

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

In line with the provisions of Practice Note 18 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on Perusal of Draft Circulars and Other Documents, Bursa Securities has perused this Part A of Circular on a limited review basis on proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature and has not perused the contents of Part A of circular on proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and Part B of the Circular in relation to the proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of the issued share capital of the Company as this transaction falls under the category of exempt circular as outlined in the aforesaid practice note.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or due to your reliance upon the whole or any part of the contents of this Circular. You should rely on your own evaluation to assess the merits and risks of the proposals as set out in this Circular.



**GUAN CHONG BERHAD**

Registration No.: 200401007722 (646226-K)  
(Incorporated in Malaysia)

**PART A  
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AND  
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE;**

**AND**

**PART B  
STATEMENT TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO PURCHASE ITS OWN ORDINARY SHARES UP TO TEN PERCENT (10%)  
OF THE ISSUED SHARES CAPITAL IN THE COMPANY**

The resolution in respect of the above proposals will be tabled as Special Business at the Twenty-First Annual General Meeting ("AGM") of the Guan Chong Berhad ("Company") which to be held at Praline & Truffle, ibis Styles Johor Iskandar Puteri, 1 Nusa Sentrum Complex, Jalan SiLC 2/9, SiLC Industrial Park, 79200 Iskandar Puteri, Johor on Wednesday, 28 May 2025 at 10.00 a.m. or at adjournment thereof. The Notice of the AGM together with the Form of Proxy, are enclosed in the Annual Report 2024 of the Company.

A member entitled to attend and vote at AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Form of Proxy or power of attorney or certificate of appointment of corporate representatives should be lodged at the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or lodged electronically via Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> not later than forty-eight (48) hours before the time set for the AGM or at adjournment thereof. Please refer to the Administrative Details on the procedures for electronic lodgement of Form of Proxy or power of attorney or certificate of appointment of corporate representatives. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Monday, 26 May 2025, 10:00 a.m.

Day, Date and time of the AGM

: Wednesday, 28 May 2025, 10:00 a.m.

This Circular is dated 29 April 2025

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this application:

“ACI”	:	PT. Asia Cocoa Indonesia (8120110231343)
“Act”	:	The Companies Act 2016 (as amended from time to time and any re-enactment thereof)
“AGM”	:	Annual general meeting to be convened
“Board”	:	Board of Directors of GCB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Carlyle”	:	Carlyle Cocoa Co., LLC
“Cocoarich”	:	Cocoarich Sdn. Bhd. [200701029942 (787968-H)]
“Code”	:	Malaysian Code on Take-Over and Mergers 2016 (as amended from time to time and any re-enactment thereof)
“Director(s)”	:	The Directors of GCB for the time being and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director or a chief executive of GCB, its subsidiary or holding company.
“EM”	:	Enrich Mix Sdn. Bhd. [200201026105 (593768-K)]
“EPS”	:	Earnings Per Share
“FYE”	:	Financial year ending/ended 31 December
“GCB” or the “Company”	:	Guan Chong Berhad [200401007722 (646226-K)]
“GCB Group”	:	GCB and its subsidiaries, collectively
“GCB Share(s)” or “Share(s)”	:	Ordinary share(s) in GCB
“GCBA”	:	GCB America, Inc. (98-0462084)
“GCB Cacao”	:	GCB Cacao GmbH
“GCBCCI”	:	GCB Cocoa Cote d’Ivoire (CI-SAP-2024-B-341)
“GCBCE”	:	GCB Cocoa Europe B.V. (82615659)
“GCBCI”	:	PT. GCB Cocoa Indonesia (9120203210772)
“GCBCM”	:	GCB Cocoa Malaysia Sdn. Bhd. [199001006523 (198093-M)]

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## DEFINITIONS

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“GCBCS”	: GCB Cocoa Singapore Pte Ltd (201009152K)
“GCBCTI”	: GCB Cocoa Trading Cote d’Ivoire (CI-ABJ-03-2021-B14-00069)
“GCBCUK”	: GCB Cocoa UK Limited (12730539)
“GCBF”	: GCB Foods Sdn. Bhd. [200601026686 (746441-K)]
“GCBOHC”	: GCB Oversea Holdings Corporation (LL06562)
“GCBUKP”	: GCB UK Property Limited (14434563)
“GCCM”	: Guan Chong Cocoa Manufacturer Sdn. Bhd. [198501000614 (133057-U)]
“GCT”	: Guan Chong Trading Sdn. Bhd. [198401011500 (124042-P)]
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities (as amended from time to time)
“LPD”	: 2 April 2025, being the latest practicable date prior to the printing of this Circular
“Major Shareholder(s)”	: Means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those Share, is: <ul style="list-style-type: none"><li>(i) 10% or more of the total number of voting shares in the Company; or</li><li>(ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,</li></ul> <p>and includes any person who is or was, within the preceding 6 months of the date on which the terms of the RRPT were agreed upon, such major shareholder of the Company or any other corporation which is the subsidiary or holding company.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p>
“Market Day”	: A day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday.
“NA”	: Net assets
“Person(s) Connected”	: Shall have the same meaning given in Chapter 1, paragraph 1.01 of the Listing Requirements.
“Proposed Renewal of Authority”	: The proposed renewal of authority for GCB to purchase its own ordinary shares up to ten percent (10%) of the issued share capital of the Company.

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## DEFINITIONS

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“Proposed Shareholders’ Mandate”	: Proposed renewal of and new shareholders’ mandate for RRPT
“Purchased Share(s)”	: Share(s) purchased pursuant to the Proposed Renewal of Authority
“Recurrent Related Party Transactions” or “RRPT”	: Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business of GCB Group and are on terms not more favourable to the Related Parties than those generally available to the public.
“Registered Office”	: No. 7 (1st Floor) Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor
“Related Party(ies)”	: A Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s) (as defined in the Listing Requirements)
“Related Party Transactions”	: Transaction(s) entered into by GCB or its subsidiaries which involves the interest, direct or indirect, of a Related Party
“RM and sen”	: Ringgit Malaysia and sen, respectively
“SMC”	: SMC Food21 (Malaysia) Sdn. Bhd. [201201016887 (1002398-D)]
“SCHOKINAG”	: Schokinag Holding GmbH (HRB 724153)
“SSIG”	: Schokinag-Schokolade-Industries GmbH (HRB 724205)
“SVG”	: Schokinag Verwaltungs GmbH (HRB 724163)
“TRANSCAO CI”	: Transcao Cote d’Ivoire (CI-ABJ-2019-B-03087)
“Statement”	: Share buy-back statement in relation to the Proposed Renewal of Authority
“Surprise Holiday”	: A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not gazetted as a public holiday at the beginning of the calendar year.

Words importing the singular only shall include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

All references to the time of day in this Circular are references to Malaysian time.

All references to “you” in this Circular are to the shareholders of the Company.

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**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF AND NEW SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

# BERHAD GUANCHONG

GUAN CHONG BERHAD

Registration No.: 200401007722 (646226-K)  
(Incorporated in Malaysia)

**Registered Office:**

No. 7 (1st Floor), Jalan Pesta 1/1  
Taman Tun Dr. Ismail 1  
Jalan Bakri 84000 Muar  
Johor

29 April 2025

**Directors:**

Ang Nyee Nyee	<i>(Independent Non-Executive Chairman)</i>
Tay Hoe Lian	<i>(Managing Director/ Chief Executive Officer)</i>
Tay How Sik @ Tay How Sick	<i>(Executive Director/ Chief Operating Officer)</i>
Hia Cheng	<i>(Executive Director/ Chief Financial Officer)</i>
Nurulhuda Binti Abd Kadir	<i>(Independent Non-Executive Director)</i>
Ng Kim Hian	<i>(Independent Non-Executive Director)</i>
Tan Pui Suang	<i>(Independent Non-Executive Director)</i>

**To: The Shareholders of Guan Chong Berhad**

Dear Sir / Madam,

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the last AGM held on 27 May 2024, the Company renewed its shareholders' mandate for the GCB Group to enter into RRPT. The said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM of the Company unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

The Board of Directors had on 14 April 2025 announced to Bursa Securities on its intention to seek the shareholders' mandate for both renewal of the existing and new RRPT in accordance with the Listing Requirements as set out in Section 4 of this Circular.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate, to set out the Board's recommendation and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and the Form of Proxy have been incorporated into the Company's Annual Report 2024, which are being circulated to you together with this Circular.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**



## 2. PROVISIONS OF THE LISTING REQUIREMENTS

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of Recurrent Related Party Transactions subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted by a listed issuer with an issued share capital of RM60 million or above pursuant to the shareholders' mandate during the financial year where:
  - (a) the consideration, value of assets, capital outlay or costs of the aggregated Recurrent Related Party Transactions is RM1 million or more; or
  - (b) any one of the percentage ratios of such aggregated Recurrent Related Party Transactions is equal to or exceeds 1%;

whichever is higher;

- (iii) the issue of a circular to shareholders for the shareholders' mandate containing information as specified in the Listing Requirements together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected; and where it involves the interest of an interested Person Connected, such Director or Major Shareholder, must not vote on the resolution approving the RRPT. An interested Director or Major Shareholder must ensure that Persons Connected with him are abstained from voting on the resolution approving the RRPT; and
- (v) the listed issuer will make immediate announcement to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transactions disclosed in the Circular by 10% or more and must include information as may be prescribed by the Bursa Securities in its announcement.

Accordingly, the Board proposes to seek your approval for the Proposed Shareholders' Mandate to enter into RRPT or a revenue or trading nature in the ordinary course of business based on normal commercial terms, at arm's length, which are not more favourable to the Related Parties than those generally available to the public and which are necessary for GCB Group's day-to-day operations.

## 3. VALIDITY PERIOD

Pursuant to Practice Note 12 of the Listing Requirements, the shareholders' mandate is subject to annual renewal and any authority conferred by the mandate shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which the resolution for the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or

### 3. VALIDITY PERIOD (CONT'D)

Pursuant to Practice Note 12 of the Listing Requirements, the shareholders' mandate is subject to annual renewal and any authority conferred by the mandate shall only continue to be in force until: (Cont'd)

- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

Where the Company has procured the shareholders' mandate pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements shall not apply during the period of validity of the shareholders' mandate.

In view of the time-sensitive, confidentiality and frequent nature of such Recurrent Related Party Transactions, the Board of Directors hereby seeks its shareholders' approval for the Proposed Shareholders' Mandate (as set out in Section 4 of this Circular) in order to comply with Paragraph 10.09 of the Listing Requirements.

### 4. THE RECURRENT RELATED PARTY TRANSACTIONS

#### 4.1 Background information of the GCB Group

GCB is principally an investment holding company whilst the principal activities of its subsidiaries are as follows:-

<b>Subsidiaries</b>	<b>Effective Equity Interest (%)</b>	<b>Principal Activities</b>
GCCM	100.0	Producing cocoa-derived food ingredients
GCT	100.0	Dormant
GCBA	100.0	Investment holding
GCBF	100.0	Manufacture, marketing and promotion of cocoa related products
GCBOHC	100.0	Investment holding
Cocoarich	100.0	Investment holding
GCBCM	100.0	Manufacture of cocoa cake, cocoa butter, cocoa powder, cocoa mass and other related cocoa products
GCBCS	73.9#	Trading of cocoa beans, cocoa derived food ingredients and cocoa products

# Both GCB and GCBOHC hold 73.9% and 26.1% equity stakes in GCBCS respectively.

#### 4.1 Background information of the GCB Group (Cont'd)

##### Subsidiary of GCBA

Carlyle	100.0	Manufacture of cocoa ingredients
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##### Subsidiary of GCBOHC

GCB Cacao	100.0	Dormant
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##### Subsidiaries of GCBCS

ACI	90.0^	Manufacture of cocoa butter, cocoa cake and cocoa liquor
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GCBCI	90.0^	Trading of cocoa products
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GCBCCI	100.0	Processing of cocoa into semi-finished and finished products
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SCHOKINAG	100.0	Investment holding
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GCBCUK	100.0	Trading of cocoa powder and chocolate and manufacturing of chocolate
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GCBCTI	100.0	Dormant
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GCBCE	100.0	Trading of cocoa products
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^ Both GCBCS and Cocomarich hold 90% and 10% equity stakes in ACI and GCBCI respectively.

##### Subsidiaries of SCHOKINAG

SSIG	100.0	Production and sales of chocolate products
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SVG	100.0	Property holding company
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##### Subsidiary of GCBCUK

GCBUKP	100.0	Property management company
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##### Associates of GCB

SMC	20.0	Production of blended cocoa-derived food ingredients
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##### Subsidiary of SMC

EM	100.0	Production of blended cocoa-derived food ingredients
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##### Associates of GCBCS

TRANSCAO CI	25.0*	Processing of cocoa, coffee and all products or commodities and raw materials into finished or semi-finished products
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\* The acquisition of TRANSCAO CI to be completed by Q2 2025.

The core business of GCB is in the manufacturing of high quality cocoa-derived food ingredients, namely cocoa liquor, cocoa butter, cocoa cake and cocoa powder and cocoa related products as well as cocoa confectionary products, and supported by trading activities of such products.

#### **4.1 Background information of the GCB Group (Cont'd)**

It is anticipated that the Group would, in the normal course of business, enter into transactions relating to the provision of or the obtaining of products and services to or from the Related Parties as set out in Section 4.2 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

#### **4.2 Nature and Estimated Aggregate value of the Recurrent Related Party Transactions**

The Recurrent Related Party Transactions are principally in respect of the following:

(a) Sales to the Related Parties

(i) EM

EM is an indirect associate of GCB by virtue of GCB's direct interest of 20% in SMC, the existing holding company of EM. EM is deemed a Related Party by virtue of the major shareholder, Tay Hoe Lian's direct and indirect interests in the shares of GCB.

The sales to EM from GCCM are mainly cocoa related products, which are used for the manufacturing activities of EM as noted in Section 4.1 of this Circular.

The sales to EM from GCBCS are mainly cocoa related products, which are used for the manufacturing activities of EM.

(ii) SMC

SMC is an associate of GCB by virtue of GCB's direct interest of 20% in SMC.

The sales to SMC from GCCM are mainly cocoa related products, which are used for the manufacturing activities of SMC as noted in Section 4.1 of this Circular.

The sales to SMC from GCBCS are mainly cocoa related products, which are used for the manufacturing activities of SMC.

(iii) TRANSCAO CI

TRANSCAO CI is an associate of GCB by virtue of GCBCS's direct interest of 25% in TRANSCAO CI.

The sales to TRANSCAO CI from GCBCCI are mainly cocoa related products, which are used for the trading activities of TRANSCAO CI as noted in Section 4.1 of this Circular.

#### **4.2 Nature and Estimated Aggregate value of the Recurrent Related Party Transactions (Cont'd)**

(b) Purchases from the Related Parties

(i) EM

The purchases from EM by GBCBS are mainly sugar cocoa preparation products and milk preparation products, which are used for the trading activities of GBCBS as noted in Section 4.1 of this Circular.

(ii) TRANSCAO CI

The purchase from TRANSCAO CI by GBCBS are mainly cocoa products, which are used for the trading activities of GBCBS.

The purchase from TRANSCAO CI by GCBCCI are mainly cocoa products, which are used for the trading activities of GCBCCI as noted in Section 4.1 of this Circular.

(c) Management fees charged to the Related Party

(i) TRANSCAO CI

The management fees charged by GBCBS to TRANSCAO CI are for the provision of support services, business advice and assistance.

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### 4.3 Proposed Shareholders' Mandate

#### (a) Sales to the Related Parties

No	Related Party	Company in the GCB Group	Nature of transaction	Estimated value as disclosed in the preceding year's circular (RM'000)	Actual value transacted as at LPD (RM'000)	Estimated value for the validity of the Proposed Shareholders' Mandate (RM'000)	Interested Director(s)/ Major Shareholder(s) and/or Person(s) Connected	Shareholding of Director(s)/ Major Shareholder(s) and/or Person(s) Connected in the Related Parties
1.	EM	GCCM	Sale of cocoa related products by GCCM to EM	20,000	14,159	25,000	Tay Hoe Lian <sup>(D)</sup>	Direct – Nil Indirect - 20% <sup>(1)</sup>
2.	SMC	GCCM	Sales of cocoa related products by GCCM to SMC	15,000	9,366	20,000	Tay Hoe Lian <sup>(D)</sup>	Direct – Nil Indirect - 20% <sup>(1)</sup>
3.	EM	GCBCS	Sales of cocoa related products by GCBCS to EM	1,000	-	1,000	Tay Hoe Lian <sup>(D)</sup>	Direct – Nil Indirect - 20% <sup>(1)</sup>
4.	SMC	GCBCS	Sales of cocoa related products by GCBCS to SMC	10,000	-	10,000	Tay Hoe Lian <sup>(D)</sup>	Direct – Nil Indirect - 20% <sup>(1)</sup>
5	TRANSCAO CI	GCBCCI	Sales of cocoa related products by GCBCCI to TRANSCAO CI	-	-	25,000 <sup>^</sup>	Hia Cheng <sup>(D)</sup>	Direct – Nil Indirect - 25% <sup>(1)</sup>
			<b>TOTAL</b>	<b>46,000</b>	<b>23,525</b>	<b>81,000</b>		

#### 4.3 Proposed Shareholders' Mandate (Cont'd)

##### (b) Purchases from the Related Parties

No	Related Party	Company in the GCB Group	Nature of transaction	Estimated value as disclosed in the preceding year's circular (RM'000)	Actual value transacted as at LPD (RM'000)	Estimated value for the validity of the Proposed Shareholders' Mandate (RM'000)	Interested Director(s)/ Major Shareholder(s) and/or Person(s) Connected	Shareholding of Interested Director(s)/ Major Shareholder(s) and/or Person(s) Connected in the Related Parties
1.	EM	GCBCS	Purchase of sugar cocoa preparation products and milk preparation products by GCBCS from EM	3,000	-	3,000	Tay Hoe Lian <sup>(D)</sup>	Direct – Nil Indirect - 20% <sup>(1)</sup>
2.	TRANSCAO CI	GCBCS	Purchase of cocoa products by GCBCS from TRANSCAO CI	-	-	3,000,000 <sup>^</sup>	Hia Cheng <sup>(D)</sup>	Direct – Nil Indirect - 25% <sup>(2)</sup>
3.	TRANSCAO CI	GCBCCI	Purchase of cocoa products by GCBCCI from TRANSCAO CI	-	-	25,000 <sup>^</sup>	Hia Cheng <sup>(D)</sup>	Direct – Nil Indirect - 25% <sup>(2)</sup>
			<b>TOTAL</b>	<b>3,000</b>	<b>-</b>	<b>3,028,000</b>		

#### 4.3 Proposed Shareholders' Mandate (Cont'd)

(c) Other Transaction with the Related Parties

No	Related Party	Company in the GCB Group	Nature of transaction	Estimated value as disclosed in the preceding year's circular (RM'000)	Actual value transacted as at LPD (RM'000)	Estimated value for the validity of the Proposed Shareholders' Mandate (RM'000)	Interested Director(s)/ Major Shareholder(s) and/or Person(s) Connected	Shareholding of Interested Director(s)/ Major Shareholder(s) and/or Person(s) Connected in the Related Parties
1.	TRANSCAO CI	GCBGS	Management fees charged by GCBGS to TRANSCAO CI	-	-	2,000 <sup>^</sup>	Hia Cheng <sup>(D)</sup>	Direct – Nil Indirect - 25% <sup>(1)</sup>
			<b>TOTAL</b>	-	-	<b>2,000</b>		

#### Abbreviation:-

<sup>^</sup> New mandate is being sought at the AGM for these RRPT.

#### Notes:-

(D) Holds a directorship in GCB, which is a Related Party.

(1) Deemed interest by virtue of the major shareholder and Director of GCB, Tay Hoe Lian's direct and/or indirect interests in GCB.

(2) Deemed interest by virtue of the major shareholder and Director of GCB, Hia Cheng's direct and/or indirect interests in GCB.



#### 4.4 Amount due from and owing by Related Parties

The breakdown of the principal sum (without interest) for the total outstanding amount due from and owing by Related Parties under the Recurrent Related Party Transactions as per Section 4.3 of this Circular are as below:-

Name of Related Parties	Outstanding amount due from/(owing to) the Related Parties under the Proposed Shareholders' Mandate which has exceeded the credit term for the following periods as at LPD			
	1 year or less*	More than 1 year but equal to or less than 3 years	More than 3 years but equal to or less than 5 years	More than 5 years
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
EM	2,976	Nil	Nil	Nil
SMC	1,145	Nil	Nil	Nil

There are no late payment charges imposed on the above overdue trade receivables as the overdue amounts were trade in nature and as a matter of goodwill gesture in view of the active and on-going transactions between the Group and the Related Parties. Our Board is of the view that there will be no recoverability issue on the overdue amounts as the Related Parties have long standing business relationship with the Group and has proven creditworthy debtors based on the historical receipt. In addition, credit control measure has been put in place whereby the Group has constantly followed up with the Related Parties with reminders sent.

#### 4.5 Deviation from Mandate

The actual value of the Recurrent Related Party Transactions did not exceed the estimated value as approved under the previous mandate granted to GCB at the last AGM.

#### 4.6 Rationale

The Proposed Shareholders' Mandate will enable GCB Group to continue to carry out recurrent transactions necessary for the Group's day-to-day operations and enhance the Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner. They will eliminate the need to announce and convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent transactions with a Related Party arise. This will substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives and opportunities.

Further, the Proposed Shareholders' Mandate is intended to facilitate transactions entered and to be entered into in the ordinary course of business of GCB Group which are transacted from time to time with the Related Parties which are carried out at arm's length on the Group's normal commercial terms and are not prejudicial to the interest of the shareholders of GCB and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of GCB.

#### **4.7 Benefits**

The benefits of the Recurrent Related Party Transactions to GCB Group are as follows:

- (i) The Recurrent Related Party Transactions to be entered into by GCB Group are all in the ordinary course of business and intended to meet the business needs of GCB Group at the best possible terms so as to achieve synergistic benefits within GCB Group. As such, it is anticipated that the Recurrent Related Party Transactions would occur on a frequent and recurrent basis;
- (ii) The Related Parties, who have established the extensive network in Japan, are the distributors of the products of GCB Group. GCB Group would be able to reduce its marketing costs as well as capitalize on the extensive network of the Related Parties as its direct and indirect distribution channels to market the Group's products; and
- (iii) Where the Recurrent Related Party Transactions involve the supply of goods from the Related Parties, GCB Group is expected to benefit in terms of costs effectiveness and administrative efficiency in its procurement process. For instance, GCB Group does not keep a high level of inventories and when there is an urgent need for certain raw materials from the Related Parties on an ad hoc basis, it can procure these raw materials promptly which will reduce the stock holding cost and eventually improve the profitability of GCB Group.

#### **4.8 Financial Effects**

The Proposed Shareholders' Mandate will neither have any effects on the issued share capital and the shareholding of the major shareholders of GCB nor any material effect on the consolidated net tangible asset, net asset and the earning per share of GCB Group.

#### **4.9 Basis of estimates**

The abovementioned estimated value in respect of each transaction referred to above are based on prevailing prices obtained from the Related Parties which are reasonably market-competitive prices and are derived from the sums incurred or received during the past year, based on the normal level of transactions entered into by GCB Group. The estimated amounts are further based on the assumptions that current level of operations will continue and all external conditions remain constant.

#### **4.10 Review Procedures and Disclosure**

The Directors of GCB propose the following measures to ensure the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms and transaction prices consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those extended to third parties or public and are not prejudicial to the minority shareholders:

#### 4.10 Review Procedures and Disclosure (Cont'd)

- (i) The interested Directors and Major Shareholders will be informed and briefed by GCB Group of the procedures put in place by the management of the GCB Group in relation to transactions to be entered into by GCB Group. The interested Directors and Major Shareholders are required to declare and disclose to the Board in a timely manner on transactions in which they are deemed interested;
- (ii) Records pertaining to Recurrent Related Party Transactions will be analysed and monitored by the management of GCB Group. The status of these Recurrent Related Party Transactions will be reported by the management of GCB Group to the Audit Committee on a quarterly basis;
- (iii) The management of GCB Group will ensure that transactions are made based on terms that not more favourable to the Related Parties than those generally available to the public by considering the prevailing market prices, commercial terms of transactions with third parties, business practices and policies and on terms which are generally in line with the industry norms. At least 2 other contemporaneous quotes with unrelated third parties for similar products and/or services will be used as comparison, whenever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products and/or services.

Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by GCB based on those offered to/by other related parties for the same or substantial similar type of transaction to ensure that the Recurrent Related Party Transactions are not detrimental to GCB and the reasons for the inability to obtain such quotation or comparative pricing in the first place shall be recorded by the management;

- (iv) The internal auditors shall review and report to the Board and the Audit Committee at least on a yearly basis on the effectiveness of the control procedures established by the management to monitor the Recurrent Related Parties Transactions and provide assurance that these transactions are undertaken in accordance with the management control procedures put in for GCB Group;
- (v) The Directors having interests in any Recurrent Related Party Transactions shall abstain from Board deliberations and shall ensure that the Major Shareholders and persons connected with them are also abstained from voting on the resolution approving the transactions;
- (vi) Where any member of the Audit Committee is interested in any Recurrent Related Party Transactions, that member shall abstain from all deliberations and also voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions;
- (vii) Disclosure will be made in the Annual Report of GCB or in GCB Group's audited financial statements breakdown of the aggregate value, type of transactions and the names of the Related Parties involved in each type of the RRPT made and their relationship with GCB pursuant to the Proposed Shareholders' Mandate during the financial year; and

#### **4.10 Review Procedures and Disclosure (Cont'd)**

- (viii) Pursuant to Paragraph 2.5 of the Practice Note 12 of the Listing Requirements, if the actual value of the RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more, GCB would make an immediate announcement to Bursa Securities if the aggregate actual value of such RRPT with the same Related Party has exceeded by 10% or more.

#### **4.11 Threshold for approval**

The nature of business of GCB Group is that of manufacturer and the products are manufactured based on specifications determined and dictated by customers. Some materials are sourced from the Related Parties who are contracted to manufacture the materials based on specific specifications and/or sell materials to GCB Group for further processing. All purchases require the prior approval of the Head of Finance for international trade and Head of Purchasing for local trade.

Other than above mentioned, the threshold for approval of other Recurrent Related Party Transactions is consistent with those transactions entered into with unrelated parties. All these Recurrent Related Party Transactions are to be reviewed and approved by the Audit Committee annually.

#### **4.12 Statement by the Audit Committee**

The Audit Committee of GCB has seen and reviewed the procedures set out in Section 4.10 of this Circular and is of the view that the review procedures are appropriate to ensure that these Recurrent Related Party Transactions will be made at arm's length and is in accordance with GCB Group's commercial terms with third parties, business practices and policies and on terms generally in line with the industry norms and on terms which are not more favorable to the related party than those generally available to the public, and hence, are not prejudicial to the interests of the minority shareholders or disadvantageous to GCB Group.

The Audit Committee is also of the view that GCB Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner and such procedures and processes are reviewed annually.

### **5. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is conditional upon approval being obtained from shareholders of GCB at the forthcoming AGM.

## 6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The direct and indirect shareholdings of the interested Directors, Major Shareholders of GCB and persons connected to them as at LPD are set out as follows:

Name	Direct		Indirect	
	No. of GCB shares held '000	%*	No. of GCB shares held '000	%*
<u>Interested Directors</u>				
Tay Hoe Lian	56,552	4.815	720 <sup>(1)</sup>	0.061
Hia Cheng	29,682	2.527	50,407 <sup>(2)</sup>	4.292
<u>Interested Major Shareholder</u>				
Guan Chong Resources Sdn. Bhd.	585,565	49.856	-	-
<u>Persons Connected to Director</u>				
Yap Kim Hong	700	0.060	56,572 <sup>(3)</sup>	4.817
Tay Jing Ying	20	0.002	57,252 <sup>(4)</sup>	4.875
Wong Saow Lai	37,107	3.159	42,983 <sup>(5)</sup>	3.660
Hia Sin Yee	5,286	0.450	74,804 <sup>(6)</sup>	6.369
Hia Sin Che	4,000	0.341	76,090 <sup>(7)</sup>	6.478
Hia Kai Xuan	4,015	0.342	76,075 <sup>(8)</sup>	6.477

### Notes:

\* Excluding 400,000 GCB Shares held as treasury shares.

- (1) Deemed interested by virtue of his spouse's, Yap Kim Hong's and his daughter, Tay Jing Ying's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (2) Deemed interested by virtue of his spouse, Wong Saow Lai's and his daughters and son, Hia Sin Yee's, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of her spouse, Tay Hoe Lian's and her daughter, Tay Jing Ying's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (4) Deemed interested by virtue of her parents, Tay Hoe Lian's and Yap Kim Hong's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (5) Deemed interested by virtue of her spouse, Hia Cheng's and her daughters and son, Hia Sin Yee's, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (6) Deemed interested by virtue of her parents, Hia Cheng's and Wong Saow Lai's and her sister and brother, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (7) Deemed interested by virtue of her parents, Hia Cheng's and Wong Saow Lai's and her sister and brother, Hia Sin Yee's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (8) Deemed interest by virtue of his parents, Hia Cheng's and Wong Saow Lai's and his sisters, Hia Sin Yee's and Hia Sin Che's shareholding in the Company pursuant to Section 59(11)(c) of the Act.

## **6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM (CONT'D)**

Save as disclosed in Section 4.3 of this Circular and above, none of the Directors and/or Major Shareholders and persons connected to them (as defined in the Listing Requirements) has any interests, direct or indirect in the Proposed Shareholders' Mandate.

The Directors namely, Tay Hoe Lian and Hia Cheng who are deemed to have interests in the Recurrent Related Party Transactions, have each abstained and will continue to abstain from all deliberations and voting on the Proposed Shareholders' Mandate at all Board meetings.

The interested Directors and Major Shareholder (as disclosed above), will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The interested Directors and Major Shareholders will also undertake to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in GCB on the ordinary resolution, deliberating or approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **7. DIRECTORS' RECOMMENDATION**

The Board, after taking into consideration all aspects of the Proposed Shareholders' Mandate, are of the view that the Proposed Shareholders' Mandate is in the best interest of our Company and accordingly, the Board recommends that the shareholders vote in favour of the resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at a general meeting to be convened.

In view of the Directors' interest as set out in Section 6 of this Circular, Tay Hoe Lian, the Managing Director and Hia Cheng, the Executive Director are deemed interested in respect of the Proposed Shareholders' Mandate. As such, they have abstained from expressing an opinion and giving any recommendation in respect of the Proposed Shareholders' Mandate.

## **8. AGM**

An AGM of the Company will be held at Praline & Truffle, ibis Styles Johor Iskandar Puteri, 1 Nusa Sentrum Complex, Jalan SiLC 2/9, SiLC Industrial Park, 79200 Iskandar Puteri, Johor on Wednesday, 28 May 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the enclosed Form of Proxy, which is set out in the Annual Report 2024 of the Company, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney in accordance with the instructions contained herein as soon as possible and in any event, so as to arrive at the Share Registrar of the Company at 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or lodged electronically via BSIP at <https://investor.boardroomlimited.com> not later than forty-eight (48) hours before the time fixed for holding the AGM or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of AGM to be put to vote by poll. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

You are requested to refer to the attached Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of  
**GUAN CHONG BERHAD**

**Ang Nyee Nyee**  
Independent Non-Executive Chairman

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**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED RENEWAL OF AUTHORITY FOR THE  
COMPANY TO PURCHASE ITS OWN ORDINARY SHARES  
UP TO TEN PERCENT (10%) OF THE ISSUED SHARES  
CAPITAL IN THE COMPANY**



# BERHAD GUANCHONG

GUAN CHONG BERHAD

Registration No.: 200401007722 (646226-K)  
(Incorporated in Malaysia)

**Registered Office:**

No. 7 (1st Floor), Jalan Pesta 1/1  
Taman Tun Dr. Ismail 1  
Jalan Bakri 84000 Muar  
Johor

29 April 2025

**Directors:**

Ang Nyee Nyee	<i>(Independent Non-Executive Chairman)</i>
Tay Hoe Lian	<i>(Managing Director/ Chief Executive Officer)</i>
Tay How Sik @ Tay How Sick	<i>(Executive Director/ Chief Operating Officer)</i>
Hia Cheng	<i>(Executive Director/ Chief Financial Officer)</i>
Nurulhuda Binti Abd Kadir	<i>(Independent Non-Executive Director)</i>
Ng Kim Hian	<i>(Independent Non-Executive Director)</i>
Tan Pui Suang	<i>(Independent Non-Executive Director)</i>

**To: The Shareholders of Guan Chong Berhad**

Dear Sir / Madam,

**STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY**

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**1. INTRODUCTION**

At the last AGM held on 27 May 2024, the Company obtained its shareholders' approval for the renewal of authority for GCB to purchase its own ordinary shares of up to ten percent (10%) of the issued share capital of the Company. The said approval shall, in accordance with the Listing Requirements, expire at the conclusion of the Company's forthcoming AGM.

The Board had on 14 April 2025, announced the Company's intention to seek shareholders' approval for the Proposed Renewal of Authority at the forthcoming AGM.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Authority and to seek your approval on the ordinary resolution to be tabled at the forthcoming AGM in relation to the Proposed Renewal of Authority. The Notice of AGM and the Form of Proxy have been incorporated into the Company's Annual Report 2024 and together with this Circular are available at our Company's website <http://www.gcbcocoa.com>.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF AUTHORITY TO BE TABLED AT THE FORTHCOMING AGM.**

## 2. DETAILS

The Company proposes to seek your approval for a renewal of the authority to purchase its own ordinary shares up to ten percent (10%) of the issued shares capital (excluding treasury shares) on Bursa Securities via stockbroker(s) to be appointed by the Board, at any time during the authorised period. The authority from our shareholders for the Proposed Renewal of Authority will be effective upon the passing of the ordinary resolution for the Proposed Renewal of Authority at the forthcoming AGM until:

- (i) the conclusion of the next AGM of the Company at which time the said authority would lapse unless renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

The Company must be solvent at the date of purchase and will not become insolvent because of the debts (if any) incurred by the Company to pay for the purchase consideration in accordance with Section 127 of the Act.

Pursuant to Paragraph 12.10 of the Listing Requirements, the Proposed Renewal of Authority must be made wholly out of the retained profits of the Company. The retained profits account of the Company for the last three (3) financial years and as at the latest practical date were as follows:

	<b>Retained profits (RM)</b>
As at 31 December 2022 as per audited accounts	17,114,590
As at 31 December 2023 as per audited accounts	2,366,043
As at 31 December 2024 as per audited accounts	10,692,813

The maximum amount of the funds to be allocated for the Proposed Renewal of Authority shall not exceed 5% of the retained profits of the Company for the FYE 2024. The funding will be internally generated and will not have a significant negative bearing on the cash flow position of the GCB Group as the allocation is not substantial compared to the net current assets of the Group of RM 1,496,524,342 based on its audited financial statements for the FYE 2024.

Pursuant to the Listing Requirements, the purchase price of GCB Shares cannot be more than fifteen percent (15%) above the weighted average market price of the Shares for five (5) market days immediately preceding the date of the purchase. In the case of a resale of the treasury shares on Bursa Securities, the Company may only resell any treasury shares at a price, which is:

- (i) not less than the weighted average market price of GCB Shares for five (5) market days immediately prior to the date of the resale; or
- (ii) a discounted price of not more than five percent (5%) to the weighted average market price for GCB Shares for five (5) market days immediately prior to the date of the resale, provided that:
  - (a) the resale takes place not earlier than thirty (30) days from the date of purchase; and
  - (b) the resale price is not less than the cost of purchase of the Shares being resold.

## **2. DETAILS (CONT'D)**

In accordance with Section 127(4) of the Act, the Directors are able to deal with any Purchased Shares by the Company under the Proposed Renewal of Authority in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares in treasury which is referred to as “treasury shares” in the Act; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares.

In regards to the Purchased Shares and retain as treasury shares, the Board may decide to distribute the treasury shares as share dividends to our shareholders and/or resell the treasury shares on Bursa Securities and utilise the proceeds from the resale of the treasury shares for potential investment opportunities arising in the future or as working capital.

If the Board decides to resell the treasury shares on Bursa Securities, the Company will make an announcement on the day the resale is made, providing details of the description of the Shares resold, the number of Shares resold, the resale price of each Share resold or where relevant, the highest and lowest resale price, the total consideration received and the cumulative net outstanding treasury shares at the date of notification, where applicable.

The Proposed Renewal of Authority will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned period using the internal funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors.

The actual number of Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Company. In the event the Company purchases its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment would have no material effect on the cash flow of the Company.

## **3. RATIONALE AND POTENTIAL ADVANTAGES**

The Proposed Renewal of Authority will enable GCB to utilise any of its surplus financial resources to purchase its own Shares from the market. It may stabilise the supply and demand of GCB Shares traded on Bursa Securities and thereby support its fundamental value.

Assuming all things being equal, any purchase of GCB Shares, regardless whether its Shares so purchased were retained as treasury shares or cancelled, would result in a lower number of GCB Shares being used for the purpose of computing the EPS. The reduced issued share capital subsequent to the Proposed Renewal of Authority may improve the Company’s EPS, which in turn could be expected to benefit the shareholders.

The Purchased Shares can be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

#### 4. POTENTIAL DISADVANTAGES

The Proposed Renewal of Authority will temporarily reduce the financial resources of the Company. This may result in the Company foregoing other investment opportunities that may emerge in the future or, at least, deprive the Company of interest income that can be derived from funds to be utilised for the Proposed Renewal of Authority.

It may also reduce the amount of resources available for distribution in the form of dividends to the shareholders as funds are utilised to purchase its own Shares. However, the financial resources of the Company may recover and increase upon the re-selling of the Purchased Shares held as treasury shares.

Notwithstanding the above, the Board is of the view that the Proposed Renewal of Authority is not expected to have any potential material disadvantage to the shareholders as well as the Company as it will be implemented only after careful consideration of the financial resources of the GCB Group and the resultant impact on the shareholders and the Company.

#### 5. EFFECTS OF THE PROPOSED RENEWAL OF AUTHORITY

The effects of the Proposed Renewal of Authority are as follows:

##### 5.1 Share Capital

The effects of the Proposed Renewal of Authority on the issued share capital of GCB, based on the following scenarios, are as follows:

	<b>Minimum Scenario No of shares</b>
As at LPD <sup>(1)</sup>	1,174,514,924
Proposed Renewal of Authority (assuming all GCB Shares purchased are fully cancelled)	(117,451,492)
Balance after the Proposed Renewal of Authority	<u>1,057,063,432</u>

*Note:*

<sup>(1)</sup> Excluding 400,000 GCB Shares held as treasury shares

In the event GCB Shares purchased are retained as treasury shares, the Proposed Renewal of Authority will not affect the issued share capital of GCB but the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including calculation of substantial shareholdings, take-overs, notices, the requisitioning of meetings, calculation of quorum for meetings and the result of a vote on a resolution at meeting.

##### 5.2 NA

The consolidated NA of the Company may increase or decrease depending on the number of GCB Shares purchased under the Proposed Renewal of Authority, the purchase prices of its Shares, the effective cost of funding and the treatment of its Shares purchased under the Proposed Renewal of Authority.

## **5. EFFECTS OF THE PROPOSED RENEWAL OF AUTHORITY (CONT'D)**

### **5.2 NA (Cont'd)**

The Proposed Renewal of Authority will reduce the consolidated NA per Share when the purchase price exceeds the consolidated NA per Share at the time of purchase. On the contrary, the consolidated NA per Share will increase when the purchase price is less than the consolidated NA per Share at the time of purchase.

If the Shares purchased under the Proposed Renewal of Authority are held as treasury shares and subsequently resold on Bursa Securities, the consolidated NA per Share would increase if the Company realises a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the Group's NA by the cost of the treasury shares.

### **5.3 Working Capital**

The Proposed Renewal of Authority will reduce the working capital and cash flow of GCB Group, the quantum of which will depend on the purchase prices of its Shares, the actual number of Shares purchased and any associated costs incurred in making the purchase. For Shares purchased which are kept as treasury shares, upon their resale, the working capital and cash flow will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

### **5.4 Earnings**

The effect of the Proposed Renewal of Authority on the consolidated EPS of the Company will depend on the purchase prices paid for its Shares, the effective funding cost to GCB Group to finance the purchases of its Shares or any loss in interest income to GCB Group, if internally generated funds are utilised to finance the purchase of its Shares.

Assuming that any Purchased Shares are retained as treasury shares and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

### **5.5 Dividends**

The Proposed Renewal of Authority is not expected to have any impact on the policy of the Board in recommending dividend, if any, to the shareholders. However, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Authority.

## 5.6 Interest of Directors, Major Shareholders and/or persons connected with them

The direct and indirect shareholdings of the Directors, Major Shareholders of GCB and persons connected to them as at LPD are set out as follows:

Major Shareholders and/or Directors	Direct		Indirect	
	No. of GCB shares '000	%* %	No. of GCB Shares '000	%* %
Guan Chong Resources Sdn. Bhd.	585,565	49.856	-	-
Tay Hoe Lian	56,552	4.815	720 <sup>(1)</sup>	0.062
Tay How Sik @ Tay How Sick	21,199	1.805	6,812 <sup>(2)</sup>	0.580
Hia Cheng	29,682	2.527	50,407 <sup>(3)</sup>	4.292
Ang Nyee Nyee	-	-	8 <sup>(4)</sup>	Neg
Nurulhuda Binti Abd Kadir	-	-	-	-
Ng Kim Hian	-	-	-	-
Tan Pui Suang	-	-	-	-
<b>Persons connected to the Directors</b>				
Yap Kim Hong	700	0.060	56,572 <sup>(5)</sup>	4.817
Tay Jing Ying	20	0.002	57,252 <sup>(6)</sup>	4.875
Tay Jing Ye	1,620	0.138	26,391 <sup>(7)</sup>	2.247
Tay Sing Ye	1,972	0.168	26,039 <sup>(8)</sup>	2.217
Tay Lian Shi	3,120	0.266	24,891 <sup>(9)</sup>	2.119
Lee Ping	100	0.009	27,911 <sup>(10)</sup>	2.376
Wong Saow Lai	37,107	3.159	42,983 <sup>(11)</sup>	3.660
Hia Sin Yee	5,286	0.450	74,804 <sup>(12)</sup>	6.369
Hia Sin Che	4,000	0.341	76,090 <sup>(13)</sup>	6.478
Hia Kai Xuan	4,015	0.342	76,075 <sup>(14)</sup>	6.477
Leong Chee Foong	8	Neg	-	-

Notes:

\* Excluding 400,000 GCB Shares held as treasury shares.

- (1) Deemed interested by virtue of his spouse's, Yap Kim Hong's and his daughter, Tay Jing Ying's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (2) Deemed interested by virtue of his daughters, Tay Jing Ye's, Tay Sing Ye's, his son, Tay Lian Shi's and his daughter-in-law, Lee Ping's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of his spouse, Wong Saow Lai's and his daughters and son, Hia Sin Yee's, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (4) Deemed interested by virtue of her spouse, Leong Chee Foong's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (5) Deemed interested by virtue of her spouse, Tay Hoe Lian's and her daughter, Tay Jing Ying's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (6) Deemed interested by virtue of her parents, Tay Hoe Lian's and Yap Kim Hong's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (7) Deemed interested by virtue of her father, Tay How Sik @ Tay How Sick's, her sister, Tay Sing Ye's, her brother, Tay Lian Shi's and sister-in-law, Lee Ping's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (8) Deemed interested by virtue of her father, Tay How Sik @ Tay How Sick's, her sister, Tay Jing Ye's, her brother, Tay Lian Shi's and sister-in-law, Lee Ping's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (9) Deemed interested by virtue of his father, Tay How Sik @ Tay How Sick's, his spouse, Lee Ping's, his sisters, Tay Jing Ye's and Tay Sing Ye's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (10) Deemed interested by virtue of his father-in-law, Tay How Sik @ Tay How Sick's, her spouse, Tay Lian Shi's, her sisters-in law, Tay Jing Ye's and Tay Sing Ye's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (11) Deemed interested by virtue of her spouse, Hia Cheng's and her daughters and son, Hia Sin Yee's, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (12) Deemed interested by virtue of her parents, Hia Cheng's and Wong Saow Lai's and her sister and brother, Hia Sin Che's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (13) Deemed interested by virtue of her parents, Hia Cheng's and Wong Saow Lai's and her sister and brother, Hia Sin Yee's and Hia Kai Xuan's shareholding in the Company pursuant to Section 59(11)(c) of the Act.
- (14) Deemed interest by virtue of his parents, Hia Cheng's and Wong Saow Lai's and his sisters, Hia Sin Yee's and Hia Sin Che's shareholding in the Company pursuant to Section 59(11)(c) of the Act.

## 6. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES DURING THE PREVIOUS TWELVE (12) MONTHS

As at the LPD, the Company has not purchase, resale and cancel of any GCB Shares during the previous twelve (12) months.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of GCB Shares transacted for the past 12 months from May 2024 to April 2025 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2024</b>		
May	4.45	2.64
June	4.18	3.56
July	4.43	3.67
August	3.94	2.81
September	3.13	2.60
October	3.17	2.66
November	3.45	2.62
December	4.04	3.26
<b>2025</b>		
January	4.48	3.01
February	4.44	3.35
March	3.99	3.29
April	3.85	2.76

The last transacted market price of the Shares immediately prior to the announcement on 14 April 2025 RM3.28

The last transacted market price of our Shares on LPD RM3.76

*(Source: investing.com)*

## 8. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the requirement of 25% public shareholding spread under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of our Company based on the issued share capital of 1,174,514,924 GCB Shares (after excluding a total of 400,000 GCB Shares held as treasury shares) was 28.05%. Our Board will ensure that our Company complies with the minimum public spread of 25% in implementing the Proposed Renewal of Authority.



## 8. PUBLIC SHAREHOLDING SPREAD (CONT'D)

The proforma effects of the Proposed Renewal of Authority on the public shareholdings spread of our Company assuming the Proposed Renewal of Authority is carried out in full and there is no change in the number of Shares held by Directors, Major/Substantial Shareholders and Persons Connected to the Directors and/or Major/Substantial Shareholders, are as follows:

	Public shareholdings	
	No. of Shares	%
As at LPD	1,174,514,924	28.05
If our Company implemented the Proposed Authority in full <sup>(1)</sup>	1,057,063,432	20.05

Note:

<sup>(1)</sup> Assuming that 117,451,492 Shares (being the maximum number of Shares that could be purchased in the Company's Share Buy-Back Account as at LPD) are bought back and retained as treasury shares

As illustrated above, our Board noted the possibility that the Required Public Shareholdings Spread will not be met in the event our Company purchases up to ten percent (10%) of the total number of issued shares. Hence, in compliance with Paragraph 12.14 of the Listing Requirements, our Board will ensure that our Company complies with the Required Public Shareholding Spread at all times and shall not make the decision to buy back our Company's own shares if the purchase would result in the Required Public Shareholdings Spread not being met.

## 9. IMPLICATION OF THE CODE

Our Company does not intend to undertake the Proposed Renewal of Authority such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code. However, in the event an obligation to undertake a mandatory offer is to arise with respect to any party resulting from the Proposed Renewal of Authority, the relevant parties shall make the necessary application to the Security Commission for a waiver to undertake a mandatory offer pursuant to the Code.

## 10. APPROVAL REQUIRED

The Proposed Renewal of Authority is subject to the approval of the shareholders of the Company at the forthcoming AGM.

## 11. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage shareholdings of the Directors and Major Shareholders in the Company as a result of the Proposed Renewal of Authority, none of the Directors or Major Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Renewal of Authority or the resale of the treasury shares, if any.

## **12. DIRECTORS' RECOMMENDATION**

The Board, having considered all the aspects of the Proposed Renewal of Authority, is of the opinion that it is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Authority to be tabled at the forthcoming AGM.

## **13. AGM**

An AGM of the Company will be held at Praline & Truffle, ibis Styles Johor Iskandar Puteri, 1 Nusa Sentrum Complex, Jalan SiLC 2/9, SiLC Industrial Park, 79200 Iskandar Puteri, Johor on Wednesday, 28 May 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed Renewal of Authority.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the enclosed Form of Proxy, which is set out in the Annual Report 2024 of the Company, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney in accordance with the instructions contained herein as soon as possible and in any event, so as to arrive at the Share Registrar of the Company at 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or lodged electronically via BSIP at <https://investor.boardroomlimited.com> not later than forty-eight (48) hours before the time fixed for holding the AGM or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of AGM to be put to vote by poll. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **14. FURTHER INFORMATION**

You are requested to refer to the attached Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of  
**GUAN CHONG BERHAD**

**Ang Nyee Nyee**  
Independent Non-Executive Chairman

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

### 2. MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, there are no material commitments and contingent liabilities incurred or known to be incurred by the Group that is likely to have a material adverse effect on the financial position:

Authorised and contracted for:

<b>Material commitments</b>	<b>Amount RM'000</b>
Capital commitments for property, plant and equipment	84,930
<b>Total</b>	<b>84,930</b>

### 3. MATERIAL CONTRACTS

The Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during 2 years immediately preceding the date of this Circular except for the following:

- (i) On 29 Jun 2023, GCBUKP entered into a sale and purchase agreement with Bloor Homes Limited for the acquisition of the Seller's freehold property for an aggregate purchase price of GBP550,000-00.
- (ii) On 17 Nov 2023, GCBUKP entered into a sale and purchase agreement with Taylor Wimpey UK Limited for the acquisition of the Seller's freehold property for an aggregate purchase price of GBP450,000-00.
- (iii) On 13 Aug 2024, GCBCS entered into an option to purchase agreement with Woodlands Square Pte. Ltd. for the acquisition of the Seller's office unit for an aggregate purchase of SGD3,050,000-00.
- (iv) On 10 January 2025, GCBCS entered into a share sale agreement with Conseil du Café-Cacao for the acquisition of 500,000 share capital representing 25% of the total registered share capital of TRANSCAO CI for a total purchase consideration of FCFA 18,418,243,221-00 (equivalent to EUR 28,078,431-00).

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**APPENDIX I – FURTHER INFORMATION (CONT'D)**

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**4. MATERIAL LITIGATION**

As at the LPD, neither GCB nor any of its subsidiaries is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of GCB do not have any knowledge of proceedings pending or threatened against the Group, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal office hours (except for public holidays) from the date of this Circular up to and including the date of the forthcoming AGM, at the Registered Office:

- (i) Constitution of the Company;
- (ii) the audited financial statements of the Company for the past 2 FYEs 2023 and 2024; and
- (iii) The material contracts as set out in Section 3 above.

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