



SWANG CHAI CHUAN LIMITED

雙財莊有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2321



2026

INTERIM REPORT

MEGA FRESH



Mega Food



Sayang KU

MAKANAN KUCING
PREMIUM CAT FOOD



Che Zaara



SNOWCAT

MAKANAN KUCING
CAT FOOD

CED





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Datuk Tan Teow Choon
Mr. Lee Teck Hoe
Mr. Lum Kan Fai
Ms. Saw Chooi Lee

AUDIT COMMITTEE

Mr. Lee Teck Hoe (*Chairman*)
Datuk Tan Teow Choon
Mr. Lum Kan Fai
Ms. Saw Chooi Lee

REMUNERATION COMMITTEE

Mr. Lum Kan Fai (*Chairman*)
Datuk Tan Teow Choon
Mr. Lee Teck Hoe
Ms. Saw Chooi Lee

NOMINATION COMMITTEE

Datuk Tan Teow Choon (*Chairman*)
Mr. Lee Teck Hoe
Mr. Lum Kan Fai
Ms. Saw Chooi Lee

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick

AUTHORIZED REPRESENTATIVES

Mr. Soon See Beng
Mr. Lau Wai Piu Patrick

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUDITOR

Crowe Malaysia PLT

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

CORPORATE INFORMATION

PRINCIPAL BANKERS

CIMB Bank Berhad

CIMB Islamic Bank Berhad

Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

50740 Kuala Lumpur

Malaysia

STOCK CODE

2321

WEBSITE

www.sccgroup.com.my

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

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Revenue	530,708	467,849
Gross profit	70,695	60,506
Gross profit margin	13.32%	12.93%
Profit before tax	27,880	27,366
Profit for the period	21,509	20,798
EARNINGS PER SHARE		
– Basic and diluted	2.15 sen	2.08 sen

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY BACKGROUND

Swang Chai Chuan Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) is a well established food & beverage (the “**F&B**”) distributor located in Malaysia. The 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 products, cleaning and kitchen supplies, and tobacco products. 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 can enhance consumers’ experience.

BUSINESS REVIEW AND PROSPECTS

As at 30 June 2026, 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 is in the midst of constructing a new warehouse, which is expected to be completed in the second half of 2026. Furthermore, the Group owns a fleet of 208 self-operated logistics vehicles, enabling the Group to enhance its quality of delivery and distribution services to a higher level.

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

FINANCIAL OVERVIEW

Revenue

The 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 six months ended 30 June 2026 (the “**Period**”), the Group’s revenue improved significantly by approximately Malaysian Ringgit (“**RM**”) 62.9 million or 13.44% from approximately RM467.8 million in the six months ended 30 June 2025 (the “**Last Corresponding Period**”) to approximately RM530.7 million in the Period, mainly due to the increased of distribution revenue from third party brands amounting of approximately RM53.5 million as well as own brand product of approximately RM9.3 million. The increase in revenue from third party brands is mainly attributed to sauce, oil and condiments, packaged food and commodities as well as tobacco products with increase of approximately RM43.5 million. The increase in revenue from own brand product is mainly attributed to quality health products and frozen food with increase of approximately RM9.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

Gross profit rose to approximately RM70.7 million with margin improving to approximately 13.3% (2025: approximately 12.9%). The improvement was mainly due to increase sales of higher margin products, particularly own branded products and overall cost efficiencies achieved through prudent management controls.

Other income

Other income mainly consists of interest income, exchange gain, sundry income, and others. Other income decreased by approximately RM3.4 million or 53.2%, from approximately RM6.4 million in the Last Corresponding Period to approximately RM3.0 million in the Period, mainly due to foreign exchange gain in 2025 resulting from strengthening of RM against USD and HKD, while in 2026 the currency is more stable.

Selling and distribution expenses

Selling and distribution expenses primarily comprise of (i) staff cost, (ii) transportation expenses, (iii) vehicle maintenance expenses, (iv) travelling expenses, (v) marketing and advertising expenses, and (vi) others. Selling and distribution expenses increased by approximately RM5.0 million or 18.4%, from approximately RM27.4 million in the Last Corresponding Period to approximately RM32.4 million in the Period which was mainly due to the increase in sales and marketing expenses due to additional marketing initiatives conducted, which contributed to the improved of revenue from own brand products.

Administrative and other operating expenses

Administrative and other operating expenses primarily comprise of i) staff costs which include Directors' remuneration, ii) utility expenses, iii) depreciation, iv) professional fees, and v) others. Administrative and other operating expenses increased slightly by approximately RM0.7 million or 5.9%, from approximately RM11.2 million in the Last Corresponding Period to approximately RM11.8 million in the Period primarily due to yearly revision of staff's salaries.

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and interest on lease liabilities. The Group's finance costs increased by approximately RM0.5 million or 49.5% from approximately RM1.0 million in the Last Corresponding Period to approximately RM1.5 million in the Period, mainly due to interest incurred from the drawdown of a new term loan facility utilised for the purchase of land.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expenses

Income tax expenses primarily consist of current and deferred income tax at the applicable tax rate in accordance with the relevant laws and regulations in Malaysia. No provision for Hong Kong profit tax has been made as the Group has no assessable profits arising in or derived from Hong Kong and the group entities established in the Cayman Islands and the British Virgin Islands are exempted from corporate income tax therein. Income tax expenses for the Period decreased by approximately RM0.2 million or 3.0% to approximately RM6.4 million from approximately RM6.6 million in the Last Corresponding Period. The decrease in income tax expenses was mainly due to overprovision of tax in June 2025.

Profit for the period and net profit margin

As a result of the foregoing, the Group recorded a profit for the period of approximately RM21.5 million in the Period and approximately RM20.8 million in the Last Corresponding Period. The net profit margin of the Group decrease to approximately 4.1% in the Period from approximately 4.4% in the Last Corresponding Period, mainly due to the decrease in other income 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(s)**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group intends to apply the proceeds from the issuance of 241,000,000 Shares at the offer price of Hong Kong dollars (“**HK\$**”) 0.56 per Share (the “**Global Offering**”) in accordance with the proposed applications set out in the section headed “Net Proceeds From The Global Offering” in the announcement of offer price and allotment result dated 18 August 2022.

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

After deducting share issuance expense and professional fee relating 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 follows:

Business Objectives	Planned	Balance of	Actual use		Balance of
	use of net	proceeds	of proceeds	Actual use	unutilised
	proceeds	as at	from	of proceeds	proceeds
	HK\$ million	31 December	1 January	as at	as at
	2023	10 December	10 December	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.

OTHER INFORMATION

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

Utilisation of the proceeds as at 30 June 2026 are as per followings:

	Revised planned use of net proceeds HK\$ million	Balance of unutilised proceeds as at 31 December 2025 HK\$ million	Actual use of proceeds from 1 January 2026 to 30 June 2026 HK\$ million	Actual use of proceeds as at 30 June 2026 HK\$ million	Balance unutilised proceeds as at 30 June 2026 HK\$ million	Expected timeline for unutilised proceeds
Further enhancement to distribution and sales capabilities	72.2	38.7	15.5	49.0	23.2	31 December 2026
Development in own products business	19.0	7.3	3.9	15.6	3.4	31 December 2026
	91.2	46.0	19.4	64.6	26.6	

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

As at 30 June 2026, the net proceeds of approximately HK\$26.6 million had not been utilised as planned (the “**Unutilised Net Proceeds**”), but is expected to be utilised during the financial year ending 31 December 2026. All the Unutilised Net Proceeds have been placed in licensed banks in Hong Kong and Malaysia.

OTHER INFORMATION

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

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

As at 30 June 2026, the Group's net current assets were approximately RM252.5 million (31 December 2025: approximately RM244.1 million). The Group's cash and cash equivalents as at 30 June 2026 were approximately RM57.8 million (31 December 2025: approximately RM31.7 million).

As at 30 June 2026, there were bank borrowings of approximately RM89.5 million bearing weighted average effective interest rate of approximately 3.61% per annum (31 December 2025: approximately RM87.2 million bearing weighted average effective interest rate of approximately 3.62% per annum).

As at 30 June 2026, the Group had total available banking facilities of approximately RM152.8 million, of which approximately RM53.4 million was utilised and approximately RM99.4 million was unutilised and available for use.

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group, based on total interest-bearing borrowings and lease liabilities to total equity (including all capital and reserves) of the Company was approximately 31.6% (31 December 2025: approximately 32.8%). The decrease in gearing ratio is primarily attributable to the net effect of increase in equity base.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed 980 full-time employees in Malaysia. The Group recognises the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. The remuneration packages offered to the Group's employees are based on each employee's qualifications, relevant experience, position and seniority. The Group conducts review on salary increments, bonuses and promotions based on the performance, qualifications, competence displayed and market comparable of each employee. The Group provides ample career development opportunities and training supports to new employees. During the Period, the Group has not experienced any significant problems with its employees or material disruption to the operations due to labour disputes, nor has the Group experienced any material difficulties in the recruitment and retention of staff.

TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign currency risk which refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group's transactions are mainly denominated in RM. Certain financial assets and liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk. As at 30 June 2026, the Group had outstanding foreign currency forward contract to sell approximately RM4.1 million buy approximately Australian dollars ("**AUD**") 1.5 million (31 December 2025: sell approximately RM2.2 million buy approximately AUD0.8 million), and sell approximately RM0.8 million buy approximately United States dollars ("**USD**") 0.2 million (31 December 2025: sell approximately RM1.2 million buy approximately USD0.3 million). The Group closely monitors the movement of the foreign currency rates and its foreign currency risks. The Group has not experienced any material difficulty or liquidity problems resulting from foreign exchange fluctuations.

PLEDGE OF ASSETS

As at 30 June 2026, the (i) interest-bearing borrowings and (ii) lease liabilities of the Group are secured by certain assets of the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Period. As at 30 June 2026, there were no treasury shares (as defined under the Rules Governing the Listing (the "**Listing Rules**") of Securities on the Stock Exchange) held by the Company.

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

Save as disclosed in this report and the announcement of the Company dated 5 May 2026, the Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group had no specific plan for material commitments or capital assets as at 30 June 2026.

OTHER INFORMATION

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

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

CORPORATE GOVERNANCE

Save for the deviation from code provisions C.1.5, C.2.1 and C.6.1 of Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules, the Company has complied with required standards as set out in the CG Code during the Period.

Pursuant to code provision C.1.5 of Part 2 of the CG Code, independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of Shareholders. Our independent non-executive Director, Datuk Tan Teow Choon was unable to attend the extraordinary general meeting of the Company held on 2 January 2026 due to other commitments.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Soon See Beng (“**Mr. Soon**”) currently holds both positions. Mr. 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. Soon as the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and its shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and the board of the Directors, which comprises experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Mr. Soon) and four independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Pursuant to code provision C.6.1 of Part 2 of the CG Code, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. Mr. 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 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 experience in acting as the company secretary of two 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 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.

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 for the purpose of reviewing and supervising the Group's financial reporting process.

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

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

REVIEW OF THE INTERIM RESULTS

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

INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date. As at 30 June 2026, 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 Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and/or short positions in our Company

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

OTHER INFORMATION

Notes:

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

Save as disclosed above, as at 30 June 2026, none of our Directors nor the chief executive of our Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as our Directors are aware, the following persons had an interest or short position in the Shares or the underlying Shares which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

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

Notes:

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

OTHER INFORMATION

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

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any other person had a beneficial interest or short position in the Shares as recorded in the register required to be kept under Section 336 of the SFO or the underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE SCHEME

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

No share option has been granted under the Share Option Scheme since its adoption, and there is no outstanding share option at 30 June 2026 and at the date of this report.

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

PUBLIC FLOAT

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

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

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

INTERIM DIVIDEND

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

OTHER INFORMATION

IMPORTANT EVENTS AFTER THE REVIEW PERIOD

On 27 July 2026, the Board announced that it had resolved to declare the payment of a special dividend of HK\$0.0086 per ordinary share of the Company, amounting to approximately HK\$8,601,290 (equivalent to approximately RM4,482,000) in total. The special dividend will be fully settled on Thursday, 3 September 2026 in cash to the Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 12 August 2026.

Save as disclosed above, there are no material subsequent events undertaken by the Company or by the Group after 30 June 2026 and up to the date of this report.

By order of the Board
Swang Chai Chuan Limited
Soon See Beng
Chairman and Chief Executive Officer

Hong Kong, 27 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

The Board of Directors (the “**Board**”) of Swang Chai Chuan Limited (the “**Company**”) presents the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 as follows. The interim results have not been audited by the external auditors but they have been reviewed by the Audit Committee of the Company.

	Note	Six months ended 30 June	
		2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Revenue	4	530,708	467,849
Cost of sales		(460,013)	(407,343)
Gross profit		70,695	60,506
Other income	5	3,003	6,410
Selling and distribution expenses		(32,421)	(27,393)
Administrative and other operating expenses		(11,823)	(11,159)
Finance costs	6	(1,543)	(1,032)
Share of results of an associate		60	34
Share of results of a joint venture		(91)	–
Profit before tax	6	27,880	27,366
Income tax expenses	7	(6,371)	(6,568)
Profit for the period		21,509	20,798
Other comprehensive income/(loss):			
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		612	(3,833)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on consolidation		(569)	281
Total comprehensive income for the period		21,552	17,246
Earnings per share attributable to owners of the Company			
Basic and diluted	8	2.15 sen	2.08 sen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Non-current assets			
Property, plant and equipment	10	65,737	60,764
Right-of-use assets	11	14,541	13,636
Investment in an associate	12	157	97
Investment in a joint venture	13	4,929	–
Deferred tax assets	19	829	829
		86,193	75,326
Current assets			
Inventories	14	142,046	93,418
Trade and other receivables	15	198,894	167,869
Fixed deposits with licensed banks		53,896	77,890
Income tax recoverable		–	994
Bank balances and cash		57,753	31,734
		452,589	371,905
Current liabilities			
Trade and other payables	16	148,538	83,367
Interest-bearing borrowings	17	49,142	43,507
Income tax payable		1,408	–
Lease liabilities	18	970	964
		200,058	127,838
Net current assets		252,531	244,067
Total assets less current liabilities		338,724	319,393
Non-current liabilities			
Interest-bearing borrowings	17	40,330	43,646
Lease liabilities	18	2,717	1,622
Deferred tax liabilities	19	445	445
		43,492	45,713
NET ASSETS		295,232	273,680
Capital and reserves			
Share capital	20	5,707	5,707
Reserves	21	289,525	267,973
TOTAL EQUITY		295,232	273,680

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Reserves				Total RM'000
	Share capital RM'000 (Note 20)	Share premium RM'000 (Note 21(a))	Translation reserve RM'000 (Note 21(b))	Accumulated profit RM'000	
At 1 January 2026 (Audited)	5,707	71,056	725	196,192	273,680
Profit for the period	–	–	–	21,509	21,509
Other comprehensive income/(loss): <i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	612	–	612
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on consolidation	–	–	(569)	–	(569)
Total other comprehensive income for the period	–	–	43	–	43
Total comprehensive income for the period	–	–	43	21,509	21,552
At 30 June 2026 (Unaudited)	5,707	71,056	768	217,701	295,232
At 1 January 2025 (Audited)	5,707	71,056	1,232	170,262	248,257
Profit for the period	–	–	–	20,798	20,798
Other comprehensive income/(loss): <i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	(3,833)	–	(3,833)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on consolidation	–	–	281	–	281
Total other comprehensive loss for the period	–	–	(3,552)	–	(3,552)
Total comprehensive (loss)/income for the period	–	–	(3,552)	20,798	17,246
At 30 June 2025 (Unaudited)	5,707	71,056	(2,320)	191,060	265,503

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	27,880	27,366
Adjustments for:		
Depreciation	3,516	3,173
Finance costs	1,543	1,032
Unrealised exchange gain, net	—	(3,552)
Interest income	(1,455)	(1,168)
Share of results from an associate	(60)	(34)
Share of results of a joint venture	91	—
Gain on disposal of property, plant and equipment, net	(21)	—*
Bad debts recovery	(69)	—
Bad debts written off	66	43
Provision for slow moving inventories	1,468	—
Operating cash inflows before movements in working capital	32,959	26,860
Changes in working capital:		
Inventories	(50,096)	(5,612)
Trade and other receivables	(31,021)	(10,145)
Trade and other payables	65,171	8,253
Cash generated from operations	17,013	19,356
Income tax paid	(3,969)	(3,219)
Net cash from operating activities	13,044	16,137
INVESTING ACTIVITIES		
Decrease/(increase) in fixed deposits with licensed banks	23,993	(35,243)
Interest received	1,455	1,168
Payment for purchase of property, plant and equipment	(7,596)	(3,265)
Investment in a joint venture	(5,000)	—
Proceeds from disposal of property, plant and equipment	21	—*
Net cash from/(used in) investing activities	12,873	(37,340)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
FINANCING ACTIVITIES		
Drawdown of interest-bearing borrowings	5,943	17,711
Net repayment of interest-bearing borrowings	(3,624)	(1,260)
Interest paid	(1,543)	(1,032)
Repayment of lease liabilities	(697)	(406)
Net cash from financing activities	79	15,013
Net increase/(decrease) in cash and cash equivalents	25,996	(6,190)
Cash and cash equivalents at the beginning of the reporting period	31,734	54,410
Effect on exchange rate changes	23	–
Cash and cash equivalents at the end of the reporting period	57,753	48,220

* Represents amount less than RM1,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 Suite 210, 2nd Floor Windward III, Regatta Office Park, 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.

The condensed consolidated financial statements (the “**Interim Financial Statement**”) of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the IFRS Accounting Standards issued by the IASB, which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the IASB. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2025 (the "**Annual Report**").

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

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report except for the adoption of the new/revised IFRSs which are relevant to the Group and effective for the Group's financial year beginning on 1 January 2026.

Adoption of new/revised IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB, which are mandatorily effective for the Group's annual reporting period beginning on 1 January 2026:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS	Volume 11

The application of the above amendments has had no material impact on the amounts recognised or disclosures presented in these Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted other new/revised IFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. SEGMENT INFORMATION

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

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

Information about major customers

The Group's revenue from any single external customer did not contribute 10% or more of the total revenue of the Group for the six months ended 30 June 2026 and 2025.

4. REVENUE

Six months ended 30 June		
	2026	2025
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within IFRS 15		
<i>At a point in time</i>		
Distribution and sales of products	525,026	462,543
<i>Over time</i>		
Provision of logistics, warehousing and other services	5,682	5,306
	530,708	467,849

The amount of revenue recognised for the six months ended 30 June 2026 that was included in the contract liabilities in relation to marketing incentives at the beginning of the reporting period was approximately RM3,112,000 (*six months ended 30 June 2025: RM5,781,000*) (Note 16(b)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. OTHER INCOME

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Interest income	1,455	1,168
Gain on disposal of property, plant and equipment, net	21	—*
Exchange gain, net	842	4,752
Rental income	138	138
Bad debts recovery	69	46
Sundry income	478	306
	3,003	6,410

* Represents amount less than RM1,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. PROFIT BEFORE TAX

This is stated after charging/(crediting):

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Finance costs		
Interest on interest-bearing borrowings	1,455	964
Interest on lease liabilities	88	68
	1,543	1,032
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	22,869	21,021
Contributions to defined contribution plans	1,561	1,449
	24,430	22,470
Other items		
Cost of inventories	452,618	400,721
Auditors' remuneration	351	50
Depreciation of property, plant and equipment (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	2,623	2,750
Depreciation of right-of-use assets (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	893	423
Expenses recognised under short-term leases	90	41
Bad debts written off	66	43

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. TAXATION

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Current tax		
Malaysia corporate income tax ("Malaysia CIT")	6,371	6,568

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for six months ended 30 June 2026 and 2025.

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

Malaysia CIT is calculated at 24% of the estimated assessable profits for the six months ended 30 June 2026 and 2025.

For the six months ended 30 June 2026 and 2025, 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026 RM'000 (Unaudited)	2025 RM'000 (Unaudited)
Profit for the period attributable to owners of the Company, used in basic and diluted earnings per share calculation	21,509	20,798
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 period.

Diluted earnings per share are same as the basic earnings per share as there are no potential dilutive ordinary shares in existence for the six months ended 30 June 2026 and 2025.

9. DIVIDENDS

On 27 July 2026, 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 12 August 2026. The dividend payables will be fully settled on 3 September 2026 by cash.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Leasehold improvements RM'000	Plant and machinery RM'000	Furniture, fixtures and office equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
Reconciliation of carrying amount – year ended 31 December 2025 (Audited)								
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
Reconciliation of carrying amount – six months ended 30 June 2026 (Unaudited)								
At 1 January 2026	27,121	17,294	158	6,383	1,397	5,939	2,472	60,764
Additions	–	–	–	232	385	3,087	3,892	7,596
Depreciation	–	(227)	(67)	(769)	(285)	(1,275)	–	(2,623)
At 30 June 2026	27,121	17,067	91	5,846	1,497	7,751	6,364	65,737
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
At 30 June 2026								
Cost	27,121	20,451	1,477	19,508	5,632	28,748	6,364	109,301
Accumulated depreciation	–	(3,384)	(1,386)	(13,662)	(4,135)	(20,997)	–	(43,564)
Net carrying amounts	27,121	17,067	91	5,846	1,497	7,751	6,364	65,737

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amounts of the Group's property, plant and equipment pledged to secure banking facilities (Note 17) at 30 June 2026 and 31 December 2025 are as follows:

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000
Pledged to secure banking facilities			
At 31 December 2025 (Audited)	13,404	13,644	675
At 30 June 2026 (Unaudited)	25,259	13,238	307

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. 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 2025 (Audited)			
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
Reconciliation of carrying amount – six months ended 30 June 2026 (Unaudited)			
At 1 January 2026	11,161	2,475	13,636
Additions	–	1,798	1,798
Depreciation	(183)	(710)	(893)
At 30 June 2026	10,978	3,563	14,541
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
At 30 June 2026			
Cost	14,503	7,385	21,888
Accumulated depreciation	(3,525)	(3,822)	(7,347)
Net carrying amounts	10,978	3,563	14,541

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. RIGHT-OF-USE ASSETS (continued)

The Group leases various properties for its daily operations, the initial lease terms range from 2 to 10 years during the period ended 30 June 2026 (31 December 2025: 2 to 10 years). 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 RM9,379,000 at 30 June 2026 (31 December 2025: RM11,162,000), were pledged to secure bank facilities (Note 17) granted to the Group.

Commitments under leases

At 30 June 2026, the Group was committed to short-term leases or low-value asset leases of approximately RM90,000 (31 December 2025: RM458,000).

12. INVESTMENT IN AN ASSOCIATE

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Unlisted entity, share of net assets	157	97

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/ place of operation
			At 30 June 2026	At 31 December 2025	
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 period ended 30 June 2026, and determined that it has significant influence thereon through a board representation and other arrangements made. Consequently, this investment has been classified as an investment in an associate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. INVESTMENT IN A JOINT VENTURE

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Unlisted entity, share of net assets	4,929	–

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

Name of joint venture	Principal place of business and place of incorporation	Paid-up capital	Proportion of value of registered and paid-up capital indirectly held by the Company	Principal activities/ place of operation
			At 30 June 2026	At 31 December 2025
OVICOLL PTY LTD ("OVICOLL")	Australia	AUD200	50%	– Ovine nano-collagen production and commercialisation/ Australia

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

On 4 May 2026, the Group entered into a joint venture agreement and acquired a 50% equity interest in OVICOLL at a cash consideration of RM5,000,000.

Although the Group holds 50% of the voting power in OVICOLL, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by all shareholders.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

14. INVENTORIES

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Raw materials	3,433	2,377
Finished goods	140,081	91,041
	143,514	93,418
Less: Write-down provision	(1,468)	–
	142,046	93,418
Recognised in profit or loss:		
Inventories recognised as cost of sales	452,618	400,721

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. TRADE AND OTHER RECEIVABLES

	Note	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Trade receivables			
From related parties	15(a)	93	1,296
From third parties		162,190	129,646
		162,283	130,942
Less: Loss allowances		(4,841)	(4,841)
	15(b)	157,442	126,101
Other receivables			
Deposits paid to suppliers		2,329	1,863
Deposit paid for acquisition of land		28,259	28,206
Prepayment		70	282
Accrued income		9,340	8,648
Interest receivable		—	1,320
Other deposits and receivables		54	49
Amount due from an associate (Note i)		1,400	1,400
		41,452	41,768
		198,894	167,869

Notes:

- The amounts due from an associate are non-trade in nature, unsecured, interest-free and repayable on demand.
- 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 RM28,259,000 at 30 June 2026 (31 December 2025: RM28,206,000), were pledged to secure bank facilities (Note 17) granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. TRADE AND OTHER RECEIVABLES (continued)

15(a) Trade receivables from related parties

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

15(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:

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Within 30 days	87,898	69,612
31 to 60 days	48,120	41,497
61 to 90 days	14,703	12,809
Over 90 days	6,721	2,183
	157,442	126,101

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. TRADE AND OTHER RECEIVABLES (continued)

15(b) Trade receivables (continued)

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

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Not yet past due	131,873	109,061
Past due:		
Within 30 days	20,417	9,879
31 to 60 days	2,231	6,592
61 to 90 days	2,921	569
	25,569	17,040
	157,442	126,101

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

16. TRADE AND OTHER PAYABLES

	Note	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Trade payables			
To third parties		120,212	62,601
To an associate		35	19
	16(a)	120,247	62,620
Other payables			
Contract liabilities – marketing incentives	16(b)	6,868	5,044
Contract liabilities – receipts in advance	16(c)	4,962	2,026
Salary payables		6,886	4,249
Other accruals and other payables		9,329	9,222
Rental and other deposits		246	206
		28,291	20,747
		148,538	83,367

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

16. TRADE AND OTHER PAYABLES (continued)

16(a) Trade payables

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

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

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Within 30 days	65,890	26,950
31 to 60 days	46,006	24,110
61 to 90 days	7,178	11,318
Over 90 days	1,173	242
	120,247	62,620

16(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:

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
At the beginning of the reporting period	5,044	6,447
Additions, net	4,936	4,972
Revenue recognised for the reporting period (Note 4)	(3,112)	(6,375)
At the end of the reporting period	6,868	5,044

The contract liabilities of approximately RM6,868,000 at 30 June 2026 (31 December 2025: RM5,044,000), represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price of approximately RM4,936,000 at 30 June 2026 (31 December 2025: RM5,044,000), allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

16. TRADE AND OTHER PAYABLES (continued)

16(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:

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
At the beginning of the reporting period	2,026	–
Additions	4,962	2,026
Revenue recognised for the reporting period	(2,026)	–
At the end of the reporting period	4,962	2,026

The contract liabilities of approximately RM4,962,000 at 30 June 2026 (31 December 2025: approximately RM2,026,000), represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price of approximately RM4,962,000 at 30 June 2026 (31 December 2025: approximately RM2,026,000), allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. INTEREST-BEARING BORROWINGS

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

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Interest-bearing borrowings – secured		
– Current portion	49,142	43,507
– Non-current portion	40,330	43,646
	89,472	87,153
Carrying amounts of the above borrowings are repayable:		
Within one year	49,142	43,507
More than one year, but not exceeding two years	2,786	2,730
More than two years, but not exceeding five years	7,731	7,637
Over five years	29,813	33,279
	89,472	87,153
Less: amounts shown under current liabilities	(49,142)	(43,507)
	40,330	43,646

The secured bank borrowings are repayable ranging from within one year to over five years since their inception. At 30 June 2026, the secured bank borrowings carried weighted average effective interest rate of approximately 3.61% (At 31 December 2025: 3.62%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. 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 RM38,804,000 at 30 June 2026 (*31 December 2025: RM27,723,000*), as set out in Note 10;
- (iii) certain right-of-use assets with aggregate net carrying amounts of approximately RM9,379,000 at 30 June 2026 (*31 December 2025: RM11,162,000*), as set out in Note 11;
- (iv) pledged bank deposits with carrying amounts of approximately RM7,583,000 at 30 June 2026 (*31 December 2025: RM7,480,000*); and
- (v) deposit paid for acquisition of land with carrying amounts of approximately RM28,259,000 at 30 June 2026 (*31 December 2025: RM28,206,000*), as set out in Note 15.

All banking facilities are subject to the fulfilment of covenants, as is commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand. At 30 June 2026 and 31 December 2025, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. LEASE LIABILITIES

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Current portion	970	964
Non-current portion	2,717	1,622
	3,687	2,586

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Amounts payable:				
Within one year	1,104	1,066	970	964
In the second to fifth years inclusive	2,499	1,254	2,240	1,052
Over five years	504	611	477	570
	4,107	2,931	3,687	2,586
Less: future finance charges	(420)	(345)	–	–
	3,687	2,586	3,687	2,586

The total cash outflows for leases for the six months ended 30 June 2026 was approximately RM785,000 (six months ended 30 June 2025: RM474,000).

At 30 June 2026, the weighted average effective interest rate of the lease liabilities of the Group was approximately 4.36% (At 31 December 2025: 4.62%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. DEFERRED TAX ASSETS/(LIABILITIES)

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

	At 30 June 2026 (Unaudited) RM'000	At 31 December 2025 (Audited) RM'000
Deferred tax assets	829	829
Deferred tax liabilities	(445)	(445)
	384	384

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	Accelerated tax depreciation RM'000	Total RM'000
At 1 January 2025 (Audited)	1,716	(1,291)	425
Income tax credit/(expenses)	–	(41)	(41)
At 31 December 2025 and 1 January 2026 (Audited)	1,716	(1,332)	384
Income tax credit/(expenses)	–	–	–
At 30 June 2026 (Unaudited)	1,716	(1,332)	384

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. SHARE CAPITAL

	Number of shares '000	HK\$'000	Equivalent to approximately RM'000
Ordinary share of HK\$0.01 each			
Authorised:			
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,500,000	15,000	8,474
Issued and fully paid:			
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,000,150	10,002	5,707

21. RESERVES

21(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.

21(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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22. RELATED PARTY TRANSACTIONS

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

22(a) Related party transactions of the Group:

		Six months ended 30 June	
		2026	2025
		RM'000	RM'000
	Note	(Unaudited)	(Unaudited)
Revenue arising from distribution and sales of F&B	22(a)(i)	5,854	5,734
Sales and marketing expenses	22(a)(i)	23	10

Note:

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

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

		Six months ended 30 June	
		2026	2025
		RM'000	RM'000
		(Unaudited)	(Unaudited)
Salaries, discretionary bonus, allowances and other benefits in kind		2,621	2,710
Contributions to defined contribution plans		458	416
		3,079	3,126

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. FAIR VALUE MEASUREMENT

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

24. 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:

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Within one year	57	64
In the second year	15	16
	72	80

Capital commitment

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

	At 30 June 2026 RM'000 (Unaudited)	At 31 December 2025 RM'000 (Audited)
Construction of a warehouse	12,380	16,272