competitions from the other China players in the plasticware industry?</p>	<p>The Group's products are primarily manufactured using BPA-free and virgin materials, which remain a key differentiating factor of our product offerings. Although the use of such materials generally results in higher production costs, it enables the Group to maintain high standards of product safety, quality, and durability compared to many lower-cost alternatives available in the market.</p> <p>Consumer preferences have evolved in recent years, driven by increasing awareness of health, safety, and environmental considerations. In response, the Group remains committed to providing safe and quality products while continuously enhancing consumer awareness of the benefits of BPA-free products.</p> <p>The Group also focuses on product innovation, branding, and customer engagement initiatives, with due consideration given to local preferences, cultural elements, and market trends to better meet the needs of consumers.</p>

4.	Is the Group has any intention to enter into markets in other countries?	Yes, the Group has explored opportunities to expand its market presence in ASEAN countries, including Thailand, Myanmar, and Vietnam, which offer attractive growth potential due to their large populations and growing consumer markets. However, global market conditions remain challenging amid ongoing geopolitical uncertainties and economic slowdown, which have affected business sentiment and demand. In addition, cross-border logistics and supply chain disruptions may expose the Group to higher operational, credit, and cash flow risks. Accordingly, the Group will continue to closely monitor developments in the global economic and geopolitical landscape and adopt a prudent approach in evaluating future expansion plans and strategic business directions.
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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 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 26th AGM closed and has adjourned the 26th AGM for approximately 15 minutes on 10.35 a.m. 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 26th AGM to order at 10.56 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	172,457,067	100.0000	0	0	Carried
Ordinary Resolution 2	172,457,067	100.0000	0	0	Carried
Ordinary Resolution 3	168,528,967	100.0000	0	0	Carried
Ordinary Resolution 4	172,457,067	100.0000	0	0	Carried
Ordinary Resolution 5	172,457,067	100.0000	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 10:59 a.m.

CONFIRMED AS A CORRECT RECORD:

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

Dated: 22 May 2026