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## **Swang Chai Chuan Limited**

**雙財莊有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2321)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **FINANCIAL HIGHLIGHTS**

For the year ended 31 December 2024 (the “**Reporting Period**”):

- Revenue for the Reporting Period decreased by approximately 2.0% year-to-year to approximately RM913.0 million, as compared with the revenue of approximately RM931.9 million for the year ended 31 December 2023 (the “**Preceding Year**”).
- Profit for the Reporting Period attributable to owners of the Company amounted to approximately RM28.1 million (2023: profit attributable to owners of the Company approximately RM27.1 million).
- Basic earnings per share for the Reporting Period was 2.81 sen as compared with the basic earnings per share of 2.71 sen for the Preceding Year.
- The Directors of the Company do not recommend payment of any final dividend to shareholders of the Company for the Reporting Period.

The board (the “**Board**”) of directors (the “**Directors**”) of Swang Chai Chuan Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Reporting Period, together with the comparative figures for the Preceding Year as follows.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <b>RM'000</b>	2023 RM'000 (Restated)
<b>Revenue</b>	4	<b>913,008</b>	931,920
Cost of sales		<u>(799,524)</u>	<u>(821,578)</u>
<b>Gross profit</b>		<b>113,484</b>	110,342
Other income	5	<b>3,022</b>	2,854
Selling and distribution expenses		<b>(52,880)</b>	(52,834)
Administrative and other operating expenses		<b>(25,800)</b>	(20,073)
Finance costs	6	<b>(1,316)</b>	(2,279)
Share of results of an associate		<b>65</b>	(183)
Net loss allowance of trade receivables	7	<u>–</u>	<u>(1,085)</u>
<b>Profit before tax</b>	6	<b>36,575</b>	36,742
Income tax expenses	8	<u>(8,512)</u>	<u>(9,626)</u>
<b>Profit for the year</b>		<b>28,063</b>	27,116
<b>Other comprehensive income:</b>			
<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		<b>280</b>	(228)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on consolidation		<u>527</u>	<u>1,412</u>
<b>Total other comprehensive income for the year</b>		<u><b>807</b></u>	<u>1,184</u>
<b>Total comprehensive income for the year</b>		<u><b>28,870</b></u>	<u>28,300</u>
<b>Earnings per share attributable to owners of the Company:</b>			
– Basic and diluted	9	<u><b>2.81 sen</b></u>	<u>2.71 sen</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Note</i>	<b>2024</b> <b>RM'000</b>	2023 RM'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment		<b>46,535</b>	43,028
Right-of-use assets		<b>14,289</b>	19,778
Investment in an associate		<b>107</b>	43
Deferred tax assets		<b>1,716</b>	2,542
		<b>62,647</b>	65,391
<b>Current assets</b>			
Inventories		<b>83,858</b>	87,938
Trade and other receivables	<i>11</i>	<b>155,835</b>	127,716
Fixed deposits with licensed banks		<b>33,138</b>	22,366
Income tax recoverable		<b>2,056</b>	483
Bank balances and cash		<b>54,410</b>	45,169
		<b>329,297</b>	283,672
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>88,677</b>	65,460
Interest-bearing borrowings		<b>22,962</b>	27,633
Lease liabilities		<b>824</b>	1,286
		<b>112,463</b>	94,379
<b>Net current assets</b>		<b>216,834</b>	189,293
<b>Total assets less current liabilities</b>		<b>279,481</b>	254,684

	<i>Note</i>	<b>2024</b> <b>RM'000</b>	2023 RM'000 (Restated)
<b>Non-current liabilities</b>			
Interest-bearing borrowings		<b>27,913</b>	23,371
Lease liabilities		<b>2,020</b>	2,622
Deferred tax liabilities		<b>1,291</b>	1,166
		<u><b>31,224</b></u>	<u>27,159</u>
<b>NET ASSETS</b>		<u><b>248,257</b></u>	<u>227,525</u>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>5,707</b>	5,707
Reserves		<b>242,550</b>	221,818
<b>TOTAL EQUITY</b>		<u><b>248,257</b></u>	<u>227,525</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

## 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 2201-2203, 22/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 services, 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 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. PRINCIPAL ACCOUNTING POLICIES

### 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 2023 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.

### 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 IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

### ***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

The amendments clarify when a sale and leaseback transaction qualifies as a “sale” under IFRS 15 and the lease payments include variable lease payments that do not depend on an index or rate, the seller-lessee should in subsequently measuring its lease payments and the “revised” lease payments (include variable lease payments) in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

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

### ***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

The amendments clarify that liability is classified as non-current when an entity has the right to defer settlement for at least 12 months from the balance sheet date. The right to defer exists only if the entity would have complied with the relevant covenants based on its circumstances at the balance sheet date, even though compliance is required only after that date.

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

### ***Amendments to IAS 1: Non-current Liabilities with Covenants***

The amendments reconfirmed that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date.

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

### ***Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements***

The amendments require entities to disclose details of their supplier finance arrangements and how the arrangements affect its liabilities, cash flows and exposure to the liquidity risk.

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.

### 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 2024 and 2023, as the Group manages its business as a whole as the businesses of distribution and sales of F&B and provision of logistics services, 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 2024 and 2023 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 2024 and 2023.

### 4. REVENUE

	2024 <i>RM'000</i>	2023 <i>RM'000</i>
<b>Revenue from contracts with customers within IFRS 15</b>		
<i>At a point in time</i>		
Distribution and sales of F&B	902,782	922,215
<i>Over time</i>		
Provision of logistics services, warehousing and other services	<u>10,226</u>	<u>9,705</u>
	<b><u>913,008</u></b>	<b><u>931,920</u></b>

The amount of revenue recognised for the year ended 31 December 2024 that were included in the contract liabilities in relation to the Marketing incentives at the beginning of the reporting period was approximately RM4,567,000 (2023: RM5,978,000) (Note 12(b)).

## 5. OTHER INCOME

	2024 <i>RM'000</i>	2023 <i>RM'000</i> (Restated)
Interest income	1,345	1,491
Gain on disposal of property, plant and equipment, net	51	158
Rental income	915	236
Bad debts recovery	69	153
Gain on derecognition due to lease termination	5	–
Sundry income	637	816
	<u>3,022</u>	<u>2,854</u>

## 6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2024 <i>RM'000</i>	2023 <i>RM'000</i>
<b>Finance costs</b>		
Interest on bank overdrafts	1	1
Interest on interest-bearing borrowings	1,070	2,092
Interest on lease liabilities	245	186
	<u>1,316</u>	<u>2,279</u>
<b>Staff costs (including directors' emoluments)</b>		
Salaries, discretionary bonus, allowances and other benefits in kind	41,011	37,323
Contributions to defined contribution plans	3,257	3,804
	<u>44,268</u>	<u>41,127</u>
<b>Other items</b>		
Cost of inventories	785,314	806,435
Auditors' remuneration		
– Audit services	530	933
– Non-audit services	95	117
Depreciation of property, plant and equipment (charged to “cost of sales” and “administrative and other operating expenses”, as appropriate)	4,885	3,916
Depreciation of right-of-use assets (charged to “cost of sales” and “administrative and other operating expenses”, as appropriate)	1,279	2,162
Exchange (gain)/loss, net	(1,211)	287
Expenses recognised under short-term leases	61	226
Bad debts written off	370	281
Fixed assets written off	630	–
Reversal of inventories written down, net	–	(832)
	<u>785,314</u>	<u>806,435</u>

*Note:* For the year ended 31 December 2023, the Group has recognised reversal of write-down of inventories, net, of approximately RM832,000 as certain of the Group's inventories which was wrote-down in previous years were sold in current period.



## 7. NET LOSS ALLOWANCE OF TRADE RECEIVABLES

	<b>2024</b> <i>RM'000</i>	2023 <i>RM'000</i>
Net loss allowance of trade receivables	–	1,085

## 8. TAXATION

	<b>2024</b> <i>RM'000</i>	2023 <i>RM'000</i>
<b>Current tax</b>		
Malaysia corporate income tax (“ <b>Malaysia CIT</b> ”)	7,561	9,740
<b>Deferred tax</b>		
Changes in temporary differences	951	(114)
<b>Total income tax expenses for the year</b>	<b>8,512</b>	<b>9,626</b>

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 2024 and 2023.

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax (“**CIT**”) therein.

Malaysia CIT is calculated at 24% (2023: 24%) of the estimated assessable profits for the year ended 31 December 2024.

For the years ended 31 December 2024 and 31 December 2023, 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.

### Reconciliation of income tax expenses

	<b>2024</b> <i>RM'000</i>	2023 <i>RM'000</i>
Profit before tax	36,575	36,742
Income tax at statutory tax rate applicable in respective territories	8,778	8,818
Non-deductible expenses	1,448	1,963
Tax exempt revenue	–	(358)
Tax concessions	(1,365)	(890)
Others	(349)	93
Income tax expenses	<b>8,512</b>	<b>9,626</b>

## 9. EARNINGS PER SHARE

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

	<b>2024</b> <i>RM'000</i>	2023 <i>RM'000</i>
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	<u><b>28,063</b></u>	<u>27,116</u>
<b>Number of shares:</b>	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	<u><b>1,000,150</b></u>	<u>1,000,150</u>

The calculation of basic and diluted earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year ended 31 December 2024.

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 2024 and 2023.

## 10. DIVIDENDS

	<b>2024</b> <i>RM'000</i>	2023 <i>RM'000</i>
Special dividends declared to the owners of the Company HK\$0.0135 (2023: HK\$0.023) per ordinary share	<u><b>8,138</b></u>	<u>13,702</u>

On 9 July 2024, 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 25 July 2024. The dividend payables were fully settled on 26 August 2024 by cash.

The Directors did not recommend payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## 11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	<b>2024</b> <b>RM'000</b>	2023 RM'000 (Restated)
<b>Trade receivables</b>			
From related parties	(a)	<b>1,184</b>	510
From third parties		<b>133,424</b>	120,617
		<b>134,608</b>	121,127
Less: Loss allowances		<b>(4,841)</b>	(4,892)
	(b)	<b>129,767</b>	116,235
<b>Other receivables</b>			
Deposits paid to suppliers		<b>8,306</b>	3,519
Deposit paid for acquisition of land		<b>8,397</b>	242
Deposits paid for acquisition of computer software		<b>44</b>	41
Marketing expenses receivables		<b>7,849</b>	5,458
Other deposits and receivables		<b>72</b>	759
Amount due from the holding company ( <i>Note i</i> )		<b>–</b>	62
Amount due from an associate ( <i>Note i</i> )		<b>1,400</b>	1,400
		<b>26,068</b>	11,481
		<b>155,835</b>	127,716

*Notes:*

- (i) The amounts due from the holding company and 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.

## 11(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 2024 (2023: Nil). The Group does not hold any collateral over these balances.

	Maximum amount outstanding during the year RM'000	Balance at 31 December 2024 RM'000
Alfa Indah (Beserah) Sdn. Bhd. (“Alfa Indah (Beserah)”) (Note 11(a)(i))	390	293
Alfa Indah (Jaya Gading) Sdn. Bhd. (“Alfa Indah (Jaya Gading)”) (Note 11(a)(ii))	187	169
Golden Empire Palace Restaurant Sdn. Bhd. (“Golden Empire”) (Note 11(a)(viii))	2	1
Just Relax Restaurant (Note 11(a)(iii))	45	40
Megamart Sdn. Bhd. (“Megamart”) (Note 11(a)(v))	823	661
Owl café (Note 11(a)(iii))	26	2
Pak Su Seafood Restaurant Sdn. Bhd. (“Pak Su Seafood”) (Note 11(a)(iv))	16	6
The Eight Th (Note 11(a)(vi))	16	12
The Nine Th (Note 11(a)(vii))	*	*
	<u>1,505</u>	<u>1,184</u>

\* Represent amounts less than RM1,000.

	Maximum amount outstanding during the year ended 31 December 2023 RM'000	Balance at 31 December 2023 RM'000
Alfa Indah (Beserah) Sdn. Bhd. (“Alfa Indah (Beserah)”) (Note 11(a)(i))	333	300
Alfa Indah (Jaya Gading) Sdn. Bhd. (“Alfa Indah (Jaya Gading)”) (Note 11(a)(ii))	164	132
Golden Empire Palace Restaurant Sdn. Bhd. (“Golden Empire”) (Note 11(a)(viii))	3	2
Just Relax Restaurant (Note 11(a)(iii))	51	38
Owl café (Note 11(a)(iii))	28	20
Pak Su Seafood Restaurant Sdn. Bhd. (“Pak Su Seafood”) (Note 11(a)(iv))	12	8
The Eight Th (Note 11(a)(vi))	12	10
	<u>603</u>	<u>510</u>

*Notes:*

- (i) At 31 December 2024 and 2023, 16.67% equity interests of Alfa Indah (Beserah) was held by SB Soon.
- (ii) At 31 December 2024 and 2023, 15% equity interests of Alfa Indah (Jaya Gading) was held by SB Soon.
- (iii) At 31 December 2024 and 2023, CA Soon, and his spouse, Ms. Ng Kar Wei (“**KW Ng**”) were the partners of Just Relax Restaurant, Owl café and JR Grill & Bistro.
- (iv) At 31 December 2024 and 2023, 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 2024 and 2023, 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 2024 and 2023, CA Soon and SL Soon were the partners of The Eight Th.
- (vii) At 31 December 2024 and 2023, CA Soon and KW Ng, who is the spouse of CA Soon, were the partners of The Nine Th.
- (viii) At 31 December 2024 and 2023, 1% and 8% equity interests of Golden Empire was held by SL Soon and TH Lim, respectively.

**11(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:

	<b>2024</b>	2023
	<b><i>RM'000</i></b>	<i>RM'000</i>
Within 30 days	<b>67,325</b>	63,635
31 to 60 days	<b>45,890</b>	39,768
61 to 90 days	<b>11,886</b>	11,035
Over 90 days	<b>4,666</b>	1,797
	<b><u>129,767</u></b>	<u>116,235</u>

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

	<b>2024</b> <b>RM'000</b>	2023 <i>RM'000</i>
Not yet past due	<u>118,351</u>	<u>65,260</u>
Past due:		
Within 30 days	7,891	39,364
31 to 60 days	2,574	10,032
61 to 90 days	<u>951</u>	<u>1,579</u>
	<u>11,416</u>	<u>50,975</u>
	<u><b>129,767</b></u>	<u><b>116,235</b></u>

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

## 12. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>2024</b> <b>RM'000</b>	2023 <i>RM'000</i>
<b>Trade payables</b>			
To third parties	<i>12(a)</i>	<b>69,385</b>	52,337
To an associate		<b>43</b>	–
		<u><b>69,428</b></u>	<u>52,337</u>
<b>Other payables</b>			
Contract liabilities – Marketing Incentives	<i>12(b)</i>	<b>6,447</b>	4,579
Contract liabilities – receipts in advance	<i>12(c)</i>	–	1,108
Salary payables		<b>5,020</b>	2,933
Other accruals and other payables ( <i>Note</i> )		<b>7,782</b>	4,318
Rental and other deposits		<u>–</u>	<u>185</u>
		<u><b>19,249</b></u>	<u>13,123</u>
		<u><b>88,677</b></u>	<u><b>65,460</b></u>

*Note:*

The amount at 31 December 2024 included payables of approximately RM nil (2023: RM1,598,000) for addition of property, plant and equipment.

## 12(a) Trade payables

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

As at 31 December 2024, the carrying amounts of trade payables are denominated in Australian Dollars, Euro, Thai Baht, United States Dollars and Renminbi of approximately RM1,948,000 (2023: RM527,000), RM681,000 (2023: RM316,000), RM1,091,000 (2023: RM913,000), RM668,000 (2023: RM203,000) and RM155,000 (2023: RM77,000), respectively.

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

	<b>2024</b> <b>RM'000</b>	2023 <i>RM'000</i>
Within 30 days	<b>29,691</b>	27,009
31 to 60 days	<b>24,534</b>	23,362
61 to 90 days	<b>14,311</b>	1,053
Over 90 days	<b>892</b>	913
	<b>69,428</b>	52,337

## 12(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:

	<b>2024</b> <b>RM'000</b>	2023 <i>RM'000</i>
At the beginning of the reporting period	<b>4,579</b>	5,978
Additions	<b>6,435</b>	4,579
Revenue recognised for the reporting period ( <i>Note 4</i> )	<b>(4,567)</b>	(5,978)
At the end of the reporting period	<b>6,447</b>	4,579

The contract liabilities of approximately RM6,447,000 (2023: RM4,579,000) at 31 December 2024, represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price of approximately RM6,435,000 (2023: RM4,579,000) at 31 December 2024, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

### 12(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:

	2024 <i>RM'000</i>	2023 <i>RM'000</i>
At the beginning of the reporting period	1,108	–
Additions	–	1,108
Revenue recognised for the reporting period	<u>(1,108)</u>	<u>–</u>
At the end of the reporting period	<u>–</u>	<u>1,108</u>

The contract liabilities of approximately RM nil (2023: approximately RM1,108,000) at 31 December 2024, 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 RM nil (2023: approximately RM1,108,000) at 31 December 2024, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

### 13. SHARE CAPITAL

	Number of shares '000	<i>HK\$'000</i>	Equivalent to approximately <i>RM'000</i>
Ordinary share of HK\$0.01 each			
Authorised: At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,500,000</u>	<u>15,000</u>	<u>8,474</u>
Issued and fully paid: At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,000,150</u>	<u>10,002</u>	<u>5,707</u>

### 14. CAPITAL COMMITMENT

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

	2024 <i>RM'000</i>	2023 <i>RM'000</i>
Freehold land	<u>3,557</u>	<u>–</u>



## 15. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:

	<b>As previously reported</b> <i>RM'000</i>	<b>As restated</b> <i>RM'000</i>
Consolidated statement of profit or loss and other comprehensive income (Extract):		
Other income	6,661	2,854
Administrative and other operating expenses	(24,965)	(20,073)
Net loss allowance of trade receivables	–	(1,085)
	<hr/>	<hr/>
Consolidated statement of financial position (Extract):		
Non-current assets		
Property, plant and equipment	41,693	43,028
Right-of-use assets	21,113	19,778
	<hr/>	<hr/>
Current liabilities		
Interest-bearing borrowings	27,155	27,633
Lease liabilities	1,764	1,286
	<hr/>	<hr/>
Non-current liabilities		
Interest-bearing borrowings	22,583	23,371
Lease liabilities	3,410	2,622
	<hr/>	<hr/>

## **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**

As the world was undergoing the COVID-19 pandemic since the end of 2019, which had led to an increase in the demand of F&B products, the Company had to accelerate its business in 2020 by leasing 2 more warehouses located in Kuantan and Perai of Malaysia to satisfy the increased demand. By the end of 2024, the Company has a total of 9 self-owned and 3 leased warehouses strategically located all over Malaysia which contributed to an aggregate designated storage capacity of 34,335 m<sup>3</sup>. In addition, the Company also owns a fleet of 169 self-operated logistics vehicles which allow the Group to leverage the service quality to a more superior level.

Looking forward, we will continue to utilise our 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 our competitiveness.

## **FINANCIAL OVERVIEW**

### **Revenue**

The Company's revenue is primarily generated from (i) the distribution and sales of fast-moving consumer goods (“**FMCG**”) where majority are F&B products, and (ii) the provision of logistics services, warehousing and other services. For the year ended 31 December 2024 (the “**Reporting Period**”), the Group's revenue decreased by approximately RM18.9 million or 2.0% from approximately RM931.9 million in 31 December 2023 (the “**Preceding Year**”) to approximately RM913.0 million for the Reporting Period mainly due to the decrease in distribution revenue from third party brands amounting to approximately RM15.3 million. The decrease in revenue from third party brands is mainly attributed to dairy products, confectionery and packaged food with decrease of approximately RM35.0 million.

### **Gross profit**

The gross profit margin increased to approximately 12.4% in the Reporting Period as compared to approximately 11.8% in the Preceding Year. The increase in the gross profit margin was due to the result of competitive price strategy.

### **Other income**

Other income mainly consists of interest income, sundry income, and others. Other income increased by approximately RM0.15 million or 5.3%, from approximately RM2.85 million in the Preceding Year to approximately RM3.0 million in the Reporting Period mainly due to the rental income recognised during the year.

### **Selling and distribution expenses**

Selling and distribution expenses primarily comprise of (i) staff cost, (ii) transportation expenses, (iii) vehicle maintenance expenses, (iv) marketing and advertising expenses, and (v) others. Selling and distribution expenses increased by approximately RM0.05 million or 0.1%, from approximately RM52.83 million in the Preceding Year to approximately RM52.88 million in the Reporting Period which was mainly due to the increase in (a) packaging and sampling, (b) upkeep of property, plant and equipment, and (c) sales and marketing expenses driven by product launches, promotional activities and an expanded product offering in the market.

### **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 increased by approximately RM5.7 million or 28.3%, from approximately RM20.1 million in the Preceding Year to approximately RM25.8 million in the Reporting Period primarily due to increase in staff costs and fixed asset written off during the year.

### **Finance costs**

Finance costs mainly represent interest on interest-bearing borrowings and interest on lease liabilities. The Company's finance costs decreased by approximately RM1.0 million or 43.5% from approximately RM2.3 million in the Preceding Year to approximately RM1.3 million in the Reporting Period. The decrease in finance costs was mainly due to the lower interest on bankers' acceptance as a result of lower usage of bankers' acceptance facility.

### **Income tax expenses**

Income tax expenses primarily consist of current and deferred income tax at the applicable tax rate in accordance with the relevant laws and regulations in Malaysia. No provision for Hong Kong profit tax has been made as the Group has no assessable profits 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 decreased by approximately RM1.1 million or 11.5% to approximately RM8.5 million from approximately RM9.6 million in the Preceding Year. The decrease in income tax expenses was mainly due to lower non-deductible expense and higher tax concessions 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 RM28.1 million in the Reporting Period and RM27.1 million in the Preceding Year. The net profit margin of the Group increased to 3.1% in the Reporting Period from 2.9% 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.

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:

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

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.

	Revised planned use of net proceeds <i>HK\$ million</i>	Unutilised amount of the net proceeds as at 10 December 2024 <i>HK\$ million</i>	Actual use of proceeds from 10 December 2024 to 31 December 2024 <i>HK\$ million</i>	Balance of unutilised proceeds as at 31 December 2024 <i>HK\$ million</i>	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
	<u>91.2</u>	<u>56.1</u>	<u>0.3</u>	<u>55.8</u>	

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 2024, the net proceeds of approximately HK\$55.8 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 2024, the Group’s net current assets were approximately RM216.8 million (31 December 2023: approximately RM189.3 million). The Group’s cash and cash equivalents as at 31 December 2024 were approximately RM54.4 million (31 December 2023: approximately RM45.2 million).

As at 31 December 2024, there were bank borrowings of approximately RM50.9 million bearing weighted average effective interest rate of approximately 3.68% per annum (31 December 2023: approximately RM51.0 million bearing weighted average effective interest rate of approximately 4.00% per annum).

As at 31 December 2024, the Group had a total available banking facilities of approximately RM152.8 million, of which approximately RM29.6 million was utilized and approximately RM123.2 million was unutilised and available for use.

## **GEARING RATIO**

As at 31 December 2024, 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 21.6% (31 December 2023: approximately 24.1%). The decrease in gearing ratio is primarily attributable to the decrease in bank borrowing and increase in equity base.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2024, the Group employed 909 full-time employees (31 December 2023: 840) 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 2024, the Group had outstanding foreign currency forward contract to sell approximately RM0.5 million buy approximately Euro 0.1 million (31 December 2023: sell approximately RM0.4 million buy approximately Euro 0.07 million), sell approximately RM2.4 million buy approximately Australian dollars ("AUD") 0.8 million (31 December 2023: sell approximately RM3.1 million buy approximately AUD1.0 million) and sell approximately RM nil buy approximately Thai Baht nil (31 December 2023: sell approximately RM0.5 million buy approximately Thai Baht 3.6 million) and sell approximately RM1.9 million buy approximately United States dollars ("USD") 0.5 million (31 December 2023: nil). 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 2024 and 2023, the (i) bank overdrafts and interest-bearing borrowings and (ii) lease liabilities of the Group are secured by certain assets of the Group.

## **CONTINGENT LIABILITIES**

As at 31 December 2024 and 2023, 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 during the Reporting Period and up to the date of this announcement.

## **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.

## **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 three Independent Non-executive Directors, namely Mr. Khoo Chee Siang, Datuk Tan Teow Choon and Ms. Tiong Hui Ling. Mr. Khoo Chee Siang 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.

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, continuing connected transaction, 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 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 Corporate Governance Code set out in Appendix C1 of the Listing Rules and disclosure in the Corporate Governance Report.

## 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 2024, 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	Percentage of Interest in the Company
Mr. Soon See Beng	Interest in controlled corporation <sup>(2)</sup>	723,000,000 (L) <sup>(1)</sup>	72.29%
Mr. Soon Chiew Ang	Interest in controlled corporation <sup>(2)</sup>	723,000,000 (L) <sup>(1)</sup>	72.29%
Mr. Soon See Long	Interest in controlled corporation <sup>(2)</sup>	723,000,000 (L) <sup>(1)</sup>	72.29%

Notes:

<sup>(1)</sup> 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 31 December 2024, 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.

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as 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 Division 2 and 3 of Part XV of the SFO:

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

- (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 31 December 2024, 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.

## **CORPORATE GOVERNANCE**

Save for the deviation from code provision C.2.1 and C.6.1 of Part 2 of the Corporate Governance Code (the “**CG Code**”), the Company has complied with required standards as set out in the CG Code during the Reporting Period and up to the date of this announcement.

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 currently holds both positions. Mr. Soon See Beng has been the key leadership figure of the Group who has been primarily involved in the formulation of business strategies and determination of the overall direction of the Group. Taking into account the continuation of the implementation of the business plans, the Directors (including the Independent Non-executive Directors) consider Mr. Soon See Beng as the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and 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 See Beng) and four Independent Non-executive Directors and therefore has a fairly strong independence element in its composition.

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

## **DIVIDENDS**

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 (equivalent to approximately RM8,138,000) in total, which was fully paid on 26 August 2024 (2023: HK\$23,003,450).

The Directors did not recommend payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## **MODEL CODE FOR 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.

## **POST BALANCE SHEET EVENT**

There is no other material subsequent event after 31 December 2024 and up to the date of this annual results announcement.

## **REVIEW OF FINANCIAL INFORMATION**

The Group’s annual results for the year ended 31 December 2024, including the accounting principles and practices adopted, have been reviewed by the Audit Committee in conjunction with the Company’s external auditor. The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary results announcement have been agreed by the Company’s external auditor, Crowe Malaysia PLT (“**Crowe**”), to the amounts set out in the Group’s audited consolidated financial statements for the year end/at 31 December 2024. The work performed by Crowe in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Crowe on this preliminary results announcement.

On behalf of the Board  
**Swang Chai Chuan Limited**  
**Mr. Soon See Beng**  
*Chairman and Chief Executive Officer*

Hong Kong, 26 March 2025

*As at the date of this announcement, the Executive Directors are Mr. Soon See Beng, Mr. Soon Chiew Ang and Mr. Soon See Long; and the Independent Non-executive Directors are Mr. Khoo Chee Siang, Datuk Tan Teow Choon, Mr. Ngai Wah Sang and Ms. Tiong Hui Ling.*