

QUESTIONS FROM SHAREHOLDERS RECEIVED PRIOR TO AGM

1. Improve value to shareholders

Shareholder/Proxy	Question
Ng Ghim Eng	Post Covid-19 pandemic: Where is the Company heading to improve value to its shareholders?
Responses from the Directors/Management	
The Group has expanded and diversified into the overseas market as part of a long-term growth strategy. At the same time, we continue to innovate and improve competitiveness in the domestic market with new models and leverage on digital technology. These strategies are designed to ensure the Group has a resilient and sustainable foundation to deliver long-term value to all our shareholders.	

2. Factory visits

Shareholder/Proxy	Question
Ng Ghim Eng	Will Tan Chong resume the factory visits for its shareholders?
Responses from the Directors/Management	
Due to safety and health consideration for our shareholders in view of the Covid-19 pandemic, we do not plan to hold any factory visit this year.	

3. Pipeline of products and services

Shareholder/Proxy	Question
Ng Ghim Eng	Are there any new Nissan vehicle models (not cosmetic upgrades) coming on stream in Year 2020 and beyond?
Responses from the Directors/Management	
The Group had launched a new model every year for the past few years. We plan to introduce the All-New Nissan Almera this year to boost our model line-up.	

4. Door gifts / e-vouchers / food coupons, etc.

Shareholder/Proxy	Question
Ng Ghim Eng	New Normal - AGMs are now held virtually via live streaming meeting with company giving credits into e-wallets of shareholders who registered / attended online in lieu of food coupons / door gifts. Will TCM implement this now?
Stephen Lye Tuck Meng	Bursa AGM was conducted remotely and the BOD gave e-vouchers (RM40 Boost) to all shareholders who attended the meeting. MBSB AGM will be held on 30 June 2020 and they are also giving out e-vouchers to those who attend remotely. In view of this, since the AGM is only held once a year, and there are some substantial savings from conducting it remotely, we kindly ask the BOD to consider giving us shareholders e-vouchers as well for attending this Meeting.

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4. Door gifts / e-vouchers / Food Coupons etc (cont'd)

Shareholder/Proxy	Question
Lau Ati @ Lau Chuan Teng	Please consider giving e-voucher to participating shareholders in line with Bursa practice, thank you.
Leong Fook Sen @ Francis Leong	Mr. Chairman kindly send vouchers to attendees who participate in RPV.
Sze Kok Sing @ See Kok Seng	Every year I would look forward to attending the Company's AGM, to meet up with friends as well as to enjoy the food and collect door gifts from the Company. Unfortunately, there will be no physical attendance of this year's AGM. However, I hope the Company will continue to show its generosity by giving out e-vouchers to shareholders who participate in this inaugural virtual online AGM, after the event.
Chan Chee Kong	Honourable Mr. Chairman & Board of Directors, I like to request that you give your loyal shareholders e-Vouchers or e-Wallet in replacement of door gifts. These are very hard times for us financially and many including myself have suffered loss of income due to the pandemic. I'm appealing to you Sirs to be compassionate and kind to your shareholders. Please reward us who have taken the time and trouble to attend this RPV AGM with some good gifts. I'm sure a big group like yours can afford to give. Thank You!
Lum Peck Wan	Honourable Mr. Chairman & Board of Directors, I'd want to appeal that you reward your loyal shareholders attending this AGM with e-Vouchers or e-Wallet in replacement of door gifts. These are very hard times for us financially and many including myself have suffered some shortfalls. I'm appealing to you Sirs to be compassionate and kind to us. Please do some CSR by giving us, who have taken the time and trouble to attend with some good rewards. I'm sure a big Company like yours can afford to give. Thank You!
Responses from the Directors/Management	
<p>There will be no e-vouchers / e-wallets since we are holding a virtual meeting. Food vouchers and door gifts were goodwill gestures to encourage attendance at the physical AGM. In the current situation, the Company has decided to focus on maximising shareholders' value.</p> <p>However, we have promotions for shareholders. Please refer to our offers during the e-polling validation session and the same would be uploaded to the Company's website after the AGM.</p>	

QUESTIONS FROM SHAREHOLDERS RECEIVED DURING THE AGM VIA QUERY BOX

1. What strategy Tan Chong plans to become the no. 1 or no. 2 non-national car in Malaysia?

Shareholder/Proxy	Question
Ong Kok Pak	Nissan used to be a popular vehicle for non-national car especially for the Nissan Sunny back to 90's era. What strategy did Tan Chong plan for getting back on track to become the no. 1 or no. 2 non-national car in Malaysia?
Responses from the Directors/Management	
<p>We will be launching the All-New Nissan Almera later this year to refresh the model line-up. There will be more focus on digital sales and marketing and in this connection, we have launched the Nissan online showroom during the Movement Control Order (“MCO”) period.</p> <p>We will continue to focus our sales and marketing strategies to reach out to all of our customers via online showroom, social media and other digital avenues as well. Going forward, we hope to see more exciting new models coming on stream to meet consumer’s demands. We have also launched other models in the past few years that were well received like Nissan Almera, Nissan Serena and Nissan X-Trail. All these models catered to a broad market ranging from SUV, MPV and also the B-Segment market as well.</p>	

2. Does our Renault business make money?

Shareholder/Proxy	Question
Ong Kok Pak	Does our Renault business make money?
Responses from the Directors/Management	
<p>Renault is still at the investment and growing stage with new sales initiatives being planned for 2020/2021. The contribution to Group’s overall performance is expected to improve with higher market acceptance in the future.</p>	

3. Is the Board of Directors going to lay off staff and/or cut salaries in view of the pandemic?

Shareholder/Proxy	Question
Stephen Lye Tuck Meng	In view of the pandemic, and since the Company has been badly affected by the MCO, in which earnings are expected to be depressed, is the Board of Directors going to lay off staff and/or cut salaries?
Responses from the Directors/Management	
<p>The Group has initiated various cost rationalisation actions to mitigate the impact of the Covid-19 pandemic and to ensure the sustainability of the business operations. In light of the evolving Covid-19 situation, the Company would continue to monitor the ongoing business activities as well as the ripple effect from the global economic/market situation, and implement the necessary actions/plans.</p>	

TAN CHONG MOTOR HOLDINGS BERHAD (197201001333 (12969-P))
48th Annual General Meeting held on 6 August 2020 (“AGM or Meeting”)
Summary of Key Matters Discussed at the 48th AGM

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4. Bills of Demand amounting to RM180 million from Royal Malaysian Customs Department (RMCD)

Shareholder/Proxy	Question
Thilshath Binti Mohiadeen Abd Kader	Tan Chong Motor Assemblies (“TCMA”) received bills of demand amounting to RM180 million from the Royal Malaysian Customs Department (“RMCD”) on 22 May 2020 for the outstanding excise duties in respect of periods from 1 November 2016 to 31 October 2019. May I know the status of the case?
Lew Tuck Wai	Can the management provide details regarding the bills of demand dated 22 May 2020 issued by the RMCD amounting to RM180.106 million to TCMA? What is the next action for the Company to "contest" this claim other than going to the Court of Law?
Responses from the Directors/Management	
As mentioned in the Company’s announcement in May 2020, TCMA, a subsidiary of the Company, has received bills of demand dated 15 May 2020 from the RMCD amounting to approximately RM180 million for excise duty in respect of periods from 1 November 2016 to 31 October 2019.	
We have consulted our professional advisors, who have advised that TCMA has good grounds to appeal on the bills of demand. TCMA has appealed to RMCD and dialogues with RMCD are ongoing.	

5. Discontinuance of Distribution Agreement between TCIE Vietnam Pte Ltd (“TCIE Vietnam”) with Nissan Motor Co., Ltd. (“Nissan Motor”)

Shareholder/Proxy	Question
Tan Boon Eng	Referring to the announcement yesterday (5 August 2020), what is the reason Nissan Motor Co., Ltd. discontinued its Distribution Agreement with TCIE Vietnam Pte Ltd?
Thilshath Binti Mohiadeen Abd Kader	What is the plan of the Group on the Vietnam operation following the discontinuation of distribution of CKD model on 19 September 2020?
Lew Tuck Wai	Vietnam operations contributed RM560.892 million to Group’s revenue in FY2019. With the discontinuation of the exclusive distributorship arrangements with Nissan, what would be the financial impact in terms of revenue and profitability arising from the loss of this distributorship?
Kong Chew Thai	What happened? How did Tan Chong lose the Vietnam Nissan Agency? Any details?
Responses from the Directors/Management	
TCIE Vietnam currently assembles two models namely Nissan Sunny and Nissan X-Trail.	
The reason for the non-renewal of the Distribution Agreement as indicated by Nissan Motor was because they are studying alternative distribution channels. Discussion with Nissan Motor is ongoing.	
Notwithstanding the above, the Technical Assistance Agreement between TCIE Vietnam and Nissan Motor would remain in force. TCIE Vietnam will continue to assemble Nissan vehicles in Vietnam.	

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6. Any ongoing projects developed by Tan Chong Development Sdn Bhd?

Shareholder/Proxy	Question
Ong Kok Pak	Any ongoing projects developed by Tan Chong Development Sdn Bhd?
Responses from the Directors/Management	
Tan Chong Development Sdn Bhd, a subsidiary of the Company, is not engaged in any business activities at the moment. We will update our shareholders when there are new activities.	

7. Any plans for the Company setup in the United States (“U.S.”)?

Shareholder/Proxy	Question
Pang Chin Hong	Tan Chong has set up a subsidiary in the United States a year ago. Can you share your plan in the United States and have there been any activities in the United States?
Responses from the Directors/Management	
This Company was established to explore potential business opportunities in the North American market in the automotive sector, digital and IT sector and also business trading opportunities. We are still studying the market opportunities at this juncture.	

8. Sales and Promotion activities

Shareholder/Proxy	Question
Kong Chew Thai	Why Tan Chong hasn't been active in the automotive vehicle sales or promotion?
Responses from the Directors/Management	
We continue to conduct sales and marketing activities and engagements with prospective customers through various media, including social media, and more recently via our virtual showrooms and online e-store. Prior to the Covid-19 pandemic, we have been actively conducting roadshows and test-drive events to reach out to customers.	
Nissan is one of the Top 3 non-national car brands in the Malaysian automotive market. Furthermore, Tan Chong has also been expanding its network by aggressively promoting its vehicles in the overseas market in Myanmar, Laos, Cambodia and Vietnam.	

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9. Any plans to transfer the retail operations to the dealers?

Shareholder/Proxy	Question
Ong Kok Pak	Does the Company have any plans to let the dealers to manage the outlet and our Company only concentrate on manufacturing? This concept was implemented by other car brands, which transfer the majority of its retail operations to its dealers.
Responses from the Directors/Management	
<p>Tan Chong Group is involved in the complete ecosystem of the automotive sector, namely from manufacturing to sales and distribution, after sales service, spare parts as well as financing solutions. The showrooms are made up of a healthy mixture of dealers managed outlets and Tan Chong outlets that are designed to provide the best services to our customers and ensure market coverage.</p> <p>We have adopted similar strategy for the overseas operations. Due to the market dynamics and trading conditions, the Group will review the efficiency of this strategy from time to time.</p>	

10. Any Dividend Policy?

Shareholder/Proxy	Question
Ong Kok Pak	Will the Company introduce any dividend policy?
Responses from the Directors/Management	
<p>The Company does not practise a fixed dividend policy. Nonetheless, the Company endeavours to provide sustainable returns to our shareholders while balancing the needs for business expansion and investments and maintaining sufficient liquidity.</p>	

11. Any intention to venture into the business of used Nissan and Renault vehicles?

Shareholder/Proxy	Question
Lew Tuck Wai	Has Tan Chong Motor considered going into the business of used Nissan and Renault vehicles as this will be a relatively easy business to go into as Tan Chong Motor has existing infrastructure to cater to this segment? The current economic environment has seen used car business doing well.
Responses from the Directors/Management	
<p>The Group has been actively involved in handling used vehicles for a number of years. Recently, our subsidiaries, TC Capital Resources Sdn Bhd and TCCL Sdn Bhd, have taken up strategic investment in MUV Market Place Sdn Bhd (a subsidiary company of Warisan TC Holdings Berhad) to further tap into the used vehicles segment. This company has an online e-auction platform for used vehicles. This will provide the Group with an opportunity for deeper reach into the automotive ecosystem.</p>	

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12. Will the Company answer every single question from shareholder?

Shareholder/Proxy	Question
Ong Kok Pak	Will Tan Chong Motor Holdings Berhad commit to answer every single shareholder’s question on AGM and publish the Q&As on the Company’s website after the AGM?
Responses from the Directors/Management	
In line with good corporate governance practice, we will endeavour to publish the questions as well as the responses on the Company’s website as soon as practicable after the AGM.	

13. Will AGM minutes be published on the Company’s website?

Shareholder/Proxy	Question
Ong Kok Pak	Will the company publish the AGM minutes on the Company’s website? Or how to get the AGM minutes after the Meeting?
Responses from the Directors/Management	
We will publish the key matters discussed at the AGM on the Company’s website which formed part of the minutes under the Investor Relations / Corporate Governance Section. The minutes are available for inspection at the registered office of the Company.	

14. Corporate structure

Shareholder/Proxy	Question
Lew Tuck Wai	As the Tan Chong Group has demerged its automotive, foreign operations and non-motor business into separate listed companies, why is it that there are still more than 80 subsidiaries incorporated with easily more than 20 dormant companies? Will the Company consider reducing the number of subsidiaries to have a smaller corporate structure?
Responses from the Directors/Management	
In any organisation, no one size fits all. Some organisations have subsidiaries which are active and some subsidiaries which were active but became dormant subsequently. Some newly incorporated companies will take a while before they become active. The number of subsidiaries has increased and been activated following the growth of business and diversification into overseas market.	

15. Any Grand Livina replacement?

Shareholder/Proxy	Question
Eng Beng Weng	Will there be a Grand Livina replacement? What is the status of the Grand Livina based on Xpander model?
Responses from the Directors/Management	
As with any new models, we need to study and discuss with the principals.	

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16. Cost of Virtual AGM

Shareholder/Proxy	Question
Khoo Hooi Lean	What is the cost of conducting virtual AGM? How much cost saving compared to physical AGM?
Responses from the Directors/Management	
The cost of conducting a virtual AGM is generally lower compared to a physical meeting.	

17. Door gifts / e-vouchers / food coupons, etc.

Shareholder/Proxy	Question
Geoh Kah Lim	Door gift?
Yeoh Yun Wei	Any e-vouchers will be given?
Goh Teng Ching	In view of the Company giving door gifts every year, can you please consider giving e-vouchers to shareholders who attend today’s Meeting?
Tai Phoo Siew @ Thay Phoo Siew / Tan Chai Heng	The Government had hand out ePenjana eWallet to help stimulate the economy. In this instance will the Company play a role in it by providing consumable e-vouchers or e-wallet?
Stephen Lye Tuck Meng	Any e-voucher for shareholders attended the Meeting?
Chan Chee Kong / Lum Peck Wan	I like to request that you give your loyal shareholders e-vouchers or e-wallet in replacement of door gifts. These are very hard times for us financially & many including myself have suffered loss of income due to the pandemic. I’m appealing to you Sirs to be compassionate and kind to us. Please reward us who have taken the time and trouble to attend this RPV AGM with some good gifts. I’m sure a big group like yours can afford to give.
Ngee Geok Choo	I would like to ask for some e-voucher or e-gift as encouragement for the participants.
Teh Peng Tin	How much does the Company spend on this virtual AGM? Would the Board kindly consider giving e-voucher as reward to shareholders who take interest to participate in this virtual AGM?
Ng Mooi Sim	We are very sure that all the Directors who attend this RPV AGM will get their allowances. Thus, we as shareholders to spend our time to take part in the same AGM must be treated equally. The Company also must give us some e-voucher or e-wallet during this difficult time. The Company is indirectly helping the Country's economy grow. We hope the Board will consider our suggestion.
Ong Kok Pak	Any token of appreciation for those who attend the AGM?
Lau Yong En	Please consider giving e-voucher to participating shareholders in line with Bursa practice.

QUESTIONS FROM SHAREHOLDERS RECEIVED DURING THE AGM VIA QUERY BOX

17. Door gifts / e-vouchers / food coupons, etc. (cont’d)

Shareholder/Proxy	Question
Leong Fook Sen @ Francis Leong	Mr. Chairman kindly provide vouchers to attendees who participate in Remote Participation Voting.
Chan Ah Moi	Please give e-vouchers for refreshment.
Responses from the Directors/Management	
<p>There will be no e-vouchers or e-wallets since we are holding a virtual meeting. Food vouchers and door gifts were goodwill gestures to encourage attendance at the physical AGM. In the current situation, the Company has decided to focus on maximising shareholders’ value.</p> <p>However, we have promotions for shareholders. Please refer to our offers during the e-polling validation session and the same would be uploaded to the Company’s website after the AGM.</p>	

18. Corporate Social Responsibility

Shareholder/Proxy	Question
Ng Ghim Eng	As part of the Company's CSR initiative, could the Board consider allocating part of the cost savings from holding virtual AGM to give financial assistance to the needy Malaysians affected by the Covid-19 pandemic?
Responses from the Directors/Management	
<p>The Movement Control Order (“MCO”) implemented to control the spread of Covid-19 pandemic has impacted the income of families from the lower income group. As a caring and responsible corporate organisation, the Company has supported our community by providing dry essential food items to the lower-income group.</p>	

19. Promote virtual meetings for all kinds of meeting

Shareholder/Proxy	Question
Chan Ngun Fong	If corporate governance thinks that virtual meeting is a best practice, then please make all meetings virtual so that all meeting fees can be cut and no travelling allowances should be paid. This should not only be limited to AGMs.
Responses from the Directors/Management	
<p>Thank you for your concern on this matter. The Board of Directors will take note of your suggestion.</p>	

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20. Electric vehicles

Shareholder/Proxy	Question
Stephen Lye Tuck Meng	Does Tan Chong intend to introduce Electric Vehicles into Malaysia?
Responses from the Directors/Management	
We have launched the popular electric vehicle, Nissan LEAF in 2019.	

21. Invalidation of votes

Shareholder/Proxy	Question
Ho Yueh Weng	If a related party who should abstain from voting accidentally voted for the related party transaction proposal, will it then invalidate this particular poll result?
Responses from the Directors/Management	
The question above is purely hypothetical in that in our 48th AGM no related party had voted in favour of any proposal for a related party transaction. It is not the company’s policy to respond to hypothetical questions and you may wish to seek advice from your own lawyers on the matter which you had raised.	

22. Impact of Renault and Nissan tussle in Japan

Shareholder/Proxy	Question
Pang Chin Hong	What is the impact of Renault and Nissan tussle in Japan on Tan Chong? Please elaborate.
Responses from the Directors/Management	
We are not in a position to comment on this matter.	

23. Annual Report

Shareholder/Proxy	Question
Teh Peng Tin	I would like to request a hard copy of the Company’s Annual Report.
Responses from the Directors/Management	
Your request has been forwarded to the Share Registrar.	

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24. New Generation of Nissan Almera

Shareholder/Proxy	Question
Tan Boon Eng	When will Tan Chong launch the new generation Nissan Almera in Malaysia?
Responses from the Directors/Management	
We plan to introduce the All-New Nissan Almera this year to boost our model line-up.	