

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the period ended 30 June 2020 – unaudited

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30 Jun 2020	Preceding Year Corresponding Quarter Ended 30 Jun 2019	Current Year To-Date Ended 30 Jun 2020	Preceding Year To-Date Ended 30 Jun 2019
		RM'000	RM'000	RM'000	RM'000
Revenue		910,777	753,061	1,820,159	1,401,135
Profit from operations		77,496	80,398	168,255	152,179
Finance costs		(6,138)	(8,865)	(13,514)	(17,448)
Share of profit of associates		232	511	259	1,156
Profit before tax	A10	71,590	72,044	155,000	135,887
Tax expense	A11	(14,614)	(11,047)	(25,859)	(21,750)
Profit for the period		56,976	60,997	129,141	114,137
Other comprehensive income, net of tax					
Exchange differences on translation					
foreign operations		116	4,458	26,093	(33)
Share of other comprehensive income					
of associates		2	19	98	1
Total other comprehensive income for the period, net of tax		118	4,477	26,191	(32)
Total comprehensive income for the period		57,094	65,474	155,332	114,105
Profit attributable to:					
Owners of the Company		56,976	60,997	129,141	114,137
Non-controlling interests		-	-	-	-
Profit for the period		56,976	60,997	129,141	114,137
Total comprehensive income attributable to:					
Owners of the Company		57,094	65,474	155,332	114,105
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		57,094	65,474	155,332	114,105
Basic earnings per ordinary share (sen)	A12(a)	5.65	6.38	12.80	11.94
Diluted earnings per ordinary share (sen)	A12(b)	5.35	6.38	12.13	11.94

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020 – unaudited

	Note	30 June 2020 RM'000	31 December 2019 RM'000
Assets			
Non-current assets			
Property, plant and equipment		609,803	481,687
Prepaid lease payments	A13	10,844	10,721
Intangible assets	A14	44,365	11,955
Investment property		21,983	22,234
Investment in associates		4,842	8,121
		691,837	534,718
Current assets			
Inventories		958,911	1,035,115
Trade and other receivables		438,639	412,332
Derivative financial assets		47,647	12,196
Tax recoverable		1,044	653
Deposits, bank and cash balances		55,669	46,790
		1,501,910	1,507,086
Total assets		2,193,747	2,041,804
Equity			
Share capital		245,710	220,407
Treasury shares		(720)	(226)
Foreign currency translation reserve		65,254	39,063
Retained profits		819,519	690,378
Total equity		1,129,763	949,622
Non-current liabilities			
Loans and borrowings	A16	143,773	45,488
Provision for employee benefit		2,523	2,411
Deferred tax liabilities		45,303	44,251
Lease liabilities		1,723	1,783
		193,322	93,933
Current liabilities			
Trade and other payables		247,024	325,177
Derivative financial liabilities		13,922	9,404
Loans and borrowings	A16	567,801	637,226
Tax payable		40,581	24,340
Lease liabilities		1,334	2,102
		870,662	998,249
Total liabilities		1,063,984	1,092,182
Total equity and liabilities		2,193,747	2,041,804
Net assets per share (sen)			
attributable to owners of the Company		111.94	99.37

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2020 – unaudited

	← Non-distributable →			Distributable	
	Share Capital RM'000	Treasury Share RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance as at 1 January 2020	220,407	(226)	39,063	690,378	949,622
Profit for the period	-	-	-	129,141	129,141
Other comprehensive income for the period:					
foreign currency translation differences	-	-	26,093	-	26,093
share of other comprehensive expense of associates	-	-	98	-	98
Total comprehensive income for the period	-	-	26,191	129,141	155,332
Transactions with owners					
Purchase of treasury shares	-	(494)	-	-	(494)
Issuance of new shares	25,303	-	-	-	25,303
Dividends	-	-	-	-	-
Contribution from/distribution to owners of the Company	25,303	(494)	-	-	24,809
Balance at 30 June 2020	245,710	(720)	65,254	819,519	1,129,763
Balance as at 1 January 2019	121,832	(5,347)	44,151	506,505	667,141
Profit for the year	-	-	-	217,948	217,948
Other comprehensive loss for the year:					
foreign currency translation differences	-	-	(5,075)	-	(5,075)
remeasurement of post-employment benefit obligation, net of tax	-	-	-	(103)	(103)
share of other comprehensive loss of associates	-	-	(13)	-	(13)
Total comprehensive income for the year	-	-	(5,088)	217,845	212,757
Transactions with owners					
Disposal of treasury shares	6,114	5,121	-	-	11,235
Issuance of new shares	92,461	-	-	-	92,461
Dividends	-	-	-	(33,972)	(33,972)
Total transactions with owners	98,575	5,121	-	(33,972)	69,724
Balance at 31 December 2019	220,407	(226)	39,063	690,378	949,622

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2020 – unaudited

	Three Months Ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000
Cash flows from operating activities		
Profit before tax	155,000	135,887
Adjustments for:		
Non-cash and non-operating items	(23,921)	35,117
Operating profit before working capital changes	131,079	171,004
Changes in working capital		
Net change in current assets	205,881	(49,028)
Net change in current liabilities	(220,211)	(240,007)
Cash generated from / (used in) operations	116,749	(118,031)
Tax paid	(10,210)	(6,857)
Tax refund	-	2,054
Interest paid	(13,466)	(17,448)
Interest received	257	191
Net cash from / (used in) operating activities	93,330	(140,091)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,780)	(23,046)
Payment to holding company	(3,120)	363
Net cash outflow from acquisition of subsidiary	(119,537)	-
Proceeds from disposal of investment in associate	32,000	-
Proceeds from disposal of PPE	-	1,730
Payment for the lease rental	-	(68)
Net cash used in investing activities	(104,437)	(21,021)
Cash flows from financing activities		
Bank and other borrowings	(7,161)	167,283
Conversion of warrants to ordinary shares	25,304	-
Purchase of treasury shares	(494)	-
Dividend paid	-	(9,556)
Repayment of lease liabilities	(1,160)	-
Net cash from financing activities	16,489	157,727
Net increase / (decrease) in cash and cash equivalents	5,382	(3,385)
Effect of exchange rate changes	1,294	(1,000)
Cash and cash equivalents at the beginning of financial period	33,073	31,358
Cash and cash equivalents at the end of financial period	39,749	26,973
Cash and cash equivalents at the end of financial period comprise of :		
Deposits, bank and cash balances	55,669	41,164
Bank overdrafts	-	-
	55,669	41,164
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	(15,920)	(14,191)
	39,749	26,973

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A. Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of Guan Chong Berhad (“GCB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

A2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2019 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the financial year ended 31 December 2019, except for those standards, amendments and IC interpretations which are effective from the annual period beginning on or after 1 January 2020. The adoptions of these standards, amendments and IC interpretations have no material impact on this Condensed Report.

A3. Seasonal or cyclical factors

The cocoa processing industry is, to a certain extent, subject to the seasonal pattern of the consumption of cocoa-based products within a year.

A4. Unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported that will have a material effect during the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

Final single-tier dividend of 1.0 sen per ordinary share amounting to RM10,223,777.68 in respect of the financial year ending 31 December 2019 was declared on 24 February 2020 and subsequently paid on 10 July 2020. The payment was made to shareholders whose names appeared in the Company’s Record of Depositors on 12 June 2020.

First interim single-tier dividend of 1.0 sen per ordinary share amounting to RM10,223,777.68 in respect of the financial year ending 31 December 2020 was declared on 29 May 2020 and subsequently paid on 10 July 2020. The payment was made to shareholders whose names appeared in the Company’s Record of Depositors on 16 June 2020.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A8. Segmental information

The Group presenting segmental information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets.

Six Months Ended 30 June 2020	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	665,059	709,996	61,358	383,746	-	1,820,159
Internal segment revenue	936,636	1,247,633	558,234	30	(2,742,533)	-
Total revenue	1,601,695	1,957,629	619,592	383,776	(2,742,533)	1,820,159
Segment result	105,889	33,197	17,261	36,283	1,231	193,861
Interest income						257
Finance cost						(13,514)
Depreciation & amortisation						(25,604)
Profit before tax						155,000
Tax expenses						(25,859)
Profit for the period						129,141
Segment assets	932,070	206,957	625,763	427,913	-	2,192,703
Tax recoverable						1,044
Total assets						2,193,747
Segment liabilities	58,467	68,487	46,828	92,743	-	266,525
Deferred tax liabilities						45,303
Tax payables						40,581
Borrowings						711,574
						1,063,983

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A8. Segmental information – (cont'd)

Six Months Ended 30 June 2019	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	554,365	761,688	53,886	31,196	-	1,401,135
Internal segment revenue	1,047,377	1,390,473	561,195	33,900	(3,032,945)	-
Total revenue	1,601,742	2,152,161	615,081	65,096	(3,032,945)	1,401,135
Segment result	80,219	65,741	21,161	33,796	(32,445)	168,472
Interest income						191
Finance cost						(17,448)
Depreciation & amortisation						(15,328)
Profit before tax						135,887
Tax expenses						(21,750)
Profit for the period						114,137
Segment assets	965,756	165,893	567,587	104,395	-	1,803,631
Tax recoverable						708
Total assets						1,804,339
Segment liabilities	48,612	120,266	26,722	1,636	-	197,236
Deferred tax liabilities						35,773
Tax payables						29,496
Borrowings						770,144
						1,032,649

A9. Changes in the composition of the Group

GCB Cocoa Singapore Pte Ltd, the wholly-owned subsidiary of GCB Oversea Holdings Corporation, which in turn a wholly-owned subsidiary of GCB had on 9 July 2020 incorporated a wholly-owned subsidiary, GCB Cocoa UK Limited.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A10. Profit before tax

Included in the profit before tax are the following items:

	Current Quarter Ended 30-Jun-20 RM'000	Current Year To-Date 30-Jun-20 RM'000
Amortisation of prepaid lease payments	147	290
Amortisation of leases	501	1,000
Depreciation	12,309	24,314
Gain on disposal of investment in associate	-	(27,799)
Realised loss on foreign exchange	19,000	20,200
Unrealised gain on foreign exchange	(24,342)	(14,119)
Unrealised gain on forward currency contracts	(1,055)	(5,662)
Realised gain on commodity future contracts	(13,420)	(17,393)
Unrealised gain on commodity future contracts	(8,819)	(2,841)
Unrealised gain on commodity option contracts	(135)	(1,828)
Unrealised (gain) / loss on currency option contracts	(476)	65
Reversal of impairment loss on trade receivables	(3,619)	(1,815)
Interest expense	6,138	13,514
Interest income	(103)	(257)

A11. Tax expense

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-30	30-Jun-19	30-Jun-30	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current period estimate	14,614	11,047	25,859	21,750
	14,614	11,047	25,859	21,750

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A12. Earnings per share

- (a) Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the financial period as follows:-

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
		*(restated)		*(restated)
Profit for the financial period attributable to owners of the Company (RM'000)	56,976	60,997	129,141	114,137
Weighted average number of ordinary shares in issue ('000)	1,009,289	955,610	1,009,289	955,610
Basic earnings per share (sen)	5.65	6.38	12.80	11.94

- (b) For the purpose of calculating diluted EPS, profit for the period and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares convert under warrants issued as shown below:

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
		*(restated)		*(restated)
Profit for the financial period attributable to owners of the Company (RM'000)	56,976	60,997	129,141	114,137
Weighted average number of ordinary shares in issue ('000)	1,009,289	955,610	1,009,289	955,610
Effect of dilution of warrants	55,032	-	55,032	-
Adjusted weighted average number of ordinary shares in issue and issuales	1,064,321	955,610	1,064,321	955,610
Diluted earnings per share (sen)	5.35	6.38	12.13	11.94

* restated due to adjustment on number of ordinary shares as a result of bonus issue during 2019.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A13. Prepaid lease payments

	30-Jun-20 RM'000	31-Dec-19 RM'000
Cost:		
At 1 January	10,721	10,187
Effect of adoption of MFRS 16	-	1,247
	10,721	11,434
Less: Amortisation of prepaid lease payments	(291)	(619)
Foreign exchange difference	414	(94)
At 30 June / 31 December	10,844	10,721
Analysed as:		
Sub-leases of warehouse	1,736	1,736
Leasehold land	9,108	8,985
	10,844	10,721

A14. Intangible assets

	Goodwill RM'000	Trademark RM'000	Software RM'000	Total RM'000
Cost:				
At 1 January 2019	11,945	13	-	11,958
Additions	-	-	-	-
Translation differences	-	-	-	-
At 31 December 2019 and 1 January 2020	11,945	13	-	11,958
Additions	-	-	-	-
Acquisition of subsidiary	25,939	-	750	26,689
Translation differences	5,896	-	35	5,931
At 30 June 2020	43,780	13	785	44,578
Accumulated amortisation and impairment				
At 1 January 2019	-	(2)	-	(2)
Amortisation	-	(1)	-	(1)
Impairment	-	-	-	-
At 31 December 2019 and 1 January 2020	-	(3)	-	(3)
Amortisation	-	-	(210)	(210)
Impairment	-	-	-	-
At 30 June 2020	-	(3)	(210)	(213)
Net carrying amount:				
At 31 December 2019	11,945	10	-	11,955
At 30 June 2020	43,780	10	575	44,365

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A15. Fair value information

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs are unobservable inputs for the asset or liability.

As at reporting date, the Group held the following financial assets or liabilities that are measured at fair value:

	Fair value of financial instruments carried at fair value			Total RM000
	Level 1 RM000	Level 2 RM000	Level 3 RM000	
30 June 2020				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	2,044	-	2,044
- commodity futures contract	43,949	-	-	43,949
- commodity option contracts	1,654	-	-	1,654
	45,603	2,044	-	47,647
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	575	-	575
- foreign currency option contracts	-	48	-	48
- commodity futures contract	13,299	-	-	13,299
	13,299	623	-	13,922
31 December 2019				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	124	-	124
- commodity futures contract	10,660	-	-	10,660
- commodity option contracts	1,412	-	-	1,412
	12,072	124	-	12,196
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	1,276	-	1,276
- foreign currency option contracts	-	2,986	-	2,986
- commodity futures contract	4,505	-	-	4,505
- commodity option contracts	637	-	-	637
	5,142	4,262	-	9,404

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A16. Loans and borrowings

The Group's borrowings at the end of the current quarter are as follows:

	Denominated in currency	30-Jun-20 RM'000	31-Dec-19 RM'000
Current			
- Term loans	USD	10,600	11,024
	EUR	10,281	-
	RM	411	411
- Trade loans	USD	433,137	499,058
	EUR	2,816	-
	GBP	51,723	48,370
- Revolving credit	USD	56,833	76,363
	RM	2,000	2,000
		567,801	637,226
Non-Current			
- Term loans	USD	39,917	43,295
	EUR	101,869	-
	RM	1,987	2,193
		143,773	45,488
		711,574	682,714

A17. Contingent liabilities

	Group and company	
	30-Jun-20 RM'000	31-Dec-19 RM'000
Corporate guarantees - unsecured		
Issued to banks for banking facilities granted to subsidiaries		
- limit of guarantee	2,252,699	1,927,949
- amount utilised	(675,102)	(674,076)

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

A18. Capital Commitments

At the end of the current quarter, capital expenditure of the Group contracted but not provided for are as follows :-

	RM'000
Authorised and contracted for :	
Property, plant and equipment	<u>91,025</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

A19. Material events subsequent to the end of the current quarter

There was no material events subsequent to the current quarter ended 30 June 2020 that have not been reflected in this quarterly report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

B. Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1. Review of performance

The Group's revenue of RM910.8 million for the current quarter ended 30 Jun 2020 is higher than the revenue in the previous corresponding quarter ended 30 Jun 2019 of RM753.1 million. The increase of 20.9% in turnover is mainly due to increase in selling price of cocoa products and revenue contributed by new subsidiary acquired, Schokinag Holding GmbH.

B2. Comment on material change in profit before tax

The Group made a profit before tax for the quarter 30 June 2020 of RM71.6 million as compared with the profit before tax of RM72.0 million in the preceding year corresponding quarter ended 30 June 2019. This is mainly due to higher bean price during current quarter ended 30 June 2020 as compared to preceding year corresponding quarter ended 30 June 2019.

B3. Commentary of prospects

The Group expects the business environment for the financial year ending 31 December 2020 to be challenging due to uncertain impact of Living Income Differential (LID) implementation and outbreak of COVID-19. Travel restriction implemented worldwide has resulted in economy slows down and subsequently shrunk down the demand of chocolate consumption. However, we believe that the impact is only short term as we see slight recovery in demand recently.

Nevertheless, we are confident of our long term prospect and uptrend in future chocolate demand. The Group will continue to focus on efforts to explore new markets for its wide range of cocoa ingredients and optimize production according to market conditions.

B4. Profit forecast or profit guarantee

There were no profits forecast or profit guarantee issued by the Group.

B5. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

B6. Derivative financial instruments

Details of the outstanding derivative financial instruments as at 30 June 2020 are as follows:

	Derivative	Contract Amount RM'000	Fair Value - Net Gains/ (Losses) RM'000	Purpose
1	Forward Foreign Exchange Contracts: Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	111,307 -	2,044 -	For hedging currency risk
2	Forward Foreign Currency Option: Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	20,566 -	(48) -	For hedging currency risk
2	Commodity Futures Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year - 1 year to 3 years	463,043 312,978 422	29,207 (18,254) (5)	For hedging price risk

The fair values of the above derivatives are determined by using the market rates at the end of reporting period and changes in the fair values are recognised in the profit and loss. The subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or a liability with the corresponding gain or loss recognised in the profit or loss.

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – SECOND QUARTER ENDED 30 JUNE 2020

B7. Material litigation

There was no material litigation against the Group as at the date of these interim financial statements.

B8. Dividend declared or recommended

The Board of Directors does not recommend any dividend for the current financial quarter.

B9. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

Tay Hoe Lian
Managing Director
Dated: 24.08.2020