

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

**MINUTES OF THE TWENTY-FOURTH (24<sup>th</sup>) ANNUAL GENERAL MEETING (“AGM”) OF SWS CAPITAL BERHAD (“SWSCAP” OR “THE COMPANY”) HELD ON VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND VOTING FACILITIES AT <https://sws-online.digerati.com.my> (DOMAIN REGISTRATION NUMBER D1A119533) PROVIDED BY DIGERATI TECHNOLOGIES SDN. BHD. ON TUESDAY, 21 MAY 2024, 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’ Teoh Han Chuan – Executive Deputy Chairman  
Dato’ Chua Heok Wee – Group Managing Director  
Mr Chua Kang Sing – Executive Director  
Dato Simon Toh Boon Wan – Independent Non-Executive Director  
Ms Koay Hooi Lynn – Independent Non-Executive Director  
Mr Liu Tian Khiew – 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)

The shareholders and proxyholders (collectively referred to as “Members”) who attended and participated at the 24<sup>th</sup> AGM remotely 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 24<sup>th</sup> AGM and welcomed all present to the 24<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 joined from their respective locations.

**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 based on the Members who had logged into the live meeting platform.

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 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 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 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 on all items on the 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. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 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 2023, 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.

Tan Sri Chairman informed that the Company received a letter from the Minority Shareholders Watch Group (“**MSWG**”) on 13 May 2024 with a total of 7 questions raised by them and the responses to the questions raised would be presented at the Q&A session later.

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 24<sup>TH</sup> AGM OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY IN THE YEAR 2025**

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 24th AGM of the Company until the conclusion of the next AGM of the Company in the year 2025.

**7. ORDINARY RESOLUTION 2  
APPROVAL AND RATIFICATION THE ADDITIONAL PAYMENT OF DIRECTORS' FEES AND MONTHLY ALLOWANCE AMOUNTING TO RM118,700, WHICH WAS IN EXCESS OF THE EARLIER APPROVED AMOUNT OF RM285,600 FOR THE PERIOD COMMENCING FROM 22 MAY 2023 UNTIL THE CONCLUSION OF 24<sup>TH</sup> AGM OF THE COMPANY.**

The Meeting was informed that Ordinary Resolution 2 was to approve the payment of Directors' fees and monthly allowances amounting to RM118,700, which was in excess of the earlier approved amount of RM285,600 for the period commencing from 22 May 2023 until the conclusion of the 24th AGM of the Company.

**8. ORDINARY RESOLUTION 3  
RE-ELECTION OF TAN SRI DATO' SERI TAN KING TAI @ TAN KHOON HAI WHO RETIRED PURSUANT TO BY ROTATION CLAUSE 21.5(a) OF THE COMPANY'S CONSTITUTION**

The Deputy Executive Chairman, Dato' Teoh Han Chuan ("**Dato' Teoh**") took over the chairmanship from Tan Sri Chairman to chair the Ordinary Resolution 3 pertaining to the re-election of Tan Sri Chairman, Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai, who retires by rotation pursuant to the Company's Constitution.

The Meeting was informed that pursuant to Clause 21.5(a) of the Company's Constitution, Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai, who was retiring as Director of the Company and being eligible, had offered himself for re-election.

Dato' Teoh handed over the chairmanship to Tan Sri Chairman to chair the next item of the agenda.

**9. ORDINARY RESOLUTION 4  
RE-ELECTION OF DATO' CHUA HEOK WEE WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 22.1 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 4 was to re-elect the retiring Director, Dato' Chua Heok Wee, who retired by rotation pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered himself for re-election.

**10. ORDINARY RESOLUTION 5  
RE-ELECTION OF MR CHUA KANG SING WHO RETIRED PURSUANT TO CLAUSE  
22.1 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 5 was to re-elect the retiring Director, Mr Chua Kang Sing, who retired pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered himself for re-election.

**11. ORDINARY RESOLUTION 6  
RE-ELECTION OF MS KOAY HOOI LYNN WHO RETIRED PURSUANT TO CLAUSE  
22.1 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 6 was to re-elect the retiring Director, Ms Koay Hooi Lynn, who retired pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered herself for re-election.

**12. ORDINARY RESOLUTION 7  
RE-ELECTION OF DATO' SIMON TOH BOON WAN WHO RETIRED PURSUANT TO  
CLAUSE 22.1 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 7 was to re-elect the retiring Director, Dato' Simon Toh Boon Wan, who retired pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered himself for re-election.

**13. ORDINARY RESOLUTION 8  
RE-ELECTION OF MR LIU TIAN KHIEW WHO RETIRED PURSUANT TO CLAUSE 22.1  
OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 8 was to re-elect the retiring Director, Mr Liu Tian Khiew, who retired pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered himself for re-election.

**14. ORDINARY RESOLUTION 9  
RE-ELECTION OF MS ONG PENG TENG WHO RETIRED PURSUANT TO CLAUSE 22.1  
OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 9 was to re-elect the retiring Director, Ms Ong Peng Teng, who retired pursuant to Clause 22.1 of the Company's Constitution and being eligible, had offered herself for re-election.

**15. ORDINARY RESOLUTION 10  
RE-APPOINTMENT OF MESSRS. UHY 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 10 was to re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

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

**16. SPECIAL BUSINESS - ORDINARY RESOLUTION 11  
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 11 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 11 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.

**17. 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 furniture division reported a revenue of RM44.4 million in FYE2023, reflecting a reduction of RM14.9 million or 25.2% compared to the RM59.4 million achieved in FYE2022 (Page 17 of Annual Report 2023/AR2023).

The division reported a loss before tax of RM7.8 million in FYE2023, compared to a loss before tax of RM2.4 million in FYE2022. This significant increase in losses can be attributed to a reduction in gross profit resulting from lower sales demand, as well as an impairment loss on property, plant and equipment, and right-to-use assets amounting to RM3.7 million (Page 18 of AR2023).

How does SWS plan to address the decrease in revenue and the widening loss incurred by the division? What immediate measures are taken to reduce the loss and return to profitability?

**Answer to Question 1**

***The Group's furniture division has been actively developing new designs aimed at entering the markets in Middle East and Asia. However, the outcomes have not been favorable, and export demand remains minimal. To address the revenue decline and the increasing losses of the furniture division, management conducted a market analysis to identify potential opportunities and threats. Based on this analysis, management decided to adjust the division's marketing and sales strategies to focus on the local market and revise pricing strategies to stay competitive. Additionally, management implemented cost-saving measures across the division to enhance profitability. These measures include renegotiating supplier quotations, optimizing inventory management to reduce carrying costs, streamlining production processes to improve efficiency, and cutting overhead expenses where possible.***

**2) Question**

Plastic Wares Division

The plastic wares division experienced a decrease in revenue by RM19.9 million or 20.1%, from RM99.0 million in FYE2022 to RM79.1 million in FYE2023 (Page 17-of AR2023).

The reduction in local revenue from the plastic wares division during the second half of FYE2023 was primarily influenced by broader economic factors and shifts in consumer behaviour. Economic conditions, such as inflation and changes in disposable income, may have impacted consumers' purchasing power and preferences, leading to decreased spending on plastic wares. The division reported a PBT of RM5.4 million in FYE2023, reflecting a reduction of RM1.9 million as compared to RM7.3 million in FYE2022 (Page 18 of AR2023).

- a) Based on SWS's reply to MSWG's question last year, it anticipated a 5% improvement in the division's performance in FY2023. However, this was not achieved. How does SWS plan to address the decrease in top-line and bottom-line results and regain the previous year's anticipated 5% improvement in performance?
- b) To what extent will the abovementioned factors, economic conditions, shifting in consumer behaviour, and economic conditions impact the division's sales in FYE2024?

**Answer to Question 2**

- a) ***SWS conducted a thorough analysis of the factors contributing to the deviation from the anticipated performance improvement. Management engaged with major local customers to understand the reason behind the reduction in orders, offering rebates and discounts to enhance customer engagement and satisfaction. Additionally, management gathered information on opportunities to expand product lines, improve product quality or features, and leverage sustainable materials to attract environmentally conscious customers. The export team plans to participate in local and international exhibitions to explore new opportunities.***

- b) While the broader economic conditions present ongoing challenges, our proactive measures explained above shall be able to stabilize and potentially grow our sales in FYE2023.**

**Based on the insights gained from the performance analysis, Management anticipate that a 10% improvement in the plastic wares division's performance in FYE 2024 is reasonable and achievable.**

**3) Question**

Impairment Loss on Property, Plant, and Equipment/PPE

During the period under review, an impairment loss of RM3,357,051 was made for PPE (FYE2022: Nil) (Page 110 of AR2023).

- a) What factors led to the impairment loss?
- b) Would there be any potential for another impairment loss on PPE in the next financial year?

**Answer to Question 3**

- a) Impairment loss on property, plant and equipment was recognized for operation from U.D. Panelform Sdn. Bhd. ("UDP") due to the company's sustained losses after losing major customers from the United States and the inability to forecast short-term recovery. UDP shifted its focus to the local market and began working on a subcontractor basis, as recovery from the export market was not expected. However, the results were unfavorable, and management decided to temporarily shut down operations to minimize losses and reduce operational costs.**
- b) All known impairment losses were accounted for in FYE2023. Management will closely monitor any improvements in the companies with potential impairment losses.**

**4) Question**

The Management is actively engaged in developing and implementing effective marketing strategies. These strategies aim to address evolving consumer preferences, enhance brand visibility, and stimulate demand for the division's products (Page 25 of AR2023).

What is the Group's progress in developing and implementing market strategies? What are the target to achieve, and what is the budget allocation for these initiatives for FYE2024?

**Answer to Question 4**

***The targets for FYE 2024 include increasing the market share of plastic industrial products by enhancing production efficiency and launching new product lines that meet current market demand. To achieve these goals, the Group has allocated a budget of RM2 million for marketing initiatives in FYE 2024. This budget will cover capital investments, including a new version of a plastic injection machine with in-mould printing capabilities, and moulds for newly designed industrial pails. By focusing on these areas, management aims to strengthen our market position and drive growth for the division.***

**Sustainability Matters**

**5) Question**

Climate Risk

The Group operates two business divisions, namely furniture and plastic wares, th exposure to the local and overseas product markets. Any potential impacts of climate change could affect the Group's product markets, business, and customers.

How does the Group intend to address any potential impacts of climate change affecting its product markets domestically and overseas, as well as its business and customers?

**Answer to Question 5**

***SWS is investing in development of eco-friendly product by using sustainable materials and incorporating energy-efficient product processes to meet the growing demand for environmentally conscious prodcuts. Additionally, the Group is committed to investing in renewable energy sources where feasible. The Management engages with staffs, customers and suppliers to educate them on the importance of sustainability and our commitment to environmental responsibility. The Group will ensure compliance with all relevant environmental regulations and actively participate in industry advocacy efforts to promote sustainable practices and policies.***

***By focusing on these areas, the Group aims to mitigate the risks associated with climate change while also capitalizing on the opportunities it presents for innovation and market differentiation.***

**6) Question**

Under the Sustainability Report disclosure on environmental matters (Page 74 of AR2023), SWS disclosed the energy and water consumption level for FY2023).

- a) However, key statistics for plant waste were not disclosed. Does the Group keep track of the statistics for this item?
- b) What is the consumption/effluent/discharge targets for energy, water and waste disposal SWS aims to achieve? How does the Group plan achieve these targets?



**Answer to Question 6**

- a) *The key statistics for plant waste were not disclosed as the Group only maintains records of production rejects, recycled materials, and specific chemical wastage.*

*Nonetheless, in compliance with the Main Market Listing Requirement on Sustainability Statement by Bursa Malaysia, the Group will disclose common waste management sustainability matters for FYE 2024.*

- b) *At this time, the Group has not yet set specific consumption, effluent, or discharge targets for energy, water, and waste disposal. However, we are actively working towards establishing these targets as part of our broader sustainability strategy. Management plans to assemble a special project team to study and propose targets to management.*

**Corporate Governance Matters**

**7) Question**

Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG)

(The board comprises at least 30% women directors)

The Company has departed from applying Practice 5.9 of MCCG. The Board currently has two female directors among its eight members, making up 25% of the Board. This composition is almost at the 30% threshold (Page 32 of CG Report)

However, its CG Report states that, among others, “the Board supports the initiative to include female representation on the Board to achieve a more gender-diversified Board. The Board continues the lookout for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified (Page 32 of CG Report).”

We also commend the Board for its support and continue to look for potential women directors. Nevertheless, when does the Company expect to be able to apply Practice 5.9?

**Answer to Question 7**

*As stated in the Company’s Corporate Governance Report 2022, the Company will progressively move towards the application of this practice and the target timeframe is within 2 years.*

Tan Sri Chairman informed that the Company had received several questions from the shareholders during the 24th AGM. The questions raised were responded and addressed by Mr Lee Chaw Hsien, the Chief Financial Officer of the Company, as follows:

No.	Questions	Answers
1.	What can shareholders expect from company under the directorship of Muar Ban Lee Group?	The new management may introduce fresh perspectives and strategic initiatives to the company, which could involve restructuring existing operations to improve profitability. They might strengthen corporate governance practices to guarantee transparency, accountability, and enhancement of shareholder value.
2.	When can shareholders anticipate receiving dividends again, considering the loss in FY 2023 and small profits in FY 2021 and 2022, with the last dividend payment occurring in 2016?	Management currently does not have any plans to distribute dividends until the group returns to profitability.

No.	Questions	Answers
3.	What strategies will the Company employ to sustain revenue and operational continuity for the upcoming year, and what is its outlook for the future?	The Management is actively developing effective marketing strategy to sustain the Group performance. This involves conducting comprehensive market research to identify and target potential market segments. Addressing and forecasting consumer preferences, enhance brands visibility and stimulate demand for the different division's products. For the financial year 2024, Management has decided to adjust the group marketing and sales strategies to focus on product development and revise pricing strategies to stay competitive. Additionally, the Management implements cost-saving measures across divisions to enhance profitability.

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

#### 18. 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.

#### 19. 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 10 minutes and the Shareholders who have yet to cast their votes are advised to do so now.

After 10 minutes later, Tan Sri Chairman declared the voting session for the 24<sup>th</sup> AGM closed and adjourned the 24<sup>th</sup> AGM for approximately 15 minutes for the poll count and poll validation by the Poll Administrator and the Scrutineer, respectively.

## 20. ANNOUNCEMENT OF POLL RESULTS

Tan Sri Chairman then called the 24<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	146,382,074	99.9607	57,507	0.0393	Carried
Ordinary Resolution 2	146,382,059	99.9607	57,522	0.0393	Carried
Ordinary Resolution 3	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 4	146,412,076	99.9812	27,505	0.0188	Carried
Resolutions	Voted For		Voted Against		Results
	No of Shares	%	No of Shares	%	
Ordinary Resolution 5	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 6	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 7	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 8	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 9	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 10	146,412,076	99.9812	27,505	0.0188	Carried
Ordinary Resolution 11	146,412,074	99.9812	27,507	0.0188	Carried

Based on the above poll results, Tan Sri Chairman declared that Ordinary Resolutions 1 to 11 were all carried.

## 21. CLOSURE OF MEETING

There being no other business, Tan Sri Chairman declared the Meeting closed at 10:31 a.m.

### CONFIRMED AS A CORRECT RECORD:

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

Dated: 21 May 2024