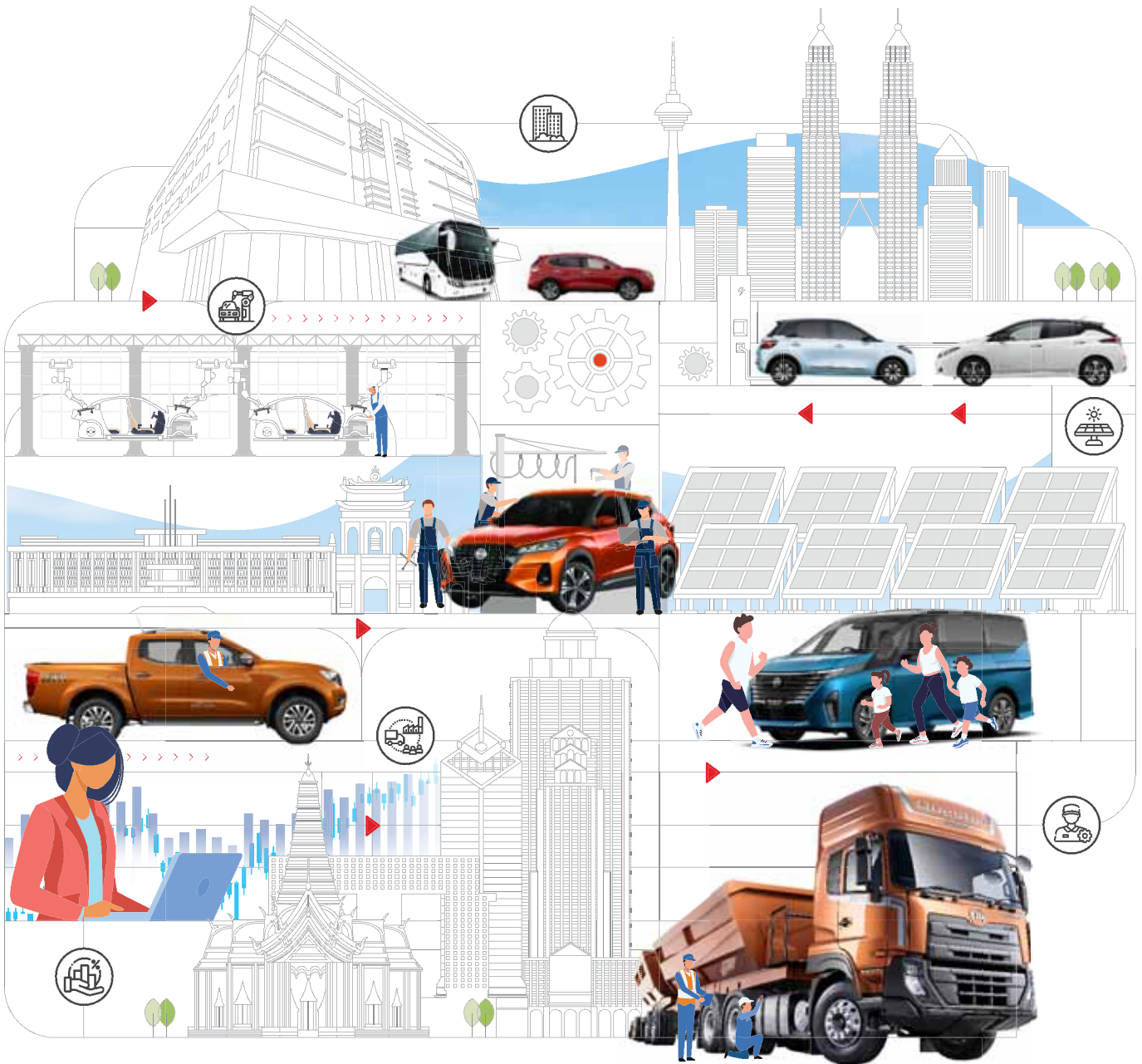




TAN CHONG MOTOR HOLDINGS BERHAD

Registration No.: 197201001333 (12969-P)



DRIVING RESILIENCE

ANNUAL REPORT 2025

OUR CORE VALUE

TRUSTWORTHINESS & INTEGRITY

My Word, My Bond

The ability to be relied upon by others as being honest, truthful, dependable, reliable and deserving of trust and confidence in actions and behaviours.



T



C

COURAGE

Say It Out

Willing to take or seek out risks, bold and willing to explore new ways of doing things.

FRUGALITY

Do More With Less

The quality of being economical or prudent in savings and lack of wastefulness and being thrifty in spending Company's money.



F

INNOVATION & CREATIVITY

What's Next

The capability or act of designing or developing something original or unusual and the application of ideas or implementation of something new for the Company.



I

24/7 MINDSET

Always Online

Prioritising the Company's interests.



M

PERSEVERANCE

Never Give Up

Determination and steadfast in continuing with projects, assignments or work despite the challenges, difficulties or obstacles in achieving success.



Pe

DILIGENCE

Stay Focused

Demonstrates constant and earnest efforts to accomplish projects, assignments and tasks.



D

54th ANNUAL
GENERAL MEETING

Date :
Friday, 12 June 2026

Time :
10.30 a.m.

Venue :
Kristal Ballroom, Level 1, Hilton Petaling Jaya,
No.2, Jalan Barat, 46200 Petaling Jaya,
Selangor, Malaysia.

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COVER RATIONALE

DRIVING RESILIENCE

The “Driving Resilience” cover conveys Tan Chong Motor Holdings Berhad’s unwavering ability to strengthen and sustain a robust ecosystem across its diverse businesses. The interconnected lines represent the Group’s cohesive operating network, reflecting the linkages, collaboration and shared direction that support long-term performance in a complex environment.

The clean and confident visual direction reinforces a message of stability and purposeful progress, underscoring TCMH’s commitment to operational resilience, strategic agility and long-term value creation. Together, these elements present the Group as unified, forward looking and well positioned to advance its ecosystem for sustainable growth.

As part of our sustainability initiatives, please scan the QR code to download the digital copy of Annual Report 2025.

Further information can also be found on our website:

www.tanchonggroup.com



THE STORY OF TAN CHONG

1957

- The beginning of Tan Chong Motor: Tan Chong & Co, a partnership of the Tan brothers, was appointed sole distributor of Datsun in Malaysia, the first Japanese car sold in Malaysia



1972

- Incorporation of Tan Chong Motor Holdings Berhad ("TCMH") in Malaysia

1974

- TCMH listed on the then Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)

1976

- Segambut assembly plant in Kuala Lumpur, Malaysia commenced operations



1984



- Brand name changed from Datsun to Nissan

1993

- Segambut assembly plant, the first motor assembly plant in Southeast Asia to be accredited with ISO 9002 (Quality Systems) certification

2003



RENAULT

- Signing of the master agreement with Renault s.a.s for manufacturing, marketing and servicing of Renault cars in Malaysia

2006

- E-Garage was launched in Cambodia, marking TCMH's first overseas after-sales service centre



- Ground breaking ceremony for the new plant at Serendah, Selangor, Malaysia



2007

- Serendah assembly plant started production and rolled out its first model, Nissan Latio



2009

- Serendah assembly plant received ISO 14001 (Environmental Management Systems) and ISO 9001 (Quality Management System) certifications

2010

- Ground breaking ceremony for TCMH's first plant in Da Nang, Vietnam, marking our debut in overseas assembly facility



- Appointed as the sole and exclusive distributor for Nissan vehicles in Cambodia and Laos

2013

- Opening of our passenger vehicle assembly plant in Da Nang, Vietnam
- Appointed as the sole and exclusive distributor for Nissan Completely Built-Up ("CBU") vehicles in Myanmar
- Opening of Nissan showrooms in Myanmar and Laos
- The first 3S Centre was set up in Yangon, Myanmar



2015

- Establishment of Regional Operating Headquarters in Thailand
- Sole and exclusive distributor for the locally assembled Nissan vehicles in Myanmar
- Our passenger vehicle assembly plant in Vietnam received ISO 9001 (Quality Management Systems) certification



2016

- Signing of Land Lease Agreement with Bago Regional Government of Myanmar



- Ground breaking ceremony for our commercial vehicle assembly plant in Da Nang, Vietnam



- Our assembly plant in Malaysia achieved its first 1,000,000 production milestones for Nissan vehicles from 1976 to 2016
- Our bus and truck manufacturing plant in Seri Kembangan received ISO 9001 (Quality Management Systems) certification



2017

- The Group celebrated its 60th Anniversary
- Assembly plant in Yangon, Myanmar commenced operations



2018

- Sole and exclusive rights to distribute King Long coaches and buses in Malaysia
- Sole and exclusive rights to distribute King Long coaches in Vietnam
- Our passenger vehicle assembly plant in Da Nang, Vietnam received ISO 14001 (Environmental Management Systems) certification
- Opening of our commercial vehicle assembly plant in Da Nang, Vietnam



THE STORY OF TAN CHONG

2019

- The new full-fledge assembly plant in Bago, Myanmar began its operation after the relocation of the plant from Yangon



2020

- Renault launched Malaysia's first e-store by offering a holistic digital car buying and subscription experience



2021

- Appointed to develop a 20-Megawatt solar plant under the Large-Scale Solar Photovoltaic ("LSSPV") Cycle 4 in Serendah, Malaysia



2022

- Golnsuran.com won the General Insurance Category (Digital) in Malaysia Technology Excellence Awards 2022



- Our after-sales service division officially launched AUTOPLUS, offering a wide range of high-quality aftermarket automotive parts



- Our bus and truck manufacturing plant in Seri Kembangan received ISO 14001 (Environmental Management Systems) certification
- Our commercial vehicle assembly plant in Vietnam received ISO 9001 (Quality Management Systems) certification

2023

- The Group received the Energy Transition Forerunner Enterprises Award at the Energy Box Second Solar Energy Storage Future Malaysia 2023 Forum



- Upgraded the 3S flagship store in Petaling Jaya, Malaysia with the latest Nissan Retail Concept
- Our spare part division received recognition for the Outstanding Performance in the Nissan Global Award 2023



2024

- First floating LSSPV plant in Serendah Lake in Malaysia commenced operation



- Signing of Agreement of Distribution and Service with GAC Motor International Co Ltd for GAC MOTOR vehicles in Vietnam



- Export of locally assembled Nissan Serena S-Hybrid from the Serendah assembly plant to Thailand



- The official launch of the all-new Nissan KICKS e-POWER, Malaysia's first e-POWER vehicle



2025

- Simultaneous launch of three GAC MOTOR 3S Showrooms across Vietnam
- Launching of the newly upgraded 3S UD Trucks Centre at Batu Caves, Selangor in Malaysia



- TCMH entered into strategic partnership with SAIC GM Wuling Automobile Co Ltd to introduce the TQ Wuling brand in Malaysia



- TQ Wuling N300P mini truck entered Myanmar market
- TQ WULING Bingo EV officially launched in Malaysia



ABOUT TAN CHONG MOTOR HOLDINGS BERHAD

Tan Chong Motor Holdings Berhad (“TCMH” or “Group”) has a rich heritage spanning over 69 years, tracing its roots to the visionary founder, the late Tan Sri Tan Yuet Foh. His aspiration was to establish an automotive conglomerate in Malaysia, laying the foundation for the Group’s enduring legacy.

Today, we have evolved into one of Malaysia’s largest conglomerates with extensive operations across the globe. Having served the country as a small motor vehicle retailer until the incorporation of TCMH in 1972, we now offer a broad product portfolio – ranging from commercial and passenger vehicles, after-sales service and spare parts to education, trading and automotive related financial services; both locally and abroad.

Through long-term strategic business partnerships with leading domestic and foreign brands over the decades, TCMH is now recognised as one of the leading commercial and passenger vehicle distributors in Malaysia and ASEAN market.

As the automotive industry is evolving fast, TCMH intends to play a major role in actively shaping that change. We strive to continue playing a leading role in the development of innovative products and services to serve our customers and for the future of mobility.

With such determination, we have also made significant inroads into the overseas markets such as Vietnam, Cambodia, Laos, Myanmar, Thailand and Taiwan. Through its wide network of development, production and sales touchpoints, TCMH has a competitive edge in enlarging its reach in the global market and discovering further avenues for growth.

OUR GLOBAL PRESENCE



OUR BUSINESSES

Assembly and Manufacturing

- Motor Vehicles
- Automotive Parts
- Machine Components

Sales and Distribution

- Passenger Vehicles
- Light Commercial Vehicles
- Trucks
- Buses
- Car Subscription

After-Sales Services

- Spare Parts
- Servicing and Maintenance
- Repair
- Body and Paint

Other Businesses

- Renewable Energy
- Property Investment
- Education
- Trading
- IT Services

Financial Services

- Hire Purchase
- General Insurance
- Financing

REPORT OF THE BOARD OF DIRECTORS

Dear Valued Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present the Annual Report and Audited Financial Statements of Tan Chong Motor Holdings Berhad (“TCMH” or “the Group”) for the financial year ended 31 December 2025 (“FY2025”).

FY2025 marked a pivotal year in the Group’s strategic evolution. As the Malaysian automotive industry moderated from prior record highs to more sustainable demand levels, the Board remained focused not merely on cyclical performance but strengthening the Group’s structural resilience and long-term competitiveness.

The year was characterised by deliberate diversification across brands, business models and mobility segments. Our strategic priority remains clear: to reduce concentration risk, enhance earnings stability and position the Group to participate meaningfully in the next phase of transformation within the automotive industry.

FINANCIAL PERFORMANCE

Despite operating within a highly competitive and structurally evolving automotive landscape in FY2025, the Group remained focused on strengthening its operational fundamentals while advancing strategic diversification and electrification initiatives.

For the financial year ended 31 December 2025, the Group recorded total revenue of RM2,114.5 million, representing an increase of 1.5% compared to RM2,082.7 million in FYE2024, primarily attributable to the higher vehicle sales volume across certain segments.

The Group reported a Loss Before Tax of RM175.3 million (FYE2024: Loss Before Tax of RM214.3 million). The financial performance for the year reflected continued margin pressures arising from intensified market competition, pricing adjustments to defend market share, and foreign exchange volatility. In addition, lower plant utilisation during transitional production cycles and higher operating expenses impacted profitability.

Notwithstanding these challenges, the Group maintained prudent cost discipline and implemented structural optimisation measures across its operations. These included inventory rationalisation, network consolidation, lean manufacturing practices and enhanced working capital management. These initiatives were aimed at reinforcing long-term competitiveness and restoring operating leverage.

As at 31 December 2025, the Group maintained a sound financial position with total equity of RM2,615.2 million due to the



Nissan Kicks e-POWER named DSF.my–Allianz Vehicle of the Year 2025

recent revaluation exercise on the Group’s properties. The net gearing ratio stood at 40.0%, reflecting continued prudent capital management, while cash and cash equivalents amounted to RM282.9 million. The Group’s balance sheet remains resilient and provides adequate liquidity to support operational requirements and ongoing strategic investments.

STRENGTHENING CORE FRANCHISE AND EXPANDING INTO AFFORDABLE EV SEGMENT

For more than six decades, the Group’s automotive operations have been anchored by its longstanding partnership with Nissan Motor Co., Ltd., which continues to provide strong brand equity, technological innovation and product depth. This relationship remains central to the Group’s identity and market presence in Malaysia and the region. The Group remains committed to reinforcing its core Nissan franchise, with the launch of the Serena e-POWER MPV and preparations for subsequent model introductions expected to support showroom momentum and strengthen market positioning in FY2026. Electrification initiatives under the Nissan brand demonstrate the Group’s continued alignment with evolving industry trends while preserving its foundational partnership.

Concurrently, the Board recognises the importance of measured portfolio diversification to enhance revenue resilience. In

REPORT OF THE BOARD OF DIRECTORS



Tan Chong Motor Group formalised a strategic partnership with SAIC-General Motors-Wuling Automobile Co Ltd, marking the launch of the TQ Wuling brand in Malaysia.

FY2025, the Group broadened its automotive offering through the progressive rollout of the TQ Wuling marque, marking its formal entry into the battery electric vehicle (“EV”) segment with the introduction of the TQ Wuling Bingo model, an affordable EV for the domestic market.

Electrification represents a structural shift in the automotive landscape, supported by regulatory encouragement, fiscal incentives and growing consumer awareness. The Group’s participation in the accessible EV segment positions it to capture emerging demand in a disciplined and scalable manner, while ensuring alignment with its operational capabilities, distribution strength and long-term strategic objectives, as well as national decarbonisation aspirations.

More importantly, this portfolio expansion allows the Group to leverage its extensive and well-established nationwide after-sales network. This infrastructure provides a structural advantage in supporting new technologies and models, enhancing customer confidence and reinforcing the long-term sustainability of the Group’s automotive operations. The encouraging market response and booking momentum for the Bingo model further validate the Group’s measured approach to diversification and provide a foundation for scalable participation in future electrified mobility solutions.

Recent geopolitical developments in the Middle East underscored the importance of sustainable mobility solutions such as EVs as consumers look for replacements of the conventional fuel-powered vehicles. The Group’s transition to EVs enables us to meet market demands.

STRENGTHENING POSITION IN COMMERCIAL MOBILITY AND LOGISTICS SEGMENT

In the commercial vehicle segment, the Group continued to strengthen its bus and truck operations, recognising the sector’s structural importance to Malaysia’s economic ecosystem.

The resilience of the commercial vehicle segment is closely linked to broader macroeconomic activity. Malaysia’s continued infrastructure development, including roads expansion, industrial parks development and urban projects, supports ongoing demand for tipper trucks, cargo carriers and support vehicles. At the same time, the steady growth of e-commerce and last-mile delivery services has reinforced demand for light-duty and medium-duty trucks, particularly among small and medium-sized enterprises seeking fleet renewal to enhance operational efficiency and fuel economy.

Fleet replacement demand has also remained supportive as operators

prioritise newer vehicles offering improved fuel efficiency, compliance with evolving emission standards and lower lifecycle maintenance costs. Rising compliance requirements and increasing awareness of total cost of ownership have encouraged structured fleet renewal programmes among established transport operators.

In addition, government-led infrastructure projects and industrial investments are expected to sustain construction and logistics activity, providing continued support for medium and heavy-duty truck segments. The structural growth of Malaysia’s digital economy and cross-border trade with Singapore and Thailand further enhances the long-term demand outlook for transportation assets.

Within the bus segment, demand was sustained by the recovery in domestic and regional tourism, as well as continued investment in public transportation networks. Express bus operators and tour companies increasingly favour modern double-decker and high-capacity models to improve passenger comfort, operational efficiency and safety standards. In addition, selected state and municipal authorities continued to support fleet upgrading initiatives to enhance service reliability.

Looking ahead to FY2026, the commercial vehicle segment is expected to benefit further from economic expansion and tourism-related activities in conjunction with Visit Malaysia 2026. The anticipated increase in tourist arrivals is expected to stimulate demand for charter buses, airport transfers, tour coaches and intercity transportation services. Indirectly, higher tourism and consumption activity is likely to support logistics volumes, warehousing requirements and supply chain movements, thereby reinforcing demand for commercial trucks.

Collectively, these economic drivers position the Group favourably to capture opportunities across both bus and truck segments. Supported by the Group’s assembly capabilities, nationwide after-sales network and established fleet relationships, the commercial vehicle division is well placed to participate in Malaysia’s mobility, logistics and infrastructure growth trajectory in FY2026 and beyond.

REPORT OF THE BOARD OF DIRECTORS



Strategic transformation in FY2025 strengthened efficiency, resilience and financial foundation despite industry challenges.

and participation in emerging mobility segments, the Group is building a more resilient and future-ready platform to support sustainable long-term growth and shareholder value creation.

APPRECIATION

On behalf of the Board, I would like to extend our sincere appreciation to our dealer partners, suppliers, financiers and principals for their continued collaboration and confidence in the Group. Their partnership has enabled us to respond effectively to evolving market dynamics, enhance customer experience and strengthen our competitive positioning. We also acknowledge the steadfast support of our regulators, business associates and valued customers, all of whom remain integral to the Group's ecosystem.

The Board would also like to extend its gratitude to our management team and employees across the Group for their dedication, professionalism and resilience in navigating the evolving operating environment. Finally, we thank our fellow Directors for their guidance and stewardship in ensuring that the Group continues to pursue sustainable growth and long-term value creation for our stakeholders.

As the automotive landscape continues to evolve, the Board remains firmly committed to upholding strong governance standards, maintaining financial discipline and pursuing strategic clarity. With strengthened structural foundations and a more diversified portfolio, we are confident in our ability to navigate ongoing transformation while building a resilient platform for sustainable long-term growth.

On Behalf of the Board,
Dato' Tan Heng Chew
President

29 April 2026

FINANCIAL DISCIPLINE, REGIONAL POSITIONING AND OUTLOOK

The Group's strategic transformation in FY2025 was underpinned by disciplined execution and prudent financial stewardship. Throughout the year, management placed strong emphasis on cost optimisation, inventory rationalisation, working capital efficiency and careful capital allocation to preserve liquidity and strengthen structural resilience. Although intensified competition and industry moderation affected short-term profitability, these measures enhanced operational efficiency and reinforced the Group's financial foundation during a transitional phase.

Regionally, the Group's overseas operations remain an integral component of its broader ASEAN footprint. While macroeconomic conditions in Vietnam, Myanmar, Cambodia and Laos were measured during the year, long-term fundamentals, including favourable demographics, urbanisation and rising vehicle ownership potential, remain supportive. The Board will continue to pursue disciplined regional participation,



balancing growth opportunities with prudent capital management and robust risk oversight.

Looking ahead to FY2026, the Board adopts a cautiously optimistic outlook. The strengthening of the Group's portfolio representation, expansion of contract assembly partnerships, measured participation in the electric vehicle segment, reinforcement of the commercial vehicle platform and upcoming Nissan model introductions collectively position the Group on a more diversified and structurally balanced foundation.

FY2025 was a year of deliberate repositioning and structural reinforcement. With broadened revenue pillars, strengthened manufacturing capabilities

MANAGEMENT DISCUSSION AND ANALYSIS



The Bingo EV was officially launched in Malaysia in December 2025, supporting the Group's sustainability agenda through the introduction of low-emission mobility solutions.

OVERVIEW

Financial Year 2025 ("FY2025") marked a year of transition and strategic recalibration for Tan Chong Motor Holdings Berhad ("TCMH" or "the Group").

Against this backdrop, the Group focused on reinforcing operational discipline, strengthening balance sheet resilience and advancing its multi-brand strategy. The year also represented an important milestone in the Group's diversification journey, with the introduction of new marques and entry into the electric vehicle ("EV") segment.

While competitive pressures remained elevated, FY2025 was characterised less by contraction and more by structural repositioning to strengthen our foundation. The initiatives undertaken during the year are expected to progressively strengthen the Group's earnings base and strategic resilience moving forward.

ECONOMIC AND INDUSTRY ENVIRONMENT

Malaysia's economy in FY2025 continued to demonstrate resilience, supported by steady domestic consumption, infrastructure spending and stable labour market conditions. However, inflationary pressures, higher financing costs and currency volatility influenced consumer purchasing decisions.

The Malaysian automotive industry, Total Industry Volume ("TIV") continued to stay robust in FY2025 with demand remained fundamentally supported by replacement cycles and urban mobility needs, though purchasing momentum was comparatively softer than the peak years.

Competitive intensity increased across passenger and light commercial vehicles segments, with pricing strategies and promotional activities remaining prevalent throughout the year. Electrification gained further policy and consumer attention, with greater awareness of EV adoption supported by tax incentives and infrastructure development initiatives.

Across IndoChina, economic conditions were mixed. Vietnam experienced gradual stabilisation following prior macroeconomic adjustments, while Cambodia and Laos maintained steady albeit cautious growth trajectories. Currency fluctuations and credit conditions remained key variables influencing vehicle demand in these markets.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC INITIATIVES

Recognising structural shifts within the automotive industry, including electrification, evolving consumer preferences and increasing competition, the Group streamlined its strategic focus into three core initiatives designed to strengthen long-term sustainability and earnings stability.

STRATEGIC INITIATIVES

Strengthening Core Franchise and Broadening Revenue Pillars

A key strategic priority for the Group is to progressively diversify its revenue base, aimed at strengthening long-term earnings resilience while positioning the Group to respond more effectively to evolving market dynamics.

For more than six decades, the Group's automotive operations have been anchored by its partnership with Nissan Motor Co., Ltd., which remains a cornerstone of its business.

The rollout of the TQ Wuling marque during the year broadened the Group's participation in the entry and value segments, enabling it to reach new customer demographics while expanding its presence within the evolving mobility landscape.

The Group's established nationwide after-sales and service network remains a critical competitive advantage in executing this multi-brand strategy. By leveraging existing infrastructure, the Group is able to support new marques efficiently, optimise fixed cost structures and enhance customer confidence in emerging brands.

In parallel, the Group continues to expand its contract assembly platform by collaborating with several automotive principals.

Expansion of Commercial and Industrial Mobility Platforms

The Group continues to strengthen its presence within the commercial vehicle segment as part of its broader mobility strategy within the light and medium-duty segments.

Through the bus assembly operations, the Group is able to participate in public transport and fleet solution markets. This industrial capability enhances revenue diversification and positions the Group as a comprehensive mobility solutions provider beyond passenger vehicles.

Through strengthening its commercial and industrial mobility platforms, the Group enhances counter-cyclical stability and broadens participation across multiple automotive value chains.

Positioning for Future Mobility and Regional Sustainability

Recognising the structural shift toward electrification and sustainable mobility, the Group formally entered the electric vehicle ("EV") segment in FY2025 with the introduction of the TQ Wuling Bingo model.

This initiative marks a significant step in aligning the Group's portfolio with regulatory developments, environmental considerations and evolving consumer preferences. The accessible EV positioning allows the Group to target first-time adopters while leveraging its established distribution and after-sales infrastructure.

Regionally, the Group continues to optimise its overseas footprint across Vietnam, Myanmar, Cambodia and Laos.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW

FY2025 Financial Results

The Group recorded a revenue of RM2,114.5 million in FYE2025 compared to RM2,082.7 million in FYE2024. This led to a lower Loss Before Tax ("LBT") of RM175.3 million compared to a LBT of RM214.3 million in FYE2024. Excluding the foreign exchange loss and the one off fair value gain on its investment properties, the Group recorded an underlying LBT of RM184.1 million in FYE2025 compared to an underlying LBT of RM185.1 million in FYE2024. Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA") stood at RM15.7 million in FYE2025, compared to Loss Before Interest, Taxation, Depreciation and Amortisation ("LBITDA") of RM7.3 million in FYE2024.

The Group's Net Assets improved to RM2,615.2 million in FYE2025, with a Net Assets per share value of RM4.01 compared to RM3.85 in FYE2024, largely due to the revaluation surplus (net of deferred tax) of RM317.1 million in FYE2025 arising from the revaluation exercise on the Group's buildings, leasehold land and freehold land situated in Malaysia, Vietnam, Myanmar and Laos.

The Group's cash and cash equivalents decreased to RM282.9 million in FYE2025 (FYE2024: RM545.5 million) while net debt decline to RM1,047.2 million (FYE2024: RM1,245.4 million), resulting in a net gearing ratio of 40.0% as at 31 December 2025 (FYE2024: 49.6%).

As the Group continued to work towards sustaining a healthy cash position, we implemented a prudent inventory management approach and enforced a tighter control on capital expenditure during the year under review. The Group's inventory level decreased to RM667.3 million as at FYE2025 (FYE2024: RM842.1 million). The year-end balance was calibrated to maintain adequate stock coverage to support forecasted sales demand in 2026, particularly in view of new model launches and ongoing brand diversification initiatives.

Dividends

The Board is not recommending any final dividend for FYE2025 (FYE2024: none) but will continue to assess the financial performance of the Group in the new financial year and will endeavour to reward the shareholders where it deems appropriate.

SEGMENTAL PERFORMANCE REVIEW

AUTOMOTIVE SEGMENT – MALAYSIA

PASSENGER VEHICLES DIVISION

Malaysia remained the Group's core market in FY2025, with Total Industry Volume ("TIV") reaching a record 820,752 units, marginally higher than 816,747 units in 2024. The record performance was supported by stable interest rates, controlled inflation and resilient consumer confidence. However, the market environment was increasingly defined by electrification trends, aggressive pricing strategies and intensified competition.

EV demand accelerated ahead of the announced expiry of CBU Hybrid Electric Vehicle ("HEV") tax exemptions, and recorded strong growth of 38,515 units, representing a 25% increase year-on-year.

Against this competitive backdrop, the Group executed differentiated strategies across Nissan and TQ Wuling to diversify its portfolio and strengthen long-term positioning.

NISSAN BUSINESS MALAYSIA

FY2025 Business Performance

FY2025 marked a pivotal year for Nissan Malaysia as it embarked on a renewed electrification strategy amid one of the most competitive automotive environments in the country's history. Nissan recorded sales of 6,435 units, representing a 17% decline from 7,785 units in FY2024, with market share easing from 1.0% to 0.8%.

In response to structural shifts toward electrification, Nissan introduced the all-new Nissan KICKS e-POWER as the cornerstone of our product revitalisation strategy. Featuring Nissan's proprietary e-POWER system, where the vehicle is driven exclusively by an electric motor with a petrol engine functioning solely as a generator, the KICKS e-POWER delivers EV-like performance without the need for external charging. The model received significant industry recognition, including the "Vehicle of the Year" award at the DSF.My Allianz VOTY 2025 Awards.

The introduction of the KICKS e-POWER IMPUL Edition further enhanced brand appeal, while the New Navara X-Tremer strengthened Nissan's presence in the pick-up segment. High-visibility marketing initiatives, including Malaysia Autoshow 2025, Super GT Sepang and nationwide roadshows, supported brand rejuvenation and consumer engagement.

Operationally, Nissan leveraged its established nationwide workshops staffed with certified e-POWER technicians, backed by comprehensive warranty support. The Serendah plant demonstrated manufacturing strength through export of the Nissan Serena S-Hybrid to Thailand and has been re-tooled to assemble electrified models, reinforcing long-term industrial relevance.

FY2026 Outlook

In FY2026, Nissan's electrification journey will accelerate with two e-POWER models in the market: the Nissan KICKS e-POWER and the all-new Nissan Serena e-POWER.

MANAGEMENT DISCUSSION AND ANALYSIS

The Serena e-POWER will be locally assembled at the Serendah plant, future-proofing Tan Chong's manufacturing capability and aligning with electrified assembly processes.

While overall TIV is forecasted to moderate to approximately 790,000 units, continued HEV growth presents opportunities for Nissan's differentiated e-POWER technology. With strengthened product offerings and established after-sales support, Nissan is positioned to stabilise performance and rebuild market momentum.

TQ WULING BUSINESS MALAYSIA

FY2025 Business Performance

FY2025 marked the Group's entry into the accessible Battery Electric Vehicle ("BEV") segment through the introduction of the TQ Wuling Bingo. Positioned as an affordable urban EV, the Bingo expanded the Group's electrified portfolio beyond hybrid technology and into the full BEV category. TQ Wuling is a result of a strategic collaboration between Tan Chong and SAIC-General Motor-Wuling ("SGMW"). The TQ Wuling Bingo is the first BEV assembled in the Segambut plant.

The Bingo generated encouraging market response, reflecting increasing consumer openness toward entry-level EVs. Its competitive pricing and practical city-oriented design resonated with first-time EV adopters seeking affordable electric mobility solutions.

The launch also demonstrated the Group's agility in responding to policy-driven EV demand shifts and capitalising on tax incentive windows. Importantly, TQ Wuling benefits from Tan Chong's established showroom and after-sales ecosystem, enhancing customer confidence in a segment often challenged by range anxiety and service concerns.

FY2026 Outlook

In FY2026, TQ Wuling is expected to benefit from growing EV awareness and improving charging infrastructure nationwide. With EV market share projected to expand further amid the introduction of more affordable models,



The all-new Nissan Serena e-POWER, previewed in December, is set to redefine performance and drivability in the MPV segment.



A strong operational foundation supporting Nissan's future-ready growth ambitions.

the Bingo is positioned to strengthen its foothold in the entry-level EV space.

As a new brand entrant into the market, more activities and actions will be taken to ensure wider market awareness and brand building.

The Group will continue leveraging its nationwide network to provide reliable after-sales support for TQ Wuling customers, reinforcing trust and long-term brand sustainability. Additional model introductions under the TQ Wuling brand

will further expand participation within the evolving EV landscape.

Strategic Perspective

FY2025 marked a year of deliberate portfolio diversification across Nissan and TQ Wuling in Malaysia. While Nissan navigated intense competition through electrification differentiation, TQ Wuling established the Group's entry into the affordable BEV category.

Entering FY2026, the Group's strengthened multi-brand and multi-technology strategy, spanning internal combustion, hybrid and full EV offerings, positions it to compete more effectively within Malaysia's evolving automotive landscape while enhancing long-term structural resilience.

COMMERCIAL VEHICLES DIVISION

The Commercial Vehicles Division remains a strategic growth pillar within the Group's diversified automotive portfolio, encompassing the distribution, assembly, manufacturing and after-sales support of trucks and buses. The Division supports a broad spectrum of industries including logistics, manufacturing, agriculture, waste management and public transportation, providing integrated mobility solutions supported by nationwide service infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS



UD Trucks unveiled the new Kuzer SKE light-duty truck, featuring improved specifications for the Malaysian market.

FY2025 Business Performance

Truck Segment

In FY2025, the Malaysian commercial vehicle market operated in a generally softer environment, influenced by the implementation of targeted diesel subsidy measures introduced in June 2024, coupled with cautious business sentiment amid broader economic uncertainties. These factors moderated fleet expansion and replacement cycles across certain sectors.

Despite the challenging backdrop, the Group's Truck Segment delivered commendable revenue growth, supported by solid contributions across vehicle sales, spare parts distribution and after-sales services. The successful launch of the new UD Kuzer light-duty truck during the year enhanced the product line-up and strengthened competitiveness within the light commercial segment. The expanded portfolio, spanning light-duty trucks to heavy prime movers, enabled the Group to address diverse operational requirements across multiple industries.

Operationally, the Division reinforced its market presence through network expansion and service enhancement initiatives. A new 3S Centre was

established in Port Klang during the final quarter of 2025, strategically positioned within one of Malaysia's key logistics hubs to improve accessibility and after-sales support for fleet operators. Concurrently, upgrades to after-sales facilities were undertaken to enhance service quality, reduce turnaround time and strengthen customer retention.



Strategically located in Port Klang, the new 3S Centre enhances after-sales capabilities and service to serve customers within Malaysia's vital logistics corridor.

The Truck Segment continued to differentiate itself through integrated solutions encompassing vehicle supply, financing support, parts availability and major repair centres. This comprehensive ecosystem approach aligns with the Group's broader business model of delivering end-to-end mobility solutions rather than standalone vehicle sales.

Bus Segment

The Malaysian bus sector recorded a notable increase in new bus registrations in FY2025, primarily driven by the continued expansion of public transportation infrastructure and the recovery of tourism-related activities. In tandem with industry growth, the Group's Bus Segment achieved satisfactory revenue expansion during the year.

Strong demand was observed particularly for double-decker buses, reflecting the revival of the express bus market and ongoing fleet renewal initiatives by local operators. Operators increasingly prioritised newer and technologically advanced models to enhance operational efficiency, passenger comfort and compliance with evolving safety standards.

Supported by favourable market demand and a robust order book, the Group's bus

MANAGEMENT DISCUSSION AND ANALYSIS

and truck assembly and manufacturing facilities operated at full capacity during the year. The Division's ability to sustain full utilisation underscores operational efficiency and healthy pipeline visibility.

The Bus Segment continued to leverage its assembly expertise and long-standing industry relationships to reinforce market confidence, particularly within public transportation and charter service sectors.

FY2026 Outlook

Truck and Bus Segment

The outlook for FY2026 remains positive, underpinned by Malaysia's resilient economic growth trajectory and sustained industrial activity. Demand is expected from key sectors including manufacturing, transportation and logistics, agriculture and waste management, all of which rely heavily on efficient commercial fleet operations.

In addition, the anticipated boost in economic and tourism activities in conjunction with Visit Malaysia 2026 is expected to stimulate transportation demand, indirectly supporting logistics and fleet replacement requirements. The Truck Segment will continue to focus on expanding its network footprint, enhancing after-sales capabilities and delivering smart, reliable and integrated solutions tailored to evolving customer needs.

The Group is also actively pursuing new growth opportunities through strategic partnerships domestically and within Southeast Asia, aimed at enhancing technological capabilities, expanding product offerings and strengthening regional presence.

AFTER-SALES SERVICES DIVISION

FY2025 Business Performance

In FY2025, the After-Sales Services Division operated within a competitive after-sales environment characterised by evolving customer preferences and increasing presence of independent workshops and multi-brand service providers. In addition, the gradual decline

in intakes presented challenges in sustaining service retention within the authorised network.

The After-Sales Services Division continued to strengthen its service offerings, operational efficiency and customer engagement initiatives to maintain its competitiveness within the authorised after-sales ecosystem.

The After-Sales Services Division remained focused on structural optimisation and operational discipline. During the year, a targeted workshop consolidation and network optimisation programme was implemented. This rationalisation formed part of a broader right-sizing initiative aimed at enhancing productivity, improving network efficiency and aligning fixed cost structures with prevailing business volumes.

The After-Sales Services Division accelerated its multi-brand strategy and expanded value-added services. Body and Paint ("B&P") activities were strengthened. The division also intensified fleet acquisition efforts to secure corporate, government and rental fleet customers, thereby stabilising recurring service demand.

FY2026 Outlook

Looking ahead to FY2026, the After-Sales Services Division remains focused on operational excellence, network optimisation and sustainable revenue diversification within Malaysia's increasingly competitive after-sales environment.

The After-Sales Services Division's strategy for FY2026 centres on strengthening its value proposition under the Group's "Brand Promise." Key initiatives include continued workshop consolidation to enhance efficiency, front-end system upgrades to improve customer experience, and refurbishment of selected facilities to maintain superior service standards. Digital process improvements and more efficient claims handling systems are expected to improve turnaround times and cost management.

ASSEMBLY & MANUFACTURING DIVISION

FY2025 Business Performance

The Assembly and Manufacturing Division operated in a more challenging environment. Softer demand for certain existing production models resulted in lower plant utilisation levels, exerting pressure on operating leverage and cost absorption. Competitive intensity in the passenger vehicle segment and rapid product proliferation by new entrants further contributed to shorter model life cycles and more volatile production planning.

In response, the Assembly and Manufacturing Division adopted a proactive diversification strategy aimed at stabilising plant utilisation and enhancing long-term manufacturing relevance. A key strategic development during the year was the execution of a Letter of Intent with Perodua to support its electric vehicle ("EV") programme. This collaboration underscores the Assembly and Manufacturing Division's industrial capability and reinforces its position within Malaysia's evolving automotive manufacturing ecosystem.

Simultaneously, the Assembly and Manufacturing Division broadened its assembly portfolio to include additional marques such as TQ Wuling, thereby reducing reliance on single-brand production cycles and enhancing portfolio diversification. Production of the all-new Nissan Serena e-POWER at the Serendah plant commenced in the last quarter of 2025, strengthening the electrified model line-up and reinforcing the Group's participation in hybrid technologies. In the same quarter, production of the TQ Wuling Bingo EV commenced, marking a significant step in expanding full battery electric vehicle assembly capability at the Segambut plant.

Operationally, the Assembly and Manufacturing Division implemented a series of optimisation initiatives to strengthen cost resilience and improve manufacturing efficiency. The Assembly and Manufacturing Division successfully maintained operational integrity, product quality standards and production readiness for upcoming programmes, positioning the division for recovery as new model pipelines gain traction.

MANAGEMENT DISCUSSION AND ANALYSIS

FY2026 Outlook

Looking ahead to FY2026, the Assembly and Manufacturing Division is expected to record improved plant utilisation supported by multiple strategic programmes. These include the commencement of Perodua EV production at the Serendah plant, continued local assembly of the TQ Wuling Bingo EV and the full-year sales rollout of the Nissan Serena e-POWER.

In addition, we will also have the opportunity to benefit from TQ Wuling new models particularly the EV models, further diversifying its electrified assembly portfolio. The continued strengthening of other brands in Malaysia is also anticipated to support higher assembly volumes and broaden the production mix.

Collectively, these initiatives position FY2026 as a year of operational recovery and portfolio expansion.

SPARE PARTS DIVISION

FY2025 Business Performance

In FY2025, Nissan Malaysia's Spare Parts Division ("SPD") delivered a steady operational performance despite persistent cost pressures and evolving competitive dynamics in the Malaysian automotive aftermarket sector. Operating from four regional depots supported by a central warehouse, SPD maintained nationwide distribution efficiency and ensured timely product availability to its core customers, including authorised service centres and stockists.

The year was characterised by rising import costs, currency volatility and competitive pricing pressure from parallel importers and non-genuine parts distributors. The Malaysian aftermarket remains highly competitive, with independent parts suppliers and digital marketplaces increasingly influencing purchasing behaviour, particularly among price-sensitive consumers and independent workshops.

Against this backdrop, SPD focused on safeguarding supply chain reliability and



The TQ Wuling Bingo EV, an addition to the Group's growing electric vehicle portfolio.

maintaining customer confidence in genuine Nissan parts. Genuine parts distribution remains strategically important to sustaining after-sales revenue, protecting brand equity and ensuring quality assurance standards across authorised service networks.

Operational discipline remained a key priority throughout the year. Inventory planning was closely aligned with vehicle parts trends, and procurement processes were continuously reviewed to mitigate cost volatility.

While market headwinds persisted, SPD maintained its competitive positioning by emphasising product authenticity, warranty assurance and dependable supply, differentiators that remain critical in a fragmented aftermarket environment.

FY2026 Outlook

Looking ahead to FY2026, the Malaysian spare parts market is expected to remain competitive, driven by increasing vehicle population, expanding multi-brand service chains and the continued presence of parallel import channels. SPD will continue enhancing supply chain efficiency through digitalisation initiatives, strengthened supplier management and data-driven demand forecasting to optimise inventory levels.

The division will also refine its support and service capabilities for stockists and service centres, ensuring consistent product availability and improved fulfilment speed. This focus on service excellence is expected to strengthen loyalty within the authorised network and defend market share against non-genuine alternatives.

AUTOMOTIVE SEGMENT – OVERSEAS

VIETNAM

Vietnam remains a strategically important growth market for the Group, supported by strong macroeconomic fundamentals, expanding middle-class consumption and progressive industrialisation. In 2025, Vietnam recorded GDP growth of 8.02%, with total industry volume (TIV) for passenger vehicles reaching approximately 529,000 units, representing a 20% increase year-on-year.

FY2025 Business Performance

GAC Passenger Vehicles

FY2025 marked a significant growth year for the sales of GAC vehicles in Vietnam. Wholesale volume increased substantially

MANAGEMENT DISCUSSION AND ANALYSIS



GAC GS8 elevating Vietnam's premium SUV segment.



King Long Nova Euro 5 maintains a steady presence in Vietnam.

compared FY2024, reflecting improved brand traction and network expansion.

Following the 2024 launch of the GS8 SUV, M8 flagship MPV and M6 Pro mid-size MPV, the focus was on strengthening market presence in 2025. The dealership network was expanded from 7 to 14 locations nationwide, including 3S, 2S and 1S centres, providing broader customer reach and improved after-sales support.

The GAC M8 gained meaningful traction in the premium MPV segment, supported by a targeted branding strategy that leveraged collaborations with local celebrities and key opinion leaders.

This approach strengthened brand perception among high-income urban customers and enhanced market visibility. Despite intense price competition driven by rapid expansion of other automotive brands in Vietnam, we maintained disciplined positioning and prioritised brand equity and service quality over aggressive discounting.

While margin pressures persisted across the industry due to competitive pricing campaigns, our performance demonstrated encouraging brand acceptance and laid a stronger foundation for sustainable growth.

TQ Wuling Light Trucks

The Business Unit delivered steady operational performance in FY2025

through its CKD assembly operations in Da Nang for the TQ Wuling N300P light truck.

This growth was driven by higher CKD units sold domestically and a strategic breakthrough of exports to Myanmar, marking the commencement of cross-border expansion for the TQ light truck business.

The increased domestic demand and export activity contributed to improved plant utilisation rates and operational efficiency.

Despite competitive pressures from other commercial vehicle entrants establishing local production facilities to reduce pricing barriers, we maintained steady growth by focusing on reliability, service support and disciplined cost management.

King Long Bus

We continued the distributorship and assembly operations for Xiamen King Long United Automotive Industry Co., Ltd. in Vietnam.

In 2025, the Business Unit focused primarily on the King Long Nova Euro 5 (8-metre, 29-seater) bus model. Although the 8-metre bus segment experienced overall contraction, Nova sales remained resilient, maintaining a stable 4.4% market share.

Vietnam's bus market in 2025 reflected a dual-track trend, sustained tourism-driven demand for intercity and charter buses

alongside a gradual policy-driven shift toward green mobility in major cities such as Ho Chi Minh City and Hanoi, which are targeting full transition to electric or clean-energy buses by 2030.

FY2026 Business Outlook

GAC Passenger Vehicles

Vietnam's automotive market is expected to remain competitive in 2026. The large-scale charging infrastructure rollout and policy support have accelerated EV adoption, reshaping consumer expectations.

Against this backdrop, we will implement a structured product roadmap in 2026. A new mainstream volume SUV model targeting high-demand segments is planned for launch, while electrification efforts will be accelerated through the introduction of plug-in hybrid (PHEV) models to address growing eco-conscious demand.

The premium line-up will also be refreshed with updated technology and model enhancements to maintain competitiveness. Dealer network expansion will continue, particularly in major urban centres, to improve accessibility and customer engagement.

MANAGEMENT DISCUSSION AND ANALYSIS

TQ Wuling Light Trucks

Vietnam's strong economic growth, industrial activity and expanding logistics sector are expected to support light commercial vehicle demand in 2026.

The Business Unit is preparing for the launch of an all-new CKD model in early 2026, targeting a new market segment and broadening its product portfolio. This initiative is expected to enhance domestic competitiveness and support further increases in plant utilisation.

King Long Bus

Vietnam's bus market is expected to benefit from continued tourism growth and fleet renewal cycles in 2026. At the same time, policy mandates for green mobility in major cities will gradually reshape procurement strategies.

MYANMAR

FY2025 Business Performance

FY2025 marked a year of operational resilience and strategic expansion for the Group's Myanmar operations, despite a fragile macroeconomic environment characterised by high inflation, constrained consumer demand and structural uncertainties. Both revenue and profit improved substantially compared to FY2024, reflecting improved production volume and stronger product mix.

The introduction of the TQ Wuling N300P was well received by the market and marked a significant milestone in diversifying the product portfolio beyond passenger sedans. Leveraging on its established dealer network, we strengthened our presence in Myanmar's light commercial vehicle segment, where demand remains relatively resilient due to logistics and small enterprise activities.

Operating conditions, however, remained challenging. Competition increased, particularly from new entrants and the introduction of new models by other players.

FY2026 Outlook

The Myanmar automotive industry is expected to remain cautiously stable in FY2026, supported by continued vehicle assembly initiatives and gradual adjustments within the broader economic framework. TIV is projected to remain stable with incremental growth driven by government-approved vehicle assembly programmes and controlled CBU EV imports.

While macroeconomic risks, including inflationary pressures and political developments, continue to present uncertainties, our diversified brand strategy, disciplined cost structure and strengthened dealer engagement are expected to support sustainable operations. Management remains focused on balancing volume growth with prudent inventory control and operational efficiency to safeguard profitability.

LAOS

FY2025 Business Performance

FY2025 represented a year of structural consolidation and financial recovery for the Group's Laos operations through improved margin discipline and cost rationalisation.

Total vehicle sales rose by 30%, driven primarily by strong demand for the Nissan Navara. The introduction of the new model, Nissan Magnite during the year broadened the product offering and strengthened brand presence in the compact SUV segment. Additionally, the all-new Nissan Patrol contributed positively, reinforcing a dual strategy of volume models complemented by high-margin flagship products.

Operationally, we undertook a strategic consolidation of its physical footprint for better sales productivity. Despite this rationalisation, after-sales intake remained resilient, supported by effective customer redirection and mobile service deployment initiatives. Improved cost control and operational streamlining contributed to the overall financial turnaround.

FY2026 Outlook

The Group will continue to sell its existing range of models while studying the introduction of EV models to align with evolving regulatory frameworks and market preferences. The current model line-up is expected to continue contributing to sales and brand visibility.

After-sales expansion into a broader multi-brand service centre model remains a strategic priority to diversify revenue streams and enhance recurring income stability. Capital allocation will remain disciplined, with continued focus on operational efficiency and margin preservation.

CAMBODIA

FY2025 Business Performance

The Cambodian automotive market in FY2025 experienced structural shifts as new competitors entered the market, intensifying price competition and reshaping consumer expectations. Geopolitical developments and temporary logistics disruptions further affected supply routes.

Despite lower after-sales intake, workshop revenue increased due to higher average repair order values, reflecting improved service mix and upselling effectiveness. Operational consolidation reduced overheads and improved structural efficiency.

FY2026 Outlook

The Group will continue to sell its existing range of models, particularly Navara and Terra models in rural segments, while studying the introduction of EV and other suitable models to remain competitive.

After-sales diversification into a multi-brand service centre model remains a key strategic initiative to stabilise recurring revenue.

Management remains focused on disciplined cost management, supply chain resilience and brand confidence reinforcement in a highly competitive environment dominated by other EV manufacturer entrants.

MANAGEMENT DISCUSSION AND ANALYSIS



The all-new Nissan Magnite was launched in Laos.

THAILAND

FY2025 Business Performance

Thailand continues to be one of ASEAN's most competitive automotive and automotive parts markets, supported by a mature manufacturing base and strong OEM presence. However, the same structural strengths also intensify competition, particularly within the aftermarket and replacement segments where numerous domestic manufacturers and international suppliers compete on pricing, turnaround time and product breadth. Throughout FY2025, this competitive landscape exerted pressure on sales momentum and margin expansion.

In response to the softer trading environment, management adopted a disciplined operating approach focused on cost containment, operational efficiency and working capital optimisation. The emphasis on operational flexibility allowed the business to adjust output levels prudently without compromising delivery reliability or product quality.

FY2026 Outlook

Looking ahead to FY2026, the Thailand operations have outlined a structured growth strategy anchored on export market expansion, product diversification and channel strengthening. With gradual

signs of demand recovery emerging in selected international markets and global sourcing diversification continuing to reshape supply chains, the Group plans to broaden its export footprint by onboarding new overseas customers and tailoring product offerings to meet specific regional requirements. Thailand's established manufacturing ecosystem, skilled workforce and logistics connectivity position the operations favourably to benefit from shifting sourcing strategies among international buyers.

On the domestic front, growth initiatives will be driven by new product development and collaborations with established wholesalers. This approach is designed to expand product breadth, strengthen distribution partnerships and enhance aftermarket penetration.

While competitive pressures are expected to persist in both export and domestic markets, management remains confident that continued emphasis on operational efficiency, disciplined cost management and customer-centric execution will support gradual performance improvement.

AFTER-SALES SERVICES - INDOCHINA

The Group's overseas after-sales operations in Cambodia and Myanmar form an integral component of its regional automotive value chain. Operating

through E-Garage and related entities, the business provides vehicle servicing, accident repair, diagnostics, warranty support and spare parts sales for Nissan and TQ vehicles, while progressively expanding into multi-brand servicing. These operations support the broader Tan Chong ecosystem by enhancing customer retention, protecting brand equity and generating recurring revenue streams.

FY2025 Business Performance

Cambodia

During the year, the business continued to broaden its service offering by strengthening its multi-brand servicing capability. This strategic shift supports the positioning of after-sales operations as a workshop capable of servicing a wider range of vehicles, including internal combustion, hybrid and emerging electric models.

Cambodia's automotive service market remains highly fragmented, with many small independent garages competing primarily on price. Nevertheless, the country's growing vehicle population and increasing consumer awareness of professional servicing standards continue to provide longer-term opportunities for organised and reputable service providers.

Operationally, management focused on branding initiatives, digital promotions, fleet retention and insurance panel penetration to sustain workshop activity. Although technician productivity remained moderate, the business preserved service capability and customer trust in a highly competitive market.

Myanmar

In Myanmar, the after-sales and new vehicle operations demonstrated resilience despite macroeconomic headwinds and political uncertainty. Service demand remained relatively stable and increasing reliance on maintenance rather than replacement.

The after-sales operations leveraged its authorised Nissan service centre status to strengthen brand credibility, while expanding service capability for TQ

MANAGEMENT DISCUSSION AND ANALYSIS

commercial trucks introduced in late 2025. The TQ truck segment presents meaningful long-term service and parts opportunities, particularly among fleet operators seeking reliable maintenance partners.

FY2026 Outlook

The after-sales operations is positioned to capitalise on opportunities for professional multi-brand service providers by strengthening its identity as a trusted multi-brand, EV-capable workshop backed by the Group's regional reputation.

The business will focus on quality assurance, transparent pricing and warranty-backed servicing to strengthen competitive differentiation.

The after-sales operations intends to strengthen its positioning as the preferred authorised service centre for Nissan vehicles and TQ commercial trucks. Dedicated service capacity for fleet and commercial customers is expected to enhance recurring revenue and parts sales.

While structural risks such as inflation and currency volatility remain, management remains cautiously optimistic that disciplined execution, brand authorisation advantages and multi-brand servicing capability will support improved operational performance in FY2026.

FINANCIAL SERVICES DIVISION

HIRE PURCHASE DIVISION

FY2025 Business Performance

FY2025 was a challenging year for the Hire Purchase Division, operating against a macroeconomic environment characterised by rising living costs, persistent inflationary pressures and cautious consumer sentiment. These factors placed strain on household repayment capacity and resulted in a noticeable uptick in delinquency trends across certain customer segments.

In response to emerging credit pressures, the Division adopted a prudent and conservative stance, prioritising asset

quality over aggressive loan expansion. Higher impairment provisions were recognised during the financial year to reflect elevated credit risks and softening repayment patterns. As a result, the Division recorded a loss before tax for FY2025, primarily attributable to the increased provisioning for hire purchase receivables.

Management intensified collection and recovery efforts during the year, strengthening monitoring mechanisms and enhancing credit assessment standards.

While loan disbursement growth was moderated in line with the conservative strategy, the Division remained aligned with the Group's automotive operations by supporting selected vehicle financing programmes, particularly within the Nissan and multi-brand portfolio.

The Malaysian hire purchase financing landscape remains highly competitive. In addition, regulatory developments such as enhanced consumer credit oversight requirements have increased compliance expectations and operational complexity.

Outlook for FY2026

Moving into FY2026, the Hire Purchase Division will maintain a cautious and quality-driven approach. While macroeconomic conditions are expected to stabilise gradually, consumer affordability and repayment behaviour will continue to be closely monitored.

The Division's priorities for FY2026 include strengthening credit fundamentals, enhancing risk analytics and improving recovery effectiveness. Greater emphasis will be placed on operational efficiency through system enhancements and digital process improvements to shorten turnaround time and improve customer experience.

As the Group introduces new models, including electrified and multi-brand offerings, selective financing support will continue to complement automotive sales while ensuring disciplined portfolio expansion. The Division remains focused on restoring profitability through improved asset quality, controlled cost management and prudent capital allocation.

INSURANCE DIVISION

FY2025 Business Performance

The Insurance Division operated in a competitive and increasingly digitalised insurance landscape during FY2025. The Malaysian insurance market was shaped by tighter regulatory oversight, intensified price competition and growing commoditisation, particularly within the motor insurance segment.

Motor insurance remained the primary customer touchpoint for the Division, closely integrated with the Group's vehicle sales and after-sales ecosystem. However, widening premium pricing gaps among insurers exerted margin pressure, affecting profitability. Rising expectations in claims handling standards, increasing complexity of EV risk advisory and demand for Special Perils extensions further elevated operational requirements.

Outlook for FY2026

In FY2026, the Insurance Division will focus on strengthening lead generation, improving sales execution and enhancing product relevance within the Group's expanding multi-brand portfolio.

Key initiatives include the launch of NISCARE 2.0, offering streamlined benefits and enhanced features such as unlimited towing and bundled medical allowances, as well as TC Warranty Guard, an expanded warranty programme designed to address broader market demand. These initiatives are expected to enhance value proposition and improve customer retention.

The introduction of new vehicle brands and models across the Group, including electrified offerings, presents meaningful opportunities for embedded and cross-selling insurance solutions. Motor insurance will continue to serve as a strategic platform for customer engagement, supported by digitalisation initiatives and data-driven insights to improve customer targeting and retention.

Through tighter cost management, enhanced operational efficiency and stronger integration with the Group's automotive ecosystem, the Insurance

MANAGEMENT DISCUSSION AND ANALYSIS

Division aims to achieve more consistent performance and sustainable growth in FY2026.

OPERATIONAL EXCELLENCE AND COST DISCIPLINE THROUGH CAPITAL AND RISK MANAGEMENT

Throughout FY2025, the Group continued to prioritise operational excellence initiatives to strengthen its structural competitiveness amid a more normalised and competitive automotive landscape. Efforts were focused on enhancing efficiency, improving responsiveness and reinforcing cost discipline across all operating units. This included inventory rationalisation, improved supply chain coordination, strengthened receivables management, streamlining of overheads and accelerated digitalisation to enhance productivity and operational transparency. These initiatives collectively improved working capital management and enabled the Group to respond more effectively to changing market conditions.

The Group maintained prudent capital management practices during the year, with disciplined oversight of liquidity and balance sheet strength. Capital expenditure remained measured and strategically focused on showroom upgrades, network enhancements and investments to support future product and technology readiness. Working capital metrics were closely monitored to ensure financial stability, while liquidity levels remained adequate to support operational needs and ongoing strategic initiatives. The Group's balance sheet continues to provide resilience against industry cyclical and flexibility to pursue growth opportunities.

The Group's risk management framework remained robust and responsive to evolving industry conditions. Key risks monitored during the year included industry volume volatility, competitive pricing pressures, foreign exchange movements, supply chain disruptions and regulatory developments. Mitigation measures centred on cost discipline, prudent financial management, continued portfolio diversification and close engagement with principals and suppliers. The Board remains vigilant in overseeing

emerging risks and ensuring that appropriate governance and internal controls are in place to safeguard long-term shareholder value.

SUSTAINABILITY AND ESG CONSIDERATIONS

The Group recognises the increasing importance of sustainability considerations within the automotive industry and the broader business environment. The introduction and expansion of EV models reflect the Group's net zero strategy in alignment with Malaysia's decarbonisation objectives and its commitment to supporting the transition toward lower-emission mobility solutions.

Operational sustainability initiatives continue to focus on improving energy efficiency enhancing waste management practices and strengthening governance standards across operations. The Group remains committed to ethical business conduct, responsible supply chain management and adherence to regulatory and governance best practices.

Through these initiatives, the Group aims to balance economic performance with environmental responsibility and long-term stakeholder value creation.

MOVING FORWARD

The Board adopts a cautious outlook for FY2026. In Malaysia, TIV is expected to stabilise at sustainable levels following prior record highs. The launch of the all-new Nissan Serena e-POWER in the first quarter of 2026, together with other model refreshes, are expected to strengthen the Group's competitive positioning within key segments. The continued expansion of the electrified vehicle line-up supports the Group's broader transition toward future mobility solutions.

The TQ Wuling brand is expected to gain further traction with the introduction of new models, alongside improving EV awareness and continued development of charging infrastructure. Ongoing expansion of the multi-brand strategy is anticipated to enhance revenue diversification and margin resilience.

Regionally, Vietnam and neighbouring markets continue to offer structural growth potential supported by favourable demographics and industrial expansion. The Group will maintain a disciplined approach to capital allocation while strengthening its regional footprint and operational efficiency.

Management remains focused on accelerating multi-brand development, expanding EV participation, enhancing dealer performance, strengthening cost efficiency, improving balance sheet resilience and unlocking value from property assets where appropriate.

CONCLUSION

FY2025 was a year characterised by strategic repositioning and disciplined execution. Although operating conditions were more competitive, the Group strengthened its structural foundations through diversification initiatives, cost optimisation and forward-looking investments in electrification and manufacturing capabilities.

With an expanded brand portfolio, entry into the EV segment, upcoming Nissan model launches and strengthened regional focus, the Group enters FY2026 with improved structural positioning and clearer strategic direction. The Board and Management remain steadfast in their commitment to delivering sustainable long-term value to shareholders while navigating the evolving automotive landscape with prudence, resilience and disciplined execution.