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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

Reference is made to the interim results announcement for the six months ended 30 June 2024 (the “**Interim Results Announcement**”) of Swang Chai Chuan Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 August 2024. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Interim Results Announcement.

The Company would like to clarify that an inadvertent error has been made in the condensed consolidated financial statements of the Group for the six months ended 30 June 2024. For the first half of 2024, the Group has upgraded our accounting and warehouse management system and processes to improve efficiency. One of the process is to migrate the opening balance to the new system. Unfortunately, some general ledger codes could not be mapped to the new system and has to be manually keyed in to the new system, which our staff had inadvertent keyed such property, plant and equipment balance into the right-of-use assets balance. After discovering such error, the management has double checked all the balances to ensure it has been migrated correctly. To the best knowledge and belief of the Directors, the system upgrade and migration is an one-off event which is not expected to be executed again in the foreseeable future. Nevertheless, in any event a similar upgrade and migration is conducted by the Group in the future, the management will double check and ensure accuracy of the balanced keyed in manually. As such, the Company wishes to set out below the updated figures of such affected items in the interim condensed consolidated statement of financial position as presented in the Interim Results Announcement with the corresponding corrections underlined:

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	At 30 June 2024 <i>RM'000</i> (Unaudited) (Before adjustment)	At 30 June 2024 <i>RM'000</i> (Unaudited) (After adjustment)	At 31 December 2023 <i>RM'000</i> (Audited)
Non-current assets			
Property, plant and equipment	27,862	<u>39,172</u>	41,693
Right-of-use assets	32,442	<u>21,132</u>	21,113
Investment in an associate	68	68	43
Deferred tax assets	2,459	<u>2,459</u>	2,542
	<u>62,831</u>	<u>62,831</u>	<u>65,391</u>
Current assets			
Inventories	90,894	90,894	87,938
Trade and other receivables	145,128	145,128	127,716
Fixed deposits with licensed banks	41,688	41,688	22,366
Bank balances and cash	27,942	27,942	45,169
Income tax recoverable	310	310	483
	<u>305,962</u>	<u>305,962</u>	<u>283,672</u>
Current liabilities			
Trade and other payables	81,936	81,936	65,460
Interest-bearing borrowings	15,888	15,888	27,155
Lease liabilities	1,179	1,179	1,764
	<u>99,003</u>	<u>99,003</u>	<u>94,379</u>
Net current assets	<u>206,959</u>	<u>206,959</u>	<u>189,293</u>
Total assets less current liabilities	<u>269,790</u>	<u>269,790</u>	<u>254,684</u>

	At 30 June 2024 <i>RM'000</i> (Unaudited) (Before adjustment)	At 30 June 2024 <i>RM'000</i> (Unaudited) (After adjustment)	At 31 December 2023 <i>RM'000</i> (Audited)
Non-current liabilities			
Interest-bearing borrowings	21,277	21,277	22,583
Lease liabilities	2,656	2,656	3,410
Deferred tax liabilities	882	882	1,166
	<u>24,815</u>	<u>24,815</u>	<u>27,159</u>
NET ASSETS	<u>244,975</u>	<u>244,975</u>	<u>227,525</u>
Capital and reserves			
Share capital	5,707	5,707	5,707
Reserves	239,268	239,268	221,818
TOTAL EQUITY	<u>244,975</u>	<u>244,975</u>	<u>227,525</u>

Save for the above adjustments, all information and contents set out in the Interim Results Announcement shall remain unchanged. The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 with the above adjustments will be incorporated and disclosed in the Company's interim report for the six months ended 30 June 2024, which will be published in due course in compliance with the Listing Rules.

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

Hong Kong, 13 September 2024

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.