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GCB UK Property Limited - UK Tax Strategy Statement

1. Overall context, commitment to compliance

Guan Chong Berhad ("GCB") was incorporated in Malaysia as a public listed company on 22nd March 2004 and listed on the Main Market of Bursa Malaysia on 8th April 2005 under the symbol "GCB". GCB is headquartered in Malaysia and has operations through its subsidiaries around the world, including in the United Kingdom ("UK").

GCB UK Property Limited ("GCBUKP" or "the Company") is a property holding company incorporated on 21 October 2022. GCBUKP is established to acquire residential properties in UK in which the rental income would be derived from its holding companies, namely GCB Cocoa Singapore and GCB Cocoa UK Limited. GCBUKP is also one of the subsidiaries of GCB (Collectively known as "the Group" or "We").

We comply with tax law and practice in all of the territories in which we operate, including the UK which is also one of our main places of business. Compliance for us means paying the right amount of tax in the right place at the right time and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available and operating in line with the commitments of this tax strategy.

GCBUKP pays a broad range of taxes, including: corporate tax, irrecoverable value-added tax ("VAT"), employer national insurance, energy taxes and property taxes. GCBUKP is committed to compliance with UK obligations and operate in line with the Group's tax strategy.

This tax strategy applies to GCBUKP for the financial year ending ("FYE") 31 December 2026. The publication of this tax strategy statement is regarded as satisfying the statutory obligation under Para 22(2), Schedule 19, Finance Act 2016.

2. Attitude toward tax planning

GCBUKP will enter into tax planning where it contributes to the achievement of its strategic goals and allows it to manage its commercial affairs in a tax efficient manner. All tax planning must comply with the Group's internal control and risk management policies that govern our approach to tax planning and be subject to robust review and approval processes. Our internal control and risk management policies state that all tax planning must:

- Support genuine commercial activity;
- Be structured in a way such that the tax results are not inconsistent with the underlying economic consequences and consistent with the intentions of parliament;
- Comply with generally accepted custom and practice;
- Be of a type that the tax authorities would expect;
- Only take place with customers and counterparties sophisticated enough to assess its risks; and
- Be consistent with, and be seen to be consistent with, the Group's purpose and values.

In addition to the above, a range of other factors are considered when entering into tax planning. These include the technical strength, reputational impact, disclosure implications, and commerciality of the planning initiative as well as GCBUKP's ability to execute and manage the initiative in question.

GCBUKP will only enter into structured tax planning in support of genuine commercial activity and when the tax benefits are not disproportionate to the commercial benefits either qualitatively, in terms of relative complexity, or quantitatively, in terms of financial impact.

GCBUKP will, where necessary, engage reputable professional external advisors (tax lawyers, accountants or other consultants) to help us manage our tax position where there is significant uncertainty or complexity relating to a particular issue.

3. Level of tax risk accepted

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. We proactively seek to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's tax risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought from reputable professional external advisors.

The Board of Directors ("the Board") has approved a tax risk appetite reflecting the tax risk (financial, operational and reputational) it is prepared to accept whilst pursuing its business strategy. All tax planning initiatives are assessed individually on inception and in aggregate on a periodic basis against this risk appetite.

The Group takes the view that tax risk can be financial, reputational or operational in nature, defined as:

- Financial tax risk - the risk of loss from the incorrect application of tax law or practice, generally in relation to tax planning which is successfully challenged by tax authorities;
- Reputational tax risk - the risk of damage to the Group's reputation or relationship with key stakeholders, e.g. tax authorities, regulators and the public; and
- Operational tax risk - the risk of loss resulting from people, process or system failures.

Financial tax risk
Financial tax risk is measured on a "gross" and "net" basis. In relation to any particular risk, gross risk represents an estimate of the total amount of additional tax that would be due, on the assumption of a realistic worst case outcome, if the tax authority were to challenge successfully the uncertain position.

The provision (if any) held against gross tax risk represents our estimate of the expected outcome. Net risk (gross minus provisions) therefore represents the un-provided for exposure of the Group, and in a worst outcome, therefore, the potential Income Statement impact to the Group.

Scenario 1 – Specific Tax Risk Limits in place
Specific quantitative risk limits have been set in respect of the amount of gross and net tax risk by reference to individual jurisdictions and in order to limit the concentration of risk, by single areas of tax law. Adherence to these risk limits is actively managed and its status is monitored. If a limit is breached or will potentially be breached, appropriate actions will be taken to remediate the situation.

Scenario 2 – Specific Tax Risk Limits not in place – risk is monitored
The Group does not set formal quantitative risk limits in relation to the financial tax risk that it assumes. Instead, gross tax risk, tax risk provisions, and the net tax risk profile of the Group is kept under continuous review. That profile is projected based on known or expected risks and settlements to allow an informed assessment of tax risk, how that risk is managed over time and any actions that might need to be taken in the context of known or expected internal or external developments. That review process may result in decisions in relation to the type and level of tax planning that is to be undertaken, but as noted above is not governed by formal limits. This profile is actively managed and its status is monitored.

Reputational tax risk
Along with the qualitative statement of risk appetite the Group's internal control and risk management policies further define and govern the Group's reputational risk appetite.

Operational tax risk
The Group aims to manage operational tax risk to an acceptable minimum on a cost / benefit basis, recognising that not all process errors or shortcomings can be eliminated without incurring disproportionate financial cost.

4. Approach to dealing with tax authorities

We engage with tax authorities, including HM Revenue and Customs ("HMRC"), with honesty, integrity, respect and fairness and in a spirt of co-operative compliance. We will always first seek to resolve any disputed matters through proactive and transparent discussion and negotiation.

Our aim is to have professional and constructive relationships and maintain transparent disclosure in our relationship with tax authorities, recognising that early resolution of risks is in everyone's best interests. We will routinely seek feedback from tax authorities on the quality of our relationship with them. We make our tax returns as clear as possible and we try to raise important issues proactively so that tax authorities can focus their resources effectively. From time to time, if it is unclear how tax law should be applied, we may engage with tax authorities in advance of undertaking transactions to confirm the correct application of tax law.

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5. Approach to tax risk management and governance arrangements

This strategy is aligned with our Business Ethics Policy & Code of Conduct and is approved, owned and overseen by the Board of GCBUKP. This tax strategy statement was approved by the Board on 9 January 2026.

The Board takes the lead in establishing a strong risk management culture and is responsible for the Group's tax affairs and oversight of tax risk which is carried out through Board level committees. The governance of tax risk follows formal procedures which are fully in line with the other Board-approved governance procedures that are in place across the Group, in respect of a range of other risks that the Group is exposed to and needs to manage. These arrangements ensure that all significant tax related decisions are subject to review and approval by appropriate qualified and experienced staff and that all UK tax obligations are met.