

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth (19th) Annual General Meeting of SWS Capital Berhad will be held at 3rd Floor, Plot 243A (Lot Lama 7064), Jalan Perindustrian Bukit Minyak 3, Bukit Minyak Industrial Park, 14100 Seberang Perai Tengah, Penang on Friday, 18 January 2019 at 11:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To Receive the Audited Financial Statement for the financial year ended 31 August 2018 together with the Reports of Directors and Auditors thereon. (Ordinary Resolution 1)
2. To approve the payment of Directors' fees and monthly allowances as per Table A for the period commencing from 1 September 2018 up to the next Annual General Meeting. (Ordinary Resolution 2)
3. To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:
 - a) Mr Piong Yew Peng (Article 91) (Ordinary Resolution 3)
 - b) Mr Chua Heok Wee (Article 91) (Ordinary Resolution 4)
 - c) Dato' Seri MR. Serm Juthamongkhon (Article 91) (Ordinary Resolution 5)
 - d) Mr Chew Seng Guan (Article 96) (Ordinary Resolution 6)
4. To approve the re-appointment of retiring Auditors, Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without any modifications:-

5. **Authority for Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016 ("the Act")** (Ordinary Resolution 7)

"THAT, subject always to the Act, the Constitution of the Company and the approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors of the Company be hereby empowered pursuant to Section 75 of the Act, to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of the issued shares (excluding treasury shares, if any) of the Company for the time being AND THAT the Board of Directors be hereby also empowered to obtain approval for the listing of and quotation for the additional ordinary shares so issued in Bursa Malaysia Securities Berhad."
6. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")** (Ordinary Resolution 8)

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be hereby given for the renewal of the shareholders' mandate for the Company and its subsidiaries ("SWSCAP Group") to enter into and to give effect to specified RRPT and with specified class of the related parties as stated in Section 3.3 of the Circular to Shareholders dated 27 December 2018, which are necessary for its day-to-day operations, to be entered into by the SWSCAP Group on the basis that these transactions are entered into on terms which are not more favourable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate");

THAT the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate shall only continue to be in force until:-

 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which time the Proposed Renewal of Shareholders' Mandate has been passed, at which time they will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND FURTHER THAT the Directors of the Company and/or any of them be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."
7. **Proposed Allocation of Employees' Share Option Scheme ("ESOS") Options to Mr Chew Seng Guan** (Ordinary Resolution 9)

"THAT approval be hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the ESOS, ESOS Options to subscribe for up to 1,650,000 new ordinary shares in the Company under the ESOS to Mr Chew Seng Guan ("Proposed Allocation"), provided that not more than 10% of the new ordinary shares in the Company made available under the ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued new ordinary shares in the Company (excluding treasury shares), subject always to such terms and conditions of the by-laws of the ESOS dated 2 August 2018 ("ESOS By-Laws") and/or any adjustments which may be made in accordance with the provisions of the ESOS By-Laws and Main Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time."
8. To transact any other ordinary business of which due notice shall have been given.

By order of the Board

NG MEI WAN (MIA 28862)
TAN HUI KHIM (LS 0009936)
 Company Secretaries

Muar, Johor Darul Takzim

Dated this 27 December 2018

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 11 January 2019 shall be regarded as members and be entitled to attend, participate, speak and vote at the Nineteenth Annual General Meeting ("AGM").
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Act. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at No. 7, (1st Floor), Jalan Pasta 1/1, Taman Dr Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Nineteenth AGM to vote by poll.

EXPLANATORY NOTES TO THE AGENDA

7. **Item 1 of the Agenda**
 This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.
8. **Item 2 of the Agenda - Ordinary Resolution no. 1**
Approval of Directors' fees for the financial year ending 31 August 2019
 Directors' fees approved for the financial year ended 31 August 2018 was RM270,000.
 The Directors' fees and allowance proposed for the financial year ending 31 August 2019 are in the best interest of the Company and in accordance with the remuneration framework of the Group. The details of the Directors' fees and monthly allowance proposed are as per Table A below and assuming that all Non-Executive Directors will hold office until the calculation of the next AGM.

	Directors' Fees per annum per pax (RM)	Monthly Allowance per pax (RM)
Non-Executive Directors	20,000	3,000

This resolution is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed are insufficient (e.g. due to more meetings), approval will be sought at the next AGM for additional fees to meet the shortfall.

9. **Item 5 of the Agenda - Ordinary Resolution no. 7**
Authority to allot and issue shares pursuant to Section 75 of the Act
 - (a) The proposed resolution, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the Nineteenth Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued and paid-up capital of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next annual general meeting of the Company.
 - (b) The General Mandate is a renewal of the previous mandate obtained at the last annual general meeting held on 22 January 2018 which will expire at the conclusion of the Nineteenth Annual General Meeting of the Company.
 - (c) As at the date of this Notice, the Company did not issue any new ordinary shares based on the previous mandate obtained at the last annual general meeting.
 - (d) The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital and/or payment of bank borrowings and acquisition.
10. **Item 6 of the Agenda - Ordinary Resolution no. 8**
Proposed Renewal of Shareholders' Mandate for RRPT
 The proposed Ordinary Resolution 8, if passed, will authorise the SWSCAP Group to enter into RRPT which are necessary for the SWSCAP Group's day-to-day operations with the respective specified class of the related parties, subject to the transactions are to be entered into on terms which are not more favorable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company.
 Further details on the Proposed Renewal of Shareholders' Mandate for RRPT are provided in the Circular to Shareholders dated 27 December 2018.
11. **Item 7 of the Agenda - Ordinary Resolution no. 9**
Proposed Allocation of ESOS Options to Mr Chew Seng Guan
 The proposed Ordinary Resolution 9 is made pursuant to the ESOS which had been approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 26 March 2018. The ESOS is in force for a period of five (5) years from the effective date of implementation of the ESOS. The Board now wishes to seek the approval of shareholders to allocate ESOS Options up to 1,650,000 as described in the Ordinary Resolution 9 to Mr Chew Seng Guan. The proposed Ordinary Resolution 9 is to approve the Proposed Allocation, subject always to such terms and conditions and/or any adjustments and/or variations which may be made in accordance with the provisions of the ESOS By-Laws. The Proposed Allocation is part of the incentive scheme which the SWSCAP Group has implemented for all its employees. Mr Chew Seng Guan, is eligible to participate in the ESOS, and is therefore deemed interested to the extent of his Proposed Allocation under the ESOS. Accordingly, he has declared his interest in the Proposed Allocation and has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to her entitlement under the ESOS at the Board meeting(s) and will continue to abstain from voting in respect of his direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Allocation to be tabled at this AGM. Mr Chew Seng Guan shall also ensure that persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution approving the Proposed Allocation to be tabled at this AGM. Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to him has any interest, whether direct or indirect, in the Proposed Allocation.