

**TAN CHONG MOTOR HOLDINGS BERHAD**

Registration no. 197201001333 (12969-P)

**ANNOUNCEMENT ON MATERIAL LITIGATION**

**WRIT OF SUMMONS AND STATEMENT OF CLAIM BY TAN CHONG INDUSTRIAL EQUIPMENT SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY  
(KUALA LUMPUR HIGH COURT CIVIL SUIT NO.: WA-22NCC-718-10/2025)**

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Pursuant to Paragraph 9.04(f) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Tan Chong Motor Holdings Berhad (“TCMH” or “the Company”) wishes to announce that Tan Chong Industrial Equipment Sdn. Bhd. (“TCIE” or “the Plaintiff”), a wholly-owned subsidiary of the Company, had on 24 October 2025, via its solicitors, filed a Writ of Summons and Statement of Claim in the High Court of Malaya at Kuala Lumpur against Transnasional Express Sdn. Bhd., Plusliner Sdn. Bhd., Syarikat Kendaraan Melayu Kelantan Berhad, Syarikat Rembau Tampin Sdn. Bhd., Kendaraan Langkasuka Sdn. Bhd. and Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (collectively, “the Defendants” or “Debtors”) for the recovery of outstanding debt which is due and owing by the Defendants.

**Background Information**

On 4 July 2016, TCIE entered into a settlement agreement (“Settlement Agreement”) with the Defendants and MHSB Properties Sdn. Bhd. (“MHSB”) for the settlement of the aggregate outstanding vehicle rental payments and vehicle maintenance service charges of RM32,920,575.06 (“Debt”) under the terms therein, including among others:

- (i) the Debtors (a) irrevocably and unconditionally acknowledged that the Debt is due and owing by Transnasional Express Sdn. Bhd., Plusliner Sdn. Bhd., Syarikat Kendaraan Melayu Kelantan Berhad, Syarikat Rembau Tampin Sdn. Bhd. and Kendaraan Langkasuka Sdn. Bhd. to TCIE; and (b) are jointly and severally liable towards TCIE for the full settlement of the Debt or Balance Debt (defined under (iii) below) together with late charges;
- (ii) a piece of land held under H.S.(D) 87546, PT No. 7929, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor (“Land”) shall be transferred from MHSB to the Plaintiff at an agreed price of RM16,000,000.00 as part of the settlement of the Debt; and
- (iii) repayment of the balance Debt of RM16,920,575.06 was to be made in cash to the Plaintiff by way of 8 monthly installments by the Debtors (“Balance Debt”).

Save for the payment of first installment in July 2016, the Debtors failed to make prompt and full payment of the remaining 7 monthly installments totaling RM14,920,575.06 (“Overdue Installments”) to TCIE. Consequently, on 16 June 2017, TCIE terminated the Settlement Agreement with the Debtors and on 7 August 2017, TCIE issued letters to the Debtors to inform of the repossession of the vehicles leased to some of the Debtors (“Repossessed Vehicles”) and that TCIE would proceed to dispose of the vehicles unless the full outstanding sum as at 7 August 2017 was paid to TCIE by 14 August 2017.

On 11 August 2017, the Debtors and MHSB filed a suit under the Kuala Lumpur High Court Civil Suit No.: WA-22NCvC-404-08/2017 against TCIE (“Suit 404”) seeking for, among others:

- (i) an injunction to prevent TCIE from repossessing and disposing of its vehicles;
- (ii) an injunction to prevent TCIE from taking legal proceedings to enforce the Settlement Agreement;
- (iii) an injunction to prevent TCIE from dealing with the Land;
- (iv) a declaration that the value of the Land was RM55,600,000.00 which resulted in overpayment in the sum of RM22,679,424.94;

- (v) an order that TCIE shall return all the vehicles repossessed by TCIE (“Repossessed Vehicles”) to the Debtors and MHSB;
- (vi) costs.

On 15 August 2021, the High Court allowed the claim filed by the Debtors and MHSB. On 16 November 2023, the Court of Appeal reversed the decision of the High Court and dismissed Suit 404, and the decision of the Court of Appeal was upheld by the Federal Court on 27 February 2025 (“Federal Court Decision”).

In view of the Federal Court Decision, and following the Debtors’ failure to comply with the earlier notices of demand, TCIE sold the Repossessed Vehicles at the total sale price of RM2,100,000.00 on 7 July 2025.

On 19 September 2025, TCIE had, vide its solicitors, issued a Letter of Demand (“LOD”) to the Debtors, to demand payment of RM26,154,635.21 together with late payment interest on the Overdue Installments at the rate of 0.75% per calendar month calculated on daily basis from 1 April 2025 to the date of full payment, be made to TCIE within 14 days from the date of the LOD, failing which, TCIE shall commence legal proceedings against the Debtors.

#### **Particulars of the Claim under the Writ of Summons and Statement of Claim**

On 24 October 2025, TCIE had, vide its solicitors, filed the Writ of Summons and Statement of Claim in the High Court of Malaya at Kuala Lumpur against the Debtors claiming for the following:

- (i) the sum of RM26,154,635.21 as at 31 March 2025;
- (ii) late payment interest on the overdue installments of RM14,920,575.06 at the rate of 0.75% per calendar month calculated on daily basis from 1 April 2025 to the date of full payment;
- (iii) costs; and
- (iv) such further and/or other relief as the High Court of Malaya at Kuala Lumpur deems fit.

#### **Financial and Operational Impact on the Company**

TCIE’s solicitors are of the opinion that TCIE has valid grounds and basis for the recovery of the Debt.

The litigation is not expected to have any material financial and operational impact to the Group for the financial year ending 31 December 2025.

Further announcement(s) on any material developments in respect of the above matter will be made to Bursa Malaysia Securities Berhad in due course.

This announcement is dated 24 October 2025.