



SWANG CHAI CHUAN LIMITED 雙財莊有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2321

ANNUAL REPORT 2025



SNOWCAT MAKANAN KUCING CAT FOOD



CONTENTS

Vision, Purpose & Core Values	2
Corporate Information	3
Five-Years Financial Summaries	5
Chairman’s Statement	6
Management Discussion and Analysis	7
Directors and Senior Management	14
Corporate Governance Report	19
Report of the Directors	41
Sustainability Report	58
Independent Auditors’ Report	103
Consolidated Statement of Profit or Loss and Other Comprehensive Income	109
Consolidated Statement of Financial Position	110
Consolidated Statement of Changes in Equity	112
Consolidated Statement of Cash Flows	114
Notes to the Consolidated Financial Statements	116



VISION, PURPOSE & CORE VALUES

VISION

To be the leading and trusted regional distributor for valued business partners through progressive and agile route to market services, professional customer management and operational excellence.

PURPOSE

Achieve purposeful sustainability that meets our stakeholders' expectation by embracing technology and innovation, talent capability and our core values.

MISSION

To be the catalyst that enrich the consumers' lives, everyday.

CORE VALUES

1. Act with integrity

We uphold integrity in all aspects of our business activities.

2. Be inclusive

We respect everyone and their opinion, for a safe and conducive workplace.

3. Relentless on innovation

We pursue innovation relentlessly for creative solutions.

4. Winning together

We synergise our efforts to align goals, celebrate togetherness and victories in unity.

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Soon See Beng
Mr. Yeung Kwong Wai (resigned on 20 November 2025)
Mr. Lau Wai Piu Patrick (appointed on 20 November 2025)

COMPANY SECRETARY

Mr. Yeung Kwong Wai (resigned on 20 November 2025)
Mr. Lau Wai Piu Patrick (appointed on 20 November 2025)

REGISTERED OFFICE

Suite 210, 2nd Floor
Windward III
Regatta Office Park
Grand Cayman KY1-1106
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

Lot 147-A
Kawasan Perindustrian Semambu
25350 Kuantan
Pahang
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 501-2, 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

CORPORATE INFORMATION

PRINCIPAL BANKERS

CIMB Bank Berhad

CIMB Islamic Bank Berhad

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

COMPANY WEBSITE

www.sccgroup.com.my

STOCK CODE

2321

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited

Suite 210, 2nd Floor
Windward III
Regatta Office Park
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

FIVE-YEARS FINANCIAL SUMMARIES

A summary of the results, and of the assets, liabilities of Swang Chai Chuan Limited and its subsidiaries for the last five financial years, as extracted from the published audited consolidated financial statements or the prospectus of the Company dated 8 August 2022 (the “**Prospectus**”) is set out below.

	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	668,738	835,906	931,920	913,008	932,888
Gross Profit	94,508	111,621	110,342	113,484	121,920
Profit for the year	23,588	26,787	27,116	28,063	33,237
Listing expenses	(4,974)	(7,026)	–	–	–
Profit for the year excluding listing expenses	28,562	33,813	27,116	28,063	33,237
Total assets	213,024	369,095	349,063	391,944	447,231
Total liabilities	102,837	156,168	121,538	143,687	173,551
Total equity	110,187	212,927	227,525	248,257	273,680

CHAIRMAN'S STATEMENT

On behalf of the Board, I present the results of Swang Chai Chuan Limited for the financial year ended 31 December 2025.

The Malaysian FMCG distribution sector in 2025 remains highly competitive, with continued margin pressure, cost inflation and increasing expectations from both principals and customers. In this environment, performance is defined by discipline and execution.

For the year, the Group recorded revenue of approximately RM932.9 million and profit attributable to owners of approximately RM33.2 million, reflecting a solid improvement from the previous year.

This performance was driven by a clear focus on operational discipline, cost control and consistent execution across the business. We remain selective in how we grow, prioritising sustainable profitability over volume expansion.

Looking ahead, industry conditions will remain demanding. The sector is undergoing gradual consolidation, and the ability to execute reliably and efficiently will be the key differentiator. We are positioning the Group accordingly – with a focus on strengthening execution, maintaining cost discipline and expanding the business prudently.

We are not pursuing growth at any cost. Our objective is to build a resilient business that delivers consistent performance over the long term.

On behalf of the Board, I would like to thank our employees, customers, suppliers and shareholders for their continued trust and support.

We will continue to move forward with focus, discipline and accountability.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY BACKGROUND

The Group is a well-established food & beverage (the “**F&B**”) distributor located in Malaysia. The Group 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 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 Group also offers other services such as warehousing, logistics, sales and marketing support and other services, which enhance consumers’ experience.

BUSINESS REVIEW AND PROSPECTS

In line with management’s vision to further expand the business, broaden product offerings, and better serve communities, the Group has accelerated its growth by increasing its storage capacity and expanding its logistics fleet.

As at the end of 2025, the Group operates a total of nine self-owned and four leased warehouses strategically located across Malaysia, including East Malaysia, contributing to an aggregate designated storage capacity of 35,602 m³.

In addition to its existing warehouses, the Group, through its wholly owned subsidiary, has acquired a parcel of land measuring 162,405 sq ft in the northern region and plans to construct a new warehouse, which is expected to be completed in the second half of 2026.

Furthermore, the Group owns a fleet of 177 self-operated logistics vehicles, enabling the Group to enhance its quality of delivery and distribution services to a higher level.

The Group has also been actively sourcing new principals and improving its product mix to better serve its customers.

FINANCIAL OVERVIEW

Revenue

The Group’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 year ended 31 December 2025 (the “**Reporting Period**”), the Group’s revenue improved by approximately RM19.9 million or 2.2% from approximately RM913.0 million in 31 December 2024 (the “**Preceding Year**”) to approximately RM932.9 million for the Reporting Period mainly due to the increase in distribution revenue from third party brands amounting to approximately RM20.0 million. The increase in revenue from third party brands is mainly attributed to personal care & baby care product, cleaning and kitchen supplies, beverage, frozen food and sauce, oil & condiment with increase of approximately RM47.1 million, offset with drop in sales of packaged food and commodities of RM26.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

The gross profit margin increased to approximately 13.1% in the Reporting Period as compared to approximately 12.4% in the Preceding Year. The increase in the gross profit margin was due to the result of competitive price strategy and increased in sales of higher margin product, including house-brand products.

Other income

Other income mainly consists of interest income, sundry income, and other miscellaneous income. Other income increased by approximately RM1.2 million, or 38.2%, from approximately RM3.0 million in the Preceding Year to approximately RM4.2 million in the Reporting Period. The increase was mainly attributable to higher interest income generated during the year, driven by higher cash and bank balances, as well as compensation received from supplier on early termination of contract.

Selling and distribution expenses

Selling and distribution expenses primarily comprise (i) staff costs, (ii) transportation expenses, (iii) vehicle maintenance expenses, (iv) marketing and advertising expenses, and (v) other expenses. Selling and distribution expenses increased by approximately RM4.9 million, or 9.1%, from approximately RM52.9 million in the Preceding Year to approximately RM57.7 million in the Reporting Period. This increase was mainly due to (a) higher sales and marketing expenses spent on house-brand, driven by product launches, promotional activities, and an expanded product offering in the market, (b) increased salaries and wages from hiring of marketing staffs and yearly salary increment, and (c) sampling expenses from distributing product samples to customers and potential customers as part of marketing initiatives to expand market presence.

Administrative and other operation expenses

Administrative and other operating expenses primarily comprise of (i) staff costs which include Directors' remuneration, (ii) utility expenses, (iii) insurance, (iv) depreciation, (v) foreign exchange gain/losses, (vi) professional fees, and (vii) others. Administrative and other operating expenses decreased by approximately RM1.6 million or 6.4%, from approximately RM25.8 million in the Preceding Year to approximately RM24.2 million in the Reporting Period. The decrease was mainly attributable to lower staff-related costs by RM1.5 million, driven by adjustments to bonus provisions from 2024, as well as the absence of fixed asset write-offs during the year. In the Preceding Year, losses from the write-off of fixed assets amounted to approximately RM0.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and lease liabilities. The Group's finance costs increased by approximately RM1.1 million, or 83.9%, from approximately RM1.3 million in the Preceding Year to approximately RM2.4 million in the Reporting Period, mainly due to interest incurred from the drawdown of a new term loan facility utilised for the purchase of land.

Income tax expenses

Income tax expenses primarily consist of current, deferred income tax and Malaysian real property gain 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 arose in or derived from Hong Kong. The Group entities established in the Cayman Islands and the British Virgin Islands are exempted from Cayman Islands/British Virgin Islands corporate income tax. Income tax expenses for the Reporting Period increased by approximately RM24,000 or 0.3% to approximately RM8.54 million from approximately RM8.51 million in the Preceding Year. The increase in income tax expenses was mainly due to higher revenue and chargeable profit in the Reporting Period.

Profit for the Reporting Period and net profit margin

As a result of the foregoing, the Group recorded a profit for the year of approximately RM33.2 million in the Reporting Period and RM28.1 million in the Preceding Year. The net profit margin of the Group increased to 3.6% in the Reporting Period from 3.1% in the Preceding Year mainly due to the increase in gross profit margin as explained above.

OTHER INFORMATION

Use of proceeds from the initial listing

On 19 August 2022 (the "**Listing Date**"), the shares of the Company (the "**Share**") were listed on the Main Board of the Stock Exchange through an issuance of 241,000,000 shares at the offer price of HK\$0.56 per Share (the "**Share Offer**") for a gross proceeds of approximately HK\$135.0 million in accordance with the proposed application 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 use of net proceeds	Balance of unutilised proceeds as at 31 December 2023	Actual use of proceeds from 1 January 2024 to 10 December 2024	Actual use of proceeds as at 10 December 2024	Balance of unutilised proceeds as at 10 December 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.

	Revised planned use of net proceeds	Unutilised amount of the net proceeds as at 10 December 2024	Actual use of proceeds from 10 December 2024 to 31 December 2024	Balance of unutilised proceeds as at 31 December 2024	Expected timeline for unutilised proceeds
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
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	

MANAGEMENT DISCUSSION AND ANALYSIS

Utilisation of the proceeds as at 31 December 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 to 31 December 2025 HK\$ million	Actual use of proceeds as at 31 December 2025 HK\$ million	Balance of unutilised proceeds as at 31 December 2025 HK\$ million	Expected timeline for unutilised proceeds
Further enhancement to distribution and sales capabilities	72.2	45.9	7.2	33.5	38.7	31 December 2026
Development in own products business	19.0	9.9	2.6	11.7	7.3	31 December 2026
	91.2	55.8	9.8	45.2	46.0	

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.

As at 31 December 2025, the net proceeds of approximately HK\$46.0 million had not yet been utilised as planned (the “**Unutilised Net Proceeds**”), but is expected to be utilised by 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 Share Offer in August 2022, the net proceeds from the Share Offer 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 31 December 2025, the Group’s net current assets were approximately RM244.1 million (31 December 2024: approximately RM216.8 million). The Group’s cash and cash equivalents as at 31 December 2025 were approximately RM31.7 million (31 December 2024: approximately RM54.4 million).

As at 31 December 2025, there were bank borrowings of approximately RM87.2 million bearing weighted average effective interest rate of approximately 3.62% per annum (31 December 2024: approximately RM50.9 million bearing weighted average effective interest rate of approximately 3.68% per annum).

As at 31 December 2025, the Group had a total available banking facilities of approximately RM152.8 million, of which approximately RM47.7 million was utilised and approximately RM105.1 million was unutilised and available for use.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

As at 31 December 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 Group was approximately 32.8% (31 December 2024: approximately 21.6%). The increase in the gearing ratio was primarily attributable to the drawdown of a new term loan for the purchase of land.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 909 full-time employees (31 December 2024: 909) 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 Reporting Period, the Group has not experienced any significant problems with its employees save as those arising from ordinary course of business or disruption to the operations due to labour disputes, nor has the Group experienced any difficulties in the recruitment and retention of staff.

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 31 December 2025, the Group had outstanding foreign currency forward contract to sell approximately RM nil buy approximately Euro nil (31 December 2024: sell approximately RM0.5 million buy approximately Euro 0.1 million), sell approximately RM2.2 million buy approximately Australian dollars ("**AUD**") 0.8 million (31 December 2024: sell approximately RM2.4 million buy approximately AUD0.8 million) and sell approximately RM1.2 million buy approximately United States dollars ("**USD**") 0.3 million (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 during the Reporting Period.

PLEDGE OF ASSETS

As at 31 December 2025 and 2024, the (i) bank overdrafts and interest-bearing borrowings and (ii) lease liabilities of the Group are secured by certain assets of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, 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 Reporting Period and up to the date of this annual report. As at 31 December 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

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

The Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group had no specific plan for material commitments or capital assets as at 31 December 2025.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Soon See Beng (“SB Soon”), aged 56, was appointed as a Director on 14 February 2019 and was redesignated as an Executive Director, Chief Executive Officer and Chairman of the Board on 25 January 2021. He is responsible for the overall business strategic direction, planning, management and operation of the Group.

He has accumulated over 30 years of experience in the F&B distribution industry. After completing his secondary education in 1988, he began working in Swang Chai Chuan, a sole proprietorship established by his father, Mr. Soon Tian Ong in Malaysia, which principally engaged in the F&B distribution of groceries. In March 1995, he co-founded Swang Chai Chuan Sdn. Bhd. (“**SCCSB**”) with Ms. Soon Lee Shiang and his father to take up the business of Swang Chai Chuan, and has been the managing director of SCCSB since February 2002. He led the Group in the expansion of its businesses which includes amongst others the distribution of seafood and frozen food products.

Note: SB Soon is the brother of Mr. Soon Chiew Ang and Mr. Soon See Long who are both the Executive Directors of the Company.

Mr. Soon Chiew Ang (“CA Soon”), aged 50, was appointed as an Executive Director of the Group on 25 January 2021. He is responsible for overseeing the operation and sales management of the Group. He has accumulated over 20 years of experience in the F&B distribution industry.

Mr. Soon Chiew Ang obtained his Bachelor of Arts Degree with major in Marketing in June 1999 and his Master’s Degree in Business Administration in July 2001, both from the University of Hertfordshire.

Prior to joining the Group in 2000, he worked as a management trainee in Kawaguchi Manufacturing Sdn. Bhd., a manufacturer of plastic parts and components, in year 1999. He has been responsible for strategic growth, key account management and co-founded SCCM and SCC Logistics together with his siblings.

Note: CA Soon is the brother of Mr. Soon See Beng and Mr. Soon See Long who are both the Executive Directors of the Company.

Mr. Soon See Long (“SL Soon”), aged 53, was appointed as an Executive Director of the Group on 25 January 2021. He is responsible for overseeing the operation and sales management of the Group. He has accumulated over 30 years of experience in the F&B distribution industry.

After completing his secondary education, he began working in Swang Chai Chuan Seafood. Mr. Soon See Long is mainly responsible for the growth of frozen food and food service business.

Note: SL Soon is the brother of Mr. Soon Chiew Ang and Mr. Soon See Beng who are both the Executive Directors of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Teck Hoe (“Mr. Lee”), aged 68, was appointed as an Independent Non-executive Director of the Group in August 2025. He is also the Chairman of the Audit Committee and a member of both the Remuneration Committee and the Nomination Committee.

He is a seasoned finance executive with over 40 years of experience in the FMCG, retail, manufacturing, and service sectors across the Asia-Pacific region. He has a proven track record in financial leadership, mergers and acquisitions, business integration, and private equity.

His notable roles include serving as Chief Financial Officer of TF Value-Mart Sdn Bhd (Malaysia), Regional Finance Director at Dairy Farm International (Malaysia), and Finance Director at Heinz ABC Indonesia. Mr. Lee is well-versed in leading cross-border operations, balance sheet restructuring, and driving strategic growth initiatives.

He holds a Bachelor of Commerce from the University of Auckland (1981) and has been a Fellow of Chartered Accountants Australia and New Zealand since 2014.

Datuk Tan Teow Choon (“Datuk Tan”), aged 68 was appointed as an Independent Non-executive Director of the Group in July 2022. He is also the Chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee.

Datuk Tan obtained his Diploma in Marketing from the Chartered Institute of Marketing in the United Kingdom in 1981. He then obtained his Master of Science Degree in Business Administration from the Boston University in May 1984.

Datuk Tan is the executive director of Bornion Green Sdn Bhd, a Sabah management company specialised in Sustainable Forest Management (SFM). Bornion Green is a newly incorporated company which will focus on sustainable timber harvesting, reforestation, research & development, indigenous community protection and carbon credit trading.

Datuk Tan has more than 30 years of senior leadership managerial experience in building brands and organizational transformation; managing change in optimizing and sustaining business performance. He has created award winning brands and successfully implemented strategies that well positioned the organizational he led at the next level of growth. He held the chief executive role in public listed and multinational companies across industry sectors including fast moving consumer products, healthcare, biotechnology and investment ventures.

Datuk Tan started his career with Glaxosmithkline Malaysia where he developed skills in brand management, product development and marketing. He fast tracked his career joining New Zealand Milk Malaysia as Marketing Manager moving on to helm the company as Managing Director with regional marketing functions.

DIRECTORS AND SENIOR MANAGEMENT

After that, he joined Yeo Hiap Seng Berhad Malaysia as its Managing Director where he transformed its business model from being sales and distribution to a highly marketing driven company that enhanced organizational efficiencies and stakeholders' equity. This led him to being promoted to Senior Vice President, Yeo Hiap Seng Ltd. Singapore, where he effectively streamlined YHS global businesses.

His entrepreneurial instinct led to the founding of RB Biotech Sdn Bhd, a pioneer in cultivating hybrid paddy seeds in Malaysia. Currently he is the Managing Director, Viva Global Sdn Bhd, a consultancy company in food & beverages, healthcare, biotechnology and education. He also serves as an independent non-executive director of PLS Plantations Berhad (stock code: 9695 and a company listed on Bursa Malaysia) since 1 June 2023.

Mr. Lum Kan Fai ("Mr. Lum"), aged 64, was appointed as an Independent Non-executive Director of the Group in August 2025. He is also the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee.

He has over 30 years of experience in the information technology industry. Throughout his career, he has been a driving force behind the development and marketing of innovative products that have transformed the industry. As corporate executive, he held Leadership Position in DSS Inc (NYSE DSS), VEII (OTC VEII), HapiMetaverse Inc (OTC HMI), YORK International Johnson Controls, Apple Inc and Datacraft Asia.

Mr. Lum obtained a bachelor degree of Electronics Engineering at the University of Essex in 1985.

Ms. Saw Chooi Lee ("Ms. Saw"), aged 62, was appointed as an Independent Non-executive Director of the Group in August 2025. She is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

She has around 30 years of working experience with more than 15 years in the dairy industry. Ms Saw was formerly the Managing Director for Dutch Lady Milk Malaysia and Singapore from 2015-2017. Ms Saw started her marketing career by joining the Unilever management training programme and since then, she has held various senior managerial positions within the fast-moving consumer goods industry. She first joined Dutch Lady Malaysia (a.k.a FrieslandCampina Malaysia) in 2003 as a Commercial Director. From 2008 to 2010, she was appointed as the General Manager for FrieslandCampina Hong Kong. She was later promoted to become the Managing Director for FrieslandCampina Mainland China from 2011 to 2014. Currently, she is actively involved in various mentoring programmes for young leaders with the Lead-Women Malaysia Organisation.

Ms. Saw obtained a Bachelor Degree and Master Degree of Business Administration at the University of Nebraska-Lincoln, USA in 1986 and 1987 respectively.

Ms. Saw has been re-designated as a Senior Independent Non-executive Director of Dutch Lady Milk Industries Berhad (stock code: 3026) since 15 January 2020, shares of which are listed on the Bursa Malaysia.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Kuek Swee Hock, (“Mr. Kuek”), aged 51, is the Chief Financial Officer of the Group. He brings over 25 years of financial leadership experience, primarily in the FMCG, food & beverage, and health & wellness sectors, with exposure across local and international markets.

He holds a BA (Hons) in Finance & Accounting from Sheffield Hallam University, an MBA from Heriot-Watt University, and is a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA) and a member of CIMA (UK).

Over the course of his career, Mr. Kuek has held senior finance roles in several leading multinational and regional companies, including Nestlé, Lactalis, Kimberly-Clark, Wellous Group, gaining deep expertise in financial transformation, commercial finance, and strategic planning. His experience spans across ERP implementation, profitability turnaround, cross-border financial operations, and pre-IPO readiness for international listing.

He is known for building strong finance teams, enhancing governance frameworks, and aligning financial strategies with commercial objectives to support sustainable business growth.

Mr. Chan Kien Siong, (“Mr. Chan”), aged 46, is the Chief Operating Officer of the Group. He brings with him over 20 years of experience in the Fast-Moving Consumer Goods (FMCG) sector, with a focus on the food and beverage industry. His career spans both the domestic Malaysian market and international markets across Southeast Asia, China, and the Middle East, providing him with a well-rounded perspective on regional commercial and operational dynamics.

He holds a Bachelor of Business Administration (Hons) in Multimedia Marketing from Multimedia University, Malaysia.

Mr. Chan began his professional journey as a management trainee at Danone Marketing Malaysia and has since held various commercial and leadership roles with Campbell Soup S.E.A, DKSH, and Power Root Group of Companies. His professional experience spans both multinational corporations and locally listed companies, giving him valuable insight into diverse organizational cultures, business models, and governance practices. Having worked with both brand principals and distribution partners, he has developed a practical appreciation for the full value chain and the importance of building sustainable business relationships.

In his current role, Mr. Chan draws on his accumulated experience to support the Group’s continued development. His focus areas include improving operational processes, strengthening supply chain capabilities, and aligning commercial objectives with long-term value creation. With a steady, hands-on approach to leadership, he works closely with teams across the Group to enhance execution, drive efficiency, and uphold a standard of responsible growth.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Chan Yim Cheng (“Ms. Chan”), aged 49, is our Operation and Information System Senior Manager. She joined the Group in September 2007 and is primarily responsible for overseeing administration, information system, logistics and inventory management of the Group.

Ms. Chan obtained a Diploma in Business Administration and an Advanced Diploma in Business Administration in December 1996 and June 1997, respectively from The Association of Business Executives, United Kingdom. She became an associate member of The Association of Business Executives in the United Kingdom in April 1997. Later on, she obtained her Bachelor of Arts Degree in Business Administration from the University of Northumbria in the United Kingdom in March 2000.

Ms. Chan has over 20 years of experience in managing business operations and administrations in Malaysian companies. She started her career as an accounts and administrative assistant at Success Resources Slipguard Sdn. Bhd. from July 1997 to September 1998. She then worked in SCCSB as an account executive from May 2000 to February 2005. From March 2005 to September 2007, she worked as sales and marketing officer at Nippon Precision Technology (Malaysia) Sdn. Bhd. (now known as Vega Precision Technology (Malaysia) Sdn. Bhd.), where she was responsible for management of sales orders, generating sales forecasts and handling quality assurance audit matters.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick (“Mr. Lau”), aged 52, was appointed as a company secretary of our Company (the “**Company Secretary**”) on 20 November 2025. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has extensive experience in accounting, auditing and company secretarial matters.

CORPORATE GOVERNANCE PRACTICE

The Board of Directors (the “**Board**”) of the Company is committed to designing and maintaining robust corporate governance and effective internal controls system for the Group, which are essential to enhancing corporate value and accountability, formulating business strategies, developing sustainable operations, enhancing transparency and safeguarding Shareholders’ interests.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors except for the deviation from code provisions C.2.1 and C.6.1 of the Corporate Governance Code as explained below, we have complied with all applicable code provisions set out in the Corporate Governance Code during the Reporting Period.

Details of the corporate governance practices adopted by the Company are set out below.

ENVIRONMENTAL POLICIES AND PERFORMANCE

In 2025, in order to implement the requirements of the Environmental, Social and Governance (“**ESG**”) Reporting Guide in Appendix C2 of the Listing Rules, the Company has given priority to organizing and arranging relevant preparation and disclosure, and the Company’s ESG Report for the financial year ended 31 December 2025 are set out in the “Sustainability Report” on page 58 of this annual report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), as set out in Appendix C3 to the Listing Rules, as its own code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all the Company’s Directors, the Company has ascertained that all of its Directors have complied with the required standards set out in the Model Code throughout the Reporting Period.

As far as the Group is aware, the Directors and Senior Management of the Group have not breached the required standard and the code of conduct regarding Director’s securities transactions.

BOARD OF DIRECTORS

Responsibilities of and Delegation by the Board

The Board, acting in the interest of the Group and its Shareholders, is primarily responsible for strategy formulation, business development, corporate governance, risk management, compliance, internal control systems, Dividend Policy, Board Diversity Policy, Shareholders’ relationship, accounting policies and financial statements, and other functions and matters assigned to the Board as set out in the Listing Rules and Articles of Association of the Company.

CORPORATE GOVERNANCE REPORT

The Board delegates the daily operational management of the Group's business, execution of business development plan, administrative and operational duties and the implementation of risk management and internal controls to the Chief Executive Officer and other senior management of the Group. The Board also conducts regular reviews of the functions and performance of the management. The management of the Group will obtain the approval of the Board before entering into and arranging any significant transaction/contract.

The Board has established the Group's purpose, values and strategy, and has satisfied itself that the Group's culture is aligned. Acting with integrity and leading by example, the Directors promote the desired culture to instil and continually reinforce across the Group the values of acting lawfully, ethically and responsibly. The Group has adopted anti-corruption and whistleblowing policy to provide forums for reporting issues and concerns on any misconduct, and to uphold business integrity in its operations. Please visit our website ("Investor Relationships > Policy" section) to learn more about.

Independent Non-executive Directors

As at the date of this annual report, the Group has complied with the relevant Listing Rules regarding (i) appointment of at least three non-executive directors, among whom at least one independent non-executive director has appropriate professional qualifications or accounting or related financial management expertise; (ii) independent non-executive directors account for at least one-third of the board of directors; and (iii) independent non-executive directors is majority in the Audit Committee of the Group and the chairman of the committee is an independent non-executive director.

As at the date of this annual report, each Independent Non-executive Director has made an annual independence confirmation, and the Board is satisfied that all Independent Non-executive Directors are independent and comply with the independence guidelines of the Listing Rules.

There are mechanism established to ensure independent views and input are available to the Board, which has covered the following aspects:

- Independent Non-executive Director's recruitment process;
- number of Independent Non-executive Director and their time contribution;
- assessment or evaluation of Independent Non-executive Director's contribution;
- other channels where independent views are available.

The Board reviews the implementation and effectiveness of the mechanism on an annual basis.

The Company has arranged appropriate liability insurance in respect of relevant legal actions against the Directors.

Board Composition

As at 31 December 2025 and up to the date of this annual report, the Board is comprised of seven members, with three Executive Directors, four Independent Non-executive Directors, as set out below:

Executive Directors:

1. Mr. Soon See Beng (*Chairman & Chief Executive Officer*)
2. Mr. Soon Chiew Ang
3. Mr. Soon See Long

Independent Non-executive Directors:

4. Mr. Lee Teck Hoe
5. Datuk Tan Teow Choon
6. Mr. Lum Kan Fai
7. Ms. Saw Chooi Lee

Detailed biographical information of all Directors is contained in the Directors and Senior Management section on page 14.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the Chief Executive Officer of the Company.

Mr. Lee Teck Hoe, Mr. Lum Kan Fai and Ms. Saw Chooi Lee, who were appointed to the Board as an independent non-executive Director with effect from 1 August 2025 obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law referred to in Rule 3.09D of the Listing Rules on 28 July 2025. All of them had confirmed that they understood their obligations as the Directors, the requirements under Listing Rules that are applicable to them as the Directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

The Company ensures independent views and input are available to the Board via below mechanisms:-

- The Board composition and the independence of the independent non-executive Directors should be reviewed by the Nomination Committee on an annual basis;
- A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive directors to be independent;
- In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions in relation to the transactions with the controlling shareholders and/or its associates;
- The chairman of the Board shall meet with independent non-executive Directors at least once annually; and
- All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairperson and the chief executive officer should be separate and should not be performed by the same individual. Mr. Soon See Beng (“**Mr. SB Soon**”) currently holds both positions. Mr. SB Soon 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. SB Soon as the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the 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 (3) Executive Directors (including Mr. SB Soon) and four (4) Independent Non-executive Directors and therefore has a fairly strong independence element in its composition.

Number of Meetings and Directors’ Attendance

Regular Board Meetings are held at least four times a year at approximately quarterly intervals for reviewing the Group’s financial and operating performance, discussing and approving annual and interim results and considering and approving the overall strategies of the Company. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles.

During the Reporting Period, the Company had held one annual general meeting (“**AGM**”), five Board meetings, three Audit Committee meetings, two Remuneration Committee meetings and two Nomination Committee meetings. Details of the attendance of Directors are as follows:

Name of Directors	AGM	Board	Number of meetings attended/held during the Reporting Period		
			Audit Committee	Remuneration Committee	Nomination Committee
Numbers of meetings held during the Reporting Period	1	5	3	2	2
Executive Directors					
Mr. Soon See Beng (<i>Chairman</i>)	1/1	5/5	N/A	N/A	N/A
Mr. Soon Chiew Ang	1/1	5/5	N/A	N/A	N/A
Mr. Soon See Long	1/1	5/5	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Khoo Chee Siang ¹	1/1	3/5	1/3	2/2	2/2
Datuk Tan Teow Choon	1/1	5/5	3/3	2/2	2/2
Mr. Ngai Wah Sang ¹	1/1	3/5	1/3	N/A	N/A
Ms. Tiong Hui Ling ¹	1/1	3/5	1/3	2/2	2/2
Mr. Lee Tech Hoe ²	N/A	2/5	2/3	N/A	N/A
Mr. Lum Kan Fai ²	N/A	2/5	2/3	N/A	N/A
Ms Saw Chooi Lee ²	N/A	2/5	2/3	N/A	N/A

Notes: 1. resigned on 1 August 2025
2. appointed on 1 August 2025

The Company Secretary is also the company secretary of Board Committees and is responsible for maintaining full minutes of the above meetings which are open for inspection at any reasonable time on reasonable notice by any of our Directors.

Practice and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance. At least 14 days' notice will be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or Board committee meeting to keep the Directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are duly kept by the Company Secretary at the meetings and open for inspection by the Directors.

The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Appointment and Re-election of Directors

Each of the Executive Directors has entered into a service contract with the Company for a term of three years, which is subject to retirement by rotation and re-election in accordance with the Articles, and may be terminated by either party upon a three-month prior written notice.

The Articles provide that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement at an annual general meeting at least once every three years.

In accordance with Article 112, any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company. The appointment letter of each of the Independent Non-executive Directors is for a term of two or three years, which may be terminated by not less than three months' notice in writing served by either party on the other. The aforesaid appointment letters are subject to termination provisions therein and the retirement and re-election provisions in the Articles. Details of the appointment letters are summarised in the Report of the Board of Directors on page 49 of this annual report.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All three Board Committees are established, empowered and accountable for duties under relevant terms of references which are available on the Company's and the Stock Exchange's website.

All Directors (including Independent Non-executive directors) bring valuable business experience, knowledge and expertise from different areas to the Board facilitating it to operate efficiently and effectively. All Directors have full and timely access to all information of the Group and to the services and advice of the Company Secretary and senior management. The Directors may, where appropriate, seek independent professional advice for performing their duties of the Group, at the expense of the Group. Directors shall disclose the details of their other duties to the Group and the Board of Directors regularly reviews the contributions of the Directors in the discharge of their duties with the Group.

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard of Dealings by Directors of securities transactions, as well as the Company's compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report.

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 Rules.

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.

CORPORATE GOVERNANCE REPORT

The main responsibilities of the Audit Committee include, but not limited to:

1. make recommendations to the Board on the appointment, reappointment, resignation, dismissal and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process;
2. review of financial information of the Group, including changes in accounting policies and practice, major judgemental areas, going concern consideration, compliance with accounting standards and listing rules in relation to financial reporting;
3. oversight of the Company's financial reporting system, including review of the adequacy of resources, qualifications and experience of accounting staff, and their training programmes and budget of the Company's accounting and financial reporting function;
4. review and monitor the effectiveness and adequacy of the Group's risk management and internal control measures; ensure that the internal audit function is adequately resourced and has the appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function; and
5. regularly report observations and make recommendations to the Board (if any).

The Audit Committee also acts as the Corporate Governance function of the Group, and is mainly responsible for:

- developing and reviewing the corporate governance policies and practices of the Company and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of directors and senior management;
- reviewing and monitoring the policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and directors; and
- reviewing the Company's compliance with the CG Code set out in Appendix C1 of the Listing Rules and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Audit Committee has held three meetings. The attendance of the members is detailed on page 22. The following matters were dealt with at the said meetings:

- (i) to review the consolidated financial statements for the year ended 31 December 2024 and the annual results announcement;
- (ii) to review the Group's interim financial results and report for the six months ended 30 June 2025 and the interim result announcement;
- (iii) reviewing the significant audit and accounting issues arising from the external auditor's audit;
- (iv) considering the appointment of the external auditor and their audit fees;
- (v) to review the risk management and internal control systems;
- (vi) to review the development in accounting standard and the Group's responses, including the preparation for adoption of IFRS Accounting Standards; and
- (vii) The Audit Committee also met with the external auditors twice during the Reporting Period.

The Audit Committee has reviewed the consolidated financial statements and the Group's annual results for the Reporting Period. The Audit Committee is of the view that the financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

Remuneration Committee

The Board has established our Remuneration Committee on 14 July 2022 in compliance with the code provision of the Corporate Governance Code set out in Appendix C1 of the Listing Rules.

The Remuneration Committee consists of four members, namely Mr. Lee Teck Hoe, Mr. Lum Kan Fai, Ms. Saw Chooi Lee and Datuk Tan Teow Choon. The Remuneration Committee is chaired by an Independent Non-executive Director, Mr. Lum Kan Fai and consisted of a majority of Independent Non-executive Directors as stipulated in the listing rules.

The Remuneration Committee's terms of reference in writing was adopted by the Company pursuant to the Board Resolution passed on 14 July 2022; and amended on 30 December 2022. The terms of reference requires that the Remuneration Committee must hold meeting at least once a year and the necessary quorum shall be at least two.

The Company adopts the remuneration committee model set out in code provision E.1.2 (c)(i) of Appendix C1 of the Listing Rules. Accordingly, the Remuneration Committee is responsible for making recommendations to the Board regarding the Company's remuneration policy. It has the delegated responsibility for the formulation, determination and review of the remuneration packages of Directors and Senior Management. In evaluating the remuneration packages for Directors and Senior Management, the Remuneration Committee takes into consideration of various factors such as salaries paid by comparable companies, time commitment, responsibilities and employment terms elsewhere in the Group. Any discretionary bonus and other merit payments are linked to the performance of the Group and the individual performance of the Directors and Senior Management.

The main responsibilities of the Remuneration Committee include, but not limited to:

- making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- determining the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payment;
- reviewing and approving performance-based remuneration and discretionary bonus;
- considering and approving the grant of share options and share appreciation rights to eligible participants;
- ensuring that no Director can solely determine his/her own remuneration; and
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee has held two meetings to review the remuneration of Executive Directors and senior management, and make recommendations to the Board on the remuneration of each Directors and senior management. The attendance of the members is detailed on page 22.

Remuneration of Directors and Senior Management

Particulars of the remuneration of the Directors for the Reporting Period are set out in Note 7 to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the three senior management, whose particulars are contained in the section headed "Directors and Senior Management" in this annual report, by band is set out below:

Remuneration band (in HK\$)	Number of Individuals
Nil to HK\$1,000,000	3

Nomination Committee

The Board has established our Nomination Committee on 14 July 2022 in compliance with the code provision of the CG Code set out in Appendix C1 of the Listing Rules.

The Nomination Committee consists of four members, namely Datuk Tan Teow Choon, Ms. Saw Chooi Lee, Mr. Lee Teck Hoe and Mr. Lum Kan Fai. It is chaired by Datuk Tan Teow Choon and consisted of a majority of Independent Non-executive Directors as stipulated in the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Nomination 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 Nomination Committee must hold meeting at least once a year and the necessary quorum shall be at least two.

The main responsibilities of the Nomination Committee include, but not limited to:

- reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually or when necessary;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the Independent Non-executive Directors and any proposed independent non-executive Directors;
- making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors;
- reviewing the Board Diversity Policy, as appropriate and making recommendations on any required changes to the board for consideration; and
- reviewing the measurable objectives under the Board Diversity Policy and the progress of the attainment of the objectives, so as to ensure effective implementation and make disclosure of its review results.

Nomination Policy

The Board has adopted a Nomination Policy setting out the selection criteria and procedures to select and recommend suitable candidates for directorship. Following this Nomination Policy, the Nomination Committee is required to consider a variety of factors in assessing the suitability of a proposed candidate, including but not limited to the following criteria:

- Board Diversity Policy;
- Reputation for integrity;

- Sufficient commitment in time and interest to the Group;
- Qualification, experience and achievements that are relevant and appropriate to the Group's business;
- Independence for the appointment of Independent Non-executive Director; and
- Any other relevant and significant factors as may be considered by the Nomination Committee and/or the Board.

Board Diversity Policy

The Board has approved and adopted a board diversity policy (the "**Policy**") effective since 14 July 2022 and has delegated to the Nomination Committee the responsibilities of implementation, monitoring and review of the policy.

The Board believes that diversity of the Board can be achieved through consideration of a number of factors when deciding on appointments of Directors, including but not limited to skills, regional and industrial experience, cultural and educational background, professional qualifications, race, gender, age and length of service and any other factors that the Board deems appropriate from time to time. The Board is currently comprised of diversified members, including seven Directors, one of whom is female (2024: one). For all detail composition of the Board and Senior Management, please refer to section headed "Directors and Senior Management" in this annual report. The Board will take every opportunities to increase the proportion of female members of the Board and our senior management over time as and when suitable candidates are identified. For the detailed gender ratio in the workforce (including senior management), please refer to the Sustainability Report in this annual report.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will conduct regular review on the Director Nomination and Diversity Policy, as appropriate, to ensure its effectiveness.

Measurable Objective

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Company will also take into account factors based on its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE REPORT

Diversity in Workforce

The Company recognises the importance of diversity in workforce throughout the Group as a matter of corporate governance and details of the diversity in workforce are disclosed on page 75 of this annual report. During the Reporting Period, the senior management considered the current ratio appropriate and will review any adjustment to the ratio and set target timeline accordingly. The Group is committed to provide a work environment free of harassment or discrimination for employees and to promote employee development and promotion. The Group shall identify suitable career development and training programs to promote diversity among its employees, which and such programs will also prepare them for the Senior Management and Board positions.

Implementation and Review

Annually, the Nomination Committee reviews the Board's composition under diversified perspectives, including but not limited to progress on achieving any measurable objectives that have been set for Policy implementation.

The Nomination Committee also has the responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out such responsibility, will give adequate consideration to the Board Diversity Policy.

The Nomination Committee will review the Policy on a regularly basis, as appropriate, to ensure the effectiveness of the Policy and recommend any such revisions to the Board for consideration and approval.

During the Reporting Period, the Nomination Committee has held two meetings to (i) reviewed and considered the composition and diversity of the Board; (ii) assessed the Independent Non-executive Directors' independence; (iii) considered the appointment and re-appointment of the Directors; (iv) reviewed the succession planning for Directors; and (v) reviewed both of Board Diversity Policy and Nomination Policy. The attendance of the members is detailed on page 22.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Our policy requires that each new Director is given formal, comprehensive and customized induction training at the time of first appointment to ensure their proper understanding of the Group's business and operations, and sufficient awareness of the Directors' duties and responsibilities under the listing Rules and related regulations.

The Group provides professional training to Directors to keep them up to date on the Listing Rules and other applicable regulatory requirements as well as the Group's business and governance policies.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Directors participated in the following continuous professional development:

	Types of training
Executive Directors	
Mr. Soon See Beng	A, C
Mr. Soon Chiew Ang	A, C
Mr. Soon See Long	A, C
Independent Non-executive Directors	
Mr. Khoo Chee Siang ¹	N/A
Datuk Tan Teow Choon	A, C
Mr. Ngai Wah Sang ¹	N/A
Ms. Tiong Hui Ling ¹	N/A
Mr. Lee Teck Hoe ²	A, C
Mr. Lum Kan Fai ²	A, C
Ms. Saw Chooi Lee ²	A, C

Note 1: resigned on 1 August 2025

Note 2: appointed on 1 August 2025

- A: attending seminars, conferences and/or briefings on directors' duties and corporate governance, regulatory updates, and financial and economic development
- B: giving speech at seminars and/or conferences
- C: reading regulatory updates, newspapers, journals, and other business, financial and economic publications

The Board requires Directors to devote sufficient time and attention to their duties and the Company's affairs. The Directors are also required to disclose to the Company annually the number and nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved, as well as the identity of the public companies or organisations and the time involved to the Company. The Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Independent Non-executive Directors provide the Group with diversified expertise and experience. Their views and participation in Board and Board committees meetings bring independent judgment and advice on issues relating to the Group's strategies, performance and management process, to ensure that the interests of all Shareholders are taken into account and safeguarded. Pursuant to code provision C.1.2, the functions of non-executive directors should include:

- (a) taking the lead where potential conflicts of interests arises;
- (b) serving on the audit, remuneration, nomination and other governance committees, if invited; and
- (c) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Generally they should also attend general meetings to gain and develop a balanced understanding of the views of Shareholders.

The Board periodically reviews the Company's practices on corporate governance, compliance with the CG Code, training and continuous professional development of Directors, and the disclosures in this annual report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are aware of their obligations to prepare consolidated financial statements for the Year, to reflect a true and fair financial position, results and cash flows of the Group for the year then ended, and the proper preparation of financial statements on a going concern basis in accordance with applicable statutory requirements and accounting standards. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with quarterly updates on the Group's performance, positions and prospects. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern, and therefore the Directors continue to adopt the going concern approach in preparing financial statements.

The responsibility statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on pages 103 to 108 of this annual report.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick ("**Mr. Lau**") was appointed as the Company Secretary on 20 November 2025. The biographical details of Mr. Lau are set out in the Directors and Senior Management on page 18 of this annual report. Mr. Lau has taken not less than 15 hours of relevant professional training during the Reporting Period to comply with Rule 3.29 of the Listing Rules. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations are followed.

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. Lau does not act as an individual employee of the Company, but as an external service provider in respect of the appointment of Mr. Lau as the Company Secretary of the Company. In this respect, the Company has nominated Mr. SB Soon as its contact point with Mr. Lau. While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, after having considered Mr. Lau's prior experience in acting as the company secretary of other companies listed on the Stock Exchange, both the Company and Mr. Lau 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. Lau's experience in company secretarial functions, the Directors believe that Mr. Lau has the appropriate company secretarial expertise for the purposes of Rule 8.17 of the Listing Rules.

SHAREHOLDERS' RIGHT

The Board and senior management are committed to meeting and communicating with Shareholders through the annual general meeting of the Group, listening to shareholder opinions and answering questions from Shareholders about the Group and its business. Notice of the annual general meeting is sent to the Shareholders at least 21 days before the holding of the annual general meeting.

Right to Convening an Extraordinary General Meeting

The procedure to convene an extraordinary general meeting is set out in the Articles of the Company. The Board may whenever it thinks fit call for an extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to make Enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at the Company's principal place of business in Hong Kong: Units 501-2, 5/F., Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, Shareholders can contact Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

Procedures for putting forward Proposals at Shareholders' Meetings

To put forward proposals at a Shareholders' meeting of the Company, a shareholder should lodge a written notice of his/her proposal with his/her detailed contact information at the Company's principal place of business in Hong Kong. The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Board considers sustainable returns to Shareholders whilst retaining adequate reserves for the Group's future development to be an objective. Dividends may be recommended, declared and paid to Shareholders from time to time.

In summary, the declaration of dividend is subject to the discretion of the Board and the approval of the Shareholders, taking into consideration of, among others, the following factors:

- the Group's actual and expected financial results;
- the general economic conditions and other internal or external factors that may have adverse impact on the business or financial performance and position of the Group;
- the Group's business operation strategy, including expected working capital requirements, capital expenditure requirements and future development plans;
- the Group's cash flow and liquidity position;
- retained earnings and distributable profit reserves of the Group;
- contractual restrictions on the payment of dividends imposed by the Group's lenders and other institutions;
- effects on the Group's creditworthiness;
- interest of Shareholders;
- applicable statutory and regulatory restrictions; and
- any other factors that the Board considers to be applicable from time to time.

Depending on the financial conditions of the Company and the Group and the factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of profits that the Board may deem appropriate.

CORPORATE GOVERNANCE REPORT

The payment of dividend is subject to any restrictions under the Laws of Hong Kong and Cayman Islands and the Company's Articles of Association.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board's discretion and there is no assurance that dividends will be declared and/or paid in any particular amount for any given period.

Any dividend for a financial year will be subject to Shareholders' approval.

On 31 July 2025, the Board had declared the payment of a special dividend of HK\$0.0135 per ordinary share of the Company, amounting to HK\$13,502,025 in total, which was fully paid on 10 September 2025 (2024: On 9 July 2024, the Board had declared the payment of a special dividend of HK\$0.0135 per ordinary share of the Company, amounting to HK\$13,502,025 in total, which was fully paid on 26 August 2024).

The Directors did not recommend payment of any final dividend for the Reporting Period (2024: Nil).

AUDITORS' STATEMENT AND REMUNERATION

A statement by the Group's auditors on their reporting obligations in respect of the Group's consolidated financial statements for the Year is set out in the "Independent Auditors' Report" section of this annual report.

An analysis of the remuneration of the 2025 external auditors, Crowe Malaysia PLT, of the Company is set out below:

	2025 RM'000	2024 RM'000
Annual audit services for the financial year	552	530
Agreed-upon procedures on interim financial information for the six months ended 30 June 2025/2024	102	95
Total	654	625

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility in establishing and maintaining an effective and adequate risk management and internal control systems.

The Board aims to minimize the risks rather than eliminate them entirely. Accordingly, the Board has a risk management framework, including performance of a risk assessment for reviewing the key risk areas and determining appropriate risk mitigation strategies. The Group has also taken sufficient steps to identify, assess, update and monitor certain particular risks associated with its financial, operational and compliance activities.

The Board shall be responsible for monitoring compliance with the laws and regulations that are applicable to the operation of the Group, as well as assessing the adequacy and effectiveness of the Group's regulatory compliance procedures and system. Other than reviewing and monitoring our financial reporting process and the risk management procedures, our Audit Committee shall, on an annual basis: (a) review the reports and findings submitted by the internal control consultant to ensure the effectiveness of our regulatory compliance procedures and system; (b) advise the Board on the adoption of the recommendation (if any) proposed by the internal control consultant; (c) assess and review the adequacy of resources and training provided to our management and staff in relation to our regulatory compliance functions; and (d) receive the recommendations and reports of the Group's internal audit function, review and approve the organisation, responsibilities, plans, results, budget and resources of the internal audit team to ensure the quality of the Group's internal control measures are maintained.

Risk Management

The Group has established a risk management policy and risk management framework. The Group's risk management framework premises on five elements namely: internal environmental control, risk management, control activities, information and communication and monitoring and improvement.

The Group's risk management framework comprises the following key steps:

1. Identify risks;
2. Analyse risks;
3. Evaluate risks; and
4. Treat risks.

Senior management identifies the key risks that potentially impact the key business processes of their operations on an annual basis. The identified risks are analysed and evaluated using established risk assessment criteria which include appropriate qualitative and quantitative techniques. These identified risks are scored based on their likelihood of occurring and the impact on business should they occur. Such a risk evaluation system helps to rank the risks and to prioritise risk management efforts to determine the appropriate risk mitigation plans (i.e. accept, reduce, transfer and avoid). Results of the annual risk assessment are reported to the Audit Committee, including the significant risks of the Group and the associated control activities to mitigate or transfer the identified risks. The risk assessment results indicated limited changes in the nature and extent of significant risks identified by the Group in the Reporting Period. To provide assurance over the effectiveness of the risk mitigating controls, the Group has formulated an internal audit plan which covers the identified risk mitigating controls and key business processes of the Group.

Internal Controls

The Group has established policies and procedures which include defined levels of responsibilities and reporting lines. Controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may adversely impact on the Group's performance are identified and assessed. To assist the Audit Committee in discharging its duties, the Company has engaged an internal control consultant ("**Internal Control Consultant**") to conduct an annual review on the adequacy and effectiveness of the Group's internal control system in respect of its compliance each financial year and submit a report. In particular, the internal control consultant will set out in its report regarding the Group's effectiveness of the Group's internal control system in ensuring the Group's compliance. The management will then provided an action plan so as to mitigate those identified deficiencies in a timely manner. The Internal Control Consultant has independently reported the findings and recommendations to the Audit Committee.

In respect of the year ended 31 December 2025, the Board has conducted a review of the effectiveness of the risk management and internal control systems and considers the systems to be effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management functions of the Group have been identified. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. A review on the risk management and internal control systems will be conducted on an annual basis. During the review, the Board will take into consideration the resources, qualification/experience of staff of the Group's internal control, accounting and financial reporting function, and their training and budget to be adequate.

CORPORATE GOVERNANCE REPORT

The Group is aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance. The Group has established an Inside Information Management Policy for identifying, monitoring and reporting inside information to our Shareholders, investors, analysts and media. This Policy is updated whenever required and adopted accordingly to guide its stakeholder communications and the determination of inside information in order to ensure consistent and timely disclosure. The Group conducts its affairs in accordance with the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission in June 2012.

During the year ended 31 December 2025, the Board and the Audit Committee have reviewed the need for an internal audit function and considers it more cost-effective to appoint external independent professionals to independently review and continuously evaluate the Group’s internal monitoring systems and risk management systems, taking into account the size and nature of the Group. The Board will review the need for an internal audit function at least once a year.

Overall, the Board and the Audit Committee consider that the risk management and internal control system of the Group are effective and adequate. The Board will continue to assess the effectiveness and adequacy of risk management and internal controls through consideration of the reviews and recommendations made by the Audit Committee, Senior Management and Internal Control consultant.

The Company has established and maintained the procedures and internal controls for the handling and dissemination of inside information. The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to the same dealing restrictions. The Group also strictly prohibits the Directors from the unauthorized use of confidential or inside information to the advantage of himself or others. The Company promptly identifies, assesses and escalates any inside information and any information which may potentially constitute inside information to the Board, which decides the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company in due course.

WHISTLE-BLOWING MECHANISM

A Whistle-blowing Policy has been set up to encourage and allow employees to raise concerns about possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity. The Audit Committee has the overall responsibility for this Policy and has delegated day-to-day responsibility of overseeing and implementing such Policy to the Chief Financial Officer of the Group. If any employee believes reasonably and in good faith that malpractice exists in the workplace, he/she should report immediately via the Speak-up facility namely SCC Cares. All reports are treated confidentially and the Group makes every effort to keep the employee's identity confidential.

ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING

To strengthen understanding of the relevant applicable laws and regulations, training regarding ethical business conduct covering topics such as integrity and discipline, confidentiality and conflict of interest is provided to all managers and above. The Board has also received internal training on related topics.

INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Group has a number of channels of communication with Shareholders and public investors to ensure that they are kept up to date with the latest news and developments of the Group. The Group provides Shareholders with up-to-date information on the Group's development, financial results and major events through annual, half-yearly reports. All published information is uploaded to the Group's website at www.sccgroup.com.my.

The general meetings of the Company provide opportunities for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees will attend the AGMs to answer Shareholders' questions. The Auditors will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence. Separate resolutions are proposed at Shareholders' meetings on each substantial issue. Procedures regarding the conduct of the poll are explained to the Shareholders at the commencement of each general meeting, and questions from Shareholders regarding the voting procedures are answered. Shareholders may also submit enquiries to management and make recommendations to the Board or senior management at the Shareholders' Meeting.

CORPORATE GOVERNANCE REPORT

To promote effective communication, the Company adopts a Shareholders' Communication Policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders. The Company has established several channels to communicate with the Shareholders as follows:

- corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange and on the website of the Company at www.sccgroup.com.my;
- announcements are published on the websites of the Stock Exchange and the Company;
- corporate information is made available on the Company's website; and
- annual and extraordinary general meetings, if any, provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considered it to be effective during the Reporting Period.

CONSTITUTIONAL DOCUMENTS

The Articles of the Company remains unchanged during the Reporting Period.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed elsewhere in this annual report and the announcement of the Company published on 31 July 2025, there were no changes to the Directors information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The Board of Directors (the “**Board**”) of Swang Chai Chuan Limited (the “**Company**”) presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (together, the “**Group**”) for the Reporting Period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are principally engaged in distribution and sales of food and beverages and provision of logistics, warehousing and other services in Malaysia.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 109 of this annual report.

On 31 July 2025, the Board had declared the payment of a special dividend of HK\$0.0135 per ordinary share of the Company, amounting to HK\$13,502,025 in total, which was fully paid on 10 September 2025 (2024: On 9 July 2024, the Board had declared the payment of a special dividend of HK\$0.0135 per ordinary share of the Company, amounting to HK\$13,502,025 in total, which was fully paid on 26 August 2024).

The Directors did not recommend payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

BUSINESS REVIEW

The business review of the Group for the Reporting Period is set out in the section headed “Management Discussion and Analysis” on pages 7 to 13 of this annual report.

The above discussions form part of this directors’ report.

MAJOR RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong):

1. Economic climate and individual market performance

The impact of economic conditions on consumer confidence and buying habits would affect sales and results of the Group. The economic growth or decline in the geographical markets that affect consumer spending on F&B would also affect the business. The Group continues to implement its strategies to develop and strengthen penetration of different geographical markets thereby reducing its dependency on specific markets.

2. Customers’ credit risk

The exposure to credit risk by the Group, which will cause a financial loss due to failure to discharge an obligation by the counterparties, arises from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position. The Group only extends credit to customers based on careful evaluation of the customers’ financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Details of the customers’ credit risk are set out in Note 29 to the consolidated financial statements.

REPORT OF THE DIRECTORS

3. Liquidity risk

In management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures adequacy of financial resources for operations' need and compliance with the relevant loan covenants.

Details of liquidity risk are set out in Note 29 to the consolidated financial statements.

4. Currency risk

The Group has foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk. The Group manages and monitors foreign exchange exposure to ensure appropriate measures are implemented on a timely and effective manner.

Details of the currency risk are set out in Note 29 to the consolidated financial statements.

5. Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and bank borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Details of interest rate risk are set out in Note 29 to the consolidated financial statements.

ENVIRONMENTAL POLICIES, COMPLIANCE WITH LAWS AND REGULATIONS

The Group is dedicated to maintaining sustainable work practices and pay close attention to ensure all resources are efficiently utilised with minimal adverse impact on our environments. Details on the Group's environmental policies and performance can be found in the Sustainability Report included in this annual report.

The Group has established various management systems and measures such as internal control and staff training to ensure its compliance with laws and regulations in relation to the Group's business and operation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has no material breach relevant of laws and regulations that has a material impact on the Group's business and operation during the Reporting Period.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its employees, suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the Reporting Period, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in Note 13 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2025 are set out in Note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 24 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and of the Company during the Reporting Period are set out on page 112 in the consolidated statement of changes in equity and Note 32 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company are set out in Note 32 to the consolidated financial statements. As at 31 December 2025, the Company's reserves available for distribution to equity holders amounted to approximately RM37.3 million (2024: approximately RM40.2 million).

SHARE SCHEME

The share option scheme (the "**Share Option Scheme**") was approved and conditionally adopted by the Board and Shareholders by way of written resolutions on 14 July 2022 (the "**Adoption Date**"). Since the Adoption Date and at the date of this annual report, no share option was granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme. As at 1 January 2025 and 31 December 2025, the total number of options available for grant under the Share Option Scheme are 100,015,000 Shares and 100,015,000 Shares, respectively. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

(1) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options under the Share Option Scheme ("**Options**") to Eligible Persons as incentives or rewards for their contributions to the Group.

(2) Who may join

The Board may, at its discretion, invite the following classes of participants to take up Options at a price calculated in accordance as stipulated below:

- (i) any full-time or part-time employee of the Group;
- (ii) any member of the Group, including any executive, non-executive directors and independent non-executive directors;
- (iii) any advisers or consultants of the Group.

REPORT OF THE DIRECTORS

(3) Total number of shares to be issued

The total number of Shares issued and to be issued upon exercise of the Options granted to a participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time, and provided that if approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the participant is a connected person) abstaining from voting, the Company may make a further grant of Options to such Participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted under the Share Option Scheme and Other Schemes to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares in issue from time to time.

In relation to the Further Grant, our Company must send a circular to our Shareholders, which discloses the identity of the relevant Participant, the number and the terms of the Options to be granted (and Options previously granted to such Participant under the Share Option Scheme and Other Schemes) and the information required under the Listing Rules. The number and terms (including the exercise price) of Options which is the subject of the Further Grant shall be fixed before the relevant Shareholders' meeting and the date of meeting of our Board for proposing the Further Grant should be taken as the date of grant for the purpose of calculating the relevant subscription price.

(4) Maximum entitlement of each eligible person

- (i) The maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and Other Schemes must not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") provided that Options lapsed in accordance with the terms of the Shares Option Scheme or Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,000,150,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 100,015,000 Shares, representing 10% of the Shares in issue as at the Listing Date and as at the date of this annual report.
- (ii) Subject to the approval of Shareholders in general meeting, the Company may renew the Scheme Mandate Limit to the extent that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and Other Schemes under the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. In relation to the Shareholders' approval referred to in this paragraph (ii), the Company shall send a circular to our Shareholders containing the information required by the Listing Rules.

- (iii) Subject to the approval of Shareholders in general meeting, the Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to Eligible Persons specifically identified by the Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph (iii), the Company shall send a circular to the Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the Listing Rules.
- (iv) Notwithstanding the foregoing, the Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and Other Schemes exceeds 30% of the Shares in issue from time to time.
- (v) The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Board shall make available sufficient authorized but unissued share capital of the Company for purpose of allotment of shares upon exercise of Options.

Where Options are proposed to be granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates, the proposed grant must be approved by the Independent Non-executive Directors (excluding any Independent Non-executive Director who is the grantee of the Options).

If a grant of Options to a substantial shareholder of the Company or an Independent Non-executive Director, or any of their respective associates will result in the total number of the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant (i) representing in aggregate over 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue from time to time, and (ii) having an aggregate value, based on the closing price of the Shares at the date of the grant, in excess of HK\$5 million, then the proposed grant of Options must be approved by the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the resolution provided that his or her intention to do so has been stated in the circular. The circular must contain the information required under the Listing Rules.

In addition, Shareholders' approval as described above will also be required for any change in terms of the Options granted to an Eligible Person who is a substantial shareholder of the Company, an Independent Non-executive Director or their respective associates.

REPORT OF THE DIRECTORS

The circular must contain the following:

- (i) details of the number and terms of the Options (including the subscription price relating thereto) to be granted to each Eligible Person, which must be fixed before the relevant Shareholders' meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the subscription price;
- (ii) a recommendation from our Independent Non-executive Directors (excluding any Independent Non-executive Director who is a proposed grantee of the Options in question) to independent Shareholders, as to voting; and
- (iii) all other information as required by the Listing Rules from time to time.

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the Listing Rules) of the Company set out in this paragraph do not apply where the Eligible Person is only a proposed Director or proposed chief executive of the Company.

(5) Option period

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options will be issued but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(6) Minimum vesting period

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by the Board to each Participant, which the Board may in its absolute discretion determine.

(7) Payment on acceptance of the option

Upon acceptance of the Option, the Eligible Person shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of not less than five trading days from the date on which the Option is granted.

(8) Basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (the "**Offer Date**"), which must be a trading day, on which the Board passes a resolution approving the making of an offer of grant of an option to an Eligible Person;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share on the Offer Date.

For the purpose of calculating the subscription price, in the event that on the date of grant, the Company has been listed for less than five trading days, the offer price shall be used as the closing price for any trading day falling within the period before the Listing Date.

(9) Remaining life

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

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

BANK BORROWINGS

Details of the bank borrowings of the Group are set out in Note 21 to the consolidated financial statements.

DIRECTORS

The directors of the Company (the "**Directors**") who held office during the Reporting Period and up to the date of this annual report are:

Executive Directors:

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

Independent Non-executive Directors:

Mr. Khoo Chee Siang¹
Datuk Tan Teow Choon
Mr. Ngai Wah Sang¹
Ms. Tiong Hui Ling¹
Mr. Lee Teck Hoe²
Mr. Lum Kan Fai²
Ms. Saw Chooi Lee²

Note 1: resigned on 1 August 2025

Note 2: appointed on 1 August 2025

REPORT OF THE DIRECTORS

For compliance with Code Provision B.2.2 set out in the CG Code of the Listing Rules and in accordance with Articles 108(a) and (b) of the Company's Articles of Association, at the forthcoming AGM, Mr. Soon See Beng and Datuk Tan Teow Choon will retire as Directors by rotation and, being eligible, offers themselves for re-election.

In accordance with Article 112 of the Company's Articles of Association, Mr. Lee Teck Hoe, Mr. Lum Kan Fai and Ms. Saw Chooi Lee shall hold office only until the forthcoming AGM after their appointments and being eligible, offers themselves for re-election.

All other existing Directors shall continue in office.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence and considers that each of the Independent Non-executive Directors is independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules.

DIRECTORS OF SUBSIDIARIES

During the Reporting Period and up to the date of this annual report, each of Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long, Ms. Soon Lee Shiang holds directorship in certain of the Company's subsidiaries.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management of the Group as at the date of this annual report are set out on pages 14 to 18.

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 31 December 2025, 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 controlled corporation ⁽²⁾	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon Chiew Ang	Interest in controlled corporation ⁽²⁾	723,000,000 (L) ⁽¹⁾	72.29%
Mr. Soon See Long	Interest in 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.

REPORT OF THE DIRECTORS

Save as disclosed above, as at the date of this annual 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.

ARRANGEMENT TO ACQUIRE SHARES

At no time during the Reporting Period or at the end of the Reporting Period was the Company, its subsidiaries, its holding company or the subsidiaries of its holding company, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

DONATIONS

During the Reporting Period, the Group made charitable donations of approximately RM166,677 (2024: RM79,992).

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Options", at no time during the Reporting Period or at the end of the Reporting Period was the Company a party to any equity-linked agreements.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years, which is subject to retirement by rotation and re-election in accordance with the Articles of Association, and may be terminated by either party upon one month's prior notice.

Each of Independent Non-executive Directors has entered into an appointment letter with the Company for a term of two or three years, which is subject to retirement by rotation and re-election in accordance with the Articles of Association.

The service contracts and appointment letters are automatically renewed upon expiration.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" in this annual report and Note 27 to the consolidated financial statements, no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which any of the Company's Director or an entity connected with the Director or controlling shareholder or its subsidiaries had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period and up to the date of this annual report, none of the Directors had any interest in business apart from the Group's businesses which competed, or was likely to compete, either directly or indirectly, with the Group's businesses under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKING

In order to avoid any future competition among our Group and Soon Holdings Limited, Mr. Soon See Beng, Mr. Soon Chiew Ang, Mr. Soon See Long and Ms. Soon Lee Shiang (collectively, the "**Controlling Shareholders**"), on 14 July 2022, the Controlling Shareholders as covenantors (each of them, a "**Covenantor**" and collectively, as the "**Covenantors**") executed a Deed of Non-competition dated 14 July 2022 in favour of our Company (for itself and as trustee for and on behalf of its subsidiaries) (the "**Deed of Non-Competition**").

In accordance with the Deed of Non-competition, each Covenantor undertakes that, from the Listing Date and ending on the occurrence of the earlier of (i) the date on which the Shares cease to be listed on the Stock Exchange; or (ii) the date on which that Covenantor and his/her/its close associates (individually or taken as a whole) cease to be a Controlling Shareholder, it will not either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, among other things, carry on, participate or be interested or engaged in or acquire or hold any right or interest (in each case whether as an investor, a shareholder, principal, partner, director, employee, consultant, agent or otherwise and whether for profit, reward, interest or otherwise), or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on by our Group, including but not limited to (i) distribution of the products that overlap with the products of our Group; and (ii) logistics and warehousing services, or contemplated to be carried on by any member of our Group in Malaysia or any place where our Group has conducted business as at the date of the Deed of Non-competition or may conduct business from time to time in the future (the "**Restricted Business**"); and such further undertakings including but not limited to referring any and all new business opportunities in connection with the Restricted Business, non-disclosure of any confidential or trade-sensitive information of the Group; non-solicitation of customers; and conduct of conflict checks with its customers etc. Details of the Non-competition Deed are set out in the paragraph headed "Non Competition Undertaking" in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The Company has received the annual written declaration signed by each of the Controlling Shareholders declaring, inter alia, that he/she/it had complied with the terms of the Deed of Non-competition during the year ended 31 December 2025 and up to the date of this annual report for disclosure in this annual report (the "**Declaration**"). The Independent Non-executive Directors have reviewed the Declaration and the implementation of the Deed of Non-Competition during the year ended 31 December 2025 and up to the date of this annual report and confirmed that they are not aware of any non-compliance of the Deed of Non-competition by the Controlling Shareholders during the financial year ended 31 December 2025 up to the date of this annual report. The Independent Non-executive Directors had not been called to make any decisions in relation to any Restricted Business during the year ended 31 December 2025 and up to the date of this annual report.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, so far as our Directors are aware, the following persons had an interest or short position in the Shares or the underlying Shares as recorded in the register required to be kept under section 336 of the SFO or 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)	5.11%

Notes:

- The letter "L" denotes a long position in the Shares.
- 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.
- 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.
- 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.
- 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.
- 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 31 December 2025, the Directors are not aware of any other person (other than Directors and chief executives of the Company) 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.

REPORT OF THE DIRECTORS

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 913 full-time employees (2024: 909) in Malaysia. The Group recognises the importance of maintaining good relationships 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 support to new employees. During the Reporting Period, the Group had not experienced any significant problems with its employees save as those arising from ordinary course of business or disruption to the operations due to labour disputes, nor has the Group experienced any difficulties in the recruitment and retention of staff.

PERMITTED INDEMNITY PROVISION

Pursuant to Article 164 of the Company's Articles of Association, the Directors shall be indemnified out of the assets of the Company from liabilities which they may incur by reason of the execution of their duties, unless such indemnification provision is avoided by any provisions of the applicable laws of the Cayman Islands.

The Company maintains an insurance policy for directors' and officers' liability for the Reporting Period.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's revenue from any single external customer did not contribute 10% or more of the total revenue of the Group during the Reporting Period.

The aggregate purchases attributable to the Group's largest and five largest suppliers combined were approximately 11.7% and approximately 35.2% respectively of the Group's total purchases for the Reporting Period.

None of the Directors, their close associates, or any shareholder (who to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had, at any time during the Reporting Period, a beneficial interest in any of the Group's five largest suppliers.

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into a number of transactions with various connected persons of our Company for (i) the supply of F&B and other products to certain connected persons; and (ii) the purchase of F&B and other products from certain connected persons, which will continue following the Listing. These connected persons are entities wholly owned or majority-owned by the Controlling Shareholders and/or their spouses or companies controlled by them; and hence are associates of the Controlling Shareholders under Rules 14A.07(4) and 14A.13(3) of the Listing Rules upon Listing (collectively, the “**Entities Interested by the Controlling Shareholders**”).

On 11 July 2022, the Group has entered into a master supply agreement (the “**Master Supply Agreement**”) with various Entities Interested by the Controlling Shareholders, namely Megamart Sdn. Bhd., Just Relax Restaurant, Tropicana Food Garden, The Eight Th, JR Grill & Bistro, Pak Su Seafood Restaurant Sdn. Bhd., Owl Café and Mega Jaya Seafood Sdn. Bhd. (together, the “**Connected Purchasers**”) and certain businesses in the Private Group, for the provision of F&B products, including frozen food, cleaning and kitchen supplies, sauce and condiments and other products (the “**Continuing Connected Transactions**”).

The annual caps for each of the financial years are set out as follows:

Period	Annual Cap RM
Year ended 31 December 2022	7,000,000
Year ended 31 December 2023	7,200,000
Year ended 31 December 2024	7,500,000

On 11 September 2023, the Group has terminated the Master Supply Agreement and entered into a new master supply agreement (the “**New Master Supply Agreement**”) with various Entities Interested by the Controlling Shareholders, namely Megamart Sdn. Bhd., Just Relax Restaurant, Tropicana Food Garden, The Eight Th, JR Grill & Bistro, Pak Su Seafood Restaurant Sdn. Bhd., Owl Café, The 12 Th Kitchen & Bistro, The Nine Th, Theeleventh Bar & Bistro, Theten Th Pub & Bistro, The 13 Th Kitchen & Bistro and The Fifteenth Bar & Bistro, for the provision of F&B products, including frozen food, cleaning and kitchen supplies, sauce and condiments and other products.

The revised annual caps for each of the financial years are set out as follows:

Period	Annual Cap RM
Year ended 31 December 2023	10,500,000
Year ended 31 December 2024	12,500,000
Year ended 31 December 2025	14,500,000

During the Year, the transaction amount entered by the Connected Purchasers with the Group amounted to approximately RM8.72 million, which was within the annual cap for the Reporting Period.

REPORT OF THE DIRECTORS

The transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Further details of the Continuing Connected Transactions were set out in the section of "Connected Transactions" of the Prospectus.

On 14 July 2022, the Group entered into a master purchase agreement (the "**Master Purchase Agreement**") with certain Entities Interested by the Controlling Shareholders, namely, Megamart Sdn. Bhd., Just Relax Restaurant, The Nine Th, Owl Café, Mega Jaya Seafood Sdn. Bhd. (together, the "**Connected Suppliers**"), for the provision of F&B and other products and procured sales and marketing services. As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) with reference to the expected transaction amount of the continuing connected transactions under the Master Purchase Agreement are less than 5% on an annual basis and the expected annual consideration is less than HK\$3 million, the transactions under the Master Purchase Agreement constitute exempt continuing connected transactions of our Company under Rule 14A.76(1) of the Listing Rules, and are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. If the annual transaction amount exceeds the relevant threshold, the Company will comply with the Listing Rules where applicable.

The Company's auditor has been engaged to report on the Group's Continuing Connected Transactions in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board, and with reference to Practice Note 740 (Revised), Auditor's Letter on Continuing Connected Transactions, issued by the Hong Kong Institute of Certified Public Accountants. The Board has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules containing their findings and conclusion on the Continuing Connected Transactions of the Group, stating that the auditor did not notice anything that causes them to believe that any of the Continuing Connected Transactions (a) had not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Group for the Continuing Connected Transactions; (c) were not entered into, in all material aspects, in accordance with the relevant agreements governing the Continuing Connected Transactions; and (d) exceeded the relevant annual caps for the financial year ended 31 December 2025 with respect to the aggregate amount of the Continuing Connected Transactions.

The Independent Non-executive Directors have reviewed the Continuing Connected Transactions in accordance with Rule 14A.55 of Listing Rules and confirmed that up to the date of this annual report such transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the TAs on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group are set out in Note 27 to the consolidated financial statements.

The Master Supply Agreement and Master Purchase Agreement as disclosed in the section headed “Continuing Connected Transactions” in this annual report of the Directors constituted continuing connected transactions for the Company under the Listing Rules. Save as disclosed above, no other related party transactions as set out in Note 27 to the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed in this annual report in accordance with the requirements of Chapter 14A of the Listing Rules, and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association and there are no restrictions against such rights under the laws of Cayman Islands (being the jurisdiction in which the Company was incorporated), which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

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 Reporting Period and up to the date of this annual report. As at 31 December 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained sufficient public float as required under the Listing Rules during the Reporting Period and up to the date of this annual report.

CORPORATE GOVERNANCE CODE

Save for the deviation from code provision C.2.1 and C.6.1 of Part 2 of the CG Code, the Company has complied with required standards as set out in the CG Code during the Reporting Period.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairperson and the chief executive officer should be separated and should not be performed by the same individual. Mr. Soon See Beng (“**Mr. Soon SB**”) currently holds both positions. Mr. Soon SB 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 the business plans, the Directors (including the Independent Non-executive Directors) consider Mr. Soon SB as the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the 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 SB) and four Independent Non-executive Directors and therefore has a fairly strong independence element in its composition.

REPORT OF THE DIRECTORS

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. Lau Wai Piu Patrick (“**Mr. Lau**”) does not act as an individual employee of the Company, but as an external service provider in respect of the appointment of Mr. Lau as the company secretary of the Company. In this respect, the Company has nominated Mr. Soon SB as its contact point with Mr. Lau. While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, after having considered Mr. Lau’s experience in acting as the company secretary of other companies listed on the Stock Exchange, both the Company and Mr. Lau 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. Lau’s experience in company secretarial functions, the Directors believe that Mr. Lau has the appropriate company secretarial expertise for the purposes of Rule 8.17 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code as the Company’s code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all the Company’s Directors, the Company has ascertained that all of its Directors have complied with the required standards set out in the Model Code throughout the Reporting Period.

POST BALANCE SHEET EVENT

There is no other material subsequent event after 31 December 2025 and up to the date of this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company’s securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

AUDITORS

Crowe Malaysia PLT ("**Crowe**"), Chartered Accountants, Malaysia, has been appointed as the auditor of the Company (the "**Auditor**") with effect from 26 June 2024 upon the retirement of Mazars CPA Limited (now known as Forvis Mazars CPA Limited), Certified Public Accountants and Mazars LLP (now known as Forvis Mazars LLP), Public Accountants and Chartered Accountants (collectively "**Mazars**") at the conclusion of the annual general meeting of the Company held on 26 June 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 have been audited by Mazars. The consolidated financial statements of the Group for the years ended 31 December 2024 and 31 December 2025 have been audited by Crowe. Crowe will retire as the Auditor and, being eligible, offer themselves for re-appointment. A resolution for re-appointment of Crowe as the Auditor will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Mr. Soon See Beng

Chairman and Chief Executive Officer

Hong Kong, 27 March 2026

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders,

The Board of Directors is pleased to present the Group's sustainability report ("**Sustainability Report**") covering the financial year ended 31 December 2025 ("**FY2025**"). This Sustainability Report outlines the Group's progressive journey towards enhancing its sustainability disclosures and practices in line with the requirements of the Stock Exchange.

In FY2025, the challenging external environments were influenced by several factors including slower global trade, geopolitical tensions and tighter monetary policies. Additionally, unpredictable weather patterns and extreme climate conditions and increasingly stringent legal and regulatory requirements being imposed by various regulatory bodies globally further heightened these challenges.

The Board remains steadfast in its commitment to advancing sustainable practices across the Group to align with global expectations. The Board recognises the importance of environmental, social and governance ("**ESG**") in creating long-term value for our stakeholders and maintains its oversight of ESG matters.

As part of the Group's sustainability journey in FY2025, the Group focused on:

- (a) strengthening ESG practices, in particular, establishing key policies to address the previous year's gaps in the Group's sustainability practices and refining the data consolidation and monitoring process across the Group;
- (b) incorporated climate-related risks into the Group's risk register as a measure to enhance climate-related disclosures;
- (c) supporting a transition to low-carbon economy, the Group plans enhance use of renewable energy by installing additional solar panels at selected warehouses;
- (d) increasing training hours by prioritising our employees' needs;
- (e) ongoing efforts to maintain safe, high-quality products based on internationally accepted food quality standards; and
- (f) continued support for our local communities through our education and welfare initiatives.

We recognise that our businesses play an important role in the supply chain. We strive to do more and understand the need to minimise environmental impact, take our social responsibility seriously including looking after the welfare of our people and uphold the highest standards of integrity.

The Board is proud of the progress we have made over the year in integrating ESG considerations into the business strategy. The management team has reviewed, recommended and suggested the significance of the material matters and the proposed targets to prioritise during the year. The Group will continue to take steps on its sustainability journey with full speed ahead.

We would like to extend our gratitude to all our employees and stakeholders for your continued support in our sustainability journey. We look forward to more meaningful efforts towards a sustainable future for all.

Board of Directors

ABOUT THE REPORT

Our Sustainability Report provides an overview of the Group's progressive efforts, initiatives and performance on sustainability for the Group's operations in Malaysia.

Scope of the Report

The information provided in this Sustainability Report corresponds to the Group's operations for the period of 1 January 2025 to 31 December 2025. The last sustainability report was published in April 2025.

Reporting Boundary

The Sustainability Report focuses on the entities listed in our financial statements, namely, the Company, including its Malaysian subsidiary companies, Swang Chai Chuan Sdn Bhd, Swang Chai Chuan Seafood Sdn Bhd, SCC Marketing (Pahang) Sdn Bhd, SCC Marketing (M) Sdn Bhd, Chop Chin Huat Sdn Bhd, SCC Logistics Sdn Bhd and SCC Marketing (East Coast) Sdn Bhd.

Reporting Frameworks and Standards

This Report has been prepared in accordance with the ESG Reporting Guide as set out in the Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**HKEX**"). A content index is provided at the end of the report for ease of reference.

The preparation of this ESG report has applied the following principles of "Materiality", "Quantitative", "Balance" and "Consistency".

This Sustainability Report is published in English and in Chinese versions. If there are any discrepancies between the two versions, the English version shall prevail.

Feedback

We value any feedback from all our stakeholders and welcome your comments on the Sustainability Report to help us improve our sustainability performance. Please send your feedback to Chief Financial Officer, Mr. Kuek Swee Hock at sweehock.kuek@sccsb.com.my.

SUSTAINABILITY REPORT

OUR APPROACH TO ESG

ESG Governance

ESG Governance Structure

The Company is committed to strong ESG practices that reflect the Group's core values of integrity, inclusiveness, togetherness with a winning attitude to meet our stakeholders' expectations by embracing technology and innovation and talent capability. Having an effective ESG governance is essential for us to identify and address risks and opportunities, enhance transparency and accountability and to create long-term sustainable value for all stakeholders.

The Board of Directors' oversight is required in order for the Company to effectively implement its sustainability strategy and objectives. The Board is the highest governing body for the Company and has the ultimate oversight responsibility for the Company's ESG strategy, including climate-related risks and opportunities, reporting, and the setting of any key performance indicators ("KPI") or targets.

Board of Directors

- Formulate and monitor ESG strategy for the Group
- Set and monitor targets and KPIs on ESG material issues

Audit Committee

- Independent review of the risk management and internal control systems

Senior Management

Senior Management is responsible for overseeing ESG matters, including climate-related risks and opportunities, and performs the following functions:

- Review and ensure proper disclosure, compliance and reporting of ESG practices
- Report regularly to the Board on sustainability performance
- Make recommendations to enhance sustainability performance
- Oversee and provide direction to key personnel involved in sustainability efforts
- Assume responsibility for governance processes relating to climate matters, including delegation to relevant management-level positions or committees, with appropriate oversight and accountability
- Establish and implement controls and procedures to identify, assess and manage such risks and opportunities, and ensure integration with the Company's overall risk management and internal control systems

In line with the Group's commitment to improve its ESG practices, several policies have been developed and implemented to underpin the Group's dedication to advance its ESG journey. One of which, is the revised ESG Policy which outlines the Group's commitment and approach in identifying and assessing its ESG risks so that all of the Group's corporate activities and businesses are aligned for the long-term value for stakeholders.

Internal Controls and Risk Management

Risk management and internal controls are important components of ESG strategy and management, in order to assess and mitigate risks related to ESG factors.

The Board, through the Audit Committee, has the overall responsibility over the Group to ensure an effective system of risk management and internal systems be maintained to safeguard the Company's assets and shareholders' interests. The Audit Committee is responsible to assist the Board to provide an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

An effective risk management and process and internal controls are essential for the Company's long-term success and sustainability.

In preparation of enhancing the Group's operational resilience to climate change and ensuring support to the Task Force on Climate-Related Disclosures (TCFD) recommendations, the Company has taken into account climate-related risks within our risk management framework. Refer to Climate Change topic under this ESG Report for more details.

For more details on the risk management and internal controls of the Group, please refer to pages 36 to 38 of this annual report.

ESG FRAMEWORK

Material Matters

This year, we embarked on improving our ESG disclosures with new policies and a more systematic data collection process to have a better understanding on what and how to measure the Group's ESG performance.

SUSTAINABILITY REPORT

For the materiality assessment process, we performed an internal review of the existing material matters we reported on last year following the 'comply or explain' provisions in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange. Based on our assessment, we acknowledge that the material matters are still relevant to our business.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>Emissions</p> <ul style="list-style-type: none"> Use of Resources Energy Consumption Water Consumption Packaging Materials Waste Management Climate Change 	<p>Our People</p> <ul style="list-style-type: none"> Employment and Labour Practices Health and Safety Development and Training Labour Standards <p>Our Operations</p> <ul style="list-style-type: none"> Supply Chain Management Product Responsibility <p>Our Communities</p> <ul style="list-style-type: none"> Local Community 	<p>Upholding Good Governance</p> <ul style="list-style-type: none"> Compliance with laws and regulations Anti-corruption Whistleblowing Data Protection

For more clarity, we have repositioned our material matters under the Social and Governance topics under various headings. As our sustainability journey is an ongoing process, we will continue to review our material matters from time to time to align any changes in our business to reflect any environmental or social impacts and that substantially influence the assessments and decisions of our stakeholders.

STAKEHOLDER ENGAGEMENT

Stakeholders are essentially an individual or group that has an effect on, or is affected by the Company and its activities. Stakeholder engagement is defined as the process used by a company to engage with relevant stakeholders for a purpose to achieve the agreed outcomes. The Group has a wide range of stakeholder groups that are important for us. Our key stakeholders include shareholders and investors, customers, suppliers and business partners, government and regulatory bodies. This year we included our communities as part of our key stakeholder groups, as they play a crucial role to our business.

SUSTAINABILITY REPORT

Below is a list of our key stakeholders, the various methods of engagement used and how we responded to their concerns in FY2025:

Key Stakeholders	Methods of Engagement	Areas of Concerns	How We Responded
Shareholders and Investors	<ul style="list-style-type: none"> Annual Report Quarterly financial reports Annual General Meetings 	<ul style="list-style-type: none"> Overall financial position and performance of Company Dividend payout Good corporate governance 	<ul style="list-style-type: none"> Timely updates via announcements to the HKEX Uphold good corporate governance practices across the Group and supply chain
Customers	<ul style="list-style-type: none"> Meetings Emails Telephone discussions 	<ul style="list-style-type: none"> Affordable products and services Customer service 	<ul style="list-style-type: none"> Offer reasonable products and services
Suppliers/Business Partners	<ul style="list-style-type: none"> Telephone discussions Meetings 	<ul style="list-style-type: none"> Transparent procurement process 	<ul style="list-style-type: none"> Establishing Supplier Code of Conduct Ongoing supplier evaluation and assessment based on the established policies
Government/Regulators	<ul style="list-style-type: none"> Telephone discussions Workshops Training 	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Regular review and monitoring of licenses Full compliance with requirements
Employees	<ul style="list-style-type: none"> Meetings Emails Weekly assembly 	<ul style="list-style-type: none"> Career progression and upskilling opportunities Remuneration and benefits Work-life balance 	<ul style="list-style-type: none"> Annual performance appraisal Employee engagement activities
Communities	<ul style="list-style-type: none"> Ongoing support for community programmes 	<ul style="list-style-type: none"> Community welfare and continued livelihood 	<ul style="list-style-type: none"> Investment in education and welfare to improve community well-being

SUSTAINABILITY REPORT

Supporting the Sustainable Development Goals (SDGs)

In September 2015, all 193 United Nations member states adopted Agenda 2030, a plan to address global challenges through 17 goals and 169 targets, tackling issues such as economic inclusion, geopolitical instability, and climate change. Malaysia is committed to this agenda through its SDG Roadmap.

We fully support the SDGs, and recognise their strategic importance to our business and to the world.

As part of our commitment to sustainability, we have established programs to ensure we that operate sustainably and responsibly. Sustainability is embedded across all our business activities.

Several SDGs are relevant to our operation to varying degrees and we have already taken steps to contribute to multiple goals.

SUSTAINABLE DEVELOPMENT GOALS



ENVIRONMENTAL

related UNSDGs:



The world is in need of urgent climate action from all sectors. Global efforts in mitigating climate change are being accelerated. The Company acknowledges that it must do its part to minimise its environmental impacts on the environment and natural resources and find ways to manage the Group’s carbon footprint in its business and operations.

Applicable Laws
Environmental Quality Act 1974

Our Policies
ESG Policy
Health, Safety and Environmental Policy

Emissions

Guided by our updated ESG Policy, the Group is looking for ways to manage its greenhouse gases (“GHG”) emissions. GHG emissions are significant contributors to the warming of the planet, which lead to climate change. From our internal assessment, we identified that our transportation fleet (trucks and vehicles) contributes to the direct Scope 1 GHG Emissions. We use cold-facilities to store our products and to transport in cold-trucks temperature sensitive food products. Refrigerants are topped up as and when required for the air-conditioners and chillers during the maintenance period.

The Group does not have any penalties, fines or violated any environmental laws or regulations imposed on the Group in the Reporting Period.

We are presently conducting a review with our suppliers regarding the air-conditioner and chiller units used in the cold trucks and cold-storage facilities. This includes examining the quantity, unit types, leakage rates and refrigerants used, to help us assess the refrigerant emissions that contribute to the Group’s Scope 1 GHG emissions.

9 out of 13 warehouse facilities equipped with cold-storage

177 leased or owned trucks, out of which 118 are equipped with refrigeration

Since our first sustainability report, we have been reviewing our GHG disclosures on direct Scope 1, indirect Scope 2 and indirect scope 3 GHG emissions to identify appropriate measures and initiatives to reduce our GHG emissions. The Company aims to reduce its indirect Scope 2 GHG emissions by 5% by 2030, as compared to the baseline year of FY2023.

The overview of the Group’s GHG emissions in tonnes of CO₂-eq over the last 2 financial years are as follows:

	FY2025	FY2024
Direct Scope 1 GHG emissions (tonnes CO ₂ -eq) ^(a)	3,120.86	2,366.85
Energy Indirect Scope 2 GHG emissions (tonnes CO ₂ -eq) ^(b)	3,240.08	3,651.85
Other Indirect Scope 3 GHG emissions (tonnes CO ₂ -eq) ^(c)	1,435.01	1,442.48
Total GHG Emissions (tonnes CO₂-eq)	7,795.95	7,461.18

Notes:

- (a) Scope 1 direct emissions generated from combustion of fuels in mobile sources, i.e. from our vehicles in our transportation fleet and forklifts, is calculated using the following calculation GHG tonnes CO₂-eq Emissions = Emission Factor of 2.614 (Diesel Oil) x Total Amount of Diesel Consumed over 1,000. The Scope 1 direct emissions excludes the refrigerant emissions generated from our cold trucks and our cold facilities. We are still in the midst of working with our suppliers to compile the relevant data. This process has taken longer than expected to ensure accurate data is collated. Diesel emission factor data according to GHG emission from fuel type, mobile combustions sources in Hong Kong Exchange “How to Prepare an ESG Report”, “Appendix 2: Reporting Guidance on Environmental KPIs” https://www.hkex.com.hk/~/media/HKEXMarket/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/step_by_step.pdf.
- (b) Scope 2 indirect GHG emissions generated from electricity purchased from the power company for our facilities in Malaysia, is calculated using the latest published rates by the Malaysian Energy Commission.
- (c) Scope 3 indirect GHG emission arise from business activities that are not owned or directly controlled by the company but occur within the value chain. These include business travel, employees commuting, third party logistics, upstream and downstream transportation and other indirect source. Currently, our calculation covers only business travel emission, which we calculate based on the fuel expenses, converting the cost into liters and applying the emission factor of 2.36.

Use of Resources

related UNSDG



Energy Consumption

Electricity Consumption

At the Group, purchased electricity, solar generated energy and fuel are the main sources of our energy consumption. Our warehouses and the offices consume electricity, which is purchased from the local utility supplier, namely Tenaga Nasional Berhad. As part of the Group's ongoing efforts to reduce its energy usage, the following measures have been carried out over the years in various facilities:

- Installation of energy saving bulbs
- Automatic light sensors
- Replacing energy intensive equipment using diesel to electric machinery such as forklifts
- Installation of solar rooftop panels in several warehouses

Our performance in FY2025

The total purchased electricity for FY2025 was 4,274,511 kWh, a decrease from 4,817,746 kWh in FY2024. This improvement is attributed to enhanced solar energy utilisation and the continued implementation of energy efficiency and power-saving measures within our operations.

Solar Power

We rely on renewable energy from solar power generated from solar rooftop panels installed at our warehouses in Kuantan, Puchong, Kota Bharu, Kuala Terengganu, Alor Setar and Mentakab to partly power their facilities with solar energy.

The total solar power generated for consumption in FY2025 is 1,329,117 kWh, which has increased as compared to 978,057 kWh in FY2024.

Fuel Consumption

The Group has its own logistics operations which operates a fleet of its own or leased transportation vehicles. We use diesel for our trucks and forklifts used in our facilities and track the fuel consumption using fleet fuel cards.

- As at 31 December 2025, we operated 177 number of vehicles comprising of mainly heavy goods vehicles, several light and very heavy goods vehicles; and
- Vehicles owned by our sales team used for business travel are provided with fuel cards to track petrol consumption for business travel.

By tracking the fuel consumption, we are able to identify areas we can minimise our environmental footprint. We presently focus our route planning through manual methods. This involves engaging with our customers to coordinate return of goods post-delivery. To improve route planning efficiency, the Company is collaborating with a third-party vendor to advance route planning into our operations. This integration will allow our staff to redirect their focus on other critical areas. We are exploring electrification of several of our transportation vehicles for our shorter routes as part of our commitment to sustainable practices.

The total fuel consumed by our own trucks in FY2025 is 1,193,903 litres, which is an increase from the 905,451 litres consumed in FY2024. This was mainly attributable to higher logistics demand in line with business growth and increased sales. Nevertheless, ongoing initiatives such as route optimisation and improved fleet utilisation have helped mitigate fuel consumption growth.

In addition to our logistic fleet, petrol consumption by staff for business travel decreased slightly in FY2025 to 608,053 litres, compared to 611,220 litres in FY2024. The company continues to monitor fuel usage closely and is exploring fuel-efficient alternative to reduce overall energy consumption.

Total Energy Consumption

	FY2025	FY2024
Total Energy Consumption (kWh)	23,119,594	20,446,450
Total Energy Consumption (MWh)	23,119.59	20,446.45
Energy Consumption Intensity ^(a)	0.024783	0.022395

Notes:

(a) *Energy consumption intensity is calculated based on the total energy consumption in kWh over the total revenue for the Group in the consumption financial reporting year.*

The overall energy consumption in FY2025 experienced an increase, correlating with the rise of our fuel consumption. The Group aims to reduce its energy consumption intensity by 5% by 2030, from the baseline year of 2023.

SUSTAINABILITY REPORT

Water Consumption

related UNSDGs



Water is an important natural resource. We value the use of water in our value chain, which is mainly used in the factories, warehouses for the toilets and in the production facilities at SCCM. While the Group’s operations are not water-intensive, we remain committed to promoting water conservation. We focus on raising employee awareness about proper water management practice across our facilities through poster such as reminder to turn off taps after using. It is also important to note that the water tariffs may differ from state to state in Malaysia, due to the different tariff structure in each state.

We recognise the importance of improving our understanding of water conservation practices to effectively prioritise areas where we can enhance efficiency and reduce consumption to minimise any environmental impacts from our operations and efficiently use the natural resources. Our water usage is monitored from the monthly billing invoices, sourced from our local water supplier in each of the areas where we operate from. The Group has not faced any significant issues in sourcing water that is fit for purpose in the areas where we operate in.

	FY2025	FY2024
Total Water Consumption (m ³)	24,145	24,716
Water Consumption Intensity	0.000026	0.000027

Note: Water consumption intensity is based on the total water consumption over the total revenue for the Group in the respective financial reporting year.

The total water consumption for the Group in FY2025 is 24,145 m³, a slight reduction as compared to 24,716 m³ consumed in FY2024 with improved water conservation practices adopted by the respective employees. Employees are encouraged to conserve water through the use of signage, reminding them to turn off taps and be mindful of water usage. With effective water conservation measures, the Company aims to reduce the Group’s water consumption by 5% by 2030, from the baseline year of FY2023.

Packaging Materials

related UNSDGs



Since 2007, the Company has marketed its own brand of products under “CED”, mainly for specialty products and “Mega” (which was later rebranded as Mega Fresh), for frozen food products such as French fries and chicken nuggets. Subsequently, under the Company’s subsidiary, SCCM, we established our own brand, “Mega Food”, to provide dairy products. The raw materials are packaged and bottled at our Puchong processing facilities. Additionally, frozen foods under our white labels are packed at our Kuantan facility. The Group procures a variety of packaging materials from third-party suppliers for its own products. Primary packaging options encompass plastic bottles, bags, plastic pails, glass jars and caps. Secondary packaging materials utilised include shrink wrap, cardboard boxes, PET/LLDPE plastic, PP bags and cap seals.

During the year, we collated and reorganised our data collection for better understanding of what types of packaging materials are being used to package our own products. We identified that most of our packaging materials used are environmentally friendly and recyclable.

We also initiated tracking the quantity and types of packaging materials utilised in our finished products. FY2023 was the first time we are reporting on the number and types of packaging materials used.

The following is the breakdown of the packaging materials used in last 2 financial years by type:

Types of Packaging Materials	FY2025 Total (tonnes)	FY2024 Total (tonnes)
Primary Packaging		
Plastic bottles and bags	35.43	39.88
Laminated bags	25.71	35.07
Caps	5.86	6.49
Plastic pails	3.68	2.74
Secondary Packaging		
Cardboard boxes	136.35	147.35
PET/LLDPE plastic	19.71	34.22
Cap seals	0.34	0.35
Shrink wrap	0.01	0.01
	227.09	266.11

Our performance in FY2025:

The total weight of the packaging materials used by the Group in FY2025 amounted to 227.09 tonnes, a decreased from 266.11 tonnes in FY2024. This improvement reflects the Group’s initiatives to enhance packaging efficiency, including material reduction, optimisation of packaging design, and efforts to minimise waste.

SUSTAINABILITY REPORT

Waste Management

related UNSDGs



We are guided by our ESG Policy to minimise generation of hazardous and non-hazardous waste from our businesses and operations.

- | | |
|--|--|
| Types of Waste Generated from Warehouses and Operations | <ul style="list-style-type: none">• Excess or damaged packaging materials• Cardboard boxes• Sugar drums• Gunny sacks• Plastic bottles• General waste• Food Waste (from damage or expired food) |
| How the different waste generated on sites are managed and handled | <ul style="list-style-type: none">• Engage licensed contractors for a fee to collect recyclable waste• Non-recyclable waste or general waste is collected by the local waste collector authorised by local council |

Waste generated in the warehouse facilities and operations are generally non-hazardous waste. Hazardous waste or “Scheduled Waste” generated in the operations must be managed and controlled in accordance with the Malaysian Environmental Quality Act 1974. However, the Group does not generate any significant hazardous waste in our facilities. For food waste which are expired or damaged, the Group may dispose these products upon request from the respective suppliers. We assist the suppliers to dispose them at the landfills to be sprayed and disposed to avoid any contamination.

The Company has taken steps during the reporting year to measure and record non-hazardous waste generated under SCCM in Puchong and warehouses in Kuantan. We plan to continue monitoring our waste management practices and where feasible, we will set the appropriate targets and measures for any reduction of waste.

Our performance in FY2025

A total of 8.40 tonnes of non-hazardous waste was generated in FY2025 from warehousing, production and packaging activities related to the Group’s own brand products, representing an increase from 4.96 tonnes in FY2024. This figure excludes damaged food waste disposed of on behalf of suppliers. The increase was primarily attributable to expired food products from the Group’s own brands, which is considered part of normal business operations. The Group will seek to improve production planning and inventory management to minimise food waste in the coming years.

Climate Change

related UNSDGs



Climate change is one of the most pressing global concerns and planet crisis we are all facing today. The Company recognises its own environmental responsibility as part of the global efforts, to combat climate change. The Group is progressively aligning its climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”), covering the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets.

Our ESG Policy

To minimise significant impacts on the environment and natural resources

GOVERNANCE

The Board has overall oversight of climate-related risks and opportunities as part of the Group’s ESG governance framework. The Board reviews the Group’s practices, policies, procedures, strategies and reporting relating to ESG to ensure alignment with the Group’s strategic objectives.

Senior Management supports the Board in monitoring and managing climate-related risks and opportunities, including the implementation of relevant processes and reporting mechanisms.

Further details on the Board’s oversight and Management’s roles and responsibilities are set out in the section “**ESG Governance**” of this Report.

STRATEGY

The Group recognises that climate change presents both risks and opportunities that may impact its business operations, value chain and financial performance.

Climate-related risks and opportunities have been incorporated into the Group’s risk register since FY2023, in line with the Group’s overall risk management strategy. The Group is progressively identifying and addressing these risks and opportunities across its operations.

Climate-Related Risks

Physical Risks

Physical risks such as floods and extreme heatwaves may disrupt the Group’s operations and logistics network. For example, higher temperatures may affect the quality of temperature-sensitive products during transportation and storage.

SUSTAINABILITY REPORT

Transition Risks

Transition risks may arise from evolving regulatory requirements, including potential changes in climate-related policies, which may increase compliance and operational costs. In addition, shifts in market preferences towards environmentally-friendly products may require the Group to adapt its operations and product offerings.

<p>Physical Risks <i>associated with physical impact of climate change</i></p>	<p>Disruption to operation due to flood</p> <p>Extreme heatwave could affect melt rate and food quality when travelling from factory to retailers due to changes in temperature</p>
<p>Transition Risks <i>associated with global shift to a lower-carbon economy, such as changing regulations and policies and reducing GHG emissions</i></p>	<p>Potential changes by the Malaysian Government may implemented on climate policies. There is compliance cost and increase in operational costs.</p> <p>Shift in market preference may lead to more customer demanding environmentally-friendly products.</p>

Climate-Related Opportunities

The Group also recognises opportunities arising from the transition to a low-carbon economy. These include improving energy efficiency and increasing the use of renewable energy in its operations.

The Group has installed solar panels at selected warehouse facilities to generate renewable energy for internal consumption. This contributes to reducing reliance on grid electricity and lowering Scope 2 GHG emissions. Further details are disclosed under the section “**Energy Consumption – Solar Power**” of this Report.

In addition, the Group continues to implement energy efficiency measures across its operations to optimise energy usage and reduce emissions.

The Group has conducted a preliminary qualitative assessment of climate-related risks and opportunities. However, detailed scenario analysis and quantification of financial impacts, including impacts on financial position, financial performance and cash flows, have not yet been undertaken. The Group will progressively enhance its assessment as its data and processes mature.

RISK MANAGEMENT

Climate-related risks and opportunities are managed as part of the Group's overall risk management framework.

The Board, through the Audit Committee, oversees the identification, assessment and monitoring of ESG-related risks, including climate-related risks and opportunities, and ensures the implementation of appropriate risk management and internal control systems.

Climate-related risks have been incorporated into the Group's risk register, and the Group is in the process of enhancing its processes to systematically identify, assess, prioritise and monitor such risks and opportunities, and to strengthen integration with its overall risk management framework.

Further details on the Group's risk management and internal control processes are disclosed in the section "**Internal Controls and Risk Management**" of this Report.

METRICS AND TARGET

The Group monitors climate-related performance using key environmental metrics, with a current focus on greenhouse gas ("**GHG**") emissions.

GHG Emissions

The Group measures and discloses its GHG emissions across Scope 1 (direct), Scope 2 (energy indirect) and selected Scope 3 (other indirect) emissions. These emissions primarily arise from fuel consumption, electricity usage and selected value chain activities.

Details of the Group's GHG emissions performance, including the relevant data and methodologies, are disclosed under the section "**Emissions**" of this Report.

Climate-Related Targets

The Group has set a target to reduce its indirect Scope 2 GHG emissions by 5% by 2030, using FY2023 as the baseline year.

The Group will continue to enhance its GHG inventory and monitoring processes to support the development of more comprehensive climate-related targets over time.

Other Climate-Related Metrics

The Group has not yet incorporated climate-related considerations into capital allocation processes, internal carbon pricing mechanisms or remuneration policies. These areas will be reviewed as part of the Group's ongoing development of its climate-related strategy and governance framework.

SUSTAINABILITY REPORT

SOCIAL

People are our greatest assets and are the driving force in ensuring the Company's long-term development and success. We are committed to maintain a healthy, safe and conducive work environment.

Our People

Employment and Labour Practices

related **UNSDG**



We strictly abide by the Malaysian employment laws and regulations in all our human resources practices and management. The Group is also guided by its Human Resource and Internal Control Policy on Human Resources ("HR"), which provides an overview of the Group's standardised HR practices and procedures, which all employees are expected to abide by irrespective of position or function.

Human Resource Internal Control Policy

- Recruitment
- Termination & resignation
- Payroll process
- Performance review
- Other administrative functions

Recruitment Process

Our recruitment process primarily involves sourcing for candidates through our website, posting for vacancies in the open market via recruitment advertisements in newspapers or on employment websites. Upon selection, new employees undergo a probation period, following which, their employment will be converted to full-time employee, at the Company's discretion. For specific roles such as lorry drivers for our trucks, medical check-ups are required as only drug-free drivers will be recruited.

Performance Review

To assess the performance of each individual, we have in place a structured annual performance review process which is carried out via an open communication channel for each employee to initiate with their supervisors. This review process is an opportunity to discuss job tasks, KPI settings, identify and correct weaknesses and recognise strengths, and discuss positive, purposeful approaches for meeting goals.

We have refined our HR data collection and monitoring mechanisms to align our disclosures more closely with the HK ESG Reporting Guidance on Social KPIs. Further, the breakdown of the data provided below on the workforce is now consolidated for the Group instead of individual companies in each of the topics for easier reference.

Total Workforce

Our performance in FY2025

As at 31 December 2025, the Group's total workforce is **913 employees**, of which **34% (309) are female** and **66% (604) are male** employees. The total workforce in FY2025 has marginally increased as compared to 909 employees in FY2024, with 34% female and 66% male composition.

Women represent 31% of the senior management within the Group, with 67% women from the total workforce occupying executive roles.

The following provides the breakdown of our Group's workforce in Malaysia:

Total Employees by Age Group	FY2025 (no.)	FY2024 (no.)
Below 30	326	340
30 to 50	513	505
50 and above	74	64

Total Employees by Employment Type	FY2025 (no.)	FY2024 (no.)
Permanent/Full-time	892	897
Contract	17	11
Interns	4	1
Total	913	909

As the Company is a holding company, it does not have any employees since its incorporation. All our employees in the Group are employed and based in our operations in Malaysia hence, we currently only measure the total workforce data in Malaysia and not by geographical regions.

SUSTAINABILITY REPORT

Employee Turnover Rate

Our performance in FY2025

As at 31 December 2025, the Group's turnover rate reported at 3%. The turnover rate by gender, for female is 4% and male at 3%. The Group's turnover rate for FY2024 is 4%, comprising of 4% turnover rate for male and 3% for female employees. The vacant positions were quickly replaced during the reporting year. The primary reason cited for leaving the Company was to pursue alternative career opportunities.

The following is the breakdown of the turnover rate for the Group in Malaysia by age group:

Turnover Rate by Age Group	FY2025 (%)	FY2024 (%)
Below 30	4	4
30 to 50	3	4
50 and above	2	3

As the Company is a holding company, it does not have any employees since its incorporation. All our employees in the Group are employed and based in our operations in Malaysia, hence, we currently only measure the turnover rate in Malaysia and not by geographical regions.

The Company is not aware of any material non-compliance of any employment laws and regulations that have a significant impact on the Group.

Employee Engagement Activities

We strive to promote a conducive workplace for our employees, where our employees can forge meaningful relationships and thrive.

In Kuantan, all the employees are required to attend a weekly assembly whereby the senior management will provide updates on the Company's news and plans to foster a closer and open communication amongst the workforce.

To further foster our family friendly relationship between the management and the employees, all our employees are gifted with an annual "Ang Pow" during each Chinese New Year festivities. We also engaged a lion dance performance during the Reporting Period at our Kuantan headquarters.

During the Hari Raya festive season, we organised a Hari Raya Feast, bringing together employees across the organisation to celebrate in a spirit of inclusivity, unity, and cultural appreciation. The event provided an opportunity for colleagues to connect and strengthen relationships while enjoying a shared meal.

In recognition of employees' valuable contributions, the Company organised a Gala Dinner as a token of appreciation. The event brought together employees across the organisation to celebrate achievements and strengthen camaraderie. The evening featured lucky draws and performances, creating an engaging and inclusive atmosphere.



Chinese New Year festive celebration



Hari Raya Feast



Swang Chai Chuan Gala Dinner 2025



Chop Chin Huat Gala Dinner 2025

Health and Safety

related UNSDGs



Workplace safety is a constant operations priority. At all our operations across Malaysia, we are committed to a safe and healthy working environment. The Company complies with the Malaysian Occupational Safety and Health Act, 1994 (“**OSHA**”) and is guided by the Group’s Health, Safety and Environmental Policy. The Health, Safety & Environmental Policy outlines the Group’s commitment to prioritise health and safety and for all workers to be responsible to identify, assess and eliminate work-related hazards.

Each of our employees must be familiar with safety procedures and policies in the course of their employment. Training is provided on work safety laws and regulations to familiarise and remind employees of the importance of and correct practices for health and safety in the workplace. During the year, we had organised a OSHA training to further strengthen our safety culture.

Our internal work safety guidelines and measures taken in our warehouses and production facilities include:

- Safety signages across all sites to create awareness and reminders;
- Mandated attire for those assigned at different locations at each of the facilities. For example, to wear proper work uniform, layered clothing, gloves with gripping adhesives and steel boots with non-slip soles for employees working at the cold storage facilities; and
- Mandated training on occupational health, safety and hygiene to meet the regulatory requirements.

Emergency contact numbers are also clearly placed for any medical assistance if an emergency occurs. While there are no medical facilities on our premises, we provide access to medical kits and have nearby clinics to ensure immediate medical attention is available.

As required under OSHA, that every employer shall establish a safety and health committee where there are 40 or more persons who work at the place, the Group has in place Safety Committees for its headquarters in Kuantan and several of its warehouses in Bukit Minyak, Seremban, Johor Bahru, Kota Bharu, Kuala Terengganu, Kuantan, Mentakab and Puchong across Malaysia. The Safety Committee’s main function is to review safety and health measures and investigate any related matters.

SCCSB’s administration and Human Resources team record and follow-up on any injuries of the Group’s employees. The Group will continue to address health and safety as an integral aspect of our business processes. We will continuously review and monitor the adequacy of the Group’s safety governance including evaluating the potential implementation of an occupational health and safety management system to enhance the processes to eliminate hazards and minimise risks. The Group has had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

Our performance in FY2025

- No work-related fatalities/Zero rate of work-related fatalities
- No work-related injuries
- No recorded number of lost-days as a result of work injuries

Development and Training

related UNSDGs



We believe that all our employees must be given access to training to improve their knowledge and skills irrespective of their positions, to discharge their duties at work and for career development. Although no structured training programmes have been formalised yet, the Company provides opportunities for our employees to undertake the necessary training to upskill or support their respective roles.

In FY2025, our employees attended training and development courses both internally and externally on various topics. Training covered topics on financial reporting, budget innovation and planning, soft skills, health and safety and Excel skillset development. For new employees, our onboarding process provides orientation training on the overall business operations, on site production advice and on-the-job coaching aimed to assist them with the right skill sets to perform their roles.

Our performance in FY2025

- Employees received a total of **2,592** hours of training in FY2025, representing a significant decrease from **7,863** hours in FY2024. Several company-wide training programmes in 2025, including Anti-Bribery and Anti-Corruption and training on the new accounting system, were incorporated into both onboarding and on-the-job training.

Total Employees Participated in Training	FY2025 (%)	FY2024 (%)
Male	55	52
Female	45	48
Total	100	100

Training by Employee Category	FY2025 (%)	FY2024 (%)
Senior Management Executive	15	10
Executive	9	14
Non-Executive	75	76

Average Training Hour per Employee	FY2025 (hours)	FY2024 (hours)
Male	2.12	5.34
Female	4.25	15.09
Per Employee	2.84	8.65

Average Training Hour by Employee Category	FY2025 (hours)	FY2024 (hours)
Senior Management	15.42	23.95
Executive	8.43	29.90
Non-executive	1.76	6.59

SUSTAINABILITY REPORT

Labour Standards

During the reporting year, the Company undertook measures to update its ESG Policy to include the Group’s commitment to:

- prevent child and forced labour;
- uphold principles outlined in the United Nations Guiding Principles on Business and Human Rights; and
- promote fair and decent working conditions for its workforce based on the principles set by the International Labour Organisation.

We are committed to take the necessary measures to eliminate any such practices that do not align with our labour standards. Although the Group engages third parties to source foreign labour to work at the warehouses and facilities, we ensure the work permits are all in order for them to work for the Group.

In FY2024, as part of our ongoing efforts in our ESG journey, we adopted a Supplier Code of Conduct. The Supplier Code lays down the expectations for acceptable conduct that is expected of all contractors, consultants, suppliers, vendors and other third parties. Suppliers are expected to amongst others, to carry out their businesses with ethical standards, treat workers in compliance with labour laws and standards including no child labour or engage in the use of forced labour.

Our performance in FY2025

- The Group is not aware of any material non-compliance of any employment laws and regulations that have a significant impact on the Group.
- As far as the Company is aware, no significant risk has been identified for incidents of child labour or forced labour in the Group’s operations.

Our Operations

Supply Chain Management

related UNSDGs



We maintain a diverse base of suppliers that includes both international and local brand owners and distributors. Our Procurement Policy outlines the procurement processes and sourcing strategies to ensure that the services and goods acquired are the result of transparent, objective, time and cost-effective decision and risk management practices across our supply chain.

Our Policies

- Procurement Policy
- Supplier Code of Conduct

We select, evaluate and assess our suppliers based on their:

Industry experience

Reputation

Cost-effectiveness

Additionally, we conduct due diligence on the suppliers, requesting supporting documents such as health certificates, inspection reports and other relevant specifications relating to the products before completing any purchases from them. For existing suppliers, similar evaluation and assessment are applied from time to time to assess their performance. The selection process also takes due consideration to manage a pre-identified risk of the acquisition and any potential risks by the end-users.

We also monitor our existing suppliers by conducting an annual evaluation to allow us to manage suppliers who can deliver on time, provide parts and products and remain competitive in price. The suppliers must be evaluated for timeliness of deliveries, quality of parts and products, competitiveness of the terms and conditions, completion of work, reputation level of research and development, response times on faults and queries to ensure quality of the product is maintained.

We source honey, peanut butter, sugar, oats, salt and beans from overseas suppliers for our own brand of products. We may from time to time conduct assessment at the supplier's site as part of the Group's supplier assessment process.

We manage a comprehensive list of approved suppliers, classified as trading and non-trading suppliers. Trading suppliers primarily include those suppliers who have entered into Distributorship Agreements with any of the companies in the Group or those who supply the stock, raw materials and packaging materials. Non-trading suppliers encompasses all other suppliers not classified as trading partners, such as maintenance services, freight forwarders or office supplies.

Our performance in FY2025

Our Group engaged with a total of 367 suppliers from its master list of suppliers, of which 165 were trading suppliers and 202 were non-trading suppliers.

SUSTAINABILITY REPORT

The following is the breakdown of the total number of the suppliers by geographical regions at the end of 31 December over the last 2 financial years:

Regions	FY2025 Total	FY2024 Total
Malaysia	324	484
Australia	2	3
Belgium	1	1
China	23	17
Denmark	1	1
India	6	3
Indonesia	1	0
Netherlands	3	3
New Zealand	1	1
Thailand	2	2
Turkey	1	1
UK	1	0
Vietnam	1	0
Total No. of Suppliers	367	516

We have yet to include the environmental and social risks criteria into our supplier selection and assessment processes. We will continue to review our policies and practices, including green procurement, in more detail to address any enhancements that need be updated across our supply chain.

In FY2024, as part of our ongoing efforts in our ESG journey, we adopted a Supplier Code of Conduct. The Supplier Code of Conduct outlines a framework for acceptable conduct that is expected of all contractors, consultants, suppliers, vendors and other third parties. Suppliers are expected to carry out their businesses with ethical standards, treat workers in compliance with labour laws and standards including no child labour or engage in the use of forced labour, comply with all safety and health standards and regulations, as well as adhere to environmental laws and practices in their business practices.

Product Responsibility

related UNSDG



Apart from our distribution and warehousing operations, we have developed our own major brand of products under the brands, “CED”, “Mega Fresh”, “Mega Foods”, “Sayangku” and “Snowcat”. The range of products under these brands include honey, peanut butter, sugar, soy milk, salt, oats, organic beans, fries, nugget, sliced cheese, butter and pet food.

Our Policy and Procedures

Food Safety Policy

Food Safety Manual

SCCM has in place a Food Safety Manual which incorporates the ISO 22000, GMP and HACCP principles, and in accordance with other legal and statutory requirements such as Malaysian Food Act 1983 and Food Hygiene Regulations 2009. The Executive Director of the Group is ultimately responsible for overseeing and managing food safety, including efforts to manage risk and ensure compliance with applicable laws and regulations.

In addition, we maintain HALAL certification, issued by the Department of Islamic Development Malaysia (JAKIM) and the Islamic Religious Council, on some of our products that qualify as halal food, which means food that is manufactured, sold or to be consumed in accordance to Islamic laws. The certification covers a list of food products distributed under SCCM and SCC Seafood.

In FY2024, as part of our ESG commitment in reducing health risk from contaminated food while ensuring authenticity and safety, we successfully passed the strict testing process conducted by the Ministry of Health and obtained a Certificate of Authentic Honey for the honey product distributed by our Group.

The following certifications are in place under SCCM as at 31 December 2025 in respect of its manufacturing practice and food management system:



SIRIM
Good Manufacturing Practice (GMP) for food



SIRIM
Food Safety According to HACCP System (Second Revision)



SIRIM
Food Safety Management Systems – Requirements for any Organisation in the food chain



HALAL certification, issued by JAKIM and the Islamic Religious Council



Authentic Food Certificate, issued by Ministry of Health Malaysia

The Group has adopted the necessary standards to ensure food management and operations are managed effectively and will continue to take steps to ensure a food safety culture is embedded as an integral part of our operations.

SUSTAINABILITY REPORT

The Group's Intellectual Property

Under the Group's own brand of products, SCCM has registered the following trademarks:



Our registered trademarks help customers recognise and identify our products over others. We either work with suppliers to make and package our products, such as pet care and frozen food or package the raw materials such as honey and salt at our processing facilities.

Our performance in FY2025

During the year under review, the Group did not receive any notice of any claims of infringement of any intellectual property rights that may be threatened or pending in which the Group may be involved either as a claimant or respondent.

Customer Complaints

Currently, we monitor complaints received from customers who purchase our own brand of products. For third party products, any complaints are dealt with directly with the principal suppliers.

Our customers include:

- hypermarkets, supermarkets, provision shops, convenience stores and kiosks
- school canteens, hotels, restaurants, café, F&B dealers and merchandisers; and pharmacies, bakery ingredient shops and pet shops

Complaints received mainly, via:

- email
- telephone calls
- Social media messenger

For third party products: Sales team and customer service handle general enquiries and product returns

For own products: SCCM sales representatives review the complaints received. SCCM marketing team investigates and work with the sales team to manage the issues promptly.

The complaints received are generally on product quality, for instance, oil separation issues, weevils in oat products or crystallisation of honey.

Our performance in FY2025

The Group, via SCCM, received 8 complaints, which were generally settled within 10 working days. The number of complaints has reduced in FY2025 as compared to the 14 complaints received in FY2024.

Quality Assurance and Product Recall

We abide by our established food safety and quality assurance control policies and procedures. While our Group is not involved in the manufacturing of the products we distribute by our Group except for the frozen seafood or meat that are cut or repacked by us or the raw materials processed at our facilities in Kuantan and Puchong, we are committed to deliver our products to our customers in accordance with the relevant health and safety standards, licensing requirements and quality assurance measures.

SUSTAINABILITY REPORT

Below is an overview of the protocols our teams are guided by, from sourcing of raw materials to the distribution operations, to maintaining the high standards in our businesses:

- (a) The procurement team conduct evaluations and assessments of potential suppliers to ensure that all purchases of products or raw materials are aligned with our Procurement Policy.
- (b) To ensure proper receipt and management of products at our warehouses, the Group has implemented an Inventory Internal Control Policy detailing procedures and guidance on inventory control to prevent any losses or shortages.
- (c) At our warehouses, all products undergo physical inspection upon arrival for expiry dates, quantity and appearance to meet our internal requirements. We ensure that they are properly packaged and in good condition for sale. Damaged, unsold returned or expired products are either disposed or returned to the supplier depending on the principal supplier's requirements.
- (d) Our products are sorted and categorised based on storage needs, including recommended temperatures and stored in designated storage areas in our warehouses. For our cold storage facilities and cold chain logistics, we collaborate with external third-party vendors to regularly inspect, repair and service these facilities and trucks. This ensures that the quality of frozen food and dairy products are stored at the appropriate temperatures, minimising any prolonged or significant downtime from major or unexpected breakdowns. Our cold storage and refrigerated trucks are professionally calibrated to our specifications, with calibrations certificates valid for 1 year.
- (e) We closely monitor and evaluate our warehouse and logistic service providers' performance to ensure that our products are properly stored, managed and delivered in optimal conditions.
- (f) In our processing facility in Puchong, raw materials are sent to external laboratories for testing and quality assurance purposes. The testing frequency is determined by the type of raw materials undergoing the testing and evaluation.

Our performance in FY2025

Our Group is not aware of any incident of non-compliance with any relevant laws and regulations or any material product recall relating to any health and safety reasons in respect of the use of the Group's products and services including the supply of products from our suppliers.

Our Communities

Local Community

related UNSDGs



As a Group, we are committed to giving back to our communities through our annual social responsibility initiatives and sponsorship activities to promote education and welfare activities for our communities in the nearby areas of Kuantan and Puchong in Malaysia.

In FY2025, we continued to provide scholarships to deserving students to pursue their higher education in their respective courses. Each student received financial support to partially fund their degree programme. In exchange for the scholarships, the students are required to join SCC and remain in its employment for at least 1 year. In addition, SCC provided donations to the following organisations in Malaysia:

- Pahang Buddhist Association Hemodialysis Centre
- Sekolah Jenis Kebangsaan (Cina) Pei Chai
- Sekolah Jenis Kebangsaan (Cina) Kong Min Kuantan
- Sekolah Jenis Kebangsaan (Cina) Semambu
- Sekolah Jenis Kebangsaan (Cina) Chung Ching 2
- Sekolah Jenis Kebangsaan (Cina) Kuang Hwa
- Tokong Toh Guan Tien, Kuantan
- Persatuan Sukan, Kebajikan dan Kebudayaan Anggota Bomba (Paskab) Mentakab
- Cheerleading Association and Register of Malaysia (CHARM)

SUSTAINABILITY REPORT

Separately, the Company was also serve as a sponsor to promote the Youth Cheerleading in the country and participated in product donations to the community during the month of Ramadhan to foster a sense of community support and togetherness.



Our performance in FY2025

The Group contributed a total of RM157,185 as part of its community investments. We are committed to enhancing our efforts in the area of contributions, aiming to optimise the utilisation of our resources with greater alignment on the needs and interests of our local communities.

GOVERNANCE

related UNSDG



Upholding Good Corporate Governance

The Company is committed to conduct all its business activities with the highest standards of integrity and ethical business standards in accordance with all applicable laws and regulations where the Company has presence and operations in.

Further details on the Group's corporate governance practices are outlined in the Corporate Governance Report on pages 19 to 40 of this annual report.

Our Policies

- Anti-Bribery and Anti-Corruption
- Anti-Fraud and Whistleblowing Policy
- Human Resource Internal Control Policy
- Expenses and Payment Standard Operating Procedures
- Conflict of Interest Policy
- General Code of Conduct
- Supplier Code of Conduct
- Personal Data Protection Notice

Compliance with Laws and Regulations

related UNSDG



Ensuring compliance with laws and regulations is an important aspect of the Group's ESG commitment. We recognise the significance adhering to local, national and international standards governing the Group's food safety, environmental protection, labour practices and ethical business conduct. Our businesses are guided by the internal processes and the regulatory requirements across the jurisdictions we operate. Through proactive engagement with regulatory authorities and stakeholders, we strive to stay abreast with the emerging regulations and industry best practices. Upholding legal and regulatory compliance not only demonstrates our commitment to ethical business practices but also reinforces trust with our customers, suppliers, employees and the communities we serve.

Our performance in FY2025

No incidents of non-compliance with any relevant laws and regulations were recorded in FY2025.

Anti-Corruption and Bribery

related UNSDG



The Group has established an Anti-Bribery and Anti-Corruption Policy (“**ABAC Policy**”) to outline the principles of bribery and corrupt practices that may arise in the course of business for SCC and its subsidiaries. The ABAC Policy serves as a firm commitment from the Company that it is committed to conduct business with integrity, honesty and with zero tolerance against all forms of bribery and corruption. The ABAC Policy is established to align with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and is applicable to all stakeholders, including the Board, employees and business associates of the Group. The Board, via the Audit Committee, has the responsibility to monitor the effectiveness of and compliance to the ABAC Policy.

The Anti-fraud and Whistleblowing Policy sets out the parameters to prevent fraud by adhering to a set of Code of Conduct and setting a culture of good faith, high ethical standards and professionalism with an effective internal control in the fraud risk evaluation process. The Group has adopted a Code of Conduct which applies to all its employees and provides them with a set of behavioural guidelines to ensure high standards of integrity across our business operations. The Group has also implemented an Expenses and Payment Policy that outlines how an employee within the Group can claim and reimbursed for reasonable and authorised expenses that are incurred while doing business for the Group. The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the year ended 31 December 2025.

Our performance in FY2025

- No concluded legal cases regarding corrupt practices brought against the Company and its employees.
- All of our newly join employees will be given training on anti-bribery and corruption topic as part of our onboarding briefing. A total of 854 hours of training on anti-bribery and corruption topic was conducted to a total of 427 employees in FY2025.

Whistleblowing

related UNSDG



We have in place a whistleblowing mechanism to report any concerns in confidence about any misconduct, malpractice or irregularities in any matters related to the Group. Through the Anti-fraud and Whistleblowing Policy, it is encouraged for our employees and related third parties who deal with the Group, to escalate any concerns through an appropriate channel and ultimately, all reports will be assessed by the Audit Committee. There are signages placed at various locations in our facilities to remind employees to “Be Bold...Speak Up” if they come across any wrongdoings and report such incidences via the Speak-up facility namely SCC Cares.

Our performance in FY2025

No reports received via the whistleblowing channels.

Data Protection

related UNSDG



Safeguarding data protection is a critical importance of upholding privacy and security of all data entrusted to us, including sensitive information of our employees or consumers or suppliers. During the year, the Company established the Personal Data Protection Notice to align with the requirements of the Malaysian Personal Data Protection (“PDPA”) Act 2010. The PDPA regulates the processing of personal data with regards to any commercial transaction. The Company commits to make efforts to ensure personal data held by the Company is kept-up-to-date and protected against any loss, misuse, unauthorised or accidental access or disclosures, alteration or destruction.

Our performance in FY2025

No incidents of any breach of personal data or privacy matters were reported in FY2025.

SUSTAINABILITY REPORT

Summary of Key Performance Indicators

Indicators	Unit	2025	2024
ENVIRONMENT			
Emissions			
Total GHG emissions	tCO ₂ eq	7,795.95	7,461.18
Direct Scope 1 GHG emissions	tCO ₂ eq	3,120.86	2,366.85
Energy Indirect Scope 2 GHG emissions	tCO ₂ eq	3,240.08	3,651.85
Other Indirect Scope 3 GHG emissions	tCO ₂ eq	1,435.01	1,442.48
Use of Resources			
Total purchased electricity	kWh	4,274,511	4,817,746
Total solar power generated	kWh	1,329,117	978,057
Total electricity consumption	kWh	5,603,628	5,795,803
Total electricity consumption	MWh	5,604	5,795.80
Total fuel consumption	litre	1,801,956.12	1,516,671
Total energy consumption	kWh	23,119,594	20,446,450
Total energy consumption	MWh	23,119.59	20,446.45
Total energy consumption intensity	Per unit of revenue	0.024783	0.022395
Total water consumption	m ³	24,145	24,716
Total water consumption intensity	Per unit of revenue	0.000026	0.000027
Waste Management			
Total waste generated	tonnes	8.40	4.96
Total waste consumption intensity	Per unit of revenue	0.00000009	0.00000005
Total hazardous waste	tonnes	–	–
Total non-hazardous waste	tonnes	8.40	4.96
Packaging Materials			
Total packaging materials	tonnes	227.09	266.11

Indicators	Unit	2025	2024
SOCIAL			
Employment Practices			
Total number of employees	No.	913	909
By gender			
– Male	%	66	66
	No.	604	600
– Female	%	34	34
	No.	309	309
Employees by employment type			
– Permanent/Full-Time	No.	892	897
– Contract	No.	17	11
– Intern	No.	4	1
Employees by age groups			
– Below 30	No.	326	340
– 30-50	No.	513	505
– 50 and above	No.	74	64
Development and Training			
Total number of training hours	Hours	2,592	7,863
Total employees who took part in training	%	100	100
Total employees who took part in training by gender			
– Male	%	55	52
– Female	%	45	48
Total employees who took part in training by employee category			
– Senior management	%	15	10
– Executive	%	9	14
– Non-Executive	%	75	76
Average number of training hours per employee	Hours	2.84	8.65
Average training hours by gender			
– Male	Hours	2.12	5.34
– Female	Hours	4.25	15.09
Average training hours by employee category			
Senior management	Hours	15.42	23.95
Executive	Hours	8.43	29.90
Non-executive	Hours	1.76	6.59
Turnover Rate	%	3	4
Turnover Rate by gender			
– Male	%	3	3
– Female	%	4	6
Turnover Rate by age group			
– Below 30	%	4	4
– 30-50	%	3	4
– 50 and above	%	2	3

SUSTAINABILITY REPORT

Indicators	Unit	2025	2024
Health and Safety			
Total number of work-related fatalities	No.	0	0
Rate of work-related fatalities	No.	0	0
Lost-days due as a result of work injuries	No.	0	0
Supply Chain Management			
Total number of suppliers	No.	367	516
Product Responsibility			
Total products sold or shipped subject to recalls for safety and health reasons	%	0	0
Number of complaints received on products and/or services	No.	8	14
Number of claims over intellectual property rights	No.	0	0
Local Community			
Total community investments	RM	157,185	79,992
GOVERNANCE			
Anti-Corruption and Bribery			
Number of concluded legal cases regarding corrupt practices	No.	0	0
Number of training hours on anti-bribery and corruption topics	Hours	854	996
Number of employees participated in anti-bribery and corruption training	No.	427	498
Whistleblowing			
Number of reports via whistleblowing channels	No.	0	0
Compliance with Laws and Regulations			
Number of incidents of non-compliance with any relevant laws and regulations	No.	0	0
Data Protection			
Number of breach of any personal data and privacy matters	No.	0	0

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

PART C: “Comply or explain” Provisions

Mandatory Disclosure Requirement	Description	Index
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	ESG Governance Structure
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About the report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	About the report

SUSTAINABILITY REPORT

Disclosure and KPIs	Description	Index
Aspect A1: Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i></p>	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Disclosure and KPIs	Description	Index
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
	<i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption, Solar Power, Fuel consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental and Natural Resources

SUSTAINABILITY REPORT

Disclosure and KPIs	Description	Index
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Total workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Turnover Rate
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

Disclosure and KPIs	Description	Index
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
	<i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

SUSTAINABILITY REPORT

Disclosure and KPIs	Description	Index
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Complaints
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group's Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance and Product Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Protection

Disclosure and KPIs	Description	Index
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti Corruption and Bribery
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti Corruption and Bribery
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Local Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Local Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Local Community

SUSTAINABILITY REPORT

Part D: Climate-Related Disclosures

Disclosure and KPIs	Description	Index
D-I Governance	Governance body responsible for oversight of climate-related risks and opportunities The role of management in the processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities	ESG Governance; Climate Change ESG Governance
D-II Strategy	Climate-related risks and opportunities Business model and value chain Strategy and decision-making Financial position, financial performance and cash flows Climate resilience	Climate Change Climate Change Climate Change Climate Change Climate Change
D-III Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks The processes and related policies it uses to identify, assess, prioritise and monitor climate-related opportunities The integration of processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities with the issuer's overall risk management process, and the extent of such integration	Climate Change; Risk Management Climate Change Climate Change; Risk Management
D-IV Metrics and Targets	GHG emission Climate-related transition risks Climate-related physical risks Climate-related opportunities Capital utilization Internal carbon pricing Remuneration Climate-related targets	Emissions; Climate Change Climate Change Climate Change Climate Change Climate Change Climate Change Climate Change Climate Change



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWANG CHAI CHUAN LIMITED

(Incorporated in Cayman Islands with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Swang Chai Chuan Limited ("**the Company**") and its subsidiaries ("**the Group**"), which comprise the consolidated statements of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the financial year then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 109 to 176.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**") issued by the IASB. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("**IESBA Code**"), as applicable to audits of consolidated financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

Key audit matter	How our audit addressed the key audit matter
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Loss allowance for expected credit loss ("ECL") of trade receivables

Refer to Notes 2 and 17 to the consolidated financial statements

As at 31 December 2025, the Group had trade receivables (net of loss allowance for ECL) of approximately RM126,101,000. The loss allowance for ECL was approximately RM4,841,000.

In determining the loss allowance for ECL of trade receivables, the management of the Group assesses loss allowance based on lifetime ECL at each reporting date and considers whether trade receivables are credit impaired by establishing a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

We have identified the loss allowance for ECL as a key audit matter as the trade receivables balances represent one of the largest components in the consolidated statements of financial position and the use of significant judgement in determining the recoverable amounts.

In addressing the matter above, we have amongst others performed the following audit procedures:

- Assessed the basis used for estimating allowance for impairment and whether credit control policies are adhered to;
- Assessed the recoverability of significant and overdue trade receivables and related party balances including but not limited to subsequent collections;
- Assessed the reasonableness of management's key judgements and estimates made in preparing in the ECL, including selection of methods, models, assumptions and data sources; and
- Reviewed the changes in ECL assessment, considering all reasonable and supportable information available about past events, current conditions and forecasts of future economic conditions.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation for inventories</p> <p><i>Refer to Notes 2 and 16 to the consolidated financial statements</i></p> <p>At 31 December 2025, the Group had inventories of approximately RM93,418,000, with no provision for inventories written down.</p> <p>In determining the provision for write-down of inventories, the management of the Group assesses the level of provision for write-down of inventories required at the end of the reporting period after considering the inventory ageing and other relevant factors, including obsolescence, slow-moving or no longer recoverable or suitable for use in production as well as significant drop in market price. Such assessment involves significant management judgement and estimation in determining the value of inventories which will not be recoverable at the end of the reporting period.</p>	<p>We identified this area as a key audit matter as the Group has a high level of inventories balances which represent approximately 21% of total assets of the Group in the consolidated statements of financial position and the use of significant judgement in determining the recoverable amounts.</p> <p>In addressing the matter above, we have amongst others performed the following audit procedures:</p> <ul style="list-style-type: none"> • Performed tests on the inventory aging report by selecting samples and checking stock-in date (purchase date) against the appropriate age band; • Assessed the adequacy of inventory write-downs and ensured adherence to the write-down policy; • Tested the mathematical accuracy of management's method by re-performing the calculations on selected samples using the inventory aging report; and • Conducted net realisable value tests on the inventory and assessed the basis used by management in estimating the selling price, less estimated costs necessary to sell these inventories, by comparing it to recently transacted prices.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

(continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

(continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Group, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The engagement partner on the audit resulting in this independent auditor's report is Piong Yew Peng.

Crowe Malaysia PLT

Chartered Accountants

Malaysia, 27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	4	932,888	913,008
Cost of sales		(810,968)	(799,524)
Gross profit		121,920	113,484
Other income	5	4,177	3,022
Selling and distribution expenses		(57,735)	(52,880)
Administrative and other operating expenses		(24,158)	(25,800)
Finance costs	6	(2,420)	(1,316)
Share of results of an associate	15	(11)	65
Profit before taxation	6	41,773	36,575
Taxation	9	(8,536)	(8,512)
Profit for the year		33,237	28,063
Other comprehensive (loss)/income:			
<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		(4,507)	280
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on consolidation		4,000	527
Total other comprehensive (loss)/income for the year		(507)	807
Total comprehensive income for the year		32,730	28,870
Earnings per share attributable to owners of the Company			
Basic and diluted	10	3.32 sen	2.81 sen

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 RM'000	2024 RM'000
Non-current assets			
Property, plant and equipment	13	60,764	46,535
Right-of-use assets	14	13,636	14,289
Investment in an associate	15	97	107
Deferred tax assets	23	829	1,716
		75,326	62,647
Current assets			
Inventories	16	93,418	83,858
Trade and other receivables	17	167,869	155,835
Fixed deposits with licensed banks	18	77,890	33,138
Income tax recoverable		994	2,056
Bank balances and cash	19	31,734	54,410
		371,905	329,297
Current liabilities			
Trade and other payables	20	83,367	88,677
Interest-bearing borrowings	21	43,507	22,962
Lease liabilities	22	964	824
		127,838	112,463
Net current assets		244,067	216,834
Total assets less current liabilities		319,393	279,481

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2025

	Note	2025 RM'000	2024 RM'000
Non-current liabilities			
Interest-bearing borrowings	21	43,646	27,913
Lease liabilities	22	1,622	2,020
Deferred tax liabilities	23	445	1,291
		45,713	31,224
NET ASSETS		273,680	248,257
Capital and reserves			
Share capital	24	5,707	5,707
Reserve	25	267,973	242,550
Total equity		273,680	248,257

These consolidated financial statements on pages 109 to 176 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Soon See Beng
Director

Soon Chiew Ang
Director

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Reserves				
	Share capital RM'000 (Note 24)	Share premium RM'000 (Note 25(a))	Translation reserve RM'000 (Note 25(b))	Accumulated profits RM'000	Total RM'000
At 1 January 2025	5,707	71,056	1,232	170,262	248,257
Profit for the year	-	-	-	33,237	33,237
Other comprehensive 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	-	-	(4,507)	-	(4,507)
<i>Items that may be reclassified subsequently to profit or loss</i> Exchange differences on consolidation	-	-	4,000	-	4,000
Total other comprehensive loss for the year	-	-	(507)	-	(507)
Total comprehensive income for the year	-	-	(507)	33,237	32,730
Transactions with owners: Dividends (Note 11)	-	-	-	(7,307)	(7,307)
Total transactions with owners	-	-	-	(7,307)	(7,307)
At 31 December 2025	5,707	71,056	725	196,192	273,680

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2025

	Reserves				Total RM'000
	Share capital RM'000 (Note 24)	Share premium RM'000 (Note 25(a))	Translation reserve RM'000 (Note 25(b))	Accumulated profits RM'000	
At 1 January 2024	5,707	71,056	425	150,337	227,525
Profit for the year	–	–	–	28,063	28,063
Other comprehensive income:					
<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	–	–	280	–	280
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on consolidation	–	–	527	–	527
Total other comprehensive income for the year	–	–	807	–	807
Total comprehensive income for the year	–	–	807	28,063	28,870
Transactions with owners:					
Dividends (Note 11)	–	–	–	(8,138)	(8,138)
Total transactions with owners	–	–	–	(8,138)	(8,138)
At 31 December 2024	5,707	71,056	1,232	170,262	248,257

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	2025 RM'000	2024 RM'000
OPERATING ACTIVITIES		
Profit before tax	41,773	36,575
Adjustments for:		
Depreciation	6,530	6,164
Finance costs	2,420	1,316
Unrealised exchange gain, net	–	(1,211)
Interest income	(2,560)	(1,345)
Share of results from an associate	11	(65)
Gain on disposal of property, plant and equipment, net	(14)	(51)
Gain on derecognition due to lease termination	(1)	(3)
Property, plant and equipment written off	–	630
Bad debts recovery	(102)	(69)
Bad debts written off	186	370
Operating cash inflows before movements in working capital	48,243	42,311
Changes in working capital:		
Inventories	(9,560)	4,079
Trade and other receivables	(20,433)	(27,813)
Trade and other payables	(5,311)	23,218
Cash generated from operations	12,939	41,795
Income tax paid	(7,433)	(8,529)
Net cash from operating activities	5,506	33,266
INVESTING ACTIVITIES		
Increase in fixed deposits with licensed banks	(44,751)	(10,772)
Interest received	2,560	1,345
Payment for purchase of property, plant and equipment	(11,106)	(4,575)
Proceeds from disposal of property, plant and equipment	14	51
Net cash used in investing activities	(53,283)	(13,951)

The annexed notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Year ended 31 December 2025

	2025 RM'000	2024 RM'000
FINANCING ACTIVITIES		
Drawdown of interest-bearing borrowings	47,932	6,954
Net repayment of interest-bearing borrowings	(11,654)	(7,083)
Interest paid	(2,420)	(1,316)
Dividends paid	(7,307)	(8,138)
Repayment of lease liabilities	(943)	(1,298)
Net cash from/(used in) financing activities	25,608	(10,881)
Net (decrease)/increase in cash and cash equivalents	(22,169)	8,434
Cash and cash equivalents at the beginning of the reporting period	54,410	45,169
Effect on exchange rate changes	(507)	807
Cash and cash equivalents at the end of the reporting period	31,734	54,410

The annexed notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Swang Chai Chuan Limited (the “**Company**” together with its subsidiaries are collectively referred 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 501-2, 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 and other services in Malaysia.

The 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 of the Company 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”), which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the IASB. The consolidated financial statements also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements are presented in Malaysian Ringgit (“**RM**”) and all amounts have been rounded to the nearest thousand (“**RM’000**”), unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current period.

A summary of the material accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Changes in accounting policies

The Group has applied, for the first time, the following new/revised IFRS Accounting Standards that are relevant to the Group in current period.

Amendments to IAS 21

Lack of Exchangeability

Amendments to IAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendment does not have any significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost.

Basis of consolidations

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Basis of consolidations *(continued)*

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position as set out in Note 34, an investment in a subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The result of a subsidiary is accounted for by the Company on the basis of dividends received and receivable.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investment in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long-term interests that, in substance, form part of the Group's net investment in the investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Property, plant and equipment

Property, plant and equipment, other than freehold land which is stated at cost and not subject to depreciation, are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives at the annual rate/useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Buildings	Shorter of 50 years or over the unexpired term of lease
Leasehold improvements	Shorter of 5 years or over the unexpired term of lease
Plant and machinery	10% to 20%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	10% to 20%

Capital work-in-progress represent warehouse buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments

(a) Financial assets

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (“**ECL**”) on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Measurement of ECL *(continued)*

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral, if any
- (iv) industry of debtors
- (v) geographical location of debtors
- (vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial asset that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group's fixed deposits with licensed banks and bank balances are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Revenue recognition

Revenue from contracts with customers within IFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is distribution and sales of F&B and provision of logistics, warehousing and other services in Malaysia.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers within IFRS 15 *(continued)*

Timing of revenue recognition *(continued)*

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Revenue from distribution and sales of F&B is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Revenue from logistics, warehousing and other services is recognised over time (except for sales of miscellaneous goods is recognised at a point in time) upon the performance obligation is satisfied.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group gives trade discounts, rebates and/or other price incentives (collectively referred to as "**Marketing Incentives**") to selected customers. The Group estimates the Marketing Incentives using the most-likely-amount method and assesses whether the estimated variable consideration is constrained with reference to the customer's historical Marketing Incentives entitlement and accumulated purchases to date. Any significant estimation variances will be analysed and taken into consideration in the current estimation and assessment. Typically, the estimated consideration is not constrained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers within IFRS 15 *(continued)*

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for specified goods or services to be provided by the other party.

The Group is acting as a principal for the revenue from third-party brand and own brand distribution as the Group controls the third-party brand and own brand products before the good transferred to its customers and its performance obligation is to transfer those goods to its customers.

Revenue from other sources

Rental income

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group receive payments from the customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to the Marketing Incentives and receipts in advance are recognised under "Other payables". The Group may offer the Marketing Incentives to its customers after they make purchase with and paid to the Group and customers will utilise the Marketing Incentives granted for their future purchases. The unused Marketing Incentives at the end of the reporting periods represent the Group's obligations to be performed and are recognised as contract liabilities.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Company's functional currency is Hong Kong dollars ("**HK\$**"). The consolidated financial statements are presented in RM and rounded to the nearest thousands unless otherwise indicated, which is the functional currency of the operating subsidiaries of the Group in Malaysia.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Foreign currency translation *(continued)*

The results and financial position of all the group entities that have a functional currency different from the presentation currency (“**foreign operations**”) are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate;
- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised as a separate component of equity;
- on the disposal of a foreign operation, which includes a disposal of the Group’s entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;
- on the partial disposal of the Group’s interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and
- on all other partial disposals, which includes partial disposal of an associate that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that the Group's property, plant and equipment, right-of-use assets, investment in an associate and the Company's investment in a subsidiary may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as income in profit or loss immediately.

Right-of-use assets and lease liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Group applied the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

In accordance with the statutory requirements prescribed by the relevant Malaysian laws and regulations, the Group's entities established in Malaysia are required to contribute certain percentage range from 4%–13% of payroll costs to Employees Provident Fund, which is a federal statutory body managing the retirement benefits for the employees in Malaysia.

The Group's entities in Malaysia participate in defined contribution schemes managed by the local government. The Group has no further payment obligations once the contributions have been paid.

During the years ended 31 December 2025 and 2024, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. At 31 December 2025 and 2024, no forfeited contributions were available for utilisation by the Group's entities to reduce the existing level of contributions.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Taxation *(continued)*

Deferred tax is provided on temporary differences arising on investment in a subsidiary and an associate, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Related parties *(continued)*

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Critical accounting estimates and judgements *(continued)*

Key sources of estimation uncertainty

(i) *Useful lives of property, plant and equipment and right-of-use assets*

The management of the Group determines the estimated useful lives of the Group's property, plant and equipment and right-of-use assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

(ii) *Impairment of property, plant and equipment and right-of-use assets*

The management of the Group determines whether the Group's property, plant and equipment and right-of-use assets are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of property, plant and equipment and right-of-use assets, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management of the Group to make an estimate of the expected future cash flows from property, plant and equipment and right-of-use assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

(iii) *Allowance for inventories*

The management of the Group reviews the inventory ageing analysis periodically and where applicable, makes allowances for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowances at the end of each reporting period by reference to management's estimation of the net realisable value based on the latest market prices and current market conditions.

(iv) *Loss allowance for ECL*

The management of the Group estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables.

(v) *Income taxes*

Significant estimates are required in determining the provision for income taxes and deferred taxation. There are transactions and calculations for which the ultimate tax determination is uncertain where the final tax outcome of these matters may be different from the amounts that were initially recorded and such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Critical accounting estimates and judgements *(continued)*

Key sources of estimation uncertainty *(continued)*

(vi) Discount rates used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical judgements made in applying accounting policies

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Future changes in IFRS Accounting Standards

At the date of approving these consolidated financial statements, the IASB has issued the following new/ revised IFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁽¹⁾
Amendments to IFRS 9 and IFRS 7 Annual Improvements to IFRS Accounting Standards	Contracts Referencing Nature-dependent Electricity ⁽¹⁾ Volume 11 ⁽¹⁾
– IFRS 1	<i>First-time Adoption of IFRS Accounting Standards</i> <i>– Hedge Accounting by a First-time Adopter</i>
– IFRS 7	<i>Financial Instruments: Disclosures: Gain or loss on derecognition</i>
– IFRS 7	<i>Financial Instruments: Disclosures: Disclosure of differences between the fair value and the transaction price</i>
– IFRS 7	<i>Financial Instruments: Disclosures: Disclosures on credit risk</i>
– IFRS 9	<i>Financial Instruments: Derecognition of lease liabilities</i>
– IFRS 9	<i>Financial Instruments: Transaction price</i>
– IFRS 10	<i>Consolidated Financial Statements – Determination of a ‘de facto agent’</i>
– IAS 7	<i>Statement of Cash Flows – Cost Method</i>
IFRS 18	Presentation and Disclosure in Financial Statements ⁽²⁾
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ⁽²⁾
IFRS 10 & IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for annual period beginning on or after 1 January 2026

⁽²⁾ Effective for annual period beginning on or after 1 January 2027

⁽³⁾ The effective date to be determined

The management of the Group does not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. SEGMENT INFORMATION

The directors of the Company have determined that the Group has only one operating and reportable segment throughout the years ended 31 December 2025 and 2024, 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 years ended 31 December 2025 and 2024 is derived from Malaysia and almost all of the Group's assets (except for certain fixed deposits with licensed banks and bank balances) 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 years ended 31 December 2025 and 2024.

4. REVENUE

	2025 RM'000	2024 RM'000
Revenue from contracts with customers within IFRS 15		
<i>At a point in time</i>		
Distribution and sales of F&B	922,163	902,782
<i>Over time</i>		
Provision of logistics, warehousing and other services	10,725	10,226
	932,888	913,008

The amount of revenue recognised for the year ended 31 December 2025 that were included in the contract liabilities in relation to the Marketing incentives at the beginning of the reporting period was approximately RM6,375,000 (2024: RM4,567,000) (Note 20(b)).

5. OTHER INCOME

	2025 RM'000	2024 RM'000
Interest income	2,560	1,345
Gain on disposal of property, plant and equipment, net	14	51
Rental income	271	915
Bad debts recovery	102	69
Gain on derecognition due to lease termination	1	5
Compensation received from supplier	581	–
Sundry income	648	637
	4,177	3,022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. PROFIT BEFORE TAX

This is stated after charging/(crediting):

	2025 RM'000	2024 RM'000
Finance costs		
Interest on bank overdrafts	–	1
Interest on interest-bearing borrowings	2,279	1,070
Interest on lease liabilities	141	245
	2,420	1,316
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	43,510	41,011
Contributions to defined contribution plans	3,319	3,257
	46,829	44,268
Other items		
Cost of inventories	796,841	785,314
Auditors' remuneration		
– Audit services	552	530
– Non-audit services	102	95
Depreciation of property, plant and equipment (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	5,189	4,885
Depreciation of right-of-use assets (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	1,341	1,279
Exchange gain, net		
– realised	(845)	–
– unrealised	–	(1,211)
Expenses recognised under short-term leases	458	61
Bad debts written off	186	370
Property, plant and equipment written off	–	630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Company are set out below.

Year ended 31 December 2025

	Directors' fee RM'000	Salaries, allowances and other benefits in kind RM'000	Discretionary bonus RM'000	Contributions to defined contribution plans RM'000	Total RM'000
<i>Executive directors (Note a)</i>					
SB Soon (Note b)	96	2,034	250	400	2,780
CA Soon	96	507	150	126	879
SL Soon	96	376	100	102	674
<i>Independent non-executive directors (Note c)</i>					
Datuk Tan Teow Choon (Note d)	82	–	–	–	82
Mr. Lee Teck Hoe (Note e)	34	–	–	–	34
Ms. Saw Chooi Lee (Note e)	34	–	–	–	34
Mr Lum Kan Fai (Note e)	34	–	–	–	34
Mr. Khoo Chee Siang (Note f)	48	–	–	–	48
Mr. Ngai Wah Sang (Note f)	48	–	–	–	48
Ms. Tiong Hui Ling (Note f)	48	–	–	–	48
Total	616	2,917	500	628	4,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. DIRECTORS' REMUNERATION (continued)

Year ended 31 December 2024

	Directors' fee	Salaries, allowances and other benefits in kind	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Executive directors (Note a)</i>					
SB Soon (Note b)	96	1,756	250	375	2,477
CA Soon	96	429	150	120	795
SL Soon	96	348	100	97	641
<i>Independent non-executive directors (Note c)</i>					
Datuk Tan Teow Choon (Note d)	82	–	–	–	82
Mr. Khoo Chee Siang (Note f)	82	–	–	–	82
Mr. Ngai Wah Sang (Note f)	82	–	–	–	82
Ms. Tiong Hui Ling (Note f)	82	–	–	–	82
Total	616	2,533	500	592	4,241

Notes:

- (a) The emoluments were for their services in connection with management of affairs of the Group.
- (b) SB Soon is an executive director, chairman and chief executive officer of the Company.
- (c) The emoluments were for their services as directors of the Company.
- (d) Datuk Tan Teow Choom appointed as independent non-executive directors of the Company on 14 July 2022.
- (e) They were appointed as an independent non-executive director of the Company on 1 August 2025.
- (f) They were appointed as an independent non-executive director of the Company on 14 July 2022 and they resigned on 1 August 2025.

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

8. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 December 2025 and 2024 is as follows:

	Number of individuals	
	2025	2024
Director	3	3
Non-director	2	2
	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2025	2024
	RM'000	RM'000
Salaries, allowances and other benefits in kind	435	1,004
Discretionary bonus	–	–
Contributions to defined contribution plans	52	109
	487	1,113

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	2025	2024
	Nil to HK\$1,000,000	2

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

9. TAXATION

	2025 RM'000	2024 RM'000
Current tax		
Malaysia corporate income tax ("Malaysia CIT")	10,229	7,561
Overprovision in the previous financial year	(1,833)	–
Malaysia real property gain tax	99	–
	8,495	7,561
Deferred tax		
Changes in temporary differences	(19)	951
Underprovision in the previous financial year	60	–
	41	951
Total income tax expenses for the year	8,536	8,512

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 the years ended 31 December 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% (2024: 24%) of the estimated assessable profits for the year ended 31 December 2025.

For the years 31 December 2025 and 2024, one of the Group subsidiaries, SCC Logistics Sdn. Bhd., has been granted an economic regional special incentive issued by the relevant government authority in Malaysia. Subject to this incentive, SCC Logistics Sdn. Bhd. is eligible for exemption from 70% of its chargeable income on eligible activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

9. TAXATION (continued)

Reconciliation of income tax expenses

	2025 RM'000	2024 RM'000
Profit before taxation	41,773	36,575
Income tax at statutory tax rate applicable in respective territories	10,026	8,778
Non-deductible expenses	1,974	1,448
Tax concessions	(1,374)	(1,365)
Real property gains tax upon disposal of properties	99	–
Overprovision of current tax in the previous financial year	(1,833)	–
Underprovision of deferred tax in the previous financial year	60	–
Others	(416)	(349)
Taxation for the year	8,536	8,512

10. EARNINGS PER SHARE

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

	2025 RM'000	2024 RM'000
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	33,237	28,063
Number of shares:	'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 and diluted earnings per share is based on the profit attributable to owners of the Company and the weighted average of ordinary shares in issue during the year ended 31 December 2025.

Diluted earnings per share are same as the basic earnings per share as there are no potential dilutive ordinary shares in existence for the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

11. DIVIDENDS

	Group and Company	
	2025 RM'000	2024 RM'000
Special dividends declared to the owners of the Company HK\$0.0135 (2024: HK\$0.0135) per ordinary share	7,307	8,138

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.

The Directors did not recommend payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

12. SUBSIDIARIES

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

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
				2025	2024	
<i>Directly held</i>						
SCC Holdings Limited ("SCC Holdings")	The BVI	27-Dec-18	United States Dollars ("US\$") ¹	100%	100%	Investment holding/The BVI
<i>Indirectly held</i>						
Swang Chai Chuan Holding Sdn. Bhd.	Malaysia	17-Dec-18	RM100	100%	100%	Investment holding/Malaysia
Swang Chai Chuan (HK) Limited	Hong Kong	29-Jan-19	HK\$1	100%	100%	Dormant/Hong Kong
Swang Chai Chuan Sdn. Bhd.	Malaysia	28-Mar-95	RM1,500,000	100%	100%	Wholesale and retail of food, beverages and other consumer goods and provision of transportation services/Malaysia
Swang Chai Chuan Seafood Sdn. Bhd.	Malaysia	26-Oct-98	RM1,500,000	100%	100%	Distribution and sales of frozen seafood and meat products/Malaysia
SCC Marketing (Pahang) Sdn. Bhd.	Malaysia	18-Jun-96	RM500,000	100%	100%	Distribution agents and dealers of consumer goods and food products, transporter and transportation agency/Malaysia
SCC Marketing (East Coast) Sdn. Bhd.	Malaysia	14-Aug-00	RM50,000	100%	100%	Marketing and distribution of food and consumer products and provision of transportation services/Malaysia
SCC Marketing (M) Sdn. Bhd.	Malaysia	10-Nov-03	RM1,000,000	100%	100%	Packaging, processing, marketing and distribution and sales of F&B products and transporter and transportation services/Malaysia
Chop Chin Huat Sendirian Berhad	Malaysia	12-Jan-89	RM500,000	100%	100%	Wholesale and retail of food, beverages and other consumer goods and provision of transportation services/Malaysia
SCC Logistics Sdn. Bhd.	Malaysia	14-Jan-13	RM500,000	100%	100%	Provision of warehousing and transportation services/Malaysia

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

13. 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								
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 -								
year ended 31 December 2025								
At 1 January 2025	15,075	15,644	291	6,514	1,685	5,932	1,394	46,535
Additions	3,734	697	-	1,428	236	2,539	2,472	11,106
Reclassification from deposits	8,312	-	-	-	-	-	-	8,312
Reclassification	-	1,394	-	-	-	-	(1,394)	-
Depreciation	-	(441)	(133)	(1,559)	(524)	(2,532)	-	(5,189)
At 31 December 2025	27,121	17,294	158	6,383	1,397	5,939	2,472	60,764
At 31 December 2024								
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 31 December 2025								
Cost	27,121	20,451	1,477	19,276	5,247	25,835	2,472	101,879
Accumulated depreciation	-	(3,157)	(1,319)	(12,893)	(3,850)	(19,896)	-	(41,115)
Net carrying amounts	27,121	17,294	158	6,383	1,397	5,939	2,472	60,764

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amounts of the Group's property, plant and equipment pledged to secure banking facilities (Note 21) at 31 December 2025 and 2024 are as follows:

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000
Pledged to secure banking facilities			
At 31 December 2024	13,616	15,098	818
At 31 December 2025	13,404	13,644	675

14. RIGHT-OF-USE ASSETS

	Leasehold lands and buildings RM'000	Leased properties RM'000	Total RM'000
Reconciliation of carrying amount – year ended 31 December 2024			
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 – year ended 31 December 2025			
At 1 January 2025	11,528	2,761	14,289
Additions	–	703	703
Lease modification	–	15	15
Derecognition due to lease termination	–	(30)	(30)
Depreciation	(367)	(974)	(1,341)
At 31 December 2025	11,161	2,475	13,636
At 31 December 2024			
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 31 December 2025			
Cost	14,503	5,587	20,090
Accumulated depreciation	(3,342)	(3,112)	(6,454)
Net carrying amounts	11,161	2,475	13,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

14. 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 years ended 31 December 2025 and 2024. 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.

The Group's leasehold lands and buildings with a total carrying amount of approximately RM11,162,000 at 31 December 2025 (2024: RM11,528,000), were pledged to secure bank facilities (Note 21) granted to the Group.

Extension and termination options

The lease contracts of leased properties contain extension or termination options. These options aim to provide flexibility to the Group in managing the leased assets. The extension option of the leased properties is normally exercised because the Group does not want to incur additional costs, such as leasehold improvements, while exercising the termination option is normally unusual unless the Group could replace the leased properties without significant cost or acquisition of a new property. The Group seldom exercises options that were not included in the lease liabilities. During the year ended 31 December 2025, certain lease contracts for leased properties containing an extension or termination option, in which the total lease payment made amounted to approximately RM1,068,000 (2024: RM948,000) representing the total cash outflows for lease during the year ended 31 December 2025.

Restriction or covenants

Most of the leases impose a restriction that, unless approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets. The Group is also required to keep those leased assets in a good state of repair and return the leased assets in their original condition at the end of the lease.

Commitments under leases

At 31 December 2025, the Group was committed to short-term leases or low-value asset leases of approximately RM458,000 (2024: RM113,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INVESTMENT IN AN ASSOCIATE

	2025 RM'000	2024 RM'000
Unlisted entity, share of net assets	97	107

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

Name of 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
			2025	2024	
KARABAO MARKETING (M) SDN. BHD. ("KARABAO")	Malaysia	RM500,000	40%	40%	Trading of beverages/ Malaysia

KARABAO is a private 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 years ended 31 December 2025 and 2024, 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 CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INVESTMENT IN AN ASSOCIATE (continued)

Summarised financial information of KARABAO is set out below, which represents amounts shown in the KARABAO's financial statements and adjusted by the Group for equity accounting purposes.

	2025 RM'000	2024 RM'000
Summarised income statements		
Revenue	7,117	5,977
Administrative and other operating expenses	(1,616)	(1,568)
Profit and total comprehensive income for the year	80	227
Summarised balance sheet		
Non-current assets	11	17
Current assets	2,405	2,814
Current liabilities	(2,955)	(3,344)
Shareholder's deficits	(539)	(513)
Reconciliation of Net Assets to Carrying Amount		
Net liabilities	(539)	(513)
Less: Pre-acquisition result	(781)	(781)
Post net assets	242	268
Group's share of post net assets above	97	107
Carrying amount of the Group's interest in the associate	97	107

16. INVENTORIES

	2025 RM'000	2024 RM'000
Raw materials	2,377	2,912
Finished goods	91,041	84,846
Less: Write-down provision	–	(3,900)
	93,418	83,858
Recognised in profit or loss: Inventories recognised as cost of sales	796,841	785,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

17. TRADE AND OTHER RECEIVABLES

	Note	2025 RM'000	2024 RM'000
Trade receivables			
From related parties	17(a)	1,296	1,184
From third parties		129,646	133,424
		130,942	134,608
Less: Loss allowances	29	(4,841)	(4,841)
	17(b)	126,101	129,767
Other receivables			
Deposits paid to suppliers		1,863	8,306
Deposit paid for acquisition of land		28,206	8,397
Deposits paid for acquisition of computer software		–	44
Prepayment		282	–
Accrued income		8,648	7,849
Interest receivable		1,320	30
Other deposits and receivables		49	42
Amount due from an associate (Note i)		1,400	1,400
		41,768	26,068
		167,869	155,835

Notes:

- i. The amounts due from an associate are non-trade in nature, unsecured, interest-free and repayable on demand.
- ii. The Group's other receivables were expected to be recovered within one year.

The Group's deposit paid for acquisition of land with a carrying amount of approximately RM28,206,000 at 31 December 2025 (2024: RM nil), were pledged to secure bank facilities (Note 21) granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

17. TRADE AND OTHER RECEIVABLES (continued)

17(a) Trade receivables from related parties

The trade receivables from related parties 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 amounts due during the year ended 31 December 2025 (2024: Nil). The Group does not hold any collateral over these balances.

	Maximum amount outstanding during the year RM'000	Balance at 31 December 2025 RM'000
Alfa Indah (Beserah) Sdn. Bhd. (" Alfa Indah (Beserah) ") (Note 17(a)(i))	335	259
Alfa Indah (Jaya Gading) Sdn. Bhd. (" Alfa Indah (Jaya Gading) ") (Note 17(a)(ii))	204	171
Golden Empire Palace Restaurant Sdn. Bhd. (" Golden Empire ") (Note 17(a)(viii))	2	1
Just Relax Restaurant (Note 17(a)(iii))	47	44
Megamart Sdn. Bhd. (" Megamart ") (Note 17(a)(v))	1,094	799
Owl café (Note 17(a)(iii))	3	1
Pak Su Seafood Restaurant Sdn. Bhd. (" Pak Su Seafood ") (Note 17(a)(iv))	16	6
The Eight Th (Note 17(a)(vi))	11	9
The Nine Th (Note 17(a)(vii))	*	–
The Sixteen Live House (Note 17(a)(vii))	8	6
	1,720	1,296

* Represent amounts less than RM1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

17. TRADE AND OTHER RECEIVABLES (continued)

17(a) Trade receivables from related parties (continued)

	Maximum amount outstanding during the year RM'000	Balance at 31 December 2024 RM'000
Alfa Indah (Beserah) (Note 17(a)(i))	390	293
Alfa Indah (Jaya Gading) (Note 17(a)(ii))	187	169
Golden Empire (Note 17(a)(viii))	2	1
Just Relax Restaurant (Note 17(a)(iii))	45	40
Megamart (Note 17(a)(v))	823	661
Owl café (Note 17(a)(iii))	26	2
Pak Su Seafood (Note 17(a)(iv))	16	6
The Eight Th (Note 17(a)(vi))	16	12
The Nine Th (Note 17(a)(vii))	*	*
	1,505	1,184

* Represent amounts less than RM1,000

Notes:

- i. At 31 December 2025 and 2024, 16.67% equity interests of Alfa Indah (Beserah) was held by SB Soon.
- ii. At 31 December 2025 and 2024, 15% equity interests of Alfa Indah (Jaya Gading) was held by SB Soon.
- iii. At 31 December 2025 and 2024, CA Soon, and his spouse, Ms. Ng Kar Wei ("**KW Ng**") were the partners of Just Relax Restaurant and Owl café.
- iv. At 31 December 2025 and 2024, 80% and 20% equity interests of Pak Su Seafood was held by the Ultimate Controlling Party and Lim Tau Hong ("**TH Lim**"), respectively.
- v. At 31 December 2025 and 2024, 25%, 26% and 49% equity interests of Megamart were held by SB Soon, TH Lim, who is the spouse of LS Soon, and Mack Food Pte Ltd., which equity interests are equally held by SB Soon and TH Lim, respectively.
- vi. At 31 December 2025 and 2024, CA Soon and SL Soon were the partners of The Eight Th.
- vii. At 31 December 2025 and 2024, CA Soon and KW Ng, who is the spouse of CA Soon, were the partners of The Nine Th and The Sixteen Live House.
- viii. At 31 December 2025 and 2024, 1% and 8% equity interests of Golden Empire was held by SL Soon and TH Lim, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

17. TRADE AND OTHER RECEIVABLES (continued)

17(b) Trade receivables

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

	2025 RM'000	2024 RM'000
Within 30 days	69,612	67,325
31 to 60 days	41,497	45,890
61 to 90 days	12,809	11,886
Over 90 days	2,183	4,666
	126,101	129,767

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

	2025 RM'000	2024 RM'000
Not yet past due	109,061	118,351
Past due:		
Within 30 days	9,879	7,891
31 to 60 days	6,592	2,574
61 to 90 days	569	951
	17,040	11,416
	126,101	129,767

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

17(c) Information about the Group's exposure to credit risks and loss allowances for trade and other receivables is included in Note 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

18. FIXED DEPOSITS WITH LICENSED BANKS

	2025 RM'000	2024 RM'000
Fixed deposits – pledged	7,480	7,281
Fixed deposits – non-pledged	70,410	25,857
	77,890	33,138

The carrying amounts of fixed deposits with licensed banks are denominated in the following currencies:

	2025 RM'000	2024 RM'000
RM	77,837	25,082
HK\$	53	8,056
	77,890	33,138

At 31 December 2025 and 2024, pledged fixed deposits are bank deposits which are pledged as securities in favour of banks for banking facilities granted (Note 21).

The fixed deposits with licensed banks generally have maturity periods over one month but less than one year and bearing annual interest rates ranging from approximately 0.2% to 4.1% (2024: 2.1% to 4.1%) for the year ended 31 December 2025.

19. BANK BALANCES AND CASH

Cash at banks earn interest at floating rates based on daily bank deposit rates. The carrying amounts of bank balances and cash are denominated in the following currencies:

	2025 RM'000	2024 RM'000
RM	31,008	53,634
Australian Dollars ("AUD")	2	2
US\$	242	246
HK\$	157	528
Euro	325	–
Renminbi ("RMB")	–	*
	31,734	54,410

* Represent amounts less than RM1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. TRADE AND OTHER PAYABLES

	Note	2025 RM'000	2024 RM'000
Trade payables			
To third parties		62,601	69,385
To an associate		19	43
	20(a)	62,620	69,428
Other payables			
Contract liabilities – marketing incentives	20(b)	5,044	6,447
Contract liabilities – receipts in advance	20(c)	2,026	–
Salary payables		4,249	5,020
Other accruals and other payables		9,222	7,782
Rental and other deposits		206	–
		20,747	19,249
		83,367	88,677

20(a) Trade payables

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

As at 31 December 2025, the carrying amounts of trade payables are denominated in Australian Dollars, Euro, Thai Baht, United States Dollars and Renminbi of approximately RM288,000 (2024: RM1,948,000), RM nil (2024: RM681,000), RM742,000 (2024: RM1,091,000), RM nil (2024: RM668,000) and RM nil (2024: RM155,000), respectively.

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

	2025 RM'000	2024 RM'000
Within 30 days	26,950	29,691
31 to 60 days	24,110	24,534
61 to 90 days	11,318	14,311
Over 90 days	242	892
	62,620	69,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. TRADE AND OTHER PAYABLES (continued)

20(b) Contract liabilities – marketing incentives

The balance represented accumulated unused obligations on the marketing incentives offered to customers at the end of each reporting period. The movements (excluding those arising from increase and decrease both occurred within the same reporting period) of such contract liabilities within IFRS 15 are as follows:

	2025 RM'000	2024 RM'000
At the beginning of the reporting period	6,447	4,579
Additions, net	4,972	6,435
Revenue recognised for the reporting period (Note 4)	(6,375)	(4,567)
At the end of the reporting period	5,044	6,447

The contract liabilities of approximately RM5,044,000 (2024: RM6,447,000) at 31 December 2025, 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 RM5,044,000 (2024: RM6,447,000) at 31 December 2025, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

20(c) Contract liabilities – receipts in advance

The balance represented receipts in advance with customers at the end of each reporting period. The movements (excluding those arising from increase and decrease both occurred within the same reporting period) of such contract liabilities within IFRS 15 are as follows:

	2025 RM'000	2024 RM'000
At the beginning of the reporting period	–	1,108
Additions	2,026	–
Revenue recognised for the reporting period	–	(1,108)
At the end of the reporting period	2,026	–

The contract liabilities of approximately RM2,026,000 (2024: approximately RM nil) at 31 December 2025, 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 RM2,026,000 (2024: approximately RM nil) at 31 December 2025, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

21. INTEREST-BEARING BORROWINGS

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

	2025 RM'000	2024 RM'000
Interest-bearing borrowings – secured		
– Current portion	43,507	22,962
– Non-current portion	43,646	27,913
	87,153	50,875
Carrying amounts of the above borrowings are repayable:		
Within one year	43,507	22,962
More than one year, but not exceeding two years	2,730	2,281
More than two years, but not exceeding five years	7,637	5,093
Over five years	33,279	20,539
	87,153	50,875
Less: amounts shown under current liabilities	(43,507)	(22,962)
	43,646	27,913

The secured bank borrowings are repayable ranging from within one year to over five years since their inception. At 31 December 2025, the secured bank borrowings carried weighted average effective interest rate of approximately 3.62% per annum (2024: 3.68% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

21. INTEREST-BEARING BORROWINGS (continued)

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 RM27,723,000 at 31 December 2025 (2024: RM29,532,000), as set out in Note 13;
- (iii) certain right-of-use assets with aggregate net carrying amounts of approximately RM11,162,000 at 31 December 2025 (2024: RM11,528,000), as set out in Note 14; and
- (iv) pledged bank deposits with carrying amounts of approximately RM7,480,000 at 31 December 2025 (2024: RM7,281,000), as set out in Note 18.
- (v) deposit paid for acquisition of land with carrying amounts of approximately RM28,206,000 at 31 December 2025 (2024: RM nil), as set out in Note 17.

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 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

22. LEASE LIABILITIES

	2025 RM'000	2024 RM'000
Current portion	964	824
Non-current portion	1,622	2,020
At 31 December	2,586	2,844

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amounts payable:				
Within one year	1,066	948	964	824
In the second to fifth years inclusive	1,254	1,563	1,052	1,263
Over five years	611	769	570	757
	2,931	3,280	2,586	2,844
Less: future finance charges	(345)	(436)	–	–
At 31 December	2,586	2,844	2,586	2,844

The total cash outflows for leases for the year ended 31 December 2025 was approximately RM1,084,000 (2024:RM1,543,000).

At 31 December 2025, the weighted average effective interest rate of the lease liabilities of the Group was approximately 4.62% (2024: 3.40%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

23. DEFERRED TAX ASSETS/(LIABILITIES)

For the purpose of presentation in the consolidated financial statements, the following is the analysis of the deferred taxation:

	2025 RM'000	2024 RM'000
Deferred tax assets	829	1,716
Deferred tax liabilities	(445)	(1,291)
At 31 December	384	425

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

	Allowance 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	1,173	1,369	(1,166)	1,376
Recognised in profit or loss (Note 9)	543	(1,369)	(125)	(951)
At 31 December 2024	1,716	–	(1,291)	425
At 1 January 2025	1,716	–	(1,291)	425
Recognised in profit or loss (Note 9)	–	–	(41)	(41)
At 31 December 2025	1,716	–	(1,332)	384

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

24. 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 31 December 2025

1,500,000

15,000

8,474

Issued and fully paid:

At 1 January 2024, 31 December 2024,

1 January 2025 and 31 December 2025

1,000,150

10,002

5,707

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

25. RESERVES

25(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.

25(b) Translation reserve

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

26. SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to the written resolutions of the shareholders passed on 14 July 2022.

Under the Scheme, the Board of Directors (the "**Board**") may at its discretion offer to any individual who is an employee of the Group (including directors) or any entity in which the Company holds any equity interest and such other persons (the "**Participants**") in the sole discretion of the Board, has contributed or will contribute to the Group of the options to subscribe for shares in the Company in accordance with the terms of the Scheme and Chapter 17 of the Listing Rules. The principal purposes of the Scheme are to recognise and acknowledge the contributions made by the Participants, to attract skilled and experienced personnel, to incentivise them to remain with the Company and to motivate them to strive for the future development and expansion of the Group. The Scheme commenced on 14 July 2022 and will end on the day immediately prior to the tenth anniversary thereof.

The maximum number of shares in respect of which options may be granted under the Scheme and any other share option scheme of the Company may not exceed 10% of issued share capital of the Company, or may not exceed a maximum of 30%, should the shareholders renew the 10% limit, from time to time which have been duly allotted and issued. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted under the Scheme where applicable to a director, chief executive, substantial shareholder or management shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive directors who are the prospective grantees in question). In addition, any share options granted to a substantial shareholder or any independent non-executive director of the Company, or any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

An option may be exercised in accordance with the terms of the Scheme where applicable at any time during the option period after the option has been granted by the Board. The option period, during which an option may be exercised, is determined by the Board under the Scheme, but may not be later than ten years after the date of the grant of the option. According to the Scheme where applicable, there is no provision requiring a minimum holding period before an option may be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option under the Scheme where applicable.

The subscription price for the shares subject to options will be a price determined by the Board and notified to each Participant and shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options; and (iii) the nominal value of a share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

26. SHARE OPTION SCHEME (continued)

No option has been granted or exercised under the Scheme during the years ended 31 December 2025 and 2024.

27. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, further information of the related party transactions for the reporting periods is set out below.

27(a) Related party transactions of the Group:

	Note	2025 RM'000	2024 RM'000
Revenue arising from distribution and sales of F&B			
Alfa Indah (Beserah)	Note 17(a)(i)	1,635	1,759
Alfa Indah (Jaya Gading)	Note 17(a)(ii)	927	930
Golden Empire	Note 17(a)(viii)	9	14
Just Relax Restaurant	Note 17(a)(iii)	260	252
Megamart	Note 17(a)(v)	8,236	7,820
Owl Café	Note 17(a)(iii)	5	80
Pak Su Seafood	Note 17(a)(iv)	106	105
The Eight Th	Note 17(a)(vi)	49	55
The Nine Th	Note 17(a)(vii)	1	1
Theten Th Pub & Bistro ("Theten Th")	27(a)(i)	*	*
Theeleventh Bar & Bistro ("Theeleventh")	27(a)(i)	–	2
The 12 Th Kitchen & Bistro ("The 12 Th")	27(a)(i)	–	2
The 13 Th Kitchen & Bistro ("The 13 Th")	27(a)(i)	*	*
The Sixteen Live House	Note 17(a)(vii)	37	–

* The amount represent an amount less than RM1,000.

Sales and marketing expenses

Alfa Indah (Beserah)	Note 17(a)(i)	(4)	(11)
Alfa Indah (Jaya Gading)	Note 17(a)(ii)	(3)	(4)
Megamart	Note 17(a)(v)	(39)	(46)
Pak Su Seafood	Note 17(a)(iv)	(1)	–
Just Relax Restaurant	Note 17(a)(iii)	*	–
Owl Café	Note 17(a)(iii)	*	–

Note:

- (i) At 31 December 2025 and 2024, CA Soon and KW Ng were the partners of Theten Th, Theeleventh, The 12 Th and The 13 Th.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

27. RELATED PARTY TRANSACTIONS (continued)

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

	2025 RM'000	2024 RM'000
Salaries, discretionary bonus, allowances and other benefits in kind	4,164	4,813
Contributions to defined contribution plans	717	718
	4,881	5,531

Further details of the directors' remuneration are set out in Note 7.

28. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

28(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

- (i) During the year ended 31 December 2025, the Group entered into lease arrangements in respect of leased assets with a total capital value at the inception of leases of approximately RM703,000 (2024: RM454,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

28(b) Reconciliation of liabilities arising from financing activities

The movements during the years ended 31 December 2025 and 2024 in the Group's liabilities arising from financing activities are as follows:

	Interest-bearing borrowings RM'000	Lease liabilities RM'000	Dividend payable RM'000	Total RM'000
At 1 January 2025	50,875	2,844	–	53,719
Changes in Financing Cash Flows				
Drawdown of interest-bearing borrowings	47,932	–	–	47,932
Net cash outflow	(13,933)	(1,084)	(7,307)	(22,324)
Other changes				
Addition of right-of-use assets	–	703	–	703
Lease modification	–	15	–	15
Interest expenses	2,279	141	–	2,420
Derecognition due to termination of lease	–	(33)	–	(33)
Dividends declaration	–	–	7,307	7,307
At 31 December 2025	87,153	2,586	–	89,739
	Interest-bearing borrowings RM'000	Lease liabilities RM'000	Dividend payable RM'000	Total RM'000
At 1 January 2024	51,004	3,908	–	54,912
Changes in Financing Cash Flows				
Drawdown of interest-bearing borrowings	6,954	–	–	6,954
Net cash outflow	(8,154)	(1,543)	(8,138)	(17,835)
Other changes				
Addition of right-of-use assets	–	454	–	454
Interest expenses	1,071	245	–	1,316
Derecognition due to termination of lease	–	(220)	–	(220)
Dividends declaration	–	–	8,138	8,138
At 31 December 2024	50,875	2,844	–	53,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise, fixed deposits with licenced banks, bank balances and cash, interest-bearing borrowings and lease liabilities. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group generally adopts conservative strategies on the Group's risk management and limits the Group's exposure to these risks to a minimum. The management of the Group reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing borrowings with floating interest rates of approximately RM46,214,000 (2024: RM29,668,000) at 31 December 2025. The Group currently does not have a policy to hedge against the interest rate risk as the management of the Group does not expect any significant interest rate risk at 31 December 2025 and 2024.

If interest rates had been 1% (2024: 1%) higher/lower and all other variables were held constant, the Group's pre-tax results would decrease/increase by approximately RM256,000 (2024: RM153,000) during the year end 31 December 2025.

The sensitivity analysis has been assuming that the changes in interest rates had occurred at the end of the reporting period and had been applied to the Group's exposure of interest rate risk for financial instruments in existence at the end of the reporting period and all other variables remain constant.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 December 2025 and 2024.

In addition, the Group's financial liabilities measured at amortised cost are considered not to materially expose to fair value interest rate risk at the end of each reporting period.

Foreign currency risk

The Group's transactions are mainly denominated in RM.

Certain financial assets and financial 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. The carrying amounts of those financial assets and liabilities are analysed as follows:

	Financial assets		Financial liabilities	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
AUD	–	2	(288)	(1,948)
EUR	2	–	–	(681)
THB	–	–	(742)	(1,091)
US\$	497	246	–	(668)
RMB	72	1	–	(155)
NZD	57	–	–	–
HK\$	210	8,585	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table indicates the approximate change in the Group's post-tax results if exchange rates of RM had changed against the above foreign currencies of the respective group entities by 10% and all other variables were held constant at the end of each reporting period.

	2025		2024	
	Increase/ (decrease) in foreign exchange rate	Effect on post-tax results RM'000	Increase/ (decrease) in foreign exchange rates	Effect on post-tax results RM'000
AUD	10%	(22)	10%	(148)
	(10%)	22	(10%)	148
EUR	10%	–	10%	(52)
	(10%)	–	(10%)	52
THB	10%	(56)	10%	(83)
	(10%)	56	(10%)	83
US\$	10%	38	10%	(32)
	(10%)	(38)	(10%)	32
RMB	10%	5	10%	(12)
	(10%)	(5)	(10%)	12
NZD	10%	4	10%	–
	(10%)	(4)	(10%)	–
HK\$	10%	16	10%	652
	(10%)	(16)	(10%)	(652)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The carrying amount of financial assets recognised on the consolidated financial statements, which is net of impairment loss allowances, represents the Group's exposure to credit risk on these financial assets without taking into account the credit enhancements.

	2025 RM'000	2024 RM'000
Trade and other receivables	167,587	155,835
Fixed deposits with licensed banks	77,890	33,138
Bank balances and cash	31,734	54,410
	277,211	243,383

Trade receivables

The Group trades only with recognised, creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 90 days.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and region in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 December 2025, the Group had a concentration of credit risk as approximately 8% (2024: 8%) of the total trade receivables was due from the Group's largest trade debtor, and approximately 27% (2024: 26%) of the total trade receivables was due from the Group's five largest trade debtors.

The Group's customer base consists of a wide range of customers and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises loss allowances based on lifetime ECL at the end of each reporting period and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past periods and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables (continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised as follows:

At 31 December 2025

	Expected credit loss rate (approximately) %	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000	Credit- impaired
Not yet past due	–	109,061	–	109,061	No
1 to 30 days past due	11	11,100	(1,221)	9,879	No
31 to 60 days past due	24	8,674	(2,082)	6,592	No
61 to 90 days past due	63	1,538	(969)	569	No
Over 90 days past due	100	569	(569)	–	Yes
		130,942	(4,841)	126,101	

At 31 December 2024

	Expected credit loss rate (approximately) %	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000	Credit- impaired
Not yet past due	–	118,351	–	118,351	No
1 to 30 days past due	9	8,671	(780)	7,891	No
31 to 60 days past due	24	3,387	(813)	2,574	No
61 to 90 days past due	37	1,510	(559)	951	No
Over 90 days past due	100	2,689	(2,689)	–	Yes
		134,608	(4,841)	129,767	

The Group does not hold any collateral over trade receivables at 31 December 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables (continued)

At 31 December 2025, the Group recognised the impairment loss on trade receivables of approximately RM4,841,000 (2024: RM4,841,000) on the trade receivables. The movement in the impairment loss for trade receivables during the years ended 31 December 2025 and 2024 is summarised below.

	2025 RM'000	2024 RM'000
At the beginning of the reporting period	4,841	4,892
Written off during the year	–	(51)
At the end of the reporting period	4,841	4,841

For the years ended 31 December 2025 and 2024, bad debts written off directly to profit or loss of approximately RM186,000 and RM370,000, respectively, are still subject to enforcement activity. During the year ended 31 December 2025, approximately RM102,000 was recovered (2024: RM69,000) in relation to the bad debts written off in previously periods.

The following significant changes in the gross carrying amounts of trade receivables contributed to the changes in the loss allowance:

- changes because of financial instruments originated, acquired and derecognised (including those that were written-off) during the period; and
- modification of contractual cash flows on trade receivables that do not result in the derecognition of those trade receivables.

Other financial assets carried at amortised costs

The Group's other financial assets carried at amortised costs include fixed deposits with licenced banks, bank balances and cash and other receivables in the consolidated statement of financial position.

The Group's fixed deposits with licenced banks and bank balances are deposited in financial institutions which are of high credit rating. The management of the Group does not expect any losses arising from non-performance by these counterparties. The management of the Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Loss allowances on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other financial assets carried at amortised costs (continued)

In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past 3 years and the financial position of the counterparties, past collection history, current creditworthiness, adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of other receivables to be negligible after taking into account the financial position, credit quality and past settlement records of the counterparties.

There was no change in the estimation techniques or significant assumptions made during years ended 31 December 2025 and 2024.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amount RM'000	Total contractual undiscounted cash flow RM'000	On demand or less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Over 5 years RM'000
At 31 December 2025						
Trade and other payables	76,297	76,297	76,297	–	–	–
Interest-bearing borrowings	87,153	104,494	45,258	4,612	12,634	58,449
Lease liabilities	2,586	2,930	1,066	462	792	610
	166,036	183,721	122,621	5,074	13,426	59,059
At 31 December 2024						
Trade and other payables	82,230	82,230	82,230	–	–	–
Interest-bearing borrowings	50,875	60,647	24,199	3,620	8,898	23,930
Lease liabilities	2,844	3,280	948	840	723	769
	135,949	146,157	107,377	4,460	9,621	24,699

Fair value measurement

All financial assets and financial liabilities are carried at amounts not materially different from their fair value at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

30. COMMITMENTS

Commitments under operating leases

The Group as lessor

The Group leases out its properties under operating leases with initial lease terms ranging from 1 to 4 years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2025 RM'000	2024 RM'000
Within one year	64	70
In the second year	16	45
In the third year	–	22
In the fourth year	–	11
	80	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:

	2025 RM'000	2024 RM'000
Freehold land	–	3,557
Construction of a warehouse	16,272	–
	16,272	3,557

31. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividend, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The statement of financial position of the Company and the movement in its reserve is set out below:

	Note	2025 RM'000	2024 RM'000
Non-current asset			
Investment in a subsidiary	32(a)	—*	—*
Current assets			
Other deposits and receivables		121	255
Amounts due from subsidiaries	32(b)	43,115	37,354
Fixed deposits with licensed banks		53	8,057
Bank balances and cash		123	495
		43,412	46,161
Current liabilities			
Other payables		439	254
		439	254
Net current assets		42,973	45,907
NET ASSETS		42,973	45,907
Capital and reserves			
Share capital	24	5,707	5,707
Reserve	32(c)	37,266	40,200
TOTAL EQUITY		42,973	45,907

* Represent amounts less than RM1,000

The statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by:

Soon See Beng
Director

Soon Chiew Ang
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

32(a) Investment in a subsidiary

Investment in a subsidiary represents 100% of the issued share capital of SCC Holdings.

32(b) Amounts due from subsidiaries

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

32(c) Movement of share capital and reserves

	Share capital RM'000 <i>(Note 24)</i>	Share premium RM'000 <i>(Note 25(a))</i>	Translation reserve RM'000 <i>(Note 25(b))</i>	Accumulated losses RM'000	Total RM'000
At 1 January 2025	5,707	71,056	(191)	(30,665)	45,907
Profit for the year	-	-	-	8,500	8,500
Other comprehensive expenses:					
Exchange differences on translation	-	-	(4,127)	-	(4,127)
Total comprehensive income/ (expenses) for the year	-	-	(4,127)	8,500	4,373
Transactions with owners:					
Dividends <i>(Note 11)</i>	-	-	-	(7,307)	(7,307)
Total transactions with owners	-	-	-	(7,307)	(7,307)
At 31 December 2025	5,707	71,056	(4,318)	(29,472)	42,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

32(c) Movement of share capital and reserves (continued)

	Share capital RM'000 (Note 24)	Share premium RM'000 (Note 25(a))	Translation reserve RM'000 (Note 25(b))	Accumulated losses RM'000	Total RM'000
At 1 January 2024	5,707	71,056	510	(35,618)	41,655
Profit for the year	-	-	-	13,091	13,091
Other comprehensive expenses:					
Exchange differences on translation	-	-	(701)	-	(701)
Total comprehensive income/ (expenses) for the year	-	-	(701)	13,091	12,390
Transactions with owners:					
Dividends (Note 11)	-	-	-	(8,138)	(8,138)
Total transactions with owners	-	-	-	(8,138)	(8,138)
At 31 December 2024	5,707	71,056	(191)	(30,665)	45,907

During the years ended 31 December 2025 and 2024, certain corporate administrative expenses and the expenses for the Listing of the Company were borne by the subsidiaries of the Company without recharge.