

To,

Our valued customers, business associates and employees,

Re: Acquisition of Schokinag Holding Gmbh (SHG)

We are pleased to inform that as part of our group's global expansion strategy, we have on December 19, 2019 entered into an agreement to acquire 100% issued and paid up share capital in Schokinag Holding Gmbh. Upon the completion of the acquisition, Schokinag Holding Gmbh shall become a wholly owned subsidiary of Guan Chong Berhad.

Schokinag Holding Gmbh is a leading manufacturer of industrial chocolates in Europe, engaged in the business of the manufacture, sale and distribution of industrial chocolates, including chocolate couvertures, from liquid to solid, in various sizes, shapes and packaging types, as well as liquid compounds.

SHG has an annual bean grinding capacity of 7,000 metric tonnes (MT), to grind cocoa beans into cocoa liquor; and industrial chocolate manufacturing capacity of 90,000 metric tonnes (MT) per annum. Acquisition of this company enables us to expand our presence to Europe and position us to target new growth opportunities in the world largest chocolate consuming market.

The business and operation of the company shall continue as a going concern.

We take this opportunity to thank you for your continuing support and looking forward to a fruitful working relationship with all.

Should you require further clarification on the synergy, please do not hesitate to contact us at 07-2548888.

Thank you.