

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the period ended 30 September 2023 – unaudited

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30 Sept 2023	Preceding Year Corresponding Quarter Ended 30 Sept 2022	Current Year To-Date Ended 30 Sept 2023	Preceding Year To-Date Ended 30 Sept 2022
		RM'000	RM'000	RM'000	RM'000
Revenue		1,285,906	1,100,499	3,548,585	3,288,531
Profit from operations		77,032	51,875	200,442	193,987
Finance costs		(35,331)	(14,001)	(93,348)	(36,267)
Share of profit of associates		(78)	(359)	68	(283)
Profit before tax	A10	41,623	37,515	107,162	157,437
Tax expense	A11	(7,747)	(6,759)	(21,405)	(28,802)
Profit for the period		33,876	30,756	85,757	128,635
Other comprehensive income, net of tax					
Exchange differences on translation					
foreign operations		(4,789)	13,479	52,826	19,973
Share of other comprehensive income					
of associates		26	76	154	186
Hedge of net investments in foreign operations		(2,075)	(246)	(13,452)	(12,026)
Total other comprehensive income for the period, net of tax		(6,838)	13,309	39,528	8,133
Total comprehensive income for the period		27,038	44,065	125,285	136,768
Profit attributable to:					
Owners of the Company		33,876	30,756	85,757	128,635
Non-controlling interests		-	-	-	-
Profit for the period		33,876	30,756	85,757	128,635
Total comprehensive income attributable to:					
Owners of the Company		27,038	44,065	125,285	136,768
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		27,038	44,065	125,285	136,768
Basic earnings per ordinary share (sen)	A12(a)	2.88	2.89	7.30	12.09
Diluted earnings per ordinary share (sen)	A12(b)	2.88	2.84	7.30	11.89

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023 – unaudited

		30 September 2023	31 December 2022
	Note	RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment		1,381,946	1,196,068
Intangible assets	A13	85,348	86,418
Investment property		19,141	19,573
Investment in associates		4,712	4,489
Deferred tax assets		1,728	1,617
		1,492,875	1,308,165
Current assets			
Inventories		2,120,579	1,589,225
Trade and other receivables		624,638	624,744
Derivative financial assets	A14	1,097,107	55,390
Tax recoverable		25,420	13,739
Deposits, bank and cash balances		76,658	69,111
		3,944,402	2,352,209
Total assets		5,437,277	3,660,374
Equity			
Share capital		495,237	495,237
Treasury shares		(720)	(720)
Foreign currency translation reserve		112,899	59,919
Hedging reserve		(17,678)	(4,226)
Retained profits		1,174,102	1,088,345
Total equity		1,763,840	1,638,555
Non-current liabilities			
Loans and borrowings	A15	652,259	364,397
Provision for employee benefit		2,613	2,720
Deferred tax liabilities		77,404	74,996
Lease liabilities		65,736	60,437
		798,012	502,550
Current liabilities			
Trade and other payables		561,425	611,625
Derivative financial liabilities	A14	872,567	91,913
Loans and borrowings	A15	1,420,095	796,357
Tax payable		7,578	9,822
Lease liabilities		13,760	9,552
		2,875,425	1,519,269
Total liabilities		3,673,437	2,021,819
Total equity and liabilities		5,437,277	3,660,374
Net assets per share (sen)			
attributable to owners of the Company		150.12	150.34

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2023 – unaudited

	← Non-distributable →				Distributable	Total Equity RM'000
	Share Capital RM'000	Treasury Share RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	
Balance as at 1 January 2023	495,237	(720)	59,919	(4,226)	1,088,345	1,638,555
Profit for the period	-	-	-	-	85,757	85,757
Other comprehensive income for the period:						
foreign currency translation differences	-	-	52,826	-	-	52,826
share of other comprehensive loss of associates	-	-	154	-	-	154
hedge of net investments in foreign operations	-	-	-	(13,452)	-	(13,452)
Total comprehensive income for the period	-	-	52,980	(13,452)	85,757	125,285
Balance at 30 September 2023	495,237	(720)	112,899	(17,678)	1,174,102	1,763,840
Balance as at 1 January 2022	297,059	(720)	52,333	(6,838)	1,000,513	1,342,347
Profit for the year	-	-	-	-	147,411	147,411
Other comprehensive loss for the year:						
foreign currency translation differences	-	-	7,525	-	-	7,525
hedge of net investments in foreign operations	-	-	-	2,612	-	2,612
remeasurement of post-employment benefit obligation, net of tax	-	-	-	-	(88)	(88)
share of other comprehensive loss of associates	-	-	61	-	-	61
Total comprehensive income for the year	-	-	7,586	2,612	147,323	157,521
Transactions with owners						
Disposal of treasury shares	-	-	-	-	-	-
Issuance of new shares	198,178	-	-	-	-	198,178
Dividends	-	-	-	-	(59,491)	(59,491)
Total transactions with owners	198,178	-	-	-	(59,491)	138,687
Balance at 31 December 2022	495,237	(720)	59,919	(4,226)	1,088,345	1,638,555

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2023 – unaudited

		Nine Months Ended	
		30-Sep-23	30-Sep-22
		RM'000	RM'000
Cash flows from operating activities			
	Profit before tax	107,162	157,437
	Adjustments for:		
	Non-cash and non-operating items	(166,375)	91,127
	Operating (loss)/profit before working capital changes	(59,213)	248,564
	Changes in working capital		
	Net change in current assets	(325,500)	637,643
	Net change in current liabilities	(226,466)	(490,821)
	Cash generated (used in)/from operations	(611,179)	395,386
	Tax paid	(37,256)	(32,971)
	Tax refund	689	119
	Interest paid	(90,953)	(35,406)
	Interest received	2,648	206
	Net cash (used in)/from operating activities	(736,051)	327,334
Cash flows used in investing activities			
	Purchase of property, plant and equipment	(140,211)	(195,587)
	Proceeds from disposal of property, plant and equipment	51	539
	Net cash used in investing activities	(140,160)	(195,048)
Cash flows from financing activities			
	Bank and other borrowings	881,183	(159,109)
	Conversion of warrants to ordinary shares	-	113,120
	Changes in Fixed deposit pledged	(8,179)	5,896
	Dividend paid	-	(47,592)
	Repayment of lease liabilities	(3,249)	(3,756)
	Net cash from/(used in) financing activities	869,755	(91,441)
	Net (decrease)/increase in cash and cash equivalents	(6,456)	40,845
	Effect of exchange rate changes	4,722	(12,244)
	Cash and cash equivalents at the beginning of financial period	47,264	52,892
	Cash and cash equivalents at the end of financial period	45,530	81,493
Cash and cash equivalents at the end of financial period comprise of :			
	Deposits, bank and cash balances	76,658	98,205
	Less : Non-cash and cash equivalents		
	Fixed deposit pledged to bank as collateral	(31,128)	(16,712)
		45,530	81,493

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023**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 2022. 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 2022.

A2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2022 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 2022, except for those standards, amendments and IC interpretations which are effective from the annual period beginning on or after 1 January 2023. 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

There was no dividend paid by the Company during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023
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.

Nine Months Ended 30 September 2023	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Germany RM'000	Ivory Coast RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:								
Total external revenue	832,696	1,484,085	208,904	956,908	35	65,957	-	3,548,585
Internal segment revenue	1,718,554	2,544,149	795,202	1,161	485,777	72,596	(5,617,439)	-
Total revenue	2,551,250	4,028,234	1,004,106	958,069	485,812	138,553	(5,617,439)	3,548,585
Segment result	103,969	8,826	24,762	70,164	33,992	7,056	5,580	254,349
Interest income								2,648
Finance cost								(93,348)
Depreciation & amortisation								(56,487)
Profit before tax								107,162
Tax expenses								(21,405)
Profit for the period								85,757
Segment assets	1,653,784	1,406,141	1,000,095	446,230	507,245	396,634	-	5,410,129
Deferred tax assets								1,728
Tax recoverable								25,420
Total assets								5,437,277
Segment liabilities	84,181	1,167,992	31,642	86,591	32,227	33,972	-	1,436,605
Deferred tax liabilities								77,404
Tax payables								7,578
Borrowings								2,072,354
Lease liabilities								79,496
Total liabilities								3,673,437

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023

A8. Segmental information – (cont'd)

Nine Months Ended 30 September 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	877,070	1,343,208	233,202	771,329	63,722	-	3,288,531
Internal segment revenue	1,632,464	1,929,209	971,855	1,012	109,249	(4,643,789)	-
Total revenue	2,509,534	3,272,417	1,205,057	772,341	172,971	(4,643,789)	3,288,531
Segment result	154,679	55,604	26,749	7,937	63,939	(68,233)	240,675
Interest income							206
Finance cost							(36,267)
Depreciation & amortisation							(47,177)
Profit before tax							157,437
Tax expenses							(28,802)
Profit for the period							128,635
Segment assets	1,406,617	211,422	722,845	363,387	574,881	-	3,279,152
Deferred tax assets							1,933
Tax recoverable							15,209
Total assets							3,296,294
Segment liabilities	33,668	177,886	24,748	116,731	86,554	-	439,587
Deferred tax liabilities							76,209
Tax payables							11,302
Borrowings							1,172,022
Lease Liabilities							64,430
Total liabilities							1,763,550

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 – THIRD QUARTER ENDED 30 SEPTEMBER 2023**A10. Profit before tax**

Included in the profit before tax are the following items:

	Current Quarter Ended 30-Sep-23 RM'000	Current Year To-Date 30-Sep-23 RM'000
Amortisation of leases	2,627	7,338
Amortisation of intangible assets	223	639
Depreciation	15,855	48,510
Realised loss on foreign exchange	19,548	35,816
Unrealised gain on foreign exchange	(24,117)	(54,006)
Realised loss on derivatives	342,064	391,287
Unrealised gain on derivatives	(210,339)	(198,481)
Interest expense	35,331	93,348
Interest income	(366)	(2,648)

A11. Tax expense

	Current Quarter Ended		Current Year To-Date Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current period estimate	6,450	9,259	19,960	31,172
- Under provision in prior year	1,223	(2,552)	1,288	(2,530)
Deferred tax				
- Originated of temporary differences	58	52	170	160
- Over provision in prior year	16	-	(13)	-
	7,747	6,759	21,405	28,802

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 – THIRD QUARTER ENDED 30 SEPTEMBER 2023**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-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Profit for the financial period attributable to owners of the Company (RM'000)	33,876	30,756	85,757	128,635
Weighted average number of ordinary shares in issue ('000)	1,174,915	1,063,973	1,174,915	1,063,973
Basic earnings per share (sen)	2.88	2.89	7.30	12.09

- (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-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Profit for the financial period attributable to owners of the Company (RM'000)	33,876	30,756	85,757	128,635
Weighted average number of ordinary shares in issue ('000)	1,174,915	1,063,973	1,174,915	1,063,973
Effect of dilution of warrants	-	18,294	-	18,294
Adjusted weighted average number of ordinary shares in issue and issuales	<u>1,174,915</u>	<u>1,082,267</u>	<u>1,174,915</u>	<u>1,082,267</u>
Diluted earnings per share (sen)	* 2.88	2.84	* 7.30	11.89

* There is no dilutive effect on the earnings per share as all unexercised warrants have expired on 04 November 2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023

A13. Intangible assets

	Goodwill	Trademark	Non-contractual customer relationship	Total
	RM'000	RM'000	RM'000	RM'000
Cost:				
At 1 January 2022	65,163	10,641	15,083	90,887
Translation differences	541	(88)	(71)	382
At 31 December 2022 and 1 January 2023	65,704	10,553	15,012	91,269
Translation differences	4,212	451	741	5,404
At 30 September 2023	69,916	11,004	15,753	96,673
Accumulated amortisation and impairment				
At 1 January 2022	(1,002)	(5)	(1,519)	(2,526)
Amortisation	-	(1)	(746)	(747)
Impairment	(1,574)	-	-	(1,574)
Translation differences	-	-	(4)	(4)
At 31 December 2022 and 1 January 2023	(2,576)	(6)	(2,269)	(4,851)
Amortisation	-	(1)	(591)	(592)
Impairment	(5,730)	-	-	(5,730)
Translation differences	-	-	(152)	(152)
At 30 September 2023	(8,306)	(7)	(3,012)	(11,325)
Net carrying amount:				
At 31 December 2022	63,128	10,547	12,743	86,418
At 30 September 2023	61,610	10,997	12,741	85,348

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023

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
30 September 2023				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	9,065	-	9,065
- commodity futures contract	-	643,415	-	643,415
- commodity option contracts	-	444,627	-	444,627
	-	1,097,107	-	1,097,107
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	-	-	-
- cross currency swap contracts	-	17,307	-	17,307
- commodity futures contract	-	430,338	-	430,338
- commodity option contracts	-	424,922	-	424,922
	-	872,567	-	872,567
31 December 2022				
Financial assets				
Derivative assets :				
- foreign currency forward contracts	-	8,578	-	8,578
- commodity futures contract	-	42,934	-	42,934
- commodity option contracts	-	3,878	-	3,878
	-	55,390	-	55,390
Financial liabilities				
Derivative liabilities :				
- foreign currency forward contracts	-	2,099	-	2,099
- cross currency swap contracts	-	4,099	-	4,099
- commodity futures contracts	-	71,839	-	71,839
- commodity option contracts	-	13,876	-	13,876
	-	91,913	-	91,913

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023

A15. Loans and borrowings

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

	Denominated in currency	30-Sep-23 RM'000	31-Dec-22 RM'000
Current			
- Term loans	USD	6,691	11,973
	EUR	16,478	15,535
	RM	411	411
- Trade loans	USD	659,178	323,147
	EUR	257,748	89,001
	GBP	322,304	227,054
- Revolving credit	USD	150,669	115,637
	EUR	6,616	13,599
		1,420,095	796,357
Non-Current			
- Term loans	USD	8,273	10,933
	EUR	43,335	52,505
	RM	651	959
- Sukuk	RM	600,000	300,000
		652,259	364,397
		2,072,354	1,160,754

A16. Contingent liabilities

	Group and company	
	30-Sep-23 RM'000	31-Dec-22 RM'000
Corporate guarantees - unsecured		
Issued to banks for banking facilities granted to subsidiaries		
- limit of guarantee	2,683,099	2,412,384
- amount utilised	(1,463,367)	(843,686)

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	88,705

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

There were no material events subsequent to the current quarter ended 30 September 2023 that have not been reflected in this quarterly report.

[Intentionally left blank]

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023**B. Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A****B1. Review of performance**

The Group's revenue of RM1,285.9 million for the current quarter ended 30 September 2023 is higher than the revenue in the previous corresponding quarter ended 30 September 2022 of RM1,100.5 million. The increase of 16.85% in turnover is mainly due to higher selling price for cocoa butter, cocoa solids and industrial chocolate.

B2. Comment on material change in profit before tax

The Group made a profit before tax for the quarter 30 September 2023 of RM41.6 million as compared with the profit before tax of RM37.5 million in the preceding year corresponding quarter ended 30 September 2022. This is mainly due to higher selling price in cocoa products and industrial chocolate. However, the increase offset against the higher finance cost due to higher interest rate during current quarter ended 30 September 2023.

B3. Commentary of prospects

The cocoa industry has endured challenges in the global macro environment this year, influenced by factors such as rising interest rates and global inflation. Besides, the El Niño weather phenomenon, black pod diseases and swollen shoot virus have contributed to reduced supply, thereby resulting in the rally of cocoa prices.

Despite the challenging backdrop, and even as cocoa prices in the London market reached a record 46-year high, the demand for chocolate products remains resilient. The Group continues to vigilantly monitor global developments and adapt its growth strategy accordingly for the long-term sustainability of the business. The Group foresees that these adverse market conditions are affecting its performance in the short term; nevertheless, it maintains optimism about the long-term outlook.

Looking ahead, the Group will maintain its focus on its core business of cocoa ingredient processing while also expanding into the higher-margin industrial chocolate market and optimizing production based on 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.

[Intentionally left blank]

NOTES TO THE INTERIM FINANCIAL STATEMENTS – THIRD QUARTER ENDED 30 SEPTEMBER 2023**B6. Derivative financial instruments**

Details of the outstanding derivative financial instruments as at 30 September 2023 are as follows:

	Derivative	Contract Amount RM'000	Fair Value - Net Changes RM'000	Purpose
1	Forward Foreign Exchange Contracts: Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	174,350 15,976	6,355 1,245	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	4,313,047 7,034 4,081,072 7,034	(281,262) (477) 329,030 480	For hedging price risk
3	Commodity Options Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	4,876,002 3,455,000	7,942 (22,083)	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 – THIRD QUARTER ENDED 30 SEPTEMBER 2023**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 27 November 2023, the board proposed the first single-tier dividend of 2.0 sen per ordinary share in respect of financial year ending 31 December 2023 to shareholders registered in the Record of Depositors at close of business on 27 December 2023 and subsequently will be paid on 19 January 2024.

B9. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2022 was not qualified.

Tay Hoe Lian
Managing Director
Dated: 27.11.2023