

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("EGM") of SWS Capital Berhad ("SWS" or the "Company") 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 Monday, 29 July 2019 at 12.00 noon, or such time immediately after the conclusion or adjournment (as case may be) of the EGM which will be held at the same venue and on the same day at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

**ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION OF 5,250,000 ORDINARY SHARES IN EE JIA HOUSEWARES (M) SDN. BHD. ("EE JIA") ("EE JIA SHARE(S))", REPRESENTING THE ENTIRE EQUITY INTEREST IN EE JIA FOR A PURCHASE CONSIDERATION OF RM64.0 MILLION TO BE SATISFIED VIA A COMBINATION OF RM20.0 MILLION IN CASH AND THE ISSUANCE OF 55,000,000 NEW ORDINARY SHARES IN SWS ("SWS SHARE(S)") AT AN ISSUE PRICE OF RM0.80 EACH ("PROPOSED ACQUISITION")**

**"THAT**, subject to the passing of Ordinary Resolution 2 and the Special Resolution, and subject to the approvals of all relevant authorities and/or parties being obtained (where required), the Board of Directors of SWS ("Board") be and is hereby authorised to acquire 5,250,000 Ee Jia Shares, representing the entire equity interest in Ee Jia from Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khooon Hai ("Tan Sri Tan"), Teoh Han Chuan, Heng Sew Hua, Ooi Chen Hoon and Tan Soon Ping (collectively the "Vendors") for a purchase consideration of RM64.0 million to be satisfied via a combination of RM20.0 million in cash and the issuance of 55,000,000 new SWS Shares at an issue price of RM0.80 per new SWS Share ("Consideration Share(s)", in accordance with the terms and conditions of the conditional share purchase agreement dated 28 January 2019 entered into between SWS and the Vendors.

**THAT** the Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SWS Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotment and/or any other forms of distribution that may be declared, made or paid to shareholders of SWS, of which the entitlement date precedes the date of allotment and issuance of the Consideration Shares.

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as it may deem fit and necessary to give effect to the Proposed Acquisition with full powers to assent to any terms, conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities in the best interest of the Company."

**ORDINARY RESOLUTION 2**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 547,031,166 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN SWS ("ICPS") ("RIGHTS ICPS") AT AN ISSUE PRICE OF RM0.07 EACH ON THE BASIS OF TWO (2) RIGHTS ICPS FOR EVERY ONE (1) EXISTING SWS SHARE HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF ICPS")**

**"THAT**, subject to the passing of Ordinary Resolution 1 and the Special Resolution, and subject to the approval of the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board to provisionally issue and allot by way of a renounceable rights issue of up to 547,031,166 Rights ICPS at an issue price of RM0.07 each on the basis of two (2) Rights ICPS for every one (1) existing SWS Share held by the entitled shareholders of SWS on an entitlement date to be determined and announced later with a minimum subscription level of 364,687,564 Rights ICPS;

**THAT** the Board be and is hereby empowered and authorised to deal with any fractional entitlements of the Rights ICPS that may arise from the Proposed Rights Issue of ICPS in such manner and on such terms and conditions as the Board shall in its absolute discretion, deem fit, necessary and/or expedient or in the best interests of the Company (including, without limitation, to disregard such fractional entitlements);

**THAT** the ICPS shall rank *pari passu* amongst themselves and shall rank in priority to any other class of shares in the capital of SWS. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) The ICPS shall confer on the holders the right to receive in priority to the holders of SWS Shares, cash repayment in full of the amount of any cumulative preferential dividend that is payable and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of SWS.
- (ii) In the event that SWS has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of SWS shall be distributed *pro rata* on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.

All new SWS Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SWS Shares except that such new SWS Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new SWS Shares arising from the conversion of the ICPS;

**THAT** any Rights ICPS which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess shares applications in such manner as the Board shall determine in a fair and equitable manner, and on such basis as the Board may deem fit or expedient or in the best interest of the Company;

**THAT** the Board be and are hereby authorised to utilise the proceeds to be derived from the Proposed Rights Issue of ICPS in the manner as set out in Section 2.2.6 of the circular to shareholders of the Company dated 5 July 2019 and the Board be authorised to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

**AND THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Rights Issue of ICPS with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Rights Issue of ICPS or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of ICPS in the best interests of the Company."

**ORDINARY RESOLUTION 3**

**PROPOSED PRIVATE PLACEMENT OF UP TO 143,000,000 NEW ICPS ("PROPOSED ICPS") AT AN ISSUE PRICE TO BE DETERMINED LATER THAT SHALL NOT BE LOWER THAN RM0.07 EACH ("PROPOSED PRIVATE PLACEMENT OF ICPS")**

**"THAT** subject to the passing of Ordinary Resolution 2 and the Special Resolution, and subject to the approval of the relevant authority and/or parties being obtained (where required) approval be and is hereby given to the Board to issue and allot up to 143,000,000 Placement ICPS at an issue price to be determined later that shall not be lower than RM0.07 each;

**THAT** the issue price of the Placement ICPS shall be fixed by the Board at a later date(s) after the receipt of all relevant approvals for the Proposed Private Placement of ICPS. The issue price of the Placement ICPS will be determined by the Board prior to the price-fixing date(s);

**THAT** the Board be and are hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement of ICPS in the manner as set out in Section 2.3.6 of the circular to shareholders of the Company dated 5 July 2019 and the Board be authorised to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

**THAT** the ICPS shall rank *pari passu* amongst themselves and shall rank in priority to any other class of shares in the capital of SWS. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) The ICPS shall confer on the holders the right to receive in priority to the holders of SWS Shares, cash repayment in full of the amount of any cumulative preferential dividend that is payable and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of SWS.
- (ii) In the event that SWS has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of SWS shall be distributed *pro rata* on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.

All new SWS Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SWS Shares except that such new SWS Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new SWS Shares arising from the conversion of the ICPS;

**AND THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Private Placement of ICPS with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Private Placement of ICPS or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement of ICPS in the best interests of the Company."

**SPECIAL RESOLUTION**

**THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF SWS ("PROPOSED AMENDMENTS")**

**"THAT** subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, and subject to the approval of the relevant authority and/or parties being obtained (where required), the Proposed Amendments as set out in Section 2.4 and Appendix V of the circular to the shareholders of the Company dated 5 July 2019 be and is hereby approved.

**AND THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect to the Proposed Amendments with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Amendments or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Amendments in the best interests of the Company."

**BY ORDER OF THE BOARD OF SWS CAPITAL BERHAD**

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

Muar  
5 July 2019

**Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 22 July 2019 shall be regarded as members and be entitled to attend, participate, speak and vote at the Extraordinary General Meeting.
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 Companies Act 2016. 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 shareholding 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 Pesta 1/1, Taman Dr Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim not less than forty-eight (48) 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 Extraordinary General Meeting to vote by way of poll.