

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Tan Chong Motor Holdings Berhad (“Company”) remains firmly committed to high standards of corporate governance, recognising that strong governance is fundamental to protecting stakeholder interests and delivering sustainable long-term value for shareholders. The Directors consider corporate governance to be synonymous with four (4) key concepts, namely transparency, accountability, integrity and corporate performance.

As such, the Board embeds in the Group a culture that is aimed at delivering balance between conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This Statement provides an overview of the Company’s application of the Principles and Practices set out in the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) during the financial year ended 31 December 2025. Details on how the Company has applied each of the Practices during the financial year under review are disclosed in the Corporate Governance Report, which is available for viewing on the Company’s website at <https://www.tanchonggroup.com>.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for the long-term success of the Group and delivery of sustainable value to shareholders of the Company. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction for the Group, and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the Group.

Directors are tasked with managing and directing the business and affairs of the Group and they must exercise reasonable care, skill and diligence in decision-making. Directors must also keep themselves abreast of relevant developments, including material sustainability risks and opportunities, to discharge their duties and responsibilities efficiently.

All members of the Board are aware of their responsibility to make decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders, besides safeguarding the interests of these stakeholders. The roles and responsibilities of the Board are clearly set out in the Board Charter, which serves as a reference point for Board activities. The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees, the Board Chairman and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. This Board Charter is periodically reviewed by the Board to be in line with regulatory changes and to reflect any changes made to the terms of reference of the Board Committees. The Board Charter which was last revised on 28 August 2023 is published on the Company’s website at <https://www.tanchonggroup.com>.

In managing conflict of interest situations, including potential conflict of interest, between any Director and the Company and/or any of its subsidiaries, the Board had, in year 2022, formalised a Conflict of Interest Policy to be observed by Directors of the Company and its subsidiaries. The said policy has been enhanced in year 2024 and renamed as Conflict of Interest Policy and Procedures in tandem with the amendments of the MMLR by Bursa Securities on 26 May 2023. This is to ensure that they act in the best interest of the companies they serve, and they must not place themselves in a position where there is conflict between their duties to the companies and personal interest.

The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies to support long-term value creation through sound economic, environmental, social and governance (“EESG”) practices underpinning sustainability; overseeing and evaluating the conduct of the Group’s businesses; identifying principal risks and ensuring the implementation of appropriate internal controls to manage those risks; maintaining effective communication with the stakeholders; and reviewing and approving key matters such as financial results, investments and divestitures, acquisitions and disposals, and major capital expenditure. To assist the Board in its oversight role on EESG, Management has formed a Sustainability Working Committee (“SWC”) to develop a sustainability framework encompassing EESG considerations in business, materiality assessment initiatives and key performance indicators. The SWC reports progress of sustainability initiatives implemented to the Risk Management and Sustainability Committee (“RMSC”), which is helmed by the Group CEO. The Board had in 2024 undertaken various stakeholder engagements to ensure that the Company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to the Group’s internal and external stakeholders.

To discharge its stewardship role, the Board has established a number of Committees, namely the Audit Committee, Nominating and Remuneration Committee and Board Risk Management and Sustainability Committee (collectively “Board Committees”), to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

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To enhance accountability, the Board has established clear functions reserved for itself and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budgets and audited financial statements, quarterly and annual financial results for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter.

The Executive Team (as defined in the Board Charter), comprising the President (leader), Group Chief Executive Officer ("Group CEO"), Chief Financial Officer ("CFO"), and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, inter-alia, the achievement of Group's goals and observance of management authorities delegated by the Board, developing business plans which are aligned to the Group's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

As leader of the Executive Team, the President, who is supported by the Group CEO, CFO and other Senior Management Personnel in the Executive Team, implements the Group's strategies, policies and decisions adopted by the Board and oversees the Group's operations and business development.

The President assumes the position of the Board Chairman. As Chairman of the Board, he is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated, and that no Board member dominates discussion. The Chairman also ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. The Board Chairman has never been a member of Audit Committee or Nominating and Remuneration Committee of the Company, nor participated in any of the mentioned Committees' meetings.

The Non-Executive Directors, both Independent and Non-Independent, comprise more than half of the Board size, and are responsible for providing insights, unbiased and independent views, advice and judgement to the Board, including ensuring effective checks and balances on Board's decisions. Non-Executive Directors are essential for protecting the interests of shareholders, in particular minority shareholders, and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Dato' Chan Choun Sien is the Senior Independent Non-Executive Director of the Company to whom concerns of fellow Directors, shareholders and other stakeholders may be conveyed.

The Board has established a Directors' Code of Ethics which sets out the standards of conduct expected from all Directors. The Directors' Code of Ethics is contained in Appendix A of the Board Charter. To inculcate ethical conduct, the Group has also established a Code of Conduct for its employees, which has been communicated to all levels of employees in the Group, including Executive Directors. Moreover, the Company has in place a Special Complaints Policy ("Policy"), equivalent to a whistle-blowing policy, which serves as an avenue for raising concerns relating to actual or suspected breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Company had adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") in 2020 to manage bribery and corruption risks of the Group. This ABAC Policy accords with the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. In 2022, the Board adopted a Directors' Fit and Proper Policy, setting out the fit and proper criteria for the appointment of prospective Director(s) and re-election of Directors on the Board of the Company and its subsidiaries. A copy of the Directors' Fit and Proper Policy is published on the Company's website at <https://www.tanchonggroup.com>.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary, on statutory and regulatory requirements, corporate governance developments and practices, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Company Secretary also advises the Board on governance matters, ensuring that there is an effective system of corporate governance in place.

In discharging their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. The dates of meetings of the Board, Board Committees and AGM for each financial year are fixed in advance to ensure all Directors and Board Committee members are able to attend the respective meetings. During the year, the Board deliberated on matters relating to business strategies and issues concerning the Group, including business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to convening each meeting of the Board and Board Committees in a timely manner. For the financial year under review, the Board convened six (6) Board meetings, with the Company Secretary in attendance at every meeting. Senior Management, Internal Auditors and External Auditors attended the Board and Board Committee meetings upon invitation. The Company leveraged on technology by conducting Board and Board Committee meetings online, which made it more convenient for meeting participation and support robust discussion.

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The attendance record of the Directors at the Board meetings is as follows:

Name	No. of Board Meetings attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	6/6	100
Ho Wai Ming	6/6	100
Lee Min On (resigned on 25 March 2026)	6/6	100
Ng Chee Hoong	6/6	100
Dato' Ng Mann Cheong	6/6	100
Dato' Chan Choun Sien	6/6	100
Dr. Nesadurai Kalanithi	6/6	100
Chia Tuang Mooi	6/6	100

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to statutory and regulatory requirements, and the impact such statutory and regulatory requirements have on the Group. Besides circulating the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference, the Company Secretary also explain to the Board, the implication of the requirements on the Directors.

All Directors have completed the Mandatory Accreditation Programme required by the MMLR of Bursa Securities. During the financial year under review, all the Directors attended training, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies.

Details of the training programmes attended or participated by the Directors are as follows:

Name	Details of Programme
Dato' Tan Heng Chew	<ul style="list-style-type: none"> Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance Tan Chong Motor Holdings Berhad ("TCMH") Institute of Corporate Directors Malaysia: Bursa's Mandatory Accreditation Programme II TCMH & Warisan TC Holdings Berhad ("WTCH"): 2025 Code of Business Conduct & Ethics ("CBCE") - Refresher Course TCMH: 2025 Anti-Bribery and Anti-Corruption ("ABAC") - Refresher Course APM Automotive Holdings Berhad ("APM") In-House Training : Cybersecurity Awareness Session TCMH Group Tax Department: 2026 National Budget Briefing TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training - "Phishing and Identity Theft" WTCH Group Compliance Department: 2025 Anti-Bribery and Anti-Corruption, Gratification/ Entertainment/ Hospitality, Fraud Prevention & Special Complaint (Yearly Refresher Training) WTCH: Chemical Safety Awareness Training WTCH: Manual Handling Training WTCH: 5S Training WTCH: Noise Exposure Training WTCH: 2025 Cybersecurity Awareness Training (Yearly Refresher Training) WTCH Group Compliance Department: 2025 Anti-Money Laundering/Countering Financing Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions (AML/CFT/CPF/TFS)
Ho Wai Ming	<ul style="list-style-type: none"> Malaysian Institute of Accountants ("MIA"): MIA Digital Month 2025 Association of Chartered Certified Accountants ("ACCA"): Asia Pacific Thought Leadership Forum 2.0 International Fiscal Association Malaysia Branch: Pillar Two as it Stands Today and the G7 "Side-by-Side" Approach ACCA: Ethical Integrity in an Age of AI ACCA: Combatting Fraud in a New Era of Accountability Malaysian Rating Corporation Berhad: MARC360 Reflections - Analyses of Malaysia's 2026 Budget and Post Budget Debates ACCA: Accounting for the Future Conference 2025 ACCA: Third Edition of the IFRS for SMEs Accounting Standard KPMG PLT: 2025 MFRS Updates MIA: What we need to know about PDPA 2010 Tan Chong Motor Holdings Berhad ("TCMH"): 2025 Anti-Bribery and Anti-Corruption TCMH Group Tax Department: 2026 National Budget Briefing

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Name	Details of Programme
<p>Lee Min On (resigned on 25 March 2026)</p>	<ul style="list-style-type: none"> • Institute of Corporate Directors Malaysia (“ICDM”): Bursa’s Mandatory Accreditation Programme II • Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”): Navigating Risks and Crisis - Is your Board prepared for the unexpected • MAICSA: Quarterly and Annual Financial Reporting - Executing effective strategic oversight by Audit Committees, including pitfalls to avoid • Hong Leong Bank Berhad: Section 17A of the MACC Act 2009 - Deep dive into anti-bribery and corruption measures based on a “reasonable & proportionate” approach • Minority Shareholders Watch Group (“MSWG”): Enhanced Conflict of Interest (“COI”) and Disclosure Obligations - Unpacking the COI implications to, and disclosure obligations of, listed issuers, their directors and key Senior Management • Asian Confederation of Institute of Internal Auditors (“ACIIA”): ACIIA Conference 2025 - Internal Audit in a Poly-crisis Era • MSWG: The new Statement on Risk Management and Internal Control (“SORMIC”) Guide 2025 • ICDM: Trust on Trial - The Fiduciary Compass for Modern Boards • KPMG PLT: MFRS 18 and Sustainability Disclosure Standards (i.e., IFRS S1 and S2) • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance Tan Chong Motor Holdings Berhad (“TCMH”) • TCMH: 2025 Code of Business Conduct & Ethics – Refresher Course • TCMH: 2025 Anti-Bribery and Anti-Corruption – Refresher Course • TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training - "Phishing and Identity Theft"
<p>Ng Chee Hoong</p>	<ul style="list-style-type: none"> • Malaysian Institute of Accountants (“MIA”): A Review and Analysis of New MPERS – A comprehensive brief on all the Sections in MPERS • MIA: Sustainability reporting and assurance – a roadmap for accountancy practitioners • MIA: ISQM 1: Sustaining an Effective System of Quality Management • Chartered Tax Institute of Malaysia (“CTIM”): Implementation of e-invoicing in Malaysia • Grant Thornton Malaysia: Tax Seminar on Budget 2026 • CTIM: 2026 Budget Seminar • KPMG PLT: 2025 MFRS Updates • Padini Holdings Berhad: Navigating IFRS S1 & S2 Day 1 • Warisan TC Holdings Berhad: Statement on Risk Management and Internal Control Guide 2025 Training • KPMG PLT: MFRS 18 and Sustainability Disclosure Standards (i.e., IFRS S1 and S2) • Tan Chong Motor Holdings Berhad (“TCMH”): 2025 Anti-Bribery and Anti-Corruption • TCMH: 2025 Code of Business Conduct & Ethics – Refresher Course • TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training – "Phishing and Identity Theft" • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance TCMH
<p>Dato’ Ng Mann Cheong</p>	<ul style="list-style-type: none"> • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance Tan Chong Motor Holdings Berhad • Tan Chong Motor Holdings Berhad: 2025 Anti-Bribery and Anti-Corruption -Refresher Course • Institute of Corporate Directors Malaysia (“ICDM”): Bursa’s Mandatory Accreditation Programme II • TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training - "Phishing and Identity Theft"

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Name	Details of Programme
Dato' Chan Choun Sien	<ul style="list-style-type: none"> • Bank of Singapore: Beyond 2025 - The Changing World Order • Global Leadership Network: Global Leadership Network - Design Your Future • Certified Public Accountant Australia: ASEAN Speaker Series - Johor -Singapore Economic Zone • Areca Capital Sdn. Bhd.: Areca Investors' Forum 2025 • Securities Commission Malaysia: Single Family Office Summit • CGS International Securities Malaysia: ASEAN Business Forum 2025 • Malaysian Mergers & Acquisitions Association: Deal-making in Turbulent Times • Khazanah Nasional Berhad: Khazanah Megatrends Forum 2025 • Eagles Leadership Convention 2025: Unchanging Values, Changing Landscapes • Mastercard Center for Inclusive Growth: 2025 ASEAN Inclusive Growth Summit - Driving impact through bold leadership • Malaysia Impact Alliance: MYImpact ASEAN Partner Convening • The Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor: Investing for Impact: Aligning Capital with ESG • KPMG PLT: MFRS 18 and Sustainability Disclosure Standards (i.e., IFRS S1 and S2) • Tan Chong Motor Holdings Berhad ("TCMH"): 2025 Anti-Bribery and Anti-Corruption - Refresher Course • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance TCMH • TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training - "Phishing and Identity Theft" • TCMH: 2025 Code of Business Conduct & Ethics – Refresher Course
Dr. Nesadurai Kalanithi	<ul style="list-style-type: none"> • Bursa Malaysia Derivatives Berhad: Bursa Price Outlook Conference • Comfori Sdn Bhd: Expanding horizons – Highlighting women’s diverse strengths in senior leadership on boards • 30% Club: 10th Anniversary of 30% Club • Sunway University and Jeffrey Sachs Centre: ASEAN Powergrid Connectivity • Malaysia Australia Business Council ("MABC"): Growing Beyond Borders -Unlocking Agri Potential Between Australia & Malaysia • IOI Corporation Berhad: Sustainability Consultation Forum - Strengthening Climate and Workforce Resilience at IOI • Sarawak Energy Berhad: Sustainability & Renewable Energy Forum 4.0 • Asian Confederation of Institute of Internal Auditors ("ACIIA"): ACIIA Conference 2025 - Internal Audit in a Poly-crisis Era • MABC: How to Break Barriers to Level Up • Securities Commission Malaysia: Audit Oversight Board - Annual Engagement • KPMG PLT: 2025 MFRS Updates • Tan Chong Motor Holdings Berhad ("TCMH"): 2025 Anti-Bribery and Anti-Corruption – Refresher Course • Tan Chong Motor Holdings Berhad: 2025 Code of Business Conduct & Ethics –Refresher Course • TC iTech Sdn. Bhd.: 2025 Cybersecurity Awareness Training - "Phishing and Identity Theft" • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance TCMH
Chia Tuang Mooi	<ul style="list-style-type: none"> • KPMG PLT: Stamp Duty – A Peek into the Future • Inland Revenue Board of Malaysia: 2026 Malaysian National Budget Tax Seminar • KPMG PLT: MFRS 18 and Sustainability Disclosure Standards (i.e., IFRS S1 and S2) • KPMG PLT: MBRS Financial Statements • Lumenz Tax Advisory Sdn Bhd: 2026 Malaysian Budget Seminar • Tan Chong Motor Holdings Berhad ("TCMH") Group Tax Department: 2026 National Budget Briefing • TCMH: 2025 Anti-Bribery and Anti-Corruption - Refresher Course • Tan Chong IBS Sdn. Bhd.: D&O Liability Insurance TCMH

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II. BOARD COMPOSITION

The Company is led by an experienced Board which is vital for the continuing progress and success of the Group. As of 31 December 2025, the Board consisted of eight (8) members, comprising three (3) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This Board composition fulfills the requirements as set out in the MMLR of Bursa Securities which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. In line with Practice 5.2 of the Malaysian Code on Corporate Governance (“MCCG”), at least half of the Board comprises independent directors.

The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, marketing, operations, entrepreneurship, finance, taxation, accounting, audit, legal, economics, investment banking, as well as corporate governance, risk management and internal audit. The profiles of the Directors are set out on pages 26 to 29 of the Annual Report.

The Nominating and Remuneration Committee (“NRC”) is entrusted to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for Board membership. The NRC also assesses the performance of Directors annually, reviews succession plans and Board diversity, including gender, age and ethnicity diversity, training requirements for Directors and other qualities of the Board, including core-competencies which Non-Executive Directors should bring to the Board.

The annual assessment of the Board, Board Committees and individual Directors for the financial year ended 31 December 2025 was conducted by the NRC on 19 January 2026 using a self and peer assessment approach based on pre-set questionnaire, adapted from the Corporate Governance Guide 4th Edition, approved by the Board. The performance of Directors and Senior Management in relation to overseeing sustainability management was also assessed. Following the assessment, the NRC concluded that the Board, Board Committees and individual Directors have the relevant skill sets and have effectively discharged their respective stewardship responsibilities to meet the needs of the Company. The assessment also indicated that the retiring Directors, Dato’ Tan Heng Chew, Mr. Ho Wai Ming and Ng Chee Hoong, who had completed their Declaration of Fit and Propriety in line with the Directors’ Fit and Proper Policy adopted by the Company, are in a position to be re-elected as Directors of the Company at the forthcoming Annual General Meeting (“AGM”). An additional 360° assessment of the Board and Board Committees by personnel who were not members of the Board or Board Committees but who attended the full meetings of these bodies was also conducted. The assessments conducted by the NRC were duly documented. In line with Practice 5.7 of the MCCG, the Board has provided a statement to support the re-appointment of the retiring directors in the Notice of Annual General Meeting.

The NRC has also assessed the independence of all Independent Non-Executive Directors for the financial year ended 31 December 2025 based on criteria set out in paragraph 1.01 of the MMLR and Practice Note 13 of Bursa Securities and concluded that all the Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of the Company.

The Company’s Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, the Independent Non-Executive Director may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as an Independent Non-Executive Director after the latter has served a cumulative term of nine (9) years, the Board must justify such a decision and seek shareholders’ approval at the AGM.

Salient areas of priority noted from the annual assessment of the Board, Board Committees and individual Directors that require the Board’s focus in 2026 in its quest to create long term-value for stakeholders are:

- (i) The continued implementation of, and improvement to, the Group’s the Anti-Bribery & Anti-Corruption Framework to safeguard the interest of the Group, Directors and shareholders;
- (ii) Building risk resilience by further strengthening controls on certain core areas; and
- (iii) Digital transformation and cybersecurity.

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A summary of key activities undertaken by the NRC in discharging its duties during the financial year under review is set out below:

- Reviewed and recommended the re-election of Directors who are due for retirement by rotation for shareholders' approval;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- Assessed the Directors' training needs;
- Reviewed the performance of the Chief Financial Officer;
- Reviewed the remuneration of Executive Directors and Senior Management Personnel of the Group;
- Reviewed the proposed renewal of the Service Contracts of Executive Director and Senior Management;
- Reviewed retirement and recognition proposal; and
- Noted the re-election of subsidiaries directors for the forthcoming subsidiaries' AGM

The Board has formalised a Board Diversity Policy and such policy is contained in the Board Charter. The Board strongly advocates diversity as a truly diverse Board will include and make good use of a myriad of skills, regional and industry experience, background, gender, age, ethnicity and other qualities of Directors such as the candidates' competency, character, time commitment, integrity and experience in meeting the Company's needs. These diversities are considered in determining the optimum composition of the Board and, whenever possible, are balanced appropriately. In accordance with the Board Diversity Policy on gender, the Board shall comprise at least a woman Director at any time.

As of 31 December 2025, there were eight (8) Directors in the Board, comprising six (6) male Directors and two (2) women Directors fulfilling the Board Policy on gender diversity. The Company also met the requirements of the MMLR by Bursa Securities, which requires all listed issuers to have at least one (1) woman director on its Board.

III. REMUNERATION

The Nominating and Remuneration Committee has been tasked with expanded duties and responsibilities to assist the Board in implementing policies and procedures on matters relating to the remuneration of the Board and Senior Management.

The current composition of the Nominating and Remuneration Committee, including the attendance of its members at the meeting held during the financial year, is as follows:

Name	No. of Meetings attended	Percentage of Attendance (%)
Dr. Nesadurai Kalanithi (Chairman)	2/2	100
Lee Min On (Chairman) (resigned on 25 March 2026)	2/2	100
Dato' Ng Mann Cheong	2/2	100
Ng Chee Hoong	2/2	100
Dato' Chan Choun Sien	2/2	100

In accordance with Practice 7.1 of the MCCG, the Board has formalised pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with the business strategy and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to performance, qualifications, experience, competence, scope of responsibility and geographic locations where the personnel are based and are periodically benchmarked to the market/industry surveys conducted by human resource consultants. The Policies and Procedures for the Remuneration of Directors and Senior Management, which were last reviewed on 27 November 2023, are published on the Company's website at <https://www.tanchonggroup.com>.

As a matter of practice, the Directors concerned abstained from deliberation and voting on their own remuneration at Board Meetings.

The remuneration received by Directors of the Company from the Group and Company for the financial year ended 31 December 2025 amounted to RM9,855,456 and RM5,577,509 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the Corporate Governance Report uploaded on the Company's website at <https://www.tanchonggroup.com>.

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PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**I. AUDIT COMMITTEE**

To assist its discharge of duties on financial reporting, the Board has established an Audit Committee which comprises five (5) members, four (4) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, with Mr. Ng Chee Hoong as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its work and activities conducted in year 2025, are set out in the Audit Committee Report of this Annual Report.

One of the key responsibilities of the Audit Committee in its Terms of Reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and the provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements. In line with Practice 9.2 of the MCCG, the Terms of Reference of Audit Committee also include a requirement for a former partner to observe a cooling-off period of at least three (3) years before being appointed a member of the Audit Committee. Partner refers to all former partners of the External Audit Firm and/or its affiliates, including those providing advisory services, tax consulting, etc. There was no appointment of any former key audit partner to the Audit Committee during financial year 2025.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit/assurance services permitted to be provided by the external auditors and/or their affiliates, including the need for obtaining the Audit Committee's approval for such services before such services are provided. In 2021, the Company adopted an External Auditor Assessment Policy to set out guidelines and procedures to be undertaken by the Audit Committee in ensuring the suitability, objectivity and independence of the auditors in substance as well as in form in line with the MCCG Practices and Guidance.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has the overall responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets.

To assist the Board in the discharge of this responsibility, the Board has established a Board Risk Management and Sustainability Committee ("BRMSC") which comprises the following members, a majority of whom are Independent Non-Executive Directors for reviewing the adequacy and effectiveness of the risk management and internal control system of the Group:

Name	No. of Meetings attended	Percentage of Attendance (%)
Dato' Chan Choun Sien (Chairman)	3/4	75
Lee Min On (Chairman) (resigned on 25 March 2026)	4/4	100
Dato' Tan Heng Chew	4/4	100
Dato' Ng Mann Cheong	3/4	75
Ng Chee Hoong	4/4	100
Dr. Nesadurai Kalanithi	3/4	75

The BRMSC oversees the implementation of the Group's risk management and sustainability frameworks, reviews risk management policies which set out the risk governance, risk management processes and control responsibilities formulated by Management, and makes relevant recommendations to the Board for approval.

The Risk Management and Sustainability Committee ("RMSC"), a Management Committee which comprises heads of major business unit of the Group as its members, assists the BRMSC in the Group's risk management activities.

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During the financial year under review, four (4) BRMSC meetings were held to review the principal business risks faced by the Group and the remedial measures to address the risks within the risk appetite of the Group. The Chairman of RMSC, Head of Group Risk Management and Sustainability, representative from Group Integrity Office, Group Internal Audit and major business units attended the BRMSC meeting as invitees. More details of the risk management framework and its associated initiatives undertaken by the BRMSC and RMSC during the financial year under review are set out in the Statement on Risk Management and Internal Control of this Annual Report.

In line with the MCGG and MMLR of Bursa Securities, the Company has in place an in-house internal audit department, i.e., the Group Internal Audit (“GIA”), which reports directly to the Audit Committee on the adequacy and effectiveness of the Group’s system of internal control and risk management. All internal audits carried out are guided by the International Professional Practices Framework (“IPPF”) of Internal Auditing and Code of Ethics of the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The GIA is independent of the activities it audits, and the scope of work covered by the GIA during the financial year under review is set out in the Audit Committee Report included in this Annual Report. In 2019, a full scope of Quality Assurance Review (“QAR”) was conducted by an independent reviewer engaged by the Company to conduct an assessment on GIA to ensure that the quality of the Company’s internal audit conformed to The International Standards for the Professional Practice of Internal Auditing enshrined in the IPPF. The results of the QAR assessment were found to be satisfactory.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company’s shareholders and other stakeholders as well as prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, the Annual and Extraordinary General Meetings and through the Group’s website at <https://www.tanchonggroup.com> where shareholders, other stakeholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated an electronic mail address, i.e., tcmh@tanchonggroup.com to which stakeholders can direct their queries or concerns.

II. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group’s performance via the Company’s Annual Report and pose questions to the Board for clarification.

In line with the MCGG, the Company despatched the notice of AGM to its shareholders at least 28 days before the AGM.

At the last AGM, which was held physically at Kristal Ballroom, Level 1, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, all the Directors and the external auditors were available to engage with, and to be accountable to, the shareholders for their stewardship of the Company. The members of Senior Management of the Company were also available to respond to any enquiries from the shareholders.

During the AGM, the Chairman of the meeting ensured that the meeting was conducted in an orderly manner. The Group’s strategic business direction, its financial performance and key initiatives, including an overview of market outlook and the Group’s strategies and actions going forward were presented at the meeting. Shareholders or corporate representatives or proxies were then allowed to raise questions or seek clarification on the agenda items of the AGM. The minutes of AGM together with a summary of key matters discussed at the AGM were made available on the Company’s website within 30 business days after the AGM.

All resolutions set out in the notice of the last AGM were voted on by poll in accordance with the MMLR of Bursa Securities. The Board adopted electronic voting at the AGM to facilitate the voting process in a more efficient manner, as well as ensuring transparency and accuracy of the voting results.

This Statement is dated 29 April 2026.