



**TAN CHONG  
MOTOR HOLDINGS  
BERHAD** (INCORPORATED IN MALAYSIA)  
(12969-P)

**陳唱摩多機構有限公司**

Dear Valued Shareholders of **TAN CHONG MOTOR HOLDINGS BERHAD** (“Company”),

**ERRATA TO THE ANNUAL REPORT 2025 (“Errata”)**

We refer to the Company’s Annual Report 2025, which was issued to shareholders and submitted to Bursa Malaysia Securities Berhad on 30 April 2026 (Reference No. DCS-22042026-00091).

Kindly be informed that amendments have been made to the Annual Report 2025. The details of the amendments are as follows:

Page	Section	Amendments
105	5 - Governance	This page is to be replaced by Appendix I following an omission caused by a technical issue during file compression.
243 - 244	Disclosure of Financial Data for Shariah Screening	These two pages are to be inserted as per Appendix II due to an omission caused by a technical issue during file compression.

Pages 105, 243 and 244 of the Annual Report 2025 shall be amended accordingly pursuant to this Errata. The relevant amended pages, with the amendments highlighted in yellow, are enclosed herewith for your reference.

Save for the abovementioned amendments, all other information contained in the Annual Report 2025 remains unchanged.

We appreciate your continued support and understanding.

Thank you.

Yours faithfully,  
For and on behalf of **TAN CHONG MOTOR HOLDINGS BERHAD**

**HO WAI MING**  
Group Chief Executive Officer

4 May 2026

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL AUDIT FUNCTION

The Group has in place an in-house internal audit department, which provides the Board, through the Audit Committee, with independent assurance on the adequacy and operating effectiveness of the Group's system of risk management and internal control.

GIA department, which is independent of the activities it audits, reports directly to the Audit Committee. Periodic testing of the effectiveness and efficiency of the internal control procedures and processes, risk management, and corporate governance are conducted by GIA to ensure that the systems are viable and robust.

The internal audit function adopts a risk-based approach that focuses on major business units and functions in the Group for the purpose of identifying areas to be audited on a prioritised basis, vis-à-vis the business risks inherent in the business units concerned. The Group's Internal Audit Plan is tabled annually and approved by the Audit Committee before the internal audit activities commence. Action plans are taken by the Management to address the audit findings and concerns raised in the internal audit reports. GIA also follows through on the status of the Management's action plans on the internal audit findings.

The internal audit function and practices are assessed by both the internal and external assessors on a periodical basis according to the International Professional Practices Framework ("IPPF") for internal auditing. The internal audit function has its own Quality Assurance and Improvement Programme ("QAIP") and had undergone and successfully passed the Quality Assurance Review ("QAR") in 2019 undertaken by an accredited and independent external assessor with the results of the QAR tabled to the Audit Committee. The IPPF is the conceptual framework that organises authoritative guidance promulgated by The Institute of Internal Auditors, USA.

On a quarterly basis, internal audit reports are presented and tabled at the Audit Committee meetings. Details of actual work carried out by GIA, together with its scope of coverage, for the financial year under review are set out in the Audit Committee Report included in this annual report.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2025 amounted to approximately RM1.28 million (2024: approximately RM1.34 million).

## WEAKNESSES IN INTERNAL CONTROLS THAT RESULTED IN MATERIAL LOSSES

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 December 2025 as a result of weaknesses in internal controls that would require disclosure in the annual report. Nonetheless, the Board continues to take measures to strengthen the risk management processes and internal control environment of the Group.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Company's Annual Report for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures as set out in Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025"), or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board of Directors and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

## CONCLUSION

The Group's system of risk management and internal control does not apply to joint ventures and associate companies, which the Group does not have full management control. The Board is of the view that the system of risk management and internal control is adequate and has operated effectively in all material aspects to safeguard the interests of shareholders and the Group's assets.

This Statement is dated 29 April 2026.

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

### (A) Group Total Income and Total Assets

	Group	
	2025 RM'000	2024 RM'000
<b>Total Income</b>		
Revenue	2,114,459	2,082,655
Other income	93,715	56,318
Finance income	11,350	16,694
Share of result of associates	(1,840)	(2,433)
Share of result of joint ventures	509	406
<b>Total</b>	<b>2,218,193</b>	<b>2,153,640</b>
<b>Total Assets</b>	<b>4,842,628</b>	<b>5,092,612</b>

### (B) Business Activities

	Group	
	2025 RM'000	2024 RM'000
<b>Shariah Non-Compliant Activities</b>		
Conventional banking & finance and related services	48,327	55,708
Insurance income	11,436	14,997
Interest income	11,171	16,404
<b>Total</b>	<b>70,934</b>	<b>87,109</b>

### (C) Component of Financial Position

#### (i) Cash Component

	Group	
	2025 RM'000	2024 RM'000
<b>Islamic Account/Instruments</b>		
Cash at bank (exclude cash in hand)	1,058	15,502
Unit trust funds	7	289
<b>Total</b>	<b>1,065</b>	<b>15,791</b>
<b>Conventional Account/Instruments</b>		
Cash at bank (exclude cash in hand)	204,811	193,781
Deposits with licensed bank	76,994	162,736
Unit trust funds	2,605	203,941
<b>Total</b>	<b>284,410</b>	<b>560,458</b>

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

### (C) Component of Financial Position (continued)

#### (ii) Debt Component

	Group	
	2025 RM'000	2024 RM'000
<b>Islamic Financing</b>		
Current		
Islamic medium-term notes	150,000	200,000
Banker's acceptances	-	95,000
Non-Current		
Islamic medium-term notes	159,890	309,827
<b>Total</b>	<b>309,890</b>	<b>604,827</b>
<b>Conventional Borrowing</b>		
Current		
Banker's acceptances	184,995	215,238
Revolving credit and loans	705,000	840,000
Term loans	32,737	56,179
<b>Total</b>	<b>922,732</b>	<b>1,111,417</b>