GUAN CHONG BERHAD
Twenty-Second Annual General Meeting
Friday, 29 May 2026

ANNEXURE 3

Questions & Answers (Q&A) Session

<u>Question No.1 from Mr Tey Tian Foo (Shareholder)</u>

(a) What are the core competitiveness of GCB compared to peers? How comparative is GCB and what are the advantages and disadvantages?

Answer:

A key differentiating factor for GCB lies in its integrated cocoa processing model and the location at which processing is first undertaken along the value chain. Unlike major competitors such as Cargill Incorporated, Barry Callebaut AG and Olam Group Limited, which have established significant processing capacities in consuming countries such as Europe and the US, GCB carries out its primary cocoa processing in origin countries like Côte d'Ivoire, Indonesia and Malaysia. This origin-based processing approach provides better access and control to higher-quality raw materials and enables closer relationships with Conseil du Café-Cacao (CCC), the government-linked regulatory and marketing authority in Côte d'Ivoire, thereby strengthening supply chain visibility and procurement advantages. Semi-finished products processed at origin are subsequently further transformed into higher value-added products in consuming markets, including butter melting and liquor processing in Europe and the US, as well as cake grinding in the US, allowing it to supply final products to key consuming markets such as Germany and the UK. This structure supports greater operational flexibility, cost efficiency, and control over product quality, while also positioning GCB to progressively deepen its direct customer relationships in Europe, where established networks remain a key competitive factor.

From a cost perspective, GCB's position along the value chain contributes to a relatively efficient operating structure. Compared to certain competitors that are primarily based in higher-cost regions such as Europe and the US, where operating expenses, including labour and regulatory compliance, tend to be higher, GCB may benefit from a comparatively more cost-competitive production footprint closer to origin. This supports the GCB's ability to offer competitively priced products to the market while serving industrial customers operating in a largely commoditised and price-sensitive

environment. The overall cost position, particularly when considered at scale, supports the GCB's ability to participate effectively in global markets.
GCB has, over the past three decades, experienced relatively modest growth. During this period, the management structure has remained largely centralized in Asia, with limited geographic dispersion of the management team. At the same time, GCB recognises the importance of maintaining close proximity to customers in order to support strong and enduring relationships.

In line with this objective, GCB established an office in Switzerland last year and has since begun to gradually expand its local presence through targeted hiring. Moving forward, GCB's key priority remains the development and maintenance of a stable and reliable customer base, which continues to underpin its long-term strategy.

(b) Are there any plans to expand the industrial chocolate business, and under what brand is it marketed?

Answer:

GCB is pursuing a step-by-step expansion strategy, with a number of targeted investments already under consideration and included in our forward planning agenda.

GCB's industrial chocolate products are supplied under the Group's brands, including "SCHOKINAG" in Germany and "FAVORICH CHOCOLATE" in the UK. The customers will further reprocess the chocolate and incorporate it into their own finished products, which are then sold under the customers' respective brands.

(c) Who are GCB's competitors?

Answer:

In the cocoa bean grinding segment, the Group's key competitors include Cargill Incorporated, Olam Group Limited, Barry Callebaut AG and JB Cocoa Sdn. Bhd..

In the industrial chocolate segment, competition is led primarily by Barry Callebaut AG. A significant number of the Group's customers are also chocolate producers themselves and supply finished or semi-finished products to major global confectionery companies such as Mars, Incorporated, The Hershey Company, Nestlé S.A., and Mondelez International, Inc.. These customers often maintain in-house production capabilities and manufacture similar products internally, resulting in a competitive landscape that includes both third-party suppliers and vertically integrated producers.

Question No.2 from Ms Chan Thing Yee (Shareholder)

(a) How is the management team in Ivory Coast structured—are Malaysian staff deployed there or local hires, and what is the plan to support future production growth?

Answer:

In Ivory Coast, the operations function primarily as a contract manufacturing arrangement, with GCB's Asia team retaining responsibility for commercial and book management. Local personnel are engaged to support regulatory and day-to-day liaison with authorities while marketing activities are managed from the GCB's headquarters in Asia. On the operational side, experienced Malaysian and Indonesian staff are deployed to Ivory Coast to oversee and support key factory functions, including production, quality control (QC), and research & development (R&D). These personnel work closely alongside local hires to ensure efficient production processes, adherence to quality standards, effective technical transfer, and continuity of operations on the ground.

(b) How to expand the marketing team in Europe – are they expatriates from Malaysia or local hires?

Answer:

European marketing activities are overseen by GCB's headquarters, while chocolate trading operations are led by Ms. Elsa, the Group's Commercial Director. Local European personnel are engaged to support trading and market execution; however, overall commercial oversight and book management remain under the responsibility of Mr Hia, the Group's Chief Financial Officer.

<u>Question No. 3 from Mr Yong Min Jian (Shareholder)</u>

(a) For Asian Manufacturing Hub, will the implementation of automated palletizing for cocoa powder increase the fixed costs, and will this have any impact on selling price?

Answer:

GCB are increasingly adopting automation across our operations, driven by rising production volumes and tighter labour availability. As a rule, we proceed with investments where the payback period is less than about two to three years, and in many cases even more than two years, provided it is economically justified and not restricted by regulatory requirements.

Automation is also becoming more cost-effective, particularly with advances in robotics and AI, which makes wider deployment more feasible. As GCB continues to grow, we expect automation to play an increasingly important role in improving efficiency, strengthening our operational backbone, reducing labour costs and supporting labour-intensive processes.