

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME**

For the period ended 31 March 2022 – unaudited

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31 Mar 2022	Preceding Year Corresponding Quarter Ended 31 Mar 2021	Current Year To-Date Ended 31 Mar 2022	Preceding Year To-Date Ended 31 Mar 2021
		RM'000	RM'000	RM'000	RM'000
Revenue		990,527	960,121	990,527	960,121
Profit from operations		75,252	48,371	75,252	48,371
Finance costs		(10,588)	(7,479)	(10,588)	(7,479)
Share of profit of associates		(26)	54	(26)	54
Profit before tax	A10	64,638	40,946	64,638	40,946
Tax expense	A11	(11,369)	(7,050)	(11,369)	(7,050)
Profit for the period		53,269	33,896	53,269	33,896
Other comprehensive income, net of tax					
Exchange differences on translation					
foreign operations		923	9,062	923	9,062
Share of other comprehensive income					
of associates		12	46	12	46
Hedge of net investments in foreign operations		2,312	(10,633)	2,312	(10,633)
Total other comprehensive income for the period, net of tax		3,247	(1,525)	3,247	(1,525)
Total comprehensive income for the period		56,516	32,371	56,516	32,371
Profit attributable to:					
Owners of the Company		53,269	33,896	53,269	33,896
Non-controlling interests		-	-	-	-
Profit for the period		53,269	33,896	53,269	33,896
Total comprehensive income attributable to:					
Owners of the Company		56,516	32,371	56,516	32,371
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		56,516	32,371	56,516	32,371
Basic earnings per ordinary share (sen)	A12(a)	5.05	3.28	5.05	3.28
Diluted earnings per ordinary share (sen)	A12(b)	4.84	3.11	4.84	3.11

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 – unaudited

	Note	31 March 2022 RM'000	31 December 2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment		995,023	957,460
Intangible assets	A13	87,697	88,361
Investment property		20,117	20,319
Investment in associates		4,538	4,551
Deferred tax assets		1,754	1,737
		1,109,129	1,072,428
Current assets			
Inventories		1,631,082	1,875,457
Trade and other receivables		410,735	431,643
Derivative financial assets	A14	41,238	33,464
Tax recoverable		10,824	8,671
Deposits, bank and cash balances		65,534	73,809
		2,159,413	2,423,044
Total assets		3,268,542	3,495,472
Equity			
Share capital		300,896	297,059
Treasury shares		(720)	(720)
Foreign currency translation reserve		53,268	52,333
Hedging reserve		(4,526)	(6,838)
Retained profits		1,053,782	1,000,513
Total equity		1,402,700	1,342,347
Non-current liabilities			
Loans and borrowings	A15	384,901	391,826
Provision for employee benefit		3,238	3,216
Deferred tax liabilities		74,729	75,095
Lease liabilities		46,258	46,106
		509,126	516,243
Current liabilities			
Trade and other payables		321,010	683,186
Derivative financial liabilities	A14	16,138	27,277
Loans and borrowings	A15	993,787	900,463
Tax payable		16,351	13,026
Lease liabilities		9,430	12,930
		1,356,716	1,636,882
Total liabilities		1,865,842	2,153,125
Total equity and liabilities		3,268,542	3,495,472
Net assets per share (sen)			
attributable to owners of the Company		132.95	128.85

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2022 – unaudited

	← Non-distributable →				Distributable	
	Share Capital RM'000	Treasury Share RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance as at 1 January 2022	297,059	(720)	52,333	(6,838)	1,000,513	1,342,347
Profit for the period	-	-	-	-	53,269	53,269
Other comprehensive income for the period:						
foreign currency translation differences	-	-	923	-	-	923
share of other comprehensive loss of associates	-	-	12	-	-	12
hedge of net investments in foreign operations	-	-	-	2,312	-	2,312
remeasurement of post-employment benefit obligation, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	935	2,312	53,269	56,516
Transactions with owners						
Purchase of treasury shares	-	-	-	-	-	-
Issuance of new shares	3,837	-	-	-	-	3,837
Dividends	-	-	-	-	-	-
Total transactions with owners	3,837	-	-	-	-	3,837
Balance at 31 March 2022	300,896	(720)	53,268	(4,526)	1,053,782	1,402,700
Balance as at 1 January 2021	263,236	(720)	47,099	2,429	876,866	1,188,910
Profit for the year	-	-	-	-	154,838	154,838
Other comprehensive loss for the year:						
foreign currency translation differences	-	-	5,313	-	-	5,313
hedge of net investments in foreign operations	-	-	-	(9,267)	-	(9,267)
remeasurement of post-employment benefit obligation, net of tax	-	-	-	-	121	121
share of other comprehensive loss of associates	-	-	(79)	-	-	(79)
Total comprehensive income for the year	-	-	5,234	(9,267)	154,959	150,926
Transactions with owners						
Disposal of treasury shares	-	-	-	-	-	-
Issuance of new shares	33,823	-	-	-	-	33,823
Dividends	-	-	-	-	(31,312)	(31,312)
Total transactions with owners	33,823	-	-	-	(31,312)	2,511
Balance at 31 December 2021	297,059	(720)	52,333	(6,838)	1,000,513	1,342,347

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2022 – unaudited

		Three Months Ended	
		31-Mar-22	31-Mar-21
		RM'000	RM'000
Cash flows from operating activities			
	Profit before tax	64,638	40,946
	Adjustments for:		
	Non-cash and non-operating items	3,607	5,562
	Operating profit before working capital changes	68,245	46,508
	Changes in working capital		
	Net change in current assets	286,257	266,980
	Net change in current liabilities	(362,708)	(127,703)
	Cash generated (used in) / from operations	(8,206)	185,785
	Tax paid	(9,259)	(18,742)
	Interest paid	(10,303)	(7,264)
	Interest received	22	116
	Net cash (used in) / from operating activities	(27,746)	159,895
Cash flows used in investing activities			
	Purchase of property, plant and equipment	(54,053)	(39,606)
	Proceeds from disposal of property, plant and equipment	554	-
	Net cash used in investing activities	(53,499)	(39,606)
Cash flows from financing activities			
	Bank and other borrowings	85,914	(76,949)
	Conversion of warrants to ordinary shares	3,837	1,140
	Changes in Fixed deposit pledged	5,879	4,619
	Dividend paid	(10,544)	(15,509)
	Repayment of lease liabilities	(2,163)	(352)
	Net cash from / (used in) financing activities	82,923	(87,051)
	Net increase in cash and cash equivalents	1,678	33,238
	Effect of exchange rate changes	(4,222)	751
	Cash and cash equivalents at the beginning of financial period	52,892	58,338
	Cash and cash equivalents at the end of financial period	50,348	92,327
Cash and cash equivalents at the end of financial period comprise of :			
	Deposits, bank and cash balances	65,534	108,055
	Less : Non-cash and cash equivalents		
	Fixed deposit pledged to bank as collateral	(15,186)	(15,728)
		50,348	92,327

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022**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 2021. 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 2021.

A2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2021 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 2021, except for those standards, amendments and IC interpretations which are effective from the annual period beginning on or after 1 January 2022. 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

Second interim single-tier dividend of 1.0 sen per ordinary share amounting to RM10,544,067.83 in respect of the financial year ending 31 December 2021 was declared on 22 November 2021 and subsequently paid on 20 January 2022. The payment was made to shareholders whose names appeared in the Company’s Record of Depositors on 23 December 2021.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022
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.

Three Months Ended 31 March 2022	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Germany RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:							
Total external revenue	317,105	329,286	79,207	248,722	16,207	-	990,527
Internal segment revenue	486,344	504,219	253,519	52	33,296	(1,277,430)	-
Total revenue	803,449	833,505	332,726	248,774	49,503	(1,277,430)	990,527
Segment result	43,534	36,266	8,935	5,552	7,673	(10,069)	91,891
Interest income							22
Finance cost							(10,588)
Depreciation & amortisation							(16,687)
Profit before tax							64,638
Tax expenses							(11,369)
Profit for the period							53,269
Segment assets	1,383,976	195,182	905,389	336,431	434,986	-	3,255,964
Deferred tax assets							1,754
Tax recoverable							10,824
Total assets							3,268,542
Segment liabilities	88,899	69,518	33,176	99,360	49,433	-	340,386
Deferred tax liabilities							74,729
Tax payables							16,351
Borrowings							1,378,688
Lease liabilities							55,688
Total liabilities							1,865,842

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022

A8. Segmental information – (cont'd)

Three Months Ended 31 March 2021	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Germany RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:							
Total external revenue	281,004	379,169	60,400	225,945	13,603	-	960,121
Internal segment revenue	466,712	491,627	276,574	-	3,557	(1,238,470)	-
Total revenue	747,716	870,796	336,974	225,945	17,160	(1,238,470)	960,121
Segment result	35,444	515	8,027	8,416	2,811	7,667	62,880
Interest income							116
Finance cost							(7,479)
Depreciation & amortisation							(14,571)
Profit before tax							40,946
Tax expenses							(7,050)
Profit for the period							33,896
Segment assets	1,092,091	319,110	594,504	440,587	303,410	-	2,749,702
Tax recoverable							2,592
Total assets							2,752,294
Segment liabilities	48,446	154,951	24,704	68,116	28,921	-	325,138
Deferred tax liabilities							72,460
Tax payables							16,692
Borrowings							1,058,964
Lease Liabilities							56,619
Total liabilities							1,529,873

A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022**A10. Profit before tax**

Included in the profit before tax are the following items:

	31-Mar-22	31-Mar-22
	RM'000	RM'000
Amortisation of leases	3,485	3,485
Amortisation of intangible assets	808	808
Depreciation	12,394	12,394
Realised gain on foreign exchange	(4,258)	(4,258)
Unrealised gain on foreign exchange	(2,365)	(2,365)
Realised loss on forward currency contracts	195	195
Unrealised loss on forward currency contracts	3,258	3,258
Realised gain on commodity future contracts	(22,543)	(22,543)
Unrealised gain on commodity future contracts	(7,977)	(7,977)
Unrealised gain on commodity option contracts	(464)	(464)
Interest expense	10,303	10,303
Interest income	(22)	(22)

A11. Tax expense

	Current Quarter Ended		Current Year To-Date Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current period estimate	11,303	6,801	11,303	6,801
- Under provision in prior year	1	8	1	8
Deferred tax				
- Originated of temporary differences	65	241	65	241
	<u>11,369</u>	<u>7,050</u>	<u>11,369</u>	<u>7,050</u>

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 – FIRST QUARTER ENDED 31 MARCH 2022**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	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Profit for the financial period attributable to owners of the Company (RM'000)	53,269	33,896	53,269	33,896
Weighted average number of ordinary shares in issue ('000)	1,055,057	1,034,363	1,055,057	1,034,363
Basic earnings per share (sen)	5.05	3.28	5.05	3.28

- (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	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Profit for the financial period attributable to owners of the Company (RM'000)	53,269	33,896	53,269	33,896
Weighted average number of ordinary shares in issue ('000)	1,055,057	1,034,363	1,055,057	1,034,363
Effect of dilution of warrants	45,821	56,784	45,821	56,784
Adjusted weighted average number of ordinary shares in issue and issuable	<u>1,100,878</u>	<u>1,091,147</u>	<u>1,100,878</u>	<u>1,091,147</u>
Diluted earnings per share (sen)	4.84	3.11	4.84	3.11

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022

A13. Intangible assets

	Goodwill	Trademark	Non-contractual customer relationship	Total
	RM'000	RM'000	RM'000	RM'000
Cost:				
At 1 January 2021	66,982	11,287	15,697	93,966
Additions	-	-	-	-
Translation differences	(1,819)	(646)	(614)	(3,079)
At 31 December 2021 and 1 January 2022	65,163	10,641	15,083	90,887
Translation differences	(190)	(84)	(173)	(447)
At 31 March 2022	64,973	10,557	14,910	90,440
Accumulated amortisation and impairment				
At 1 January 2021	-	(4)	(796)	(800)
Amortisation	-	(1)	(789)	(790)
Impairment	(1,002)	-	-	(1,002)
Translation differences	-	-	66	66
At 31 December 2021 and 1 January 2022	(1,002)	(5)	(1,519)	(2,526)
Amortisation	-	-	(189)	(189)
Translation differences	-	-	(28)	(28)
At 31 March 2022	(1,002)	(5)	(1,736)	(2,743)
Net carrying amount:				
At 31 December 2021	64,161	10,636	13,564	88,361
At 31 March 2022	63,971	10,552	13,174	87,697

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022

A14. 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			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2022				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	5,496	-	5,496
- commodity futures contract		18,451	-	18,451
- commodity option contracts		17,291	-	17,291
	-	41,238	-	41,238
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	543	-	543
- cross currency swap contracts	-	3,828	-	3,828
- commodity futures contract	-	6,316	-	6,316
- commodity option contracts	-	5,451	-	5,451
	-	16,138	-	16,138
31 December 2021				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	5,288	-	5,288
- commodity futures contract	-	27,868	-	27,868
- commodity option contracts	-	308	-	308
	-	33,464	-	33,464
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	3,854	-	3,854
- cross currency swap contracts	-	10,605	-	10,605
- commodity futures contracts	-	11,816	-	11,816
- commodity option contracts	-	1,002	-	1,002
	-	27,277	-	27,277

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022

A15. Loans and borrowings

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

	Denominated in currency	31-Mar-22 RM'000	31-Dec-21 RM'000
Current			
- Term loans	USD	21,783	11,071
	EUR	15,580	15,645
	RM	411	411
- Trade loans	USD	513,610	339,767
	GBP	274,913	418,763
- Revolving credit	USD	160,753	107,511
	EUR	6,737	7,295
		993,787	900,463
Non-Current			
- Term loans	USD	19,299	21,935
	EUR	64,335	68,521
	RM	1,267	1,370
- Sukuk	RM	300,000	300,000
		384,901	391,826
		1,378,688	1,292,289

A16. Contingent liabilities

	Group and company	
	31-Mar-22 RM'000	31-Dec-21 RM'000
Corporate guarantees - unsecured		
Issued to banks for banking facilities granted to subsidiaries		
- limit of guarantee	2,175,065	2,156,421
- amount utilised	(1,100,734)	(997,964)

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.

A17. 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>108,502</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022

A18. Material events subsequent to the end of the current quarter

There were no material events subsequent to the current quarter ended 31 March 2022 that have not been reflected in this quarterly report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2022**B. Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A****B1. Review of performance**

The Group's revenue of RM990.5 million for the current quarter ended 31 March 2022 is higher than the revenue in the previous corresponding quarter ended 31 March 2021 of RM960.1 million. The increase of 3.17% in turnover is mainly due to increase in selling price and volume of cocoa solids.

B2. Comment on material change in profit before tax

The Group made a profit before tax for the quarter 31 March 2022 of RM64.6 million as compared with the profit before tax of RM40.9 million in the preceding year corresponding quarter ended 31 March 2021. This is mainly due to improved margin, and also contributed by lower production cost achieved through higher production volume during current quarter ended 31 March 2022.

B3. Commentary of prospects

With international borders reopened for travel and the pandemic behind us, we expect the demand for cocoa ingredients to grow in tandem with the improved chocolate consumption in developed markets of US and Europe. However, the ongoing Russia-Ukraine conflict is disrupting the supply of oil and natural gas into Europe, resulting in high energy cost in Europe and worldwide. On top of this, recent inflationary pressures and interest rate spikes may also create uncertainty to the economy and affect our business performance.

The container shortage issue has slightly eased off in the second quarter this year as we see reduction in freight cost lately. This will improve our products' competitiveness and reduce the impact to our business in the near future.

We are confident in our long term prospects. The Group will continue to place strong focus on exploring new markets, especially in the European region for its wide range of cocoa ingredients as well as industrial chocolate, and optimizing production according to the 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 – FIRST QUARTER ENDED 31 MARCH 2022

B6. Derivative financial instruments

Details of the outstanding derivative financial instruments as at 31 March 2022 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	398,581 222,821	7,229 (1,807)	For hedging currency risk
2	Commodity Futures Sale Contracts - Less than 1 year - 1 year to 3 years Purchase Contracts - Less than 1 year - 1 year to 3 years	295,088 4,958 282,534 77,211	(2,442) (135) 11,822 3,052	For hedging price risk
3	Commodity Options Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	452,221 443,289	(1,707) 13,561	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 – FIRST QUARTER ENDED 31 MARCH 2022**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

On 30 May 2022, the board declared the first interim single-tier dividend of 1.5 sen per ordinary share in respect of financial year ending 31 December 2022 to shareholders registered in the Record of Depositors at close of business on 17 June 2022 and subsequently will be paid on 12 July 2022.

B9. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

Tay Hoe Lian
Managing Director
Dated: 30.05.2022