



SWANG CHAI CHUAN LIMITED

雙財莊有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2321

INTERIM REPORT

2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Soon See Beng (*Chairman*)
Mr. Soon Chiew Ang
Mr. Soon See Long

Independent Non-Executive Directors

Mr. Khoo Chee Siang (resigned on 1 August 2025)
Datuk Tan Teow Choon
Mr. Ngai Wah Sang (resigned on 1 August 2025)
Ms. Tiong Hui Ling (resigned on 1 August 2025)
Mr. Lee Teck Hoe (appointed on 1 August 2025)
Mr. Lum Kan Fai (appointed on 1 August 2025)
Ms. Saw Chooi Lee (appointed on 1 August 2025)

AUDIT COMMITTEE

Mr. Lee Teck Hoe (*Chairman*)
(appointed on 1 August 2025)
Mr. Khoo Chee Siang (resigned on 1 August 2025)
Datuk Tan Teow Choon
Ms. Tiong Hui Ling (resigned on 1 August 2025)
Mr. Lum Kan Fai (appointed on 1 August 2025)
Ms. Saw Chooi Lee (appointed on 1 August 2025)

REMUNERATION COMMITTEE

Mr. Lum Kan Fai (*Chairman*)
(appointed on 1 August 2025)
Mr. Khoo Chee Siang (resigned on 1 August 2025)
Datuk Tan Teow Choon
Ms. Tiong Hui Ling (resigned on 1 August 2025)
Mr. Lee Teck Hoe (appointed on 1 August 2025)
Ms. Saw Chooi Lee (appointed on 1 August 2025)

NOMINATION COMMITTEE

Datuk Tan Teow Choon (*Chairman*)
Mr. Khoo Chee Siang (resigned on 1 August 2025)
Ms. Tiong Hui Ling (resigned on 1 August 2025)
Mr. Lee Teck Hoe (appointed on 1 August 2025)
Mr. Lum Kan Fai (appointed on 1 August 2025)
Ms. Saw Chooi Lee (appointed on 1 August 2025)

COMPANY SECRETARY

Mr. Yeung Kwong Wai

AUTHORIZED REPRESENTATIVES

Mr. Soon See Beng
Mr. Yeung Kwong Wai

REGISTERED OFFICE

71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

Lot 147-A
Kawasan Perindustrian Semambu
25350 Kuantan
Pahang
Malaysia

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 501-502, 5/F
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

AUDITOR

Crowe Malaysia PLT
Chartered Accountants
52 Jalan Kota Laksamana 2/15
Taman Kota Laksamana
Seksyen 2
75200 Melaka
Malaysia

PRINCIPAL BANKERS

CIMB Bank Berhad

13th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50740 Kuala Lumpur
Malaysia

CIMB Islamic Bank Berhad

Level 19, Menara Bumiputra-Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

STOCK CODE

2321

WEBSITE

www.sccgroup.com.my

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited

71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

FINANCIAL HIGHLIGHTS

For the six months ended 30 June

	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Revenue	467,849	471,757
Gross profit	60,506	55,505
Gross profit margin	12.9%	11.8%
Profit before tax	27,366	18,660
Profit for the period	20,798	14,283
EARNINGS PER SHARE		
– Basic and diluted	2.08 Sen	1.43 Sen

COMPANY BACKGROUND

Swang Chai Chuan Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) is a well established food & beverage (the “**F&B**”) distributor located in Malaysia. The Company distributes a great selection of products comprising more than 200 renowned international, domestic third-party and own brands. Apart from F&B products such as dairy products, frozen food, packaged food and commodities, sauce, oil and condiments, beverages and speciality products, the Group also provides non-F&B options, which include personal and baby care products, pet care products and cleaning and kitchen supplies. Furthermore, the Group has a broad sales network which allows a high level of customer reach via hypermarket/supermarket chains, provision shops, convenience stores/kiosks, F&B dealers and merchandisers, hotels/restaurants/cafes and school canteens. On top of supplying products to customers, the Company also offers other services such as warehousing, logistics, sales and marketing support and other services which can enhance consumers’ experience.

BUSINESS REVIEW AND PROSPECTS

As at 30 June 2025, the Company has a total of 9 self-owned and 3 leased warehouses strategically located all over Malaysia which contributed to an aggregate designated storage capacity of approximately 32,690 m³. In addition, the Company also owns a fleet of 168 self-operated logistics vehicles which allows the Group to leverage the service quality to a more superior level.

Looking forward, we will continue to utilise our existing industry knowledge to expand our core strengths and target to explore more business opportunities, and also exercise careful cost control measures under high inflation business environment to enhance profit margin and maintain competitiveness.

FINANCIAL OVERVIEW

Revenue

The Company’s revenue is primarily generated from (i) the distribution and sales of fast-moving consumer goods (“**FMCG**”) where majority are F&B products and (ii) the provision of logistics, warehousing and other services. For the six months ended 30 June 2025 (the “**Period**”), the Group’s revenue decreased slightly by approximately Malaysian Ringgit (“**RM**”) 4.0 million or 0.85% from approximately RM471.8 million in the six months ended 30 June 2024 (the “**Last Corresponding Period**”) to approximately RM467.8 million in the Period, mainly due to the decrease in distribution revenue from third party brands amounting of approximately RM22.6 million. The decrease in revenue from third party brands is mainly attributed to dairy products and confectionery and packaged food with decrease of approximately RM29.4 million.

Gross profit and gross profit margin

Gross profit rose to approximately RM60.5 million with margin improving to approximately 12.9% (2024: approximately 11.8%). The improvement was mainly due to lower input costs from favourable currency movements and overall cost efficiencies achieved through prudent management controls.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

Other income mainly consists of interest income, exchange gain, sundry income, and others. Other income increased by approximately RM5.3 million or 481.8%, from approximately RM1.1 million in the Last Corresponding Period to approximately RM6.4 million in the Period as there is exchange gain.

Selling and distribution expenses

Selling and distribution expenses primarily comprise of (i) staff cost, (ii) transportation expenses, (iii) vehicle maintenance expenses, (iv) travelling expenses, (v) marketing and advertising expenses, and (vi) others. Selling and distribution expenses increased by approximately RM3.2 million or 13.2%, from approximately RM24.2 million in the Last Corresponding Period to approximately RM27.4 million in the Period which was mainly due to the increase in a) upkeep of property, plant and equipment and b) sales and marketing expenses due to additional marketing initiatives conducted.

Administrative and other operating expenses

Administrative and other operating expenses primarily comprise of i) staff costs which include Directors' remuneration, ii) utility expenses, iii) depreciation, iv) professional fees, and v) others. Administrative and other operating expenses decreased by approximately RM1.7 million or 13.2%, from approximately RM12.9 million in the Last Corresponding Period to approximately RM11.2 million in the Period primarily due to decrease in staff cost and loss on foreign exchange.

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and interest on lease liabilities. The Company's finance costs increased by approximately RM0.2 million or 25.0% from approximately RM0.8 million in the Last Corresponding Period to approximately RM1.0 million in the Period. The increase in finance costs was mainly due to the higher interest on bankers' acceptance as a result of higher usage of bankers' acceptance facility.

Income tax expenses

Income tax expenses primarily consist of current and deferred income tax at the applicable tax rate in accordance with the relevant laws and regulations in Malaysia. No provision for Hong Kong profit tax has been made as the Group has no assessable profits arising in or derived from Hong Kong and the group entities established in the Cayman Islands and the British Virgin Islands are exempted from corporate income tax therein. Income tax expenses for the Period increased by approximately RM2.2 million or 50.0% to approximately RM6.6 million from approximately RM4.4 million in the Last Corresponding Period. The increase in income tax expenses was mainly due to the increase in profit before tax generated in the Period.

Profit for the period and net profit margin

As a result of the foregoing, the Group recorded a profit for the period of approximately RM20.8 million in the Period and approximately RM14.3 million in the Last Corresponding Period. The net profit margin of the Group increase to 4.4% in the Period from 3.0% in the Last Corresponding Period mainly due to the increase in gross profit margin and higher other income as explained above.

USE OF PROCEEDS FROM THE INITIAL LISTING

On 19 August 2022 (the “**Listing Date**”), the shares of the Company (the “**Share(s)**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group intends to apply the proceeds from the issuance of 241,000,000 Shares at the offer price of Hong Kong dollars (“**HK\$**”) 0.56 per Share (the “**Global Offering**”) in accordance with the proposed applications set out in the section headed “Net Proceeds From The Global Offering” in the announcement of offer price and allotment result dated 18 August 2022.

On 9 September 2022, the over-allotment options was fully exercised and the Company issued 36,150,000 shares additional new shares at HK\$0.56 each to cover the over-allocations in the international offering and with a gross proceeds of approximately HK\$20.2 million.

After deducting share issuance expense and professional fee regarding to the Share Offer, the net proceeds amounted to approximately HK\$105.2 million. Utilisation of the proceeds (adjusted on pro rata basis based on the actual net proceeds) up to 10 December 2024 are as per followings:

Business Objectives	Planned	Balance of	Actual use	Actual use	Balance of
	use of net	unutilised	of proceeds	of proceeds	unutilised
	proceeds	proceeds	from	as at	proceeds
	as at	as at	1 January	as at	as at
	31 December	10 December	2024 to	10 December	10 December
	2023	2024		2024	2024
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Further enhancement to distribution and sales capabilities	50.3	39.8	15.5	26.0	24.3
Development in own products business	19.0	12.1	2.2	9.1	9.9
Development in e-commerce mobile platform	7.3	6.9	0.2	0.6	6.7
Strategic acquisitions and investments	18.1	15.2	–	2.9	15.2
General working capital	10.5	–	–	10.5	–
	105.2	74.0	17.9	49.1	56.1

On 10 December 2024, the Group announced that the unutilised net proceeds were reallocated to further enhancement to the Group’s distribution and sales capabilities. Details of the reasons of change in use of proceeds and extension of expected timeline for use of proceeds are disclosed in the announcement of the Company published on 10 December 2024.

OTHER INFORMATION

	Revised planned use of net proceeds HK\$ million	Unutilised amount of the net proceeds as at 10 December 2024 HK\$ million	Actual use of proceeds from 10 December 2024 to 31 December 2024 HK\$ million	Balance of unutilised proceeds as at 31 December 2024 HK\$ million	Expected timeline for unutilised proceeds
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Further enhancement to distribution and sales capabilities	72.2	46.2	0.3	45.9	31 December 2026
Development in own products business	19.0	9.9	–	9.9	31 December 2026
	91.2	56.1	0.3	55.8	

Utilisation of the proceeds as at 30 June 2025 are as per followings:

	Revised planned use of net proceeds HK\$ million	Balance of unutilised proceeds as at 31 December 2024 HK\$ million	Actual use of proceeds from 1 January 2025 to 30 June 2025 HK\$ million	Actual use of proceeds as at 30 June 2025 HK\$ million	Balance unutilised proceeds as at 30 June 2025 HK\$ million	Expected timeline for unutilised proceeds
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Further enhancement to distribution and sales capabilities	72.2	45.9	1.9	28.2	44.0	31 December 2026
Development in own products business	19.0	9.9	0.6	9.7	9.3	31 December 2026
	91.2	55.8	2.5	37.9	53.3	

We will continuously evaluate, reassess, change or modify the existing plans and explore new business opportunities after taking into consideration the latest market condition with an aim to achieve sustainable business growth and to bring long-term benefits for the shareholders of the Company (the “**Shareholders**”).

As at 30 June 2025, the net proceeds of approximately HK\$53.3 million had not been utilised as planned (the “**Unutilised Net Proceeds**”), but is expected to be utilised during the financial year ending 31 December 2026. All the Unutilised Net Proceeds have been placed in licensed banks in Hong Kong and Malaysia.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations primarily through bank borrowings and internal resources. Following the completion of the Global Offering in August 2022, the net proceeds from the Global Offering are expected to provide additional funds for future cash requirements. It is anticipated that the Group has sufficient working capital to fund its future working capital, capital expenditure and other cash requirements.

As at 30 June 2025, the Group's net current assets were approximately RM233.8 million (31 December 2024: approximately RM216.8 million). The Group's cash and cash equivalents as at 30 June 2025 were approximately RM48.2 million (31 December 2024: approximately RM54.4 million).

As at 30 June 2025, there were bank borrowings of approximately RM67.3 million bearing weighted average effective interest rate of approximately 4.22% per annum (31 December 2024: approximately RM50.9 million bearing weighted average effective interest rate of approximately 3.68% per annum).

As at 30 June 2025, the Group had total available banking facilities of approximately RM122.8 million, of which approximately RM43.2 million was utilised and approximately RM79.6 million was unutilised and available for use.

GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group, based on total interest-bearing borrowings and lease liabilities to total equity (including all capital and reserves) of the Company was approximately 26.3% (31 December 2024: approximately 21.6%). The increase in gearing ratio is primarily attributable to the net effect of increase in equity base and increase in Bankers' Acceptance and lease liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed 890 full-time employees in Malaysia. The Group recognises the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. The remuneration packages offered to the Group's employees are based on each employee's qualifications, relevant experience, position and seniority. The Group conducts review on salary increments, bonuses and promotions based on the performance, qualifications, competence displayed and market comparable of each employee. The Group provides ample career development opportunities and training supports to new employees. During the Period, the Group has not experienced any significant problems with its employees or material disruption to the operations due to labour disputes, nor has the Group experienced any material difficulties in the recruitment and retention of staff.

OTHER INFORMATION

TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign currency risk which refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group's transactions are mainly denominated in RM. Certain financial assets and liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk. As at 30 June 2025, the Group had outstanding foreign currency forward contract to sell approximately RM0.5 million buy approximately Australian dollars ("**AUD**") 0.2 million (31 December 2024: sell approximately RM2.4 million buy approximately AUD0.8 million), and sell approximately RM nil buy approximately Euro nil (31 December 2024: sell approximately RM0.5 million buy approximately Euro 0.1 million) and sell approximately RM nil buy approximately United States dollars ("**USD**") nil (31 December 2024: sell approximately RM1.9 million buy approximately USD0.5 million). The Group closely monitors the movement of the foreign currency rates and its foreign currency risks. The Group has not experienced any material difficulty or liquidity problems resulting from foreign exchange fluctuations.

PLEDGE OF ASSETS

As at 30 June 2025, the (i) interest-bearing borrowings and (ii) lease liabilities of the Group are secured by certain assets of the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Period. As at 30 June 2025, there were no treasury shares (as defined under the Rules Governing the Listing (the "**Listing Rules**") of Securities on the Stock Exchange) held by the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this report, the Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group had no specific plan for material commitments or capital assets as at 30 June 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code as rules governing dealings by the directors of the Company (the “**Directors**”) in the listed securities of the Company on the Listing Date. Based on the specific enquiry with the Directors, all the Directors has complied with the required standards as set out in the Model Code during the Period.

CORPORATE GOVERNANCE

Save for the deviation from code provisions C.2.1 and C.6.1 of Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules, the Company has complied with required standards as set out in the CG Code during the Period.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Soon See Beng currently holds both positions. Mr. Soon See Beng has been the key leadership figure of the Group who has been primarily involved in the formulation of business strategies and determination of the overall direction of the Group. Taking into account the continuation of the implementation of our business plans, the Directors (including the independent non-executive Directors) consider Mr. Soon See Beng as the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and its shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and the board of the Directors, which comprises experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Mr. Soon See Beng) and four independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Pursuant to code provision C.6.1 of Part 2 of the CG Code, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. Mr. Yeung Kwong Wai does not act as an individual employee of the Company, but as an external service provider in respect of the appointment of Mr. Yeung Kwong Wai as the company secretary of the Company. In this respect, the Company has nominated Mr. Soon See Beng as its contact point with Mr. Yeung Kwong Wai. While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, after having considered Mr. Yeung Kwong Wai’s experience in acting as the company secretary of two other companies listed on the Stock Exchange, both the Company and Mr. Yeung Kwong Wai are of the view that there will be sufficient experience as well as time, resources and support for fulfilment of the company secretary requirements of the Company. In view of Mr. Yeung Kwong Wai’s experience in company secretarial functions, the Directors believe that Mr. Yeung Kwong Wai has the appropriate company secretarial expertise for the purposes of Rule 8.17 of the Listing Rules.

OTHER INFORMATION

AUDIT COMMITTEE

The Board has established our Audit Committee on 14 July 2022 in compliance with the code provision of the Corporate Governance Code set out in Appendix C1 of the Listing Rule for the purpose of reviewing and supervising the Group's financial reporting process.

The Audit Committee consists of four Independent Non-executive Directors, namely Mr. Lee Teck Hoe, Datuk Tan Teow Choon, Mr. Lum Kan Fai and Ms. Saw Chooi Lee. Mr. Lee Teck Hoe is the chairman of the Audit Committee and he has professional qualifications and experience in accounting and financial management as stipulated in the Listing Rules.

The Audit Committee's terms of reference in writing was adopted by the Company pursuant to the Board Resolution passed on 14 July 2022. The terms of reference requires that the Audit Committee must hold meetings twice a year and the necessary quorum shall be at least two.

REVIEW OF THE INTERIM RESULTS

The Audit Committee had reviewed the unaudited consolidated results of the Group for the Period and discussed with the management of the Company on the accounting principles and practices adopted by the Group as well as internal controls and other financial reporting matters.

INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. As at the date of this report, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Commission ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and/or short positions in our Company

Director	Nature of Interest	Number of Shares Held	Approximate Percentage of Interest in the Company
Mr. Soon See Beng	Interest in a controlled corporation ⁽²⁾	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon Chiew Ang	Interest in a controlled corporation ⁽²⁾	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon See Long	Interest in a controlled corporation ⁽²⁾	723,000,000 (L) ⁽¹⁾	72.29%

Notes:

- (1) The letter "L" denotes long position in the shares held.
- (2) These shares are held by Soon Holdings Limited. The issued share capital of Soon Holdings Limited is owned as to 70%, 10%, 10% and 10% by Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long and Ms. Soon Lee Shiang respectively, and therefore, each of Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long and Ms. Soon Lee Shiang are deemed to be interested in all the Shares registered in the name of Soon Holdings Limited in the Company under Part XV of the SFO.

Save as disclosed above, as at the date of this report, none of our Directors nor the chief executive of our Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the date of this report, so far as our Directors are aware, the following persons had an interest or short position in the Shares or the underlying Shares which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Soon Holdings Limited ⁽²⁾	Beneficial owner	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon See Beng ⁽²⁾	Interest in a controlled corporation	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon Chiew Ang ⁽²⁾	Interest in a controlled corporation	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon See Long ⁽²⁾	Interest in a controlled corporation	723,000,000 (L) ⁽¹⁾	72.29%
Ms. Soon Lee Shiang ⁽²⁾	Interest in a controlled corporation	723,000,000 (L) ⁽¹⁾	72.29%
Ms. Ng Mee Lam ⁽³⁾	Interest of spouse	723,000,000 (L) ⁽¹⁾	72.29%
Ms. Ng Kar Wei ⁽⁴⁾	Interest of spouse	723,000,000 (L) ⁽¹⁾	72.29%
Ms. Yang Lixia ⁽⁵⁾	Interest of spouse	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Lim Tau Hong ⁽⁶⁾	Interest of spouse	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Tee Kian Heng	Beneficial owner	51,115,000 (L) ⁽¹⁾	5.11%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) These shares are held by Soon Holdings Limited. The issued share capital of Soon Holdings Limited is owned as to 70%, 10%, 10% and 10% by Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long and Ms. Soon Lee Shiang respectively, and therefore, each of Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long and Ms. Soon Lee Shiang are deemed to be interested in all the Shares registered in the name of Soon Holdings Limited in the Company under Part XV of the SFO.

OTHER INFORMATION

- (3) Ms. Ng Mee Lam is the spouse of Mr. Soon See Beng. Accordingly, Ms. Ng Mee Lam is deemed to be interested in all the Shares held by Mr. Soon See Beng under Part XV of the SFO.
- (4) Ms. Ng Kar Wei is the spouse of Mr. Soon Chiew Ang. Accordingly, Ms. Ng Kar Wei is deemed to be interested in all the Shares held by Mr. Soon Chiew Ang under Part XV of the SFO.
- (5) Ms. Yang Lixia is the spouse of Mr. Soon See Long. Accordingly, Ms. Yang Lixia is deemed to be interested in all the Shares held by Mr. Soon See Long under Part XV of the SFO.
- (6) Mr. Lim Tau Hong is the spouse of Ms. Soon Lee Shiang. Accordingly, Mr. Lim Tau Hong is deemed to be interested in all the Shares held by Ms. Soon Lee Shiang under Part XV of the SFO.

Save as disclosed above, as at the date of this report, the Directors are not aware of any other person had a beneficial interest or short position in the Shares as recorded in the register required to be kept under Section 336 of the SFO or the underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE SCHEME

The Company has conditionally adopted a share option scheme upon the passing of the written resolutions of the shareholder on 14 July 2022 (the “**Share Option Scheme**”). Pursuant to the Share Option Scheme, the Directors may grant options to eligible participants to subscribe for the Shares subject to the terms and conditions stipulated therein. Upon the listing of the Shares on the Stock Exchange on the Listing Date, all conditions set forth have been satisfied. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date.

No share option has been granted under the Share Option Scheme since its adoption, and there is no outstanding share option at 30 June 2025 and at the date of this report.

Save for this Share Option Scheme, the Company has not adopted any other share scheme.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge, information and belief of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules for the Period and at any time up to the date of this report.

UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed elsewhere in this report and the announcement of the Company dated 31 July 2025, there is no other information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules during the Period.

INTERIM DIVIDEND

The Directors do not recommend payment of an interim dividend to Shareholders for the Period.

IMPORTANT EVENTS AFTER THE REVIEW PERIOD

On 31 July 2025, the Board announced that it had resolved to declare the payment of a special dividend of HK\$0.0135 per ordinary share of the Company, amounting to approximately HK\$13,502,025 (equivalent to approximately RM7,300,882) in total. The special dividend will be fully settled on Wednesday, 10 September 2025 in cash to the Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 20 August 2025.

Save as disclosed above, there are no material subsequent events undertaken by the Company or by the Group after 30 June 2025 and up to the date of this report.

By order of the Board

Swang Chai Chuan Limited

Soon See Beng

Chairman and Chief Executive Officer

Hong Kong, 26 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

The Board of Directors (the “**Board**”) of Swang Chai Chuan Limited (the “**Company**”) presents the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024 as follows. The interim results have not been audited by the external auditors but they have been reviewed by the Audit Committee of the Company.

		Six months ended 30 June	
	Note	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Revenue	4	467,849	471,757
Cost of sales		(407,343)	(416,252)
Gross profit		60,506	55,505
Other income	5	6,410	1,086
Selling and distribution expenses		(27,393)	(24,233)
Administrative and other operating expenses		(11,159)	(12,884)
Finance costs	6	(1,032)	(839)
Share of results of an associate		34	25
Profit before tax	6	27,366	18,660
Income tax expenses	7	(6,568)	(4,377)
Profit for the period		20,798	14,283
Other comprehensive income/(loss), net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		(3,833)	3,341
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		281	(174)
Total comprehensive income for the period		17,246	17,450
Earnings per share attributable to owners of the Company			
– Basic and diluted	8	2.08 sen	1.43 sen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Note	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Non-current assets			
Property, plant and equipment	10	47,233	46,535
Right-of-use assets	11	13,683	14,289
Investment in an associate	12	142	107
Deferred tax assets	18	1,716	1,716
		62,774	62,647
Current assets			
Inventories	13	89,470	83,858
Trade and other receivables	14	165,936	155,835
Fixed deposits with licensed banks		68,381	33,138
Bank balances and cash		48,220	54,410
Income tax recoverable		–	2,056
		372,007	329,297
Current liabilities			
Trade and other payables	15	96,930	88,677
Interest-bearing borrowings	16	39,148	22,962
Lease liabilities	17	838	824
Income tax payable		1,293	–
		138,209	112,463
Net current assets		233,798	216,834
Total assets less current liabilities		296,572	279,481
Non-current liabilities			
Interest-bearing borrowings	16	28,178	27,913
Lease liabilities	17	1,600	2,020
Deferred tax liabilities	18	1,291	1,291
		31,069	31,224
NET ASSETS		265,503	248,257
Capital and reserves			
Share capital	19	5,707	5,707
Reserves	20	259,796	242,550
TOTAL EQUITY		265,503	248,257

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Reserves					
	Share capital RM'000 (Note 19)	Share premium RM'000 (Note 20(a))	Capital reserve RM'000 (Note 20(b))	Translation reserve RM'000 (Note 20(c))	Accumulated profits RM'000	Total RM'000
At 1 January 2025 (Audited)	5,707	71,056	–*	1,232	170,262	248,257
Profit for the period	–	–	–	–	20,798	20,798
Other comprehensive income/(loss):						
<i>Items that will not be reclassified to profit or loss</i>						
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	(3,833)	–	(3,833)
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on consolidation	–	–	–	281	–	281
Other comprehensive loss for the period	–	–	–	(3,552)	–	(3,552)
Total comprehensive (loss)/income for the period	–	–	–	(3,552)	20,798	17,246
At 30 June 2025 (Unaudited)	5,707	71,056	–*	(2,320)	191,060	265,503
At 1 January 2024 (Audited)	5,707	71,056	–*	425	150,337	227,525
Profit for the period	–	–	–	–	14,283	14,283
Other comprehensive income/(loss):						
<i>Items that will not be reclassified to profit or loss</i>						
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	3,341	–	3,341
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on consolidation	–	–	–	(174)	–	(174)
Other comprehensive income for the period	–	–	–	3,167	–	3,167
Total comprehensive income for the period	–	–	–	3,167	14,283	17,450
At 30 June 2024 (Unaudited)	5,707	71,056	–*	3,592	164,620	244,975

* Represent amounts less than RM1,000

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	27,366	18,660
Adjustments for:		
Depreciation	3,173	3,443
Finance costs	1,032	839
Exchange difference	(3,552)	1,094
Interest income	(1,168)	(682)
Share of results of an associate	(34)	(25)
Gain on disposal of property, plant and equipment, net	—*	—*
Reversal of provision for loss allowance of trade receivables, net	—	(51)
Reversal of inventories written down, net	—	(244)
Bad debts written off	43	118
Operating cash inflows before movements in working capital	26,860	23,152
Changes in working capital:		
Inventories	(5,612)	(2,713)
Trade and other receivables	(10,145)	(15,406)
Trade and other payables	8,253	16,140
Cash generated from operations	19,356	21,173
Income tax paid	(3,219)	(4,405)
Net cash from operating activities	16,137	16,768
INVESTING ACTIVITIES		
Increase in pledged bank deposits	(137)	(109)
Increase in fixed deposits with licensed banks	(35,106)	(19,213)
Interest received	1,168	682
Payment for purchase of property, plant and equipment	(3,265)	(571)
Acquisition of right-of-use assets	—	(34)
Proceeds from disposal of property, plant and equipment	—*	—*
Net cash used in investing activities	(37,340)	(19,245)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
FINANCING ACTIVITIES		
Drawdown of interest-bearing borrowings	17,711	12,645
Net repayment of interest-bearing borrowings	(1,260)	(25,465)
Interest paid	(1,032)	(838)
Repayment of lease liabilities	(406)	(1,092)
Net cash from/(used in) financing activities	15,013	(14,750)
Net decrease in cash and cash equivalents	(6,190)	(17,227)
Cash and cash equivalents at the beginning of the reporting period	54,410	45,169
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	48,220	27,942

* Represents amount less than RM1,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Swang Chai Chuan Limited (the “**Company**” together with its subsidiaries are collectively refer to as the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 14 February 2019. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 August 2022 (the “**Listing**”). The address of the Company’s registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands. The Company’s principal place of business is situated at Units 501-502, 5/F., Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong and the Group’s headquarter is situated at Lot 147-A, Kawasan Perindustrian Semambu, 25350 Kuantan, Pahang, Malaysia.

The Company is an investment holding company and its subsidiaries are principally engaged in distribution and sales of food and beverages (“**F&B**”) and provision of logistics, warehousing services and others in Malaysia.

The immediate and ultimate holding company of the Company is Soon Holdings Limited (“**Soon Holdings**”), which is incorporated in the British Virgin Islands (the “**BVI**”). In the opinion of the directors of the Company, the ultimate controlling parties are Mr. Soon See Beng (“**SB Soon**”), Mr. Soon See Long (“**SL Soon**”), Mr. Soon Chiew Ang (“**CA Soon**”) and Ms. Soon Lee Shiang (“**LS Soon**”) (together the “**Ultimate Controlling Party**”), who have been acting in concert over the course of the Group’s business history.

The condensed consolidated financial statements (the “**Interim Financial Statement**”) of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standard Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires the Group’s management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards (“IFRSs”) which collective term includes all applicable individual IFRSs, IAS and Interpretations issued by the IASB. They shall be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2024 (the “**Annual Report**”).

The Interim Financial Statements have been prepared on the historical costs basis, it is presented in Malaysian Ringgit (“**RM**”) and rounded to the nearest thousands unless otherwise indicated.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report except for the adoption of the new/revised IFRSs which are relevant to the Group and effective for the Group’s financial year beginning on 1 January 2025.

Adoption of new/revised IFRSs

In the current interim period, the Group has applied, for the first time, certain new/revised IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Interim Financial Statements.

The adoption of the new/revised IFRSs has no significance impact on the Interim Financial Statements. At the date of authorisation of the Interim Financial Statements, the Group has not early adopted other new/revised IFRSs that have been issued but are not yet effective. The directors of the Company do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

3. SEGMENT INFORMATION

The directors of the Company have determined that the Group has only one operating and reportable segment throughout the periods, as the Group manages its business as a whole as the businesses of distribution and sales of F&B and provision of logistics, warehousing and other services are carried out in Malaysia and the executive directors of the Company, being the chief operating decision-makers of the Group, regularly review the internal financial reports on the same basis for the purposes of allocating resources and assessing performance of the Group. Segment information is not presented accordingly.

The Company is an investment holding company and the principal place of the Group’s operation is in Malaysia. All of the Group’s revenue from external customers during the reporting periods derived from Malaysia and almost all of the Group’s assets and liabilities are located in Malaysia.

Information about major customers

The Group’s revenue from any single external customer did not contribute 10% or more of the total revenue of the Group for the six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Revenue from contracts with customers within IFRS 15		
At a point in time		
– Distribution and sales of F&B	462,543	466,819
Over time		
– Provision of logistics, warehousing and other services	5,306	4,938
	467,849	471,757

The amount of revenue recognised for the six months ended 30 June 2025 that was included in the contract liabilities in relation to marketing incentives at the beginning of the reporting period was approximately RM5,781,000 (*six months ended 30 June 2024: RM3,089,000*) (Note 15(b)).

5. OTHER INCOME

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Interest income	1,168	682
Gain on disposal of property, plant and equipment	—*	—*
Exchange gain, net	4,752	—
Rental income	138	91
Bad debts recovered	46	41
Sundry income	306	272
	6,410	1,086

* Represents amount less than RM1,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. PROFIT BEFORE TAX

This is stated after charging/(crediting):

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Finance costs		
Interest on interest-bearing borrowings	964	644
Interest on lease liabilities	68	195
	1,032	839
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	21,021	20,076
Contributions to defined contribution plans	1,449	1,455
	22,470	21,531
Other items		
Cost of inventories	400,721	408,644
Auditor's remuneration	50	45
Depreciation of property, plant and equipment (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	2,750	2,082
Depreciation of right-of-use assets (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	423	1,361
Exchange loss, net	–	1,094
Expenses recognised under short-term leases	41	716
Bad debts written off	43	118
Reversal of inventories written down	–	(244)
Reversal of provision for loss allowance of trade receivables, net	–	(50)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. TAXATION

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Current tax		
Malaysia corporate income tax ("Malaysia CIT")	6,568	4,578
Deferred tax (Note 18)		
Changes in temporary differences	—	(201)
Total income tax expenses for the period	6,568	4,377

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for six months ended 30 June 2025 and 2024.

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax therein.

Malaysia CIT is calculated at 24% of the estimated assessable profits for the six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following information:

	Six months ended 30 June	
	2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Profit for the period attributable to owners of the Company, used in basic and diluted earnings per share calculation	20,798	14,283
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	1,000,150	1,000,150

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence for the six months ended 30 June 2025 and 2024.

9. DIVIDEND

On 31 July 2025, the directors of the Company announced that it had resolved to declare the payment of a special dividend to the shareholders whose names appear on the Company's register of members at the close of business on 20 August 2025. The dividend payables were fully settled on 10 September 2025 by cash.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Leasehold improvements RM'000	Plant and machinery RM'000	Furniture, fixtures and office equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
Reconciliation of carrying amount – year ended 31 December 2024 (Audited)								
At 1 January 2024	15,517	11,015	425	6,594	1,972	7,505	–	43,028
Additions	–	41	2	2,069	226	843	1,394	4,575
Written off	–	–	–	(629)	(1)	–	–	(630)
Reclassification from right-of-use assets	(442)	4,989	–	(100)	–	–	–	4,447
Depreciation	–	(401)	(136)	(1,420)	(512)	(2,416)	–	(4,885)
At 31 December 2024	15,075	15,644	291	6,514	1,685	5,932	1,394	46,535
Reconciliation of carrying amount – six months ended 30 June 2025 (Unaudited)								
At 1 January 2025	15,075	15,644	291	6,514	1,685	5,932	1,394	46,535
Additions	–	484	–	998	99	1,684	–	3,265
Depreciation	–	(216)	(66)	(775)	(259)	(1,251)	–	(2,567)
Reclassification	–	1,394	–	–	–	–	(1,394)	–
At 30 June 2025	15,075	17,306	225	6,737	1,525	6,365	–	47,233
At 31 December 2024 (Audited)								
Cost	15,075	18,360	1,477	17,766	4,895	23,592	1,394	82,559
Accumulated depreciation	–	(2,716)	(1,186)	(11,252)	(3,210)	(17,660)	–	(36,024)
Net carrying amounts	15,075	15,644	291	6,514	1,685	5,932	1,394	46,535
At 30 June 2025 (Unaudited)								
Cost	15,075	20,238	1,477	18,764	4,994	25,056	–	85,802
Accumulated depreciation	–	(2,932)	(1,252)	(12,027)	(3,469)	(18,691)	–	(38,569)
Net carrying amounts	15,075	17,306	225	6,737	1,525	6,365	–	47,233

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amounts of the Group's property, plant and equipment pledged to secure banking facilities (Note 16) at 30 June 2025 and 31 December 2024 are as follows:

	Freehold land RM'000	Buildings RM'000	Motor Vehicles RM'000
Pledged to secure banking facilities			
At 31 December 2024 (Audited)	13,616	15,098	818
At 30 June 2025 (Unaudited)	13,616	14,902	645

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Leased properties RM'000	Total RM'000
Reconciliation of carrying amount – year ended 31 December 2024 (Audited)			
At 1 January 2024	16,332	3,446	19,778
Additions	–	454	454
Reclassification to property, plant and equipment	(4,438)	(9)	(4,447)
Derecognition due to lease termination	–	(217)	(217)
Depreciation	(366)	(913)	(1,279)
At 31 December 2024	11,528	2,761	14,289
Reconciliation of carrying amount – six months ended 30 June 2025 (Unaudited)			
At 1 January 2025	11,528	2,761	14,289
Depreciation	(183)	(423)	(606)
At 30 June 2025	11,345	2,338	13,683
At 31 December 2024 (Audited)			
Cost	14,503	4,946	19,449
Accumulated depreciation	(2,975)	(2,185)	(5,160)
Net carrying amounts	11,528	2,761	14,289
At 30 June 2025 (Unaudited)			
Cost	14,503	4,946	19,449
Accumulated depreciation	(3,158)	(2,608)	(5,766)
Net carrying amounts	11,345	2,338	13,683

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. RIGHT-OF-USE ASSETS (continued)

The Group leases various properties for its daily operations, the initial lease terms range from 2 to 10 years during the period ended 30 June 2025. The leasehold lands and buildings represent lump sum considerations paid by the Group, which are with initial lease period range from 32 to 93 years and there are no ongoing payments to be made under the terms of the land leases.

At 30 June 2025, the Group's leasehold lands with a total carrying amount of approximately RM11,345,000 (31 December 2024: approximately RM11,528,000), were pledged to secure bank facilities (Note 16) granted to the Group.

Commitments under leases

At 30 June 2025, the Group was committed to short-term leases or low-value asset leases of approximately RM210,000 (31 December 2024: approximately RM113,000).

12. INVESTMENT IN AN ASSOCIATE

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Unlisted entity, share of net assets	142	107

Details of the associate at the end of each reporting period are as follows:

Name of the associate	Principal place of business and place of incorporation	Registered and paid-up capital	Proportion of value of registered and paid-up capital indirectly held by the Company	Principal activities
			At 30 June 2025	At 31 December 2024
Karabao Marketing (M) Sdn. Bhd. ("Karabao")	Malaysia	RM500,000	40%	40% Trading of beverages/ Malaysia

Karabao is a private limited company and there is no quoted market price available for its shares.

The Group's management has assessed the level of influence that the Group exercises on Karabao during the period ended 30 June 2025, and determined that it has significant influence thereon through a board representation and other arrangements made. Consequently, this investment has been classified as an investment in an associate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. INVENTORIES

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Raw materials	2,544	2,912
Finished goods	90,826	84,846
	93,370	87,758
Less: Write-down provision	(3,900)	(3,900)
	89,470	83,858

14. TRADE AND OTHER RECEIVABLES

	Note	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Trade receivables			
From related parties	14(a)	1,206	1,184
From third parties		140,267	133,424
		141,473	134,608
Less: Loss allowances		(4,841)	(4,841)
	14(b)	136,632	129,767
Other receivables			
Deposits paid to suppliers		5,482	8,306
Deposits paid for acquisition of computer software		76	44
Deposit paid for acquisition of land		14,409	8,397
Other deposits and receivables		82	72
Amount due from an associate (Note (i))		1,400	1,400
Marketing expenses receivables		7,855	7,849
		29,304	26,068
		165,936	155,835

Note:

- (i) The amount due from an associate are non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES (continued)

14(a) Trade receivables from related parties

The trade receivables from related parties represented amounts due from companies interested by the Ultimate Controlling Party and/or the spouses of the Ultimate Controlling Party. The trade receivables from related companies are unsecured, interest-free and have credit terms up to 60 days from the date of issuance of invoices. No provision has been made for non-repayment of the amount due during the reporting periods. The Group does not hold any collateral over these balances.

14(b) Trade receivables

The ageing of trade receivables, net of loss allowances, based on invoice date at the end of each reporting period is as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Within 30 days	79,274	67,325
31 to 60 days	44,601	45,890
61 to 90 days	10,840	11,886
Over 90 days	1,917	4,666
	136,632	129,767

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES (continued)

14(b) Trade receivables (continued)

At the end of each reporting period, the ageing analysis of the trade receivables, net of loss allowances, by due date is as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Not yet past due	133,435	118,351
Past due:		
Within 30 days	2,003	7,891
31 to 60 days	946	2,574
61 to 90 days	248	951
	3,197	11,416
	136,632	129,767

The Group normally grants credit terms up to 90 days from the date of issuance of invoices.

15. TRADE AND OTHER PAYABLES

	Note	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Trade payables			
To third parties		73,864	69,385
To an associate		–	43
	15(a)	73,864	69,428
Other payables			
Contract liabilities – Marketing Incentives	15(b)	6,781	6,447
Contract liabilities – receipts in advance		5,177	–
Salary payables		5,187	5,020
Other accruals and other payables		5,921	7,782
		23,066	19,249
		96,930	88,677

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE AND OTHER PAYABLES *(continued)*

15(a) Trade payables

The trade payables are interest-free and with normal credit terms up to 60 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Within 30 days	32,935	29,691
31 to 60 days	30,765	24,534
61 to 90 days	10,164	14,311
Over 90 days	–	892
	73,864	69,428

15(b) Contract liabilities – Marketing Incentives

The balance represented accumulated unused obligations at the end of each reporting period which will be recognised as revenue in the next reporting period. The movements (excluding those arising from increase and decrease both occurred within the same reporting period) of contract liabilities within IFRS 15 are as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
At the beginning of the reporting period	6,447	4,579
Addition for the reporting period	6,115	6,435
Revenue recognised for the reporting period <i>(Note 4)</i>	(5,781)	(4,567)
At the end of the reporting period	6,781	6,447

Note: The contract liabilities of approximately RM6,781,000 at 30 June 2025 (31 December 2024: approximately RM6,447,000), represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price of approximately RM6,115,000 at 30 June 2025 (31 December 2024: approximately RM6,435,000), allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. INTEREST-BEARING BORROWINGS

At the end of each reporting period, details of interest-bearing borrowings of the Group are as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Interest-bearing borrowings – secured		
– Current portion	39,148	22,962
– Non-current portion	28,178	27,913
	67,326	50,875

The secured bank borrowings are repayable ranging from within one year to over five years since their inception. At 30 June 2025, the secured bank borrowings carried weighted average effective interest rate of approximately 4.22% per annum (31 December 2024: approximately 3.68% per annum).

The interest-bearing borrowings are secured by:

- (i) guarantees provided by the Company;
- (ii) certain property, plant and equipment with aggregate net carrying amounts of approximately RM29,163,000 at 30 June 2025 (31 December 2024: approximately RM29,532,000), as set out in Note 10;
- (iii) certain right-of-use assets with aggregate net carrying amounts of approximately RM11,345,000 at 30 June 2025 (31 December 2024: approximately RM11,528,000), as set out in Note 11; and
- (iv) pledged bank deposits with net carrying amounts of approximately RM7,418,000 at 30 June 2025 (31 December 2024: approximately RM7,281,000).

All banking facilities are subject to the fulfilment of covenants, as is commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand. At 30 June 2025 and 31 December 2024, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. LEASE LIABILITIES

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Lease liabilities		
Current	838	824
Non-current	1,600	2,020
	2,438	2,844

The Group has recognised the following amounts relating to short-term leases during the reporting periods:

	Six months ended 30 June 2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
Lease payments – Short-term leases	41	716

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Amounts payable:				
Within one year	941	948	838	824
In the second to fifth years inclusive	1,139	1,563	930	1,263
Over five years	727	769	670	757
	2,807	3,280	2,438	2,844
Less: future finance charges	(369)	(436)	–	–
Total lease liabilities	2,438	2,844	2,438	2,844

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. LEASE LIABILITIES (continued)

The total cash outflow for leases for the six months ended 30 June 2025 was approximately RM474,000 (six months ended 30 June 2024: RM1,285,000).

At 30 June 2025, the weighted average effective interest rate of the lease liabilities of the Group was approximately 4.79% (2024: 3.40%) per annum.

18. DEFERRED TAX ASSETS (LIABILITIES)

For the purpose of presentation in the Interim Financial Statements, the following is the analysis of the deferred taxation:

	At 30 June 2025 (Unaudited) RM'000	At 31 December 2024 (Audited) RM'000
Deferred tax assets	1,716	1,716
Deferred tax liabilities	(1,291)	(1,291)
	425	425

The movements in the Group's deferred tax assets (liabilities) for the reporting periods were as follows:

	Allowances for impairment loss on trade receivables RM'000	Marketing incentives/ accrued revenue and costs RM'000	Accelerated tax depreciation RM'000	Total RM'000
At 1 January 2024 (Audited)	1,173	1,369	(1,166)	1,376
Income tax credit (expenses)	543	(1,369)	(125)	(951)
At 31 December 2024 and 1 January 2025 (Audited)	1,716	–	(1,291)	425
Income tax credit (expenses)	–	–	–	–
At 30 June 2025 (Unaudited)	1,716	–	(1,291)	425

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. SHARE CAPITAL

	Number of shares '000	HK\$'000	Equivalent to Approximately RM'000
Ordinary share of HK\$0.01 each			
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	1,500,000	15,000	8,474
Issued and fully paid:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	1,000,150	10,002	5,707

20. RESERVES

20(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

20(b) Capital reserve

The capital reserve represents the aggregate amount of the nominal value of the issued/paid-up capital of the Group's subsidiaries less consideration paid to acquire the relevant interests (if any).

20(c) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation and the Company's financial statement to the presentation currency.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

21. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, further information of the related party transactions for the reporting periods is set out below.

(a) Related party transactions of the Group:

		Six months ended 30 June	
		2025	2024
		RM'000	RM'000
	Note	(Unaudited)	(Unaudited)
Revenue arising from distribution and sales of F&B	21(a)(i)	5,734	5,678
Sales and marketing expenses	21(a)(i)	10	34

Note:

- (i) It represented related party transactions with the companies interested by the Ultimate Controlling Party and/or the spouses of the Ultimate Controlling Party.

(b) Remuneration for key management personnel (including directors) of the Group:

		Six months ended 30 June	
		2025	2024
		RM'000	RM'000
		(Unaudited)	(Unaudited)
Salaries, discretionary bonus, allowances and other benefits in kind		2,710	2,205
Contributions to defined contribution plans		416	325
		3,126	2,530

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

22. FAIR VALUE MEASUREMENTS

All financial assets and liabilities are carried at amounts not materially different from their fair value at the end of each reporting period.

23. COMMITMENTS

Commitments under leases

The Group as lessor

The Group leases out its properties under operating leases with lease terms ranging from one year to four years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Within one year	70	70
In the second year	56	45
In the third year	13	22
In the fourth year	–	11
	139	148

Capital commitment

Significant capital expenditure contracted for as at the end of each of the reporting period but not recognised as liabilities is as follows:

	At 30 June 2025 RM'000 (Unaudited)	At 31 December 2024 RM'000 (Audited)
Free hold land	2,371	3,557