TAN CHONG MOTOR HOLDINGS BERHAD

Registration No.: 197201001333 (12969-P)

DRIVING RESILIENCE

ANNUAL REPORT 2024

53rd ANNUAL GENERAL MEETING

DATE :
Friday, 30 May 2025

TIME :
10.30 a.m.

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

OUR CORE VALUES

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.

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.

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.

24/7 MINDSET
Always Online

Prioritising the Company's interests.

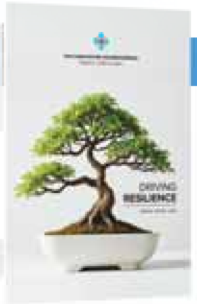
PERSEVERANCE
Never Give Up

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

DILIGENCE
Stay Focused

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

INSIDE THIS REPORT



COVER RATIONALE

DRIVING RESILIENCE

The cover of this annual report features a flourishing bonsai tree — a symbol of resilience, perseverance and mastery over challenges. Like the bonsai, Tan Chong Motor Holdings Berhad has weathered challenges, adapted to change and grown stronger over time. Its strong and enduring trunk, shaped by time and challenge, reflects our ability to navigate obstacles, while the carefully pruned branches and lush foliage represent our strategic vision, innovation and purposeful expansion.

Much like the craftsmanship behind shaping a bonsai into a masterpiece, our journey has been defined by dedication, adaptability and an unwavering pursuit of excellence. Rooted in strong values yet constantly evolving, we continue to transform challenges into opportunities to achieve long-term sustainability and success. This annual report reflects our story, one of strength, endurance and timeless value.

As part of our sustainability initiatives, please scan the QR code to download the digital copy of Annual Report 2024.

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

- 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, 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 Systems) 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

THE STORY OF TAN CHONG

- 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

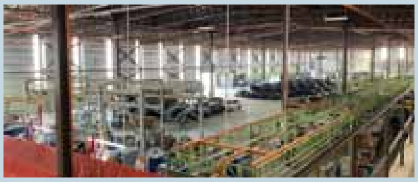
- The Group celebrated its 60th Anniversary
- Assembly plant in Yangon, Myanmar commenced operations

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

2019

- The new full-fledged assembly plant in Bago, Myanmar began its operations after the relocation of 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

- GoInsuran.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 at Serendah Lake in Malaysia commenced operations

- 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

ABOUT TAN CHONG MOTOR **HOLDINGS BERHAD**

Tan Chong Motor Holdings Berhad ("TCMH" or "Group") has a rich heritage spanning over 68 years, tracing its roots to the visionary founder, the late Tan Sri Tan Yuet Foh. His aspiration was to establish an automotive empire 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.

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 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.

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") and its subsidiaries ("Group") for the financial year ended 31 December 2024 ("FYE2024").

Amid the extended economic and geopolitical uncertainties, the automotive industry saw a significant shift in 2024, marked by the rise of electric vehicles ("EVs"). The automotive sector experienced a very competitive business landscape with many new market entrants. Despite these challenges, TCMH navigated these obstacles, demonstrating resilience in managing our operations through strategic cost optimisation and cash conservation efforts. TCMH remains committed to delivering sustainable growth.

In 2024, we continued to focus on strengthening our core operations, the automotive division, enhancing efficiency, refreshing the product line-up and improving customer experience while ensuring compliance with the industry standards. Our dedicated Management and employees have worked tirelessly to ensure operational excellence and deliver exceptional services to our customers. This resulted in the launch of innovative models for both passenger and commercial vehicles in Malaysia and Indo-China. We have also expanded the outreach points to bring our products and services closer to our customers.

FINANCIAL PERFORMANCE

Despite a more challenging operating environment, TCMH manoeuvred through these challenges and continued laying a strong foundation for sustainable future growth.

In 2024, TCMH reported a total revenue of RM2,082.7 million, representing a 17.8% decrease compared to FYE2023, and a Loss Before Tax of RM214.3 million, reflecting a 77.0% decline from FYE2023.

The decrease in revenue was due to stiffer competition. The key drivers influencing the profitability of the Group were the increase in operating costs and volatility in the foreign exchange rates, which impacted the Group's bottom line.

TCMH maintained a healthy balance sheet with total equity of RM2,515.7 million, a net gearing ratio of 45.3% and cash and cash equivalents amounting to RM545.5 million as of year-ended 2024.

Dividend Declaration

For FYE2024, an interim dividend of 1.0 sen per ordinary share, amounting to approximately RM6.5 million, was declared on 24 May 2024 and paid on 28 June 2024 (FYE2023: interim single tier dividend of 1.0 sen per ordinary share).

The Board is not recommending any final dividend for FYE2024 (FYE2023: none). However, it will continue to assess the financial performance of the Group in the new financial year and will endeavour to reward the shareholders at the appropriate juncture.

OVERVIEW OF MARKET LANDSCAPE

Industry Overview

In Malaysia, electrification of mobility continued to gain traction in 2024 with the introduction of numerous new EV models from both local and international carmakers. Tax incentives and the expansion of the EV charging infrastructure network further bolstered this transition to EVs. The Group accelerated the introduction of vehicle line-up with more innovative technological features to stay competitive.

The Indo-China automotive industry faced mixed performance in 2024, with challenges and opportunities varying across key regional markets. The region likewise saw a notable increase in the adoption of EVs, driven by government incentives and infrastructure investments. These varying regulatory frameworks in different countries in this region created complexities for the industry players, including TCMH, which operates across multiple markets, as navigating these regulations requires significant resources and adaptation.

BUSINESS PERFORMANCE REVIEW

Overview of Malaysia's Business Performance

In 2024, the Group's passenger vehicle division in Malaysia experienced a highly competitive landscape shaped by several key challenges, as mentioned above.

TCMH unveiled the Nissan Kicks e-POWER, marking the debut of this electrified compact SUV and the first of many e-POWER models for Malaysia.

REPORT OF THE BOARD OF DIRECTORS

We have launched the Nissan Kicks e-POWER in Malaysia in response to the demand for energy efficient vehicles. The acceptance of the new e-POWER technology bodes well for the introduction of other Nissan e-POWER models in the near future. The Group also marked an important milestone with the export of the Nissan Serena (MPV) in collaboration with Nissan Motor Co Ltd. Looking ahead, selected sales and service centres are set to undergo enhancements, further elevating customer experience and reinforcing the Group's commitment to providing excellent customer service.

The Group's first floating Large-Scale Solar Photovoltaic ("LSSPV") plant in Serendah Lake, Selangor, has successfully completed its first full year of operation since January 2024. In 2024, it generated 40,907,246 kWh of green energy for the Malaysian National Grid via Tenaga Nasional Berhad, offsetting 23,931 tonnes of CO_2e from the atmosphere. This venture aligns with the Group's strategic goals, providing stable recurring income with minimal risk. With strong government support for renewable energy, the Group is actively exploring further opportunities in this sector.

The Group's financial service division remained competitive in Malaysia. In 2024, we focused on driving product sales through the GoInsuran.com digital platform, catering to a tech-savvy and mobile-centric market. This division also leveraged on business partnerships, targeted customer education workshops and enhanced process automation to drive sales. On the side, the division provides guidance and support to customers in shifting from a traditional insurance approach to a flexible and robust digital platform, aligning with the preferences of the market.

The market demand for TQ Wuling N300P light truck has seen gradual growth upon the official launch in November 2023.

In a landmark move, TCMH commenced the export of locally assembled Nissan Serena S-Hybrid vehicles to Thailand in December 2024.

Overview of Indo-China's Business Performance

Overall, Indo-China's economies for 2024 exhibited varied performances, reflecting both resilience and challenges across the region. For our business operations in Indo-China, we remained agile as we navigated each country's unique challenges and opportunities.

Vietnam remained a key market for TCMH for 2024, characterised by its rapid urbanisation, a growing middle-class workforce and increasing consumer interest in private vehicle ownership. Our automotive division in Vietnam had an eventful 2024. It began with the signing of the exclusive distributorship for GAC MOTOR vehicles, which witnessed the introduction of its luxury range of passenger vehicles in the market. The commercial vehicle division remained robust, supported by the launch of the eco-friendly King Long Nova Euro 5 bus and TQ Wuling N300P Euro 5 light truck. The introduction of these cleaner energy vehicles will pave the way for new vehicle models to be introduced under the TQ brand of vehicles. This sustained demand will keep our Da Nang assembly plant operations active.

In May 2024, King Long Nova Euro 5 bus was officially launched in Vietnam.

Laos continued to face economic challenges, leading to softer consumer spending. In 2024, following the launch of Nissan X-Trail e-POWER, we intensified our market strategy to sustain interest in the Nissan brand through new model introductions, roadshows and competitive pricing to attract customers.

TCMH remained steadfast despite the volatile economic conditions in Cambodia. To drive sales during this period, in 2024, we launched the all-new fourth generation Nissan X-Trail e-POWER, a refreshed Nissan Navara with a completely redesigned interior, and executed active social media engagements, aggressive roadshows and sales campaigns.

Our vehicle assembly plant in Myanmar continues to produce Nissan vehicles for sales in the local market. Demand for Nissan vehicles remained sustained as the Group provided ongoing sales and service support to our customers in Myanmar.

REPORT OF THE BOARD OF DIRECTORS

The launch of Nissan X-Trail with the advanced e-POWER technology in Laos.

COMMIT TO A SUSTAINABLE FUTURE

In 2024, Malaysia's sustainability landscape was dynamic, driven by various initiatives and collaborations to advance the nation's Environmental, Social and Governance agenda. In support of these efforts, TCMH's floating LSSPV initiative and sales of green energy vehicles contribute to Malaysia's sustainability goals by promoting clean energy and green mobility. Together, these initiatives reinforce the National Energy Transition Roadmap and Malaysia's commitment to achieving carbon neutrality by 2050.

Now in the third year of our 5-Year Sustainability Framework, "Driving Resilience", TCMH is on track with our sustainability performance. We have successfully achieved the targets set for the Group's prioritised material matters and reinforced our commitment to sustainable growth.

Detailed information on our sustainability initiatives can be found in the Sustainability Statement of this report.

The floating LSSPV plant at Serendah Lake supports Malaysia's national sustainability goals.

PROSPECTS AND STRATEGIC DIRECTIONS

Given the current evolving market dynamics, we have developed a comprehensive strategy built on innovation, operational efficiency and customer satisfaction to ensure long-term sustainability. A key pillar of this strategy is the follow-through of our newly launched e-POWER range of vehicles, which is well-received in the markets. This energy-efficient vehicle technology is gaining traction in both the Malaysian and Indo-China markets. The Group will continue to work closely with the respective brand owners and principals to introduce exciting new products and vehicles to stay competitive in our markets.

Improving operational efficiency remains a top priority for the Group. We streamline processes at all our plants to lower production costs while maintaining high-quality standards. As we continue to optimise our supply chain to ensure timely deliveries and cost-effectiveness, we utilise digital tools to enhance inventory management and dealership operations to increase overall efficiency.

Expanding our market presence is another critical focus area. Strengthening our network, particularly in underserved regions, will improve accessibility and brand visibility. In addition, we are enhancing digital engagement platforms to create seamless customer experiences across both online and offline channels.

Following suit is our emphasis on human resource development. Investing in talent and innovation is essential to our long-term success. We have fostered a learning culture that encourages continuous employee improvement and innovation. Targeted training programmes have been introduced to upskill our workforce, ensuring alignment with the Group's strategic objectives and enhancing our ability to navigate future challenges and industry trends.

With these initiatives in place, we are confident that TCMH will successfully navigate current challenges and capitalise on new opportunities in the evolving automotive landscape. Our unwavering commitment to innovation, operational excellence and customer satisfaction will continue to be the foundation of our growth and success.

ACKNOWLEDGEMENT

On behalf of the Board, we extend our deepest gratitude to our valued principals, customers, business partners, financiers and regulatory authorities for their continued trust and support. We also express our sincere appreciation to our shareholders, who have continuously supported the Group over the years as we strive to strengthen our business operations and generate sustainable returns for your investment in the Group.

I extend my gratitude to my fellow Board members for their active engagement and invaluable contributions. Through our collective leadership, I am confident that we will continue to build a long-term, sustainable business within our value chain, driving economic growth in the countries where we operate.

The Board would like to thank TCMH's Management and employees for their unwavering dedication to navigating these challenging times.

We look forward to your continued commitment and resilience as we pave the way for new growth opportunities for the Group.

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

18 April 2025

MANAGEMENT DISCUSSION **AND ANALYSIS**

OVERVIEW

Last year, Malaysia's economy saw sustained growth driven by robust domestic consumption with moderate inflation.

The automotive sector recorded a Total Industry Volume ("TIV") of 816,747 units for 2024, a 2.1% increase from 799,821 units in 2023. This was attributed to the resilient domestic economy, stable socio-political environment and a low unemployment rate of 3.2%. Although the automotive market is dominated by vehicles powered by internal combustion engines ("ICE"), battery electric vehicles ("BEV") continued to see buying interest primarily driven by tax incentives. Public discourse on fuel subsidy rationalisation has created greater awareness about ownership costs. Consumers are more open to considering vehicles with innovative technology and that are more energy efficient.

On the other hand, commercial vehicle sales dropped, recording only 69,567 units, a 13.8% decline compared to the previous year. The drop in commercial vehicle sales was largely attributed to the implementation of the targeted diesel subsidy in June 2024, which significantly reduced demand for diesel engine vehicles.

The Group's domestic sales recorded a 27.0% decline due to shifting automotive landscape, intensifying competition with attractively priced models which increased pressure on local manufacturers.

The Group remains positive on the long-term prospects of our businesses, given that we have built strong fundamentals to stay competitive and are well-positioned to capitalise on growth opportunities. The Group's unwavering focus on innovative products, improving business performance through operational efficiency and strong cost and cash flow management are expected to place the Group in a better position to deliver long-term operational and financial sustainability.

Nissan Kicks e-POWER was officially launched at Kuala Lumpur International Mobility Show in December 2024.

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

The Group recorded a revenue of RM2,082.7 million in FYE2024 compared to RM2,532.7 million in FYE2023. Consequently, Loss Before Interest, Taxation, Depreciation and Amortisation ("LBITDA") stood at RM7.3 million in FYE2024, compared to Earnings Before Interest, Taxation, Depreciation and Amortisation of RM86.7 million in FYE2023. This led to a Loss Before Tax ("LBT") of RM214.3 million compared to a LBT of RM121.1 million in FYE2023. Excluding the foreign exchange loss, the Group recorded an underlying LBT of RM185.1 million in FYE2024 compared to an underlying LBT of RM140.1 million in FYE2023.

The Group's Net Assets declined to RM2,511.2 million in FYE2024, with a Net Assets per share value of RM3.85 compared to RM4.20 in FYE2023.

The Group's cash and cash equivalents increased to RM545.5 million in FYE2024 (FYE2023: RM511.6 million) and the net debt position of RM1,245.4 million (FYE2023: RM1,102.7 million), with a net gearing ratio of 49.6% as at 31 December 2024 (FYE2023: 40.2%).

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 rose to RM842.1 million in FYE2024 (FYE2023: RM822.1 million) to ensure sufficient stocks to meet forecasted sales demand in 2025.

TCMH unveiled a completely new line-up of Nissan vehicles in 2024/2025:

Nissan X-Trail e-POWER in Laos and Cambodia

Nissan Terra Sport in Laos

Nissan Kicks e-POWER in Malaysia

STRATEGIC INITIATIVES

The Group's aim of building a long-term sustainable business will continue to be the top priority. The key strategic initiatives of the Group in 2024 were:

STRATEGIC INITIATIVES

Enhanced Competitiveness in the Domestic Market

The Group continued to strengthen its competitive position in the Malaysian automotive market by enhancing value-added services and customer engagement. Key initiatives included the introduction of innovative vehicle models such as Nissan Kicks e-POWER, enhanced brand presence through intense marketing campaigns, optimised cost structures and expansion of dealership and service networks nationwide. The Group also leveraged on digitalisation to achieve operational excellence, invested in e-commerce platforms to expand market reach and increased social media engagements to drive growth.

In December 2024, TCMH achieved a significant milestone by exporting locally assembled Nissan Serena S-Hybrid vehicles from our plant in Selangor to Thailand. This move not only underscored TCMH's manufacturing capabilities but also provided export opportunity for the Group.

Strengthened the Foothold within the ASEAN Region

The Group is actively expanding its presence in the ASEAN region, with strategic investments in Vietnam, Cambodia, Laos and Myanmar. The Group remains committed to establishing a long-term automotive stronghold. We continued to strengthen our foothold within the ASEAN region through strategic expansion, localised market approaches and targeted business partnerships to sustain our presence in these countries.

Aligning with ASEAN's automotive policies and sustainability goals, the Group is also prioritising eco-friendly vehicle solutions with our recent launches of Euro 5 buses, heavy and light trucks which contribute positively towards a low-carbon economy within the region.

Efficiency in Financial Management

In response to the shifting Malaysian automotive landscape, inflationary pressures and the volatility of the Ringgit, the Group has prioritised financial efficiency through a structured business rationalisation programme. The Group has implemented innovative cost-saving measures to counteract margin compression while maintaining a strategic focus on prudent cash flow management. Moving forward, the Group remains committed to streamlining operations and optimising costs to mitigate the impact of economic challenges, ensuring financial sustainability and resilience in an increasingly volatile market.

REVIEW OF BUSINESS OPERATIONS

MALAYSIAN AUTOMOTIVE DIVISION

Passenger Vehicles

Sales and Distribution Division

Nissan Malaysia

In 2024, the Group's Nissan business division faced significant challenges, marked by declining sales of 22.2% year-on-year and a lower market share of 1.0% in 2024 compared to 1.3% in 2023. The automotive business landscape was more intense with heightened competition within the local automotive sector. Nevertheless, despite these challenging market conditions, our Nissan NV200 was positioned at the top of the compact panel van segment. At the same time, our Nissan Serena, the non-national best-seller in mid-size MPV, achieved a new milestone with its inaugural export to Thailand via the Group's state-of-the-art, Nissan Global Production Quality plant in Serendah, Selangor.

To sustain our brand presence and competitive advantage in the Malaysian market, we conducted a series of interactive customer engagement activities throughout 2024. Among the notable activities were the Nissan Navara endurance challenge, the Nissan Almera fuel-saving competition and nationwide roadshows for the new Nissan Kicks e-POWER, highlighting their unique features and capabilities.

In addition to roadshows and sales campaigns, we strengthened our presence on social media platforms to enhance engagement, boost brand awareness and drive growth in 2024. Simultaneously, we expanded our network by introducing more Nissan Retail Concept 3S outlets and launched a nationwide "Brand Enhancement Programme", upgraded our showrooms and workshops to provide customers with greater comfort through improved facilities and services.

With the launch of the Nissan Kicks e-POWER vehicle in Malaysia, the inaugural export of Nissan Serena to Thailand and our exciting marketing programmes, we aim to achieve a better performance in 2025. We continue to uphold our promise of delivering the highest quality, reliability and innovation standards in mobility, safety and technology to our customers and stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Renault Malaysia

The sales and distribution of Renault vehicles in Malaysia continued to sustain their market share, especially in the car subscription segment, where customers are seeking an alternative for their transportation needs.

In Malaysia, Renault vehicles are primarily marketed via the Renault Subscription Programme, while its high-quality used vehicles are sold through the Group's used vehicle retail centres. However, as the market faced more new entrants and competitions, our car subscription programme, likewise, faced increasing challenges from these new fleet entrants.

In 2024, we continued our cost optimisation exercise by shifting to a digital marketing platform to enhance customer engagement. To remain competitive in the market, our fleet over five years old will be transitioned to our used-vehicle platform to ensure peace of mind for our subscribers. Moving forward, we will continue to refine the business model to stay relevant in the market.

Assembly and Manufacturing Division

In 2024, the automotive assembly and manufacturing division had to adjust to sustain the moderate vehicle sales volume.

For the year under review, the division implemented lean operational measures to address these rising costs. Building on the cost optimisation exercise introduced earlier, additional steps were taken to streamline the allocation and utilisation of materials, labour and equipment, ensuring better operational efficiency.

In line with the Group's sustainability programme, the division focused on efficient inventory management and best practices to reduce waste, especially landfill contributions and simultaneously improved the division's cost of operations. Furthermore, the division developed a tracking and benchmarking system to monitor carbon dioxide emissions, ensuring alignment with the Group's sustainability objectives and targets to reduce greenhouse gas emissions across operations.

The remarkable fuel efficiency of the Nissan Almera 1.0L Turbo was showcased during the Nissan Lightfoot Quest 2024.

Our after-sales team bagged two awards at the 4th ASEAN Nissan Importer Business Units Competition 2024/2025.

With the rise of advanced innovations and technology in the automotive industry, the division will continue to leverage its technical competitiveness as an assembly and manufacturing player, as well as train and equip its team with new technology know-how including programmes like the Nissan Certification Programmes to equip its employees and workers with the technical skills required to meet the challenges ahead.

After-Sales Service Division

With the moderation in sales for Nissan and Renault vehicles in Malaysia, the Group's after-sales service division implemented various business recovery strategies to retain its customers and attract new ones.

In 2024, the division promoted its services as a customer-centric one-stop after-sales hub, offering enhanced customer experience at their touchpoints, service financing, a 24-hour dedicated call centre and towing service, body and paint services, and a user-friendly digital platform for seamless and quick appointment booking to strengthen customer loyalty.

The division also underwent a restructuring exercise to optimise human resources across the Group's value chain, enhancing productivity while maintaining an agile and cost-effective workforce. With a lean team of highly skilled professionals, the division aims to deliver precise solutions to customers, addressing their needs efficiently in the shortest time possible.

The success of our restructuring effort was clearly demonstrated by the outstanding performance of our two participants who secured first place in the NIssan Service TEchnical Competency ("NISTEC") category and second runner-up in the NIssan Service Advisor Competency ("NISAC") category respectively at the ASEAN Nissan Importers Business Units ("NIBU") Competition for the fiscal year 2024/2025. This competition is designed to enhance customer satisfaction through continuous training that equips dealer technicians and service advisors with advanced technical and exceptional customer service skills.

The division will continue to boost its customer loyalty programmes while tapping into other exciting marketing strategies, including bundled packages such as paintless dent repair and windscreen replacement, post-warranty services and the expansion of vehicle fleet after-sales services.

MANAGEMENT DISCUSSION AND ANALYSIS

Nissan Malaysia's Spare Part Division ("SPD")

Nissan Malaysia's SPD continued to perform moderately in 2024, given the higher cost of imports.

SPD operates from all four regional depots and a central warehouse to provide timely product distributions across the nation and improve the lead time in effectively meeting customers' needs.

In 2025, SPD anticipates that the challenging market conditions experienced in 2024 will persist. In response, the division has formulated targeted action plans to navigate these complexities, including prioritising its supply chain efficiency through the digitalisation of its operations and enhancing customer engagement across its extensive network. Through these proactive measures, SPD aims to safeguard its position in maintaining a strong market presence.

Commercial Vehicle Division

Truck Segment

With the introduction of the low-carbon Euro 5 engines for UD Quester and Croner in October 2023, the truck segment gained momentum, attracting new clients through proactive marketing efforts and efficiently delivering orders in 2024. Following this, the spare parts and after-sales service division also demonstrated commendable results for 2024, achieving notable revenue growth compared to the preceding year.

Building on the growing demand for commercial vehicles in response to the thriving economy in Malaysia, we expanded our offerings as a transport solution provider by providing smart and reliable logistics solutions complete with major repair services, including our own spray painting booth, to meet customers' needs, demonstrating a commitment to going the extra mile.

In line with our commitment to delivering top-quality transport solutions and services, we officially inaugurated the division's newly upgraded 3S centre in Batu Caves, Selangor, in March 2025.

GAC MOTOR's all-new M8 and GS8 were unveiled in Hanoi, Vietnam in August 2024.

Bus Segment

The bus segment delivered commendable results for 2024, leveraging favourable sales prospects to secure significant bookings across its wide array of bus offerings. This achievement was driven by the renewed customer interest in new buses, spurred by the gradual recovery of the local tourism and public transportation industries. Notably, there was strong demand for double-decker buses, fuelled by the revival of the express bus sector, as local bus operators expanded and upgraded their fleets with newer and more advanced models, driven by a positive outlook in the tourism industry.

Given the good performance in the commercial vehicle division, with strong order book, the assembly and manufacturing plants for buses and trucks were operating at full capacity, contributing positively to the Group's overall performance for 2024.

OVERSEAS AUTOMOTIVE OPERATIONS

Vietnam

The Group's operations in Vietnam, representing its largest overseas investment in Indo-China, continued to solidify its market position in the automotive industry. In 2024, we charted a new milestone as we re-entered the passenger vehicle segment, further diversifying our portfolio and strengthening our foothold in the country.

Passenger Vehicle Division

Since being appointed as the exclusive distributor by GAC Motor International Co Ltd ("GAC MOTOR") for GAC MOTOR vehicles in Vietnam in 2024, we have introduced three GAC MOTOR luxury models into the market, namely M8 (MPV), GS8 (D-segment SUV) and M6 Pro (MPV). Positioned for the premium segment, these models aim to establish a strong presence for the brand in the country and distinguish it from competitors.

To date, we have established a nationwide network of GAC MOTOR centres in Vietnam to engage and provide sales and after-sales service for our customers. Introduction of new models for 2025, expansion of the dealership and after-sales network are in the pipeline to enhance the overall customer ownership experience and drive future sales.

Commercial Vehicle Division

The bus segment of the Group's Vietnam operations remained strong and performed well, supported by the country's economic recovery and growth in the tourism industry.

In May 2024, we launched a cleaner fuel-operated bus model, Nova Euro 5, under the renowned King Long brand. This model secured third place in the local commercial vehicle (bus) segment, demonstrating strong market acceptance for its eco-friendly technology, featuring a cleaner fuel operating system and emphasising on passengers' comfort and safety.

We will focus on expanding our network into the provincial cities, introducing new models and enhancing after-sales service to strengthen our market presence.

The sales volume of TQ Wuling N300P Completely-Knocked-Down ("CKD") light truck model assembled at the Da Nang

MANAGEMENT DISCUSSION AND ANALYSIS

plant grew modestly. The Group projects that sales volume will continue to improve over time in the short to mid-term period, with a focus on CKD production of new models and expansion of dealer network coverage.

In the longer term, our Vietnam's commercial vehicle sales volume is expected to continue its positive growth trajectory, driven by increasing demand for light commercial vehicles, Vietnam's positive economic outlook and expanding economy.

Cambodia

The Group's automotive operations in Cambodia persevered despite a volatile economic landscape.

In 2024, we capitalised on the growing interest in EVs by launching the Nissan X-Trail e-POWER in March. This marked the introduction of Nissan's innovative e-POWER technology into the Cambodian market. Building on this momentum, we unveiled the refreshed Nissan Navara with a completely redesigned interior in August 2024, further boosting sales for Nissan vehicles in the market alongside the continued strong performance of the Nissan Terra and Nissan Almera.

In tandem with roadshows and sales campaigns, we strengthened our digital platform presence by maximising the use of social media. This digital marketing approach enabled us to reach a broader audience and keep them informed about the latest updates on our products and services.

Our after-sales service centres, under the brand name E-Garage, met the market's expectations for quality after-sales service. The increased vehicle ownership in 2024 transcended opportunities for growth. However, the market's economic challenges tempered this.

For 2025, we will continue introducing new models promptly to maintain growth momentum for Nissan vehicles while strengthening the after-sales service segment. This includes ensuring the availability of spare parts and providing excellent servicing options for our valued customers.

Laos

The economic landscape in Laos remained challenging in 2024, marked by prolonged hyperinflation exceeding 20% for three consecutive years, an influx of new entrants in the automotive industry and a decline in consumer spending power. These factors resulted in lower sales performance for the Group's Laos operations for the year under review.

Proactive sales and marketing efforts were undertaken throughout the year to sustain customer interest in the Nissan brand. Among these measures were the launch of the Nissan X-Trail e-POWER in February 2024, followed by the all-new Nissan Almera 1.0 CVT and the repositioned Nissan Navara in July 2024. In February 2025, the new Nissan Terra Sport with a 2.5-litre inline 4-cylinder DOHC variable turbocharged engine made its first appearance in Vientiane, Laos. These model introductions were aimed at maintaining business continuity amidst challenging conditions.

Given the persistence and perseverance of our operation team in Laos, we won the Nissan Global Award 2024 Programme for excellence in sales and customer service.

Looking ahead, the economic outlook for 2025 is expected to show moderate improvement as the government focuses on stabilising public finances, enhancing infrastructure development and attracting foreign investment to foster a favourable business environment. As our Laos operations prepare for 2025, we remain committed to our marketing plan to excite the market with our innovative product offerings.

Myanmar

The assembly plant in Bago, Myanmar continued to produce the Nissan Sunny for the Myanmar automotive market, serving customers who still prefer ICE vehicles over EVs. Despite challenges, especially the tighter monetary controls, Nissan Sunny continued to hold a strong footing in the market, supported by a network of Nissan dealerships throughout the country to meet customer demand.

Our after-sales service network chain, E-Garage, continued to serve our customers regardless of challenging conditions. We will persevere and continue with measures for improvement and cost optimisation.

Despite these headwinds and challenges encountered in Myanmar, we will continue to maintain our presence in this market. In 2025, we will kick-start the production of our first TQ Wuling N300P light truck for the Myanmar market. Production is set to commence in the second quarter of 2025.

Thailand

Thailand's economy grew by 2.5% for 2024. This positive economic environment boded well for our procurement division in Thailand, which achieved higher growth in its procurement for export and domestic trading business compared to 2023.

Despite this success, the automotive sector faced challenges with vehicle production falling by 20% due to stricter loan approvals and high household debt. This decline impacted overall consumer sentiment and softened demands.

Our Thailand operation will continue to drive growth through a strategic business expansion programme. This programme is designed to accelerate sales, broaden market reach and enhance competitiveness through innovative product procurement strategies and customised private branding initiatives.

FINANCIAL SERVICE DIVISION

Insurance Service Division

The Group's insurance service division showed adaptability in 2024 despite numerous unprecedented disruptions in the industry from 2023. This period marked a significant shift in marketing trends, transitioning from traditional face-to-face renewals at brick-and-mortar locations to self-service online options. While the traditional approach remains the core revenue contributor to the division, the digital space we embarked on under the GoInsuran.com digital platform continued to gain traction, achieved a twofold increase in unique visitors and recorded significant customer adoption in 2024. This strong growth trajectory solidified GoInsuran.com's position as a trusted source for online insurance renewals.

For 2025, the insurance service division aims to capitalise on the increasing demand for digital solutions within Malaysia's evolving insurance landscape by delivering targeted customer education on market trends and showcasing the unique value propositions of diverse insurance offerings. This approach empowers customers to make informed, needs-based decisions that align with their financial goals, strengthening trust and driving business growth.

In line with this shift towards digitalisation, the Group also upgraded the division's technology systems for better internal process automation to support this transition in 2025. This approach will enable the division to seamlessly transition customers to digital channels while supporting those who prefer traditional in-person renewals at our branch offices.

Hire Purchase Financing Service Division

In 2024, this division recorded a commendable performance due to higher hire purchase disbursement. For the year under review, the division remained focused on prudent loan approvals, reinforced by stricter credit policies by the regulators to ensure good asset quality. Additional steps were taken to drive towards industry best practices and to remain agile in its business approaches, thereby supporting the division's goal of sustaining long-term profitability.

In 2025, the division expects to face inflationary pressures and rising cost of living in Malaysia. These pressures will weaken borrowers' debt servicing capabilities, leading to a lower return with potentially more impairment provisions. Measures are being put in place to improve recovery and control impairments.

OTHER BUSINESS

Renewable Energy

The Group's first floating Large-Scale Solar Photovoltaic ("LSSPV") plant at Serendah Lake, Selangor demonstrated the successful execution of the Group's strategic initiative, providing a steady stream of recurring income for the Group.

Nevertheless, this division faced its fair share of challenges, mainly related to the upkeep of the assets and the safety of operators working on the waterbody. Regular cleaning and maintenance were diligently conducted to achieve optimal performance from the floating solar panels. Stringent health and safety measures were implemented to safeguard the workforce at the plant, particularly during routine maintenance activities on the solar panels.

Given the potential in the renewable energy industry driven by the Malaysian policies guided by the National Energy Transition Roadmap, the Group is actively exploring various renewable energy business opportunities and schemes to improve its financial position.

DRIVING THE SUSTAINABILITY AGENDA

At TCMH, sustainability is a fundamental principle that guides our business decisions, shaping a future that is both responsible and resilient. We recognise that long-term success is built on creating value for our shareholders and our employees, customers, communities and the environment. By integrating sustainable practices into every aspect of our operations, we strive to balance economic growth with environmental stewardship and social responsibility, ensuring sustainable growth for our businesses. For this, we established the "Driving Resilience" 5-year Sustainability Framework for TCMH from 2022 to 2026.

Our commitment to sustainability is reflected in our continuous efforts to drive innovation, enhance operational efficiency and adopt digital solutions that improve customer experience while optimising resource utilisation as disclosed in this Management Discussion and Analysis report. Through innovation and digitalisation, we are committed to providing greener mobility solutions and renewable energy to our customers and business partners, joining hands in achieving both our decarbonisation initiatives for a better future. The Group is committed to promoting EV technology, cleaner energy alternatives and sustainable business models, aligning them with our long-term vision of promoting low-carbon economy and sustainable living practices to reduce our carbon footprint.

Equally important is our commitment to people. Our commitment extends to our employees, fostering a diverse and inclusive workplace while prioritising employee safety and well-being. We will continue to invest in technical and vocational education to develop future industry talent and support community growth. Strong corporate governance remains a cornerstone of our approach, ensuring transparency, integrity and ethical business practices.

MOVING FORWARD

The Malaysian economy recorded a stronger growth in 2024, expanded by 5.1% compared to 3.6% in 2023. Factors such as increasing the minimum wage and revising civil servants' salaries are expected to further stimulate consumption demand and sustain economic momentum. Given this stable economic sentiment, the Group's outlook remains cautiously optimistic, with anticipated positive prospects.

We remain confident that our strategies for TCMH's operations in Malaysia and the regional markets will support the Group's resilience and guide us towards our long-term goals. Our focus for 2025 will be on operational efficiency, effective cost management and forging strategic partnerships.

By staying agile, we are confident in our ability to embrace the opportunities ahead and continue driving the Group's success in the years to come.

KEY
EVENTS

2024

JANUARY

- The new Nissan Almera KURO (Black) Edition was introduced with a trendy new exterior body colour, Glacier Grey.
- Tan Chong Motor Holdings Berhad's ("TCMH") first floating Large-Scale Solar Photovoltaic ("LSSPV") plant at Serendah Lake in Malaysia successfully commenced operations.
- TCMH and Pusat Darah Negara ("PDN") collaborated on a blood donation drive held at Wisma Tan Chong, Kuala Lumpur.

FEBRUARY

- An Agreement of Distribution and Service was signed with GAC Motor International Co Ltd for GAC MOTOR vehicles in Vietnam.
- The all-new fourth generation Nissan X-Trail e-POWER was introduced in Laos.
- GoInsuran.com and inDrive joined forces in offering innovative ride-hailing insurance solutions.

MARCH

- The all-new fourth generation Nissan X-Trail e-POWER was introduced in Cambodia.

- A series of roadshows for the new King Long Nova Euro 5 bus were carried out prior to its launch in Vietnam.

- The Nissan Navara Wild Wheels Challenge at M4TREC Semenyih showcased the pickup's key strengths: endurance, payload capacity, durability, reliability and comfortable driving experience.

APRIL

- TCMH announced the partnership with Direct Lending to introduce Shariah-compliant Auto Service Financing Plan in Malaysia.

MAY

- The NRC-NEXT concept was unveiled to provide new personalised customer experience for Nissan showroom at Cyberjaya, Selangor.
- Automotive division in Sandakan, Sabah partnered with Lions Club of Sandakan City in a blood donation campaign.
- The "100% electric motor driven, no plugin" e-POWER technology was showcased at the Malaysia Autoshow 2024, followed by a series of roadshows nationwide to expand its reach.

- King Long Nova Euro 5 bus was officially launched in Vietnam.
- The NRC-NEXT concept was introduced at Nissan showroom in Sandakan, Sabah.

JUNE

- "REDLINE Fitness Games Powered by Nissan" partnered with Rakan Muda under the Ministry of Youth and Sports to foster a healthier and more active lifestyle.

- Our vehicle distribution centre in Serendah joined forces with PDN for a life-saving blood donation drive.
- A new Nissan 3S centre was launched in Muar, Johor to elevate customer experience.
- The impressive fuel efficiency of the Nissan Almera 1.0L Turbo was showcased at the Nissan Lightfoot Quest 2024.
- TCMH collaborated with Malaysian Association for the Blind in the "Bridge the Gap" initiative to empower visually impaired individuals.

JULY

- The new Nissan Almera Turbo and new Nissan Navara were launched in Vientiane, Laos.

- Tan Chong Technical Institute celebrated the graduation of 600 students from its Petaling Jaya, Penang, Kota Bharu and Sandakan branches, who completed their studies between 2018 and 2023.

KEY EVENTS

- "REDLINE Fitness Games Powered by Nissan" event brought together fitness enthusiasts in promoting health and community engagement.

AUGUST

- The versatile pickup truck, the new Nissan Navara was introduced in Phnom Penh, Cambodia.

- The bus and truck manufacturing plant in Seri Kembangan, Selangor organised an Environment, Health & Safety Week to promote a safe and healthy workplace for all its employees.

- The premium GAC MOTOR vehicles, the all-new M8 and all-new GS8 were launched in Hanoi, Vietnam.

- TCMH distributed daily essentials to support local welfare organisations in Selangor and Kuala Lumpur at a mid-year outreach initiative.

- Malaysia UD Extra Mile Challenge 2024 showcased the exceptional skill of Malaysia's top truck drivers.

SEPTEMBER

- TCMH recognised outstanding employees for their innovative ideas at the 2023 Electronic Productivity Suggestion System ("ePSS") Award ceremony.

- TCMH in Vietnam brought cheer to the Ch'om Community in Quang Nam Province, Vietnam.

- TCMH launched its revamped corporate website, featuring a modern design with improved navigation and enhanced user experience.
- An exclusive GAC MOTOR test drive event was held in Ho Chi Minh City, Vietnam, showcasing the all-new M8 and all-new GS8 to the guests.

OCTOBER

- TCMH's Vietnamese teams celebrated the 2023 ePSS Award winners in Da Nang, Vietnam.
- The largest GAC MOTOR 3S centre was opened in Glenmarie, Shah Alam, offering comprehensive sales, service and spare parts for GAC MOTOR and AION vehicles.

- The all-new GAC MOTOR M6 Pro was unveiled at the Vietnam Motor Show, demonstrating its advanced features and modern design.

NOVEMBER

- A preview and test drive event was held at the Nissan showroom in Petaling Jaya for its customers to experience the all-new Nissan Kicks e-POWER.

KEY EVENTS

- Our after-sales service division engaged its employees and the local community to contribute to a blood donation drive in Petaling Jaya.
- The latest GAC MOTOR and AION 3S centre in Melaka was opened to cater to its customers in Malaysia's Southern region.

DECEMBER

- TCMH celebrated the inaugural export of locally assembled Nissan Serena S-Hybrid vehicles to Thailand with a line-off event at TCMH's plant in Serendah, Malaysia.
- The all-new Nissan Kicks e-POWER was officially launched at the Kuala Lumpur International Mobility Show.
- TCMH's community programme, "Year-End Wishes", received overwhelming participation from employees, fulfilling the wishes of residents of four welfare homes in Kuala Lumpur and Selangor.

- The largest Ironman and Ice Cool flagship stores were opened in Segambut, Kuala Lumpur, offering a wide range of 4x4 accessories and advanced window tinting solutions.

2025

JANUARY

- Vietnam's first GAC MOTOR 3S showroom network was launched with simultaneous openings in three locations across the country.
- Ansuran Mudah, a Shariah-compliant instalment plan underwritten by Direct Lending was officially launched to make motor takaful policies and road tax renewals more accessible.

FEBRUARY

- The highly anticipated family SUV, the new Nissan Terra Sport was launched in Vientiane, Laos.

- A GAC MOTOR and AION 3S centre was opened in Bayan Lepas, Penang to serve customers in the Northern Region.
- Media from Thailand, the Philippines and Malaysia enjoyed a cross-border road trip from Hat Yai to Kuala Lumpur, experiencing the Nissan Kicks e-POWER's smooth drive, fuel efficiency and electric motor excitement with zero range anxiety.

MARCH

- TCMH supported the Selangor and Federal Territory Association for the Mentally Handicapped with a cash contribution to aid the education of financially disadvantaged individuals with mental challenges.
- GoDeviceProtect was launched in partnership with Swap Protect, covering damages beyond standard manufacturer warranties.
- A momentous double celebration marking the official opening of the newly upgraded 3S centre in Batu Caves, Selangor, in conjunction with the 90th anniversary of UD Trucks.

- Our after-sales service team won two awards at the ASEAN Nissan Importers Business Units ("NIBU") Competition for the fiscal year 2024/2025 in Bangkok, Thailand.

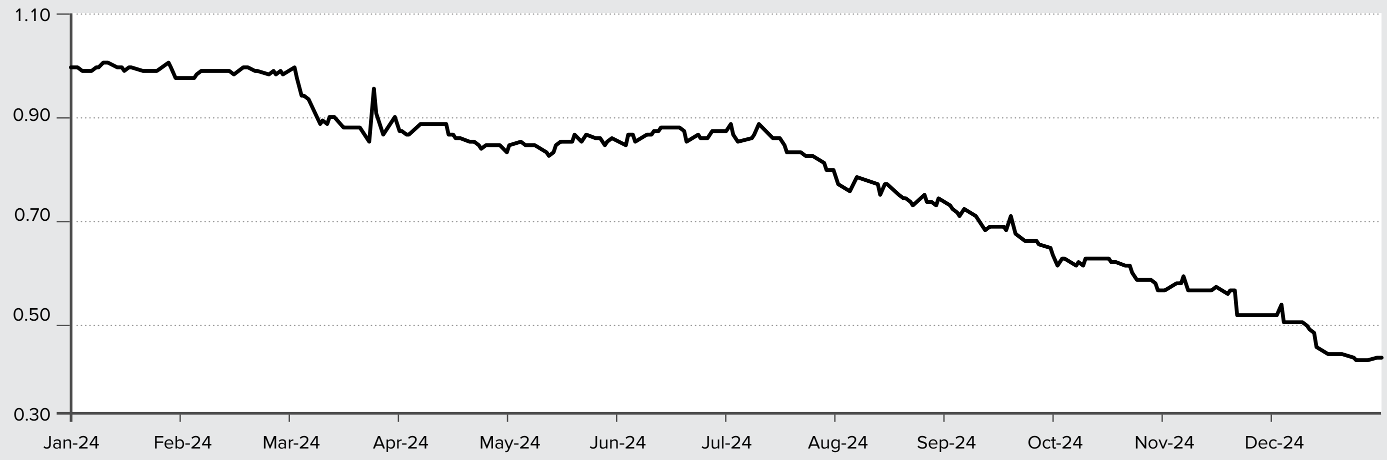
- GAC MOTOR's distribution network expanded in Vietnam with the opening of three new dealerships in Vinh, Quang Ninh and Tan Son Nhat (Ho Chi Minh City) simultaneously.

EIGHT-YEAR FINANCIAL **HIGHLIGHTS**

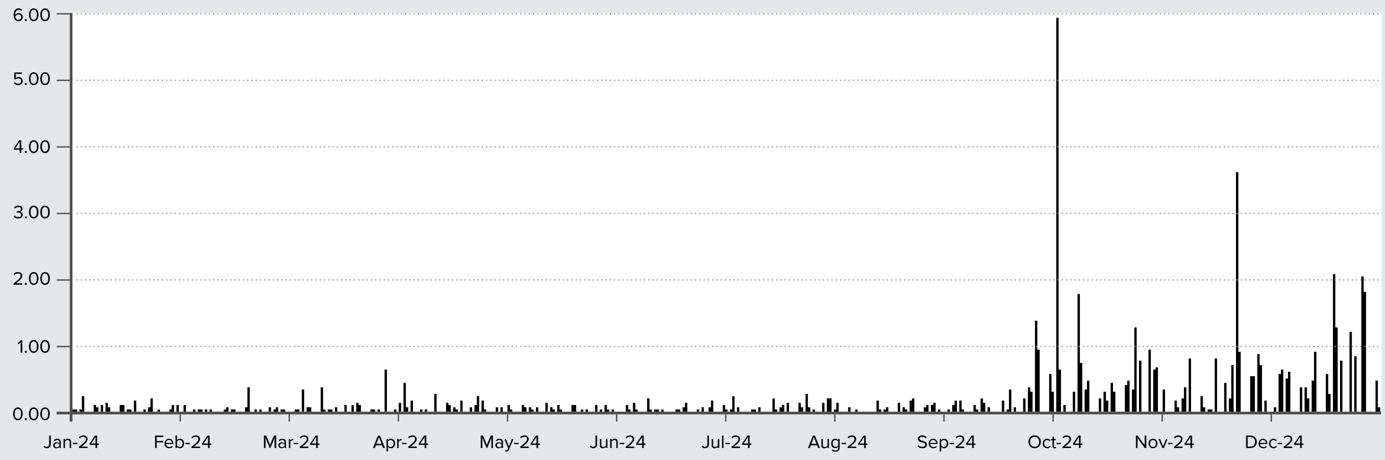
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
RESULTS								
Revenue	2,082,655	2,532,726	3,052,235	2,537,307	2,959,619	4,172,447	4,858,206	4,341,228
(Loss)/Profit before tax	(214,277)	(121,143)	(14,165)	19,134	(161,298)	114,327	178,586	(72,811)
Tax expense	(6,528)	(12,708)	(40,696)	(39,350)	(15,455)	(67,635)	(76,049)	(23,578)
(Loss)/Profit for the year	(220,805)	(133,851)	(54,861)	(20,216)	(176,753)	46,692	102,537	(96,389)
(Loss)/Profit attributable to:								
Owners of the Company	(214,166)	(128,742)	(51,110)	(15,417)	(165,580)	43,645	105,932	(88,597)
Non-controlling interests	(6,639)	(5,109)	(3,751)	(4,799)	(11,173)	3,047	(3,395)	(7,792)
STATEMENT OF FINANCIAL POSITION								
Assets								
Property, plant and equipment	2,319,140	2,371,155	2,414,470	2,317,945	2,311,657	2,250,999	1,773,114	1,825,620
Investment properties	237,075	238,590	238,990	229,500	230,495	216,725	207,376	202,000
Prepaid lease payments	-	-	-	-	-	-	43,436	45,609
Intangible assets	99,678	100,888	13,006	14,546	759	759	759	14,592
Equity-accounted investees	54,941	66,456	70,480	72,374	75,969	61,811	57,914	45,797
Other investments	-	-	-	-	-	-	1	1
Deferred tax assets	87,899	90,966	93,005	107,809	120,384	95,741	96,075	67,098
Hire purchase receivables	333,584	343,799	359,406	406,161	489,860	551,779	655,383	745,066
Finance lease receivables	-	-	-	-	-	-	-	585
Total non-current assets	3,132,317	3,211,854	3,189,357	3,148,335	3,229,124	3,177,814	2,834,058	2,946,368
Current assets	1,960,295	1,902,461	1,849,003	1,847,592	2,091,368	2,655,401	2,640,647	2,449,274
Total Assets	**5,092,612**	**5,114,315**	**5,038,360**	**4,995,927**	**5,320,492**	**5,833,215**	**5,474,705**	**5,395,642**
Equity and Liabilities								
Share capital	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000
Reserves	2,201,596	2,430,434	2,562,229	2,481,423	2,531,552	2,708,944	2,525,874	2,485,161
Treasury shares	(26,443)	(26,294)	(25,953)	(25,901)	(25,866)	(25,364)	(25,283)	(25,282)
Total equity attributable to owners of the Company	2,511,153	2,740,140	2,872,276	2,791,522	2,841,686	3,019,580	2,836,591	2,795,879
Non-controlling interests	4,585	1,658	(22,598)	(21,850)	(16,995)	(11,548)	(17,733)	(14,511)
Total equity	2,515,738	2,741,798	2,849,678	2,769,672	2,824,691	3,008,032	2,818,858	2,781,368
Non-current liabilities	764,540	903,479	742,791	416,988	432,381	926,798	804,718	986,104
Current liabilities	1,812,334	1,469,038	1,445,891	1,809,267	2,063,420	1,898,385	1,851,129	1,628,170
Total Equity and Liabilities	**5,092,612**	**5,114,315**	**5,038,360**	**4,995,927**	**5,320,492**	**5,833,215**	**5,474,705**	**5,395,642**
FINANCIAL STATISTICS								
Financial statistics								
Basic (loss)/earnings per share (sen)	(32.86)	(19.75)	(7.84)	(2.36)	(25.38)	6.69	16.23	(13.57)
Gross dividend per share (sen)	1.00	1.00	3.00	1.50	1.50	4.00	3.00	2.00
Net assets per share (RM)	3.85	4.20	4.40	4.28	4.36	4.63	4.35	4.28
Return on invested capital (%)	-5.65%	-2.30%	-1.61%	-2.61%	-4.92%	2.15%	4.63%	-0.44%
Return on shareholders equity (%)	-8.16%	-4.59%	-1.80%	-0.55%	-5.65%	1.49%	3.76%	-3.13%
Net debt/Equity (%)	49.59%	40.24%	28.03%	30.31%	29.81%	42.44%	30.82%	47.06%

DAILY SHARE PRICES AND VOLUME TRADED ON **BURSA MALAYSIA SECURITIES BERHAD**

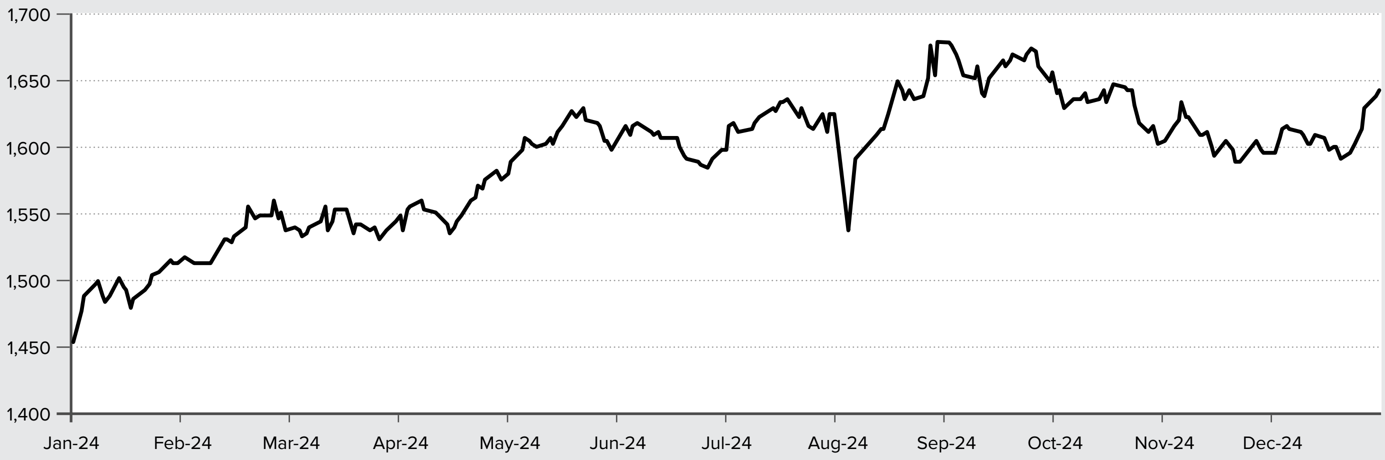
Share Price (RM)



Volume Traded (Million)



Composite Index



CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Tan Heng Chew President	**Dato' Ng Mann Cheong** Non-Independent Non-Executive Director
Ho Wai Ming Group Chief Executive Officer	**Dato' Chan Choun Sien** Independent Non-Executive Director
Lee Min On Senior Independent Non-Executive Director	**Dr. Nesadurai Kalanithi** Independent Non-Executive Director
Ng Chee Hoong Independent Non-Executive Director	**Chia Tuang Mooi** Executive Vice President

AUDIT COMMITTEE

Ng Chee Hoong (Chairman)
Lee Min On
Dato' Ng Mann Cheong
Dato' Chan Choun Sien
Dr. Nesadurai Kalanithi

NOMINATING AND REMUNERATION COMMITTEE

Lee Min On (Chairman)
Ng Chee Hoong
Dato' Ng Mann Cheong
Dato' Chan Choun Sien
Dr. Nesadurai Kalanithi

BOARD RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Lee Min On (Chairman)
Dato' Tan Heng Chew
Ng Chee Hoong
Dato' Ng Mann Cheong
Dato' Chan Choun Sien
Dr. Nesadurai Kalanithi

COMPANY SECRETARY

Chin Yoon Leng (MAICSA 7057010)
(SSM Practicing Cert. 202208000043)

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LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
[Registration no. 200301033577 (635998-W)]
Date of Listing : 4 February 1974
Stock Name : TCHONG
Stock Code : 4405
Sector : Consumer Products & Services
Sub-sector : Automotive

PROFILE OF **DIRECTORS**

DATO' TAN HENG CHEW

Malaysian	Age 78	Male

Date of appointment	19 October 1985

Dato' Tan Heng Chew, JP, DJMK, 78, a Malaysian, Male, was appointed to the Board on 19 October 1985 and was subsequently appointed as the Executive Deputy Chairman on 1 January 1999. He was re-designated as the Executive Deputy Chairman and Group Managing Director on 1 July 2012. His corporate title was changed to President on 1 January 2015. He is a member of the Board Risk Management and Sustainability Committee.

Dato' Tan graduated from the University of New South Wales, Australia with a Bachelor of Engineering (Honours) degree and a Master's degree in Engineering from the University of Newcastle, Australia. He joined the Tan Chong Group of Companies in 1970 and was instrumental in the establishment of the Autoparts Division in the 1970s and early 1980s.

Dato' Tan is also the President of APM Automotive Holdings Berhad and Warisan TC Holdings Berhad.

Dato' Tan is a major shareholder of the Company. He is a brother of Mr. Tan Eng Soon and also a director and shareholder of Tan Chong Consolidated Sdn. Bhd. Mr. Tan Eng Soon and Tan Chong Consolidated Sdn. Bhd. are major shareholders of the Company. Dato' Tan has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Dato' Tan attended seven (7) Board meetings held in 2024.

HO WAI MING

(ALSO KNOWN AS DANIEL HO)

Malaysian	Age 54	Male

Date of appointment	22 March 2013

Ho Wai Ming, also known as Daniel Ho, 54, a Malaysian, Male, was appointed to the Board as Executive Director and Group Financial Controller on 22 March 2013 and 1 April 2013 respectively. His corporate title was subsequently changed to Chief Financial Officer on 1 January 2015. He was appointed as the Group Chief Executive Officer on 1 January 2020.

Mr. Ho is a Fellow of the Association of Chartered Certified Accountants ("ACCA"), a Member of the Malaysian Institute of Accountants ("MIA") and a Member of the Chartered Tax Institute of Malaysia ("CTIM"). He is also a registered ASEAN Chartered Professional Accountant ("ACPA").

Mr. Ho has over 30 years' experience in business strategy and management, corporate laws and governance, taxation, accounting and finance. He joined the Group as Senior Manager (Taxation) in September 2005 and rose to the position of Executive Director and Group Financial Controller on 22 March 2013 and 1 April 2013 respectively. He was appointed as a Company Secretary on 28 August 2015 and relinquished this position on 16 March 2022. He is also the Chairman of the Group's Risk Management and Sustainability Committee ("RMSC") and is the key executive responsible for the Group's Sustainability agenda. During his 20 years' stint in the Group, he has been involved in various financial and corporate management functions within the Group including assembly plant management. In the automotive trade and industry, he was involved with the Malaysian Automotive Association ("MAA") as a Vice-President (Alternate) (Policy & Regulations) from 2012 to 2013 and was a member of the Organising Committee for the Kuala Lumpur International Motor Show ("KLIMS") 2013.

He started his professional career as an audit trainee with Messrs. Ahmad Abdullah & Goh in 1992. In January 1994, he joined Price Waterhouse Tax Services Sdn. Bhd. as an Associate Consultant and was involved in tax and business advisory services. From 1997 to 2000, he was a Staff Accountant with the Bechtel Group, which is an American engineering, procurement, construction and project management services company. In April 2000, he re-joined PricewaterhouseCoopers Taxation Services Sdn. Bhd. as a Senior Consultant specialising in corporate tax management advising the financial services industry, cross-borders investments and business consultancy.

He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Mr. Ho attended all the eight (8) Board meetings held in 2024.

PROFILE OF DIRECTORS

LEE MIN ON

Malaysian	Age 65	Male

Date of appointment **28 November 2016**

Lee Min On, 65, a Malaysian, Male, was appointed to the Board on 28 November 2016. He was re-designated on 31 December 2022 as the Senior Independent Non-Executive Director to whom concerns of fellow Directors, shareholders and other stakeholders may be conveyed. He is the Chairman of the Nominating and Remuneration Committee, and the Board Risk Management and Sustainability Committee, and a member of the Audit Committee.

Mr. Lee is a Chartered Accountant of MIA, a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants ("MICPA") and a Fellow of The Institute of Internal Auditors, Malaysia. He is also a member of the Audit and Risk Management Committee of MIA.

Mr. Lee started his career with KPMG Malaysia in 1979 and retired as a Partner of the Firm on 31 December 2015. During his tenure with KPMG, he served in the external audit division before moving on to helm the Firm's risk consulting practice providing board advisory services that encompassed corporate governance, risk management and risk-based internal audit for both listed as well as private corporations.

Mr. Lee co-wrote the "Corporate Governance Guide - Towards Boardroom Excellence" 1st and 2nd Editions which were published by Bursa Malaysia Berhad. He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia Berhad. As a strong advocate of good governance and integrity in the marketplace, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

Mr. Lee also serves as an Independent Non-Executive Director of APM Automotive Holdings Berhad, Warisan TC Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Berhad. He has abstained from deliberating and voting in respect of transactions between the Group and related parties that involved him as a Director.

Mr. Lee attended all the eight (8) Board meetings held in 2024.

NG CHEE HOONG

Malaysian	Age 58	Male

Date of appointment **3 November 2020**

Ng Chee Hoong, 58, a Malaysian, Male, was appointed to the Board on 3 November 2020. He is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

He is a Fellow of ACCA, a member of MIA and a member of CTIM.

Mr. Ng is the sole partner of an accounting firm which provides auditing, taxation and advisory services. He has more than 32 years of experience in the provision of audit and assurance services. Prior to joining the Group, Mr. Ng was a partner in various accounting firms from June 1990 to April 2020 except for the period from March 2017 to February 2019 where he joined an oil palm and rubber plantation company as the Chief Financial Officer.

Mr. Ng also serves as an Independent Non-Executive Director of Padini Holdings Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). He was a former Independent Non-Executive Director of SSF Home Group Berhad, a company listed on the ACE Market of Bursa Malaysia, PESTECH International Berhad, a company listed on the Main Board of Bursa Malaysia and MOG Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Mr. Ng attended all the eight (8) Board meetings held in 2024.

PROFILE OF DIRECTORS

DATO' NG MANN CHEONG

Malaysian	Age 80	Male

Date of appointment	31 July 1998

Dato' Ng Mann Cheong, DSSA, SMP, JP, 80, a Malaysian, Male, was appointed to the Board on 31 July 1998. He was re-designated as a Non-Independent Non-Executive Director on 31 December 2022. He is a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

Dato' Ng is a Barrister-at-Law (Middle Temple), Advocate and Solicitor, High Court of Malaya and has been admitted to practice in the jurisdictions of Singapore, Victoria and Western Australia. He has been in legal practice for more than 53 years and is a Senior Partner of Syed Alwi, Ng & Co. He is also a past Legal Advisor of Malaysian Crime Prevention Foundation.

Dato' Ng also serves on the board of MTrustee Berhad, AmMortgage One Berhad and is a past director of Port Klang Authority. He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Dato' Ng attended all the eight (8) Board meetings held in 2024.

DATO' CHAN CHOUN SIEN

(ALSO KNOWN AS DATO' CHRISTOPHER CHAN)

Malaysian	Age 54	Male

Date of appointment	1 April 2021

Dato' Chan Choun Sien, also known as Dato' Christopher Chan, DIMP, 54, a Malaysian, Male, was appointed to the Board on 1 April 2021. He is an Independent Non-Executive Director, and a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

Dato' Christopher Chan is a Certified Practising Accountant with CPA Australia. He is a graduate from the University of Melbourne, Australia with a Bachelor of Laws (Honours) degree and a Bachelor of Commerce degree both in year 1994. Dato' Christopher Chan had attended a leadership programme at INSEAD (Institut Européen d'Administration des Affaires) in year 2010 to 2011.

Dato' Christopher Chan was a former Managing Director of Investment Banking at CIMB Investment Bank Berhad. He has over 25 years of experience in some of the then largest mergers and acquisitions in Malaysia, IPOs, equity and debt fund raisings, and corporate restructuring exercises, as well as regional private banking in Southeast Asia. He was named as one of the top 10 investment bankers in Asia (ex-Japan) by Brendan Wood International Journal in 2006.

In addition, Dato' Christopher Chan is the Deputy Chairman of the Finance & Capital Market Committee of the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry, a Founding Committee Member of the Malaysia Impact Alliance, a body chaired by Khazanah Nasional Berhad, to catalyse the impact investing ecosystem in Malaysia, and an Executive Committee Member of the Malaysian Mergers and Acquisitions Association. He was a former Deputy Chairman of the Finance and Capital Market Committee of the Associated Chinese Chambers of Commerce and Industry Malaysia, and a past President of the Malaysian Mergers and Acquisitions Association.

Dato' Christopher Chan was a former Independent Non-Executive Chairman of Hextar Industries Berhad, and a former Independent Non-Executive Director of Hextar Healthcare Berhad, Esthetics International Group Berhad and Selangor Dredging Berhad.

Dato' Christopher Chan attended all the eight (8) Board Meetings held in 2024.

PROFILE OF DIRECTORS

DR. NESADURAI KALANITHI

Malaysian	Age 68	Female

Date of appointment	1 July 2023

Dr. Nesadurai Kalanithi, 68, a Malaysian, Female, was appointed to the Board on 1 July 2023. She is an Independent Non-Executive Director, and a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

Dr. Nesadurai has a PhD in Biochemistry and Molecular Biology from the University of Reading, UK. She has several patents and publications to her credit and is known for her contribution to the field of research in tocotrienols and breast cancer. She was a founding member of the Malaysian Chapter of the Society for Free Radical Research ("SFRR") and was the Past-President for SFRR Asia. She is familiar with the needs and aspirations of listed entities and SMEs having engaged with them through Climate Governance Malaysia ("CGM"), which is the country chapter of the World Economic Forums Climate Governance Initiative. She also has a good understanding of international markets.

Dr. Nesadurai has been sharing her Environmental, Social and Governance ("ESG") experience with newly appointed directors on Bursa Malaysia's Mandatory Accreditation Programme ("MAP") since 2022. She is an invited speaker on climate risks and ESG at many forums notably to public listed companies, Malaysian Institute of Accountants and Economic Planning Unit, Prime Minister's Department. She was appointed as advisor to Barbados Investment Development Corporation in June 2022.

Dr. Nesadurai was awarded the Gold Medal for excellence in research by Malaysian Palm Oil Board ("MPOB") in 2001 and won the prestigious World Intellectual Property Organisations Best Woman Inventor in 2006. In 2013, she was appointed Minister at the Malaysian Embassy and Mission to the European Union ("EU") based in Brussels, Belgium and was the Regional Manager for the MPOB in Europe, a position she held up till 2018. She is a mentor at LeadWomen and also a member at Institute of Corporate Directors Malaysia ("ICDM").

Dr. Nesadurai is currently an Independent Non-Executive Director at IOI Corporation Berhad; co-founder of CGM; on the Steering Committee of the CEO Action Network, a coalition of leaders for sustainability action and leadership; an ESG advocate; and had recently completed The Oxford University's Leading Sustainable Corporations Programme at the Said Business School. She was a former Independent Non-Executive Director at FGV Holdings Bhd.

Dr. Nesadurai attended all the eight (8) Board Meetings held in 2024.

CHIA TUANG MOOI

(ALSO KNOWN AS CAROL CHIA)

Malaysian	Age 61	Female

Date of appointment	1 February 2024

Chia Tuang Mooi, also known as Carol Chia, 61, a Malaysian, Female, was appointed to the Board as an Executive Director and Executive Vice President on 1 February 2024. She joined the Group as a Deputy General Manager in 2014 and was promoted to Head of Group Tax/Deputy Financial Controller (Senior General Manager grade) in 2020. She acts as a focal point for all group tax matters both in Malaysia and overseas. She has more than 20 years of experience in taxation and is responsible for providing direct and indirect taxes support to all entities in the Group to ensure compliance and to take charge of internal tax policies and provide suggestions to the Group on the tax implications of various corporate decisions. Ms. Chia holds a Bachelor Degree in Business Administration from the National University of Malaysia and is currently an associate member of the Chartered Tax Institute of Malaysia ("CTIM").

Ms. Chia manages the overall tax strategy, vision, and objectives for Group Tax that align with overall business objectives; works closely with the Group's stakeholders on strategic tax planning, audit and compliance matters with respect to taxation; and communicates effectively with the tax authorities to ensure greater levels of effectiveness and engagement. She was also involved in the Group's annual budgeting exercise and quarterly reporting in the capacity as Deputy Financial Controller. In 2024, she was assigned with additional role in overseeing the Finance Operations & Control Division.

Prior to joining the Group in 2014, Ms. Chia served as a Tax Consulting Manager with KPMG Kuala Lumpur Office and had served in two (2) leading retail chains as Senior Finance Manager and Tax & Property Manager.

She has abstained from deliberating and voting in respect of transactions between the Group and related parties involving herself.

Ms. Chia attended all the seven (7) Board Meetings held since her appointment in 2024.

Save as disclosed above, none of the Directors has:

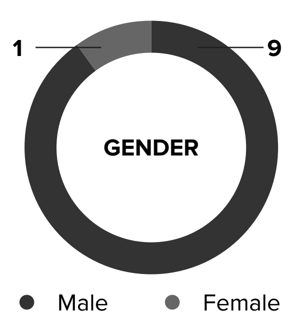
(i) any family relationship with any Director and/or major shareholder of the Company; and
(ii) any conflict of interest in any business arrangement (including competing interest) involving the Company and/or its subsidiaries.

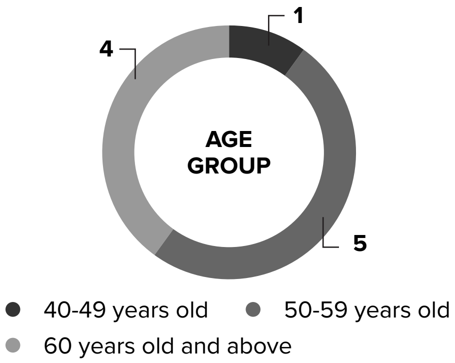
The above Directors have not been convicted of any offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

PROFILE OF
KEY SENIOR MANAGEMENT

Key Senior Management of Tan Chong Motor Holdings Berhad ("TCMH") comprises Dato' Tan Heng Chew - President, Mr. Ho Wai Ming - Group Chief Executive Officer, Ms. Chia Tuang Mooi - Executive Vice President, whose profiles are included in the Profile of Directors on pages 20 and 23 in the Annual Report 2024, and the following Senior Management Personnel:

DIVERSITY





LOOI KOK EU

(Also known as Christopher Looi)
Acting Chief Financial Officer
(w.e.f. 18 October 2024)

Malaysian	Age 61	Male

Qualification:
- Association of Chartered Certified Accountants

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Joined the Group on 1 May 2019 in Group Treasury with the responsibility for Business Development and subsequently appointed as Deputy Group Treasurer.
- Prior to joining Tan Chong Group, he has more than 23 years of experience in the commercial and banking industries. As a former Chief Financial Officer, his experience included all aspects of accounting and finance, treasury management, strategic planning and investor relations.
- Held various positions/roles in the banking industry covering banking products and services, credit and industry analysis, securing significant financial mandates, corporate client management and branch operations.

WAN CHUN SHONG

Head of Group Treasury
(w.e.f. 1 April 2010)

Malaysian	Age 58	Male

Qualification:
- Bachelor of Science in Mathematics from the University of Kansas (USA)
- Master of Art in Economics from University of Central Missouri (USA)

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Joined the Group in 2010 as Group Treasurer managing the regional treasury exposures and cash management operations of the Group.
- Has more than 15 years' experience in treasury banking with MUFG Banking Group in Malaysia and Singapore providing foreign exchange and derivative solutions to Japanese corporate clients. Took a leap to join the corporate world in Malaysia and in Hong Kong managing regional treasury operations spanning across Asia Pacific, prior to joining Tan Chong Group.
- He is a Certified Corporate Treasury (CCTA) of Australia Corporate Treasury Association (ACTA).
- He is also a committee member of the Malaysian Association of Corporate Treasurer (MACT).

PROFILE OF KEY SENIOR MANAGEMENT

CHRISTOPHER TAN KOK LEONG

Head of Motor Division
(w.e.f. 1 January 2016)

Malaysian	Age 48	Male

Qualification:
- Bachelor of Arts Degree in Business Administration - Middlesex University, UK

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Family relationship with any director and/or major shareholder:
- Son of Dato' Tan Heng Chew, a Director and major shareholder of TCMH.

Working Experience:
- Joined the Group in September 1997 and held several managerial positions in Product Planning, Sales and Marketing. Promoted to the position of Sales and Marketing Director of Edaran Tan Chong Motor Sdn. Bhd. on 1 January 2016.

SAY TECK MING

Head of Commercial Vehicle Division
(w.e.f. 1 April 2020)

Malaysian	Age 54	Male

Qualification:
- Malaysian Institute of Accountants
- Associate Chartered Management Accountant
- Post Graduate Diploma, University of Leicester (UK)

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Joined the Group in January 2005 as Head of Internal & Management Audit. Prior to joining the Group, worked in Tractors Malaysia, a subsidiary of the Sime Darby Group.
- In 2009, transferred to head the Finance Division of Nissan Business Stream, managing branch operations control and finance matters. In 2013, moved to the front line and held the position of Head of Business for Nissan sales and distribution for the northern and eastern region.
- Transferred to head the Insurance Division of the Group in 2016 and subsequently, the setting up of the Tan Chong Contact Centre until January 2020.
- Responsible for the overall business of sales and distribution of trucks and buses, after-sales and spare parts of Commercial Vehicle Division of the Group in 2020.

YAP BOON WAH

Head of Group Procurement & Supply Chain Management Division
(w.e.f. 1 July 2023)

Malaysian	Age 54	Male

Qualification:
- Diploma in Technology (Materials Engineering)

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Joined the Group in 1995 as local part development engineer attached to assembly plant. Headed several managerial positions in auto parts development, purchasing, logistics and custom & trade. In year 2016, promoted to General Manager, Head of Group Supply Chain Management Department.
- In year 2023, promoted to Senior General Manager, Head of Group Procurement & Supply Chain Management Division.

PROFILE OF KEY SENIOR MANAGEMENT

KAY FOCK SOON

Head of After-Sales Division
(w.e.f. 1 September 2022)

Malaysian	Age 58	Male

Qualification:
- Executive Master in Business Administration

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Joined the Group in April 2018 as Head of Southern Region, After-Sales, responsible for the after-sales retail businesses of southern region's workshops.
- In June 2020, appointed as Head of Northern Region, After-Sales, responsible for the after-sales retail businesses of northern region's workshops.
- In January 2021, assigned with additional responsibility in managing after-sales retail businesses of east coast region's workshops.
- In March 2022, re-assigned to Nationwide Service Division and took the responsibility in leading and managing Warranty, Technical and Total Customer Satisfaction, Technical Support, Training (Technical & Soft Skills), Dealer Development and Customer Service Department.
- On 1 September 2022, appointed as Head of Tan Chong Ekspres Auto Servis Sdn. Bhd. ("TCEAS") with the responsibility of managing the overall after-sales operations, retail businesses for branches and dealers as well as TCEAS support departments.

TEONG SENG KIANG

Head of Assembly and Manufacturing Division
(w.e.f. 1 March 2020)

Malaysian	Age 66	Male

Qualification:
- Fellow of the Association of Chartered Certified Accountants
- Master of Business Administration ("MBA") - University of Westminster, London

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Working Experience:
- Has over 42 years of working experience in automotive, manufacturing and audit fields. Last position held prior to joining the Group was General Manager covering Finance, Admin and Procurement of an automotive company.
- Joined the Group in 2006 as General Manager in the Chairman's Office and was transferred to Group Procurement in 2007. Promoted to the position of Director of Group Procurement in 2012. Assigned with additional role in overseeing Group Supply Chain Management and re-designated as Head of Group Procurement and Supply Chain Management Division effective 1 January 2017 and he relinquished this position on 31 December 2019. In the interim period, he was also assigned additional role to oversee Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA") effective 1 January 2018. From 1 January 2020, he was appointed as Chief Operating Officer of TCMA.

Save as disclosed above, none of the abovementioned Key Senior Management Personnel has:

(i) any family relationship with any Director and/or major shareholder of the Company;
(ii) any conflict of interest with the Company, and its subsidiaries;
(iii) any conviction of offences within the past five (5) years other than traffic offences, if any; and
(iv) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SUSTAINABILITY **STATEMENT**

ABOUT THIS SUSTAINABILITY STATEMENT

Tan Chong Motor Holdings Berhad ("TCMH" or "Group") is pleased to present our Annual Sustainability Statement for 2024 ("Statement"). The purpose of this Statement is to highlight TCMH's sustainability initiatives and accomplishments in achieving our targets and goals. We are committed to fostering sustainability within our organisation and in the broader society. This Statement provides an overview of the Group's sustainability performance, including significant activities, events and changes that occurred during the financial year ended 31 December 2024.

We are committed to upholding our responsibility by ensuring transparency and accuracy in our reporting, communication with our valued stakeholders.

Reporting Period

1 January 2024 to 31 December 2024.

Reporting Scope

This Statement includes data on Economic, Environmental, Social and Governance ("EESG") aspects from our Malaysian operations and regional activities in Vietnam, Cambodia, Laos, Myanmar and Thailand. It does not include information from certain associate companies, where we do not have full management control.

Reinstatement of Information

The Group wishes to clarify that the previously reported data for Bursa Common Indicator C5(c) – Number of Employees Trained on Health and Safety Standards for 2023 – contained inaccuracies due to a misinterpretation of the standards' requirements. Following an internal review, the data has been restated in this Statement to reflect the correct number. This correction ensures alignment with Bursa Malaysia Securities Berhad ("Bursa Malaysia") reporting requirements and strengthens the accuracy of our sustainability disclosures. The Group remains committed to transparency and continuous improvement in our environmental reporting practices.

Reporting Framework

This Statement is prepared in accordance with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and with references to the Global Reporting Initiatives ("GRI"), where applicable.

TCMH is committed to supporting the goals and initiatives of the United Nations Sustainable Development Goals ("UNSDGs"). In the coming years, the Group will focus on setting performance targets related to our reporting requirements with international standards such as those set by the International Sustainability Standards Board ("ISSB") and the International Financial Reporting Standards ("IFRS") Foundation.

Feedback

We value the insights and feedback from our stakeholders as they are crucial to enhancing our sustainability efforts and reporting. We invite you to share your thoughts and suggestions regarding this Statement. Please reach out to us at corpcomm@tanchonggroup.com. Your input will help us on our journey towards continuous improvement.

SUSTAINABILITY STATEMENT

A Message From Group Chief Executive Officer

Dear Shareholders,

“I am pleased to present TCMH’s 2024 Sustainability Statement. This Statement aims to provide an overview of our continuous journey and progress in integrating sustainability within the communities and environment we operate.”

In an era of accelerating environmental challenges and evolving consumer expectations, sustainable business practices are more than a social responsibility, but a strategic imperative. By fostering a culture of sustainability, we will be able to enhance our long-term competitiveness, establish enduring relationships with our stakeholders and contribute to a better planet for future generations.

Aligned with our overarching theme of “Driving Resilience”, TCMH is dedicated to delivering sustainable value for our shareholders by driving innovation, embracing responsible business practices, actively engaging with our stakeholders and inspiring positive change within the industry and communities we serve.

Environmental Stewardship

In line with our commitment to reducing carbon emissions, the Group successfully commissioned its inaugural floating Large-Scale Solar Photovoltaic (“LSSPV”) plant at Serendah, Selangor in January 2024 which was supplied to the Malaysian National Grid via Tenaga Nasional Berhad (“TNB”).

In 2024, in line with the current consumer preference for greener mobility solutions, we introduced the all-new Nissan Kicks e-POWER, offering an innovative and eco-friendly alternative to traditional Internal Combustion Engine (“ICE”) vehicles. This e-POWER system promotes a more sustainable driving. Additionally, the previously launched low-emission Euro 5 engines for Quester and Croner commercial vehicles by UD Trucks continued to gain traction, contributing to a greener automotive landscape.

Community Engagement

TCMH remained committed to its social responsibility by providing childcare and education assistance to underprivileged families through TCMH’s long-standing Childcare Centre Programme. Further information can be found on page 49 of this report.

Internally, we also promote employee volunteerism in support of community initiatives. In 2024, our local and regional teams actively engaged in various activities, including advocating for The Malaysian Association for the Blind (“MAB”), supporting welfare organisations, sharing festive cheer with the Vietnamese community, among others. We also successfully held multiple blood donation drives, demonstrating our shared values of empathy and social consciousness. These initiatives fostered a culture of giving back and fortified our ties with the community.

Upholding Governance

Recognising strong corporate governance is essential for the Group’s long-term success, we advocate adhering to the highest ethical and governance standards.

The Group maintains zero tolerance towards bribery and corruption. To reinforce this commitment, we conducted mandatory annual training sessions for all employees and awareness programmes for key suppliers and contractors in 2024. We also established a proper channel of reporting of such incidents via TCMH’s formal whistleblowing mechanism.

Cultivating a Sustainable Culture

In 2024, we successfully engaged employees from selected operational business units in a sustainability awareness programme. The programme encompassed sustainability fundamentals and TCMH’s EESG initiatives, with high employee engagement demonstrated by strong evaluation results. Towards the end of 2024, we conducted a Materiality Assessment Survey to identify key sustainability issues for the Group’s 2025 to 2027 sustainability journey. This survey garnered valuable input from both internal and external stakeholders, including employees, the Board of Directors (“Board”), business partners, regulators and vendors.

As we move forward, we will ensure that sustainability remains at the heart of our business strategy. We are committed to driving positive change, fostering innovation and collaborating with our stakeholders to build a more resilient and responsible future. While challenges lie ahead, our dedication to environmental stewardship, social responsibility and strong governance will guide us in creating value for our businesses, communities and the planet.

Together, we can make a meaningful impact and shape a more sustainable tomorrow.

On behalf of the Board,
Daniel Ho Wai Ming
Group Chief Executive Officer

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

The Group views sustainability as essential in creating long-term value for shareholders and other stakeholders. Our approach to sustainability involves a comprehensive strategy that addresses EESG factors aligned with the UNSDGs. The following are some key elements considered to address environmental challenges and create long-term value for our stakeholders:

Electrification
Transitioning towards electric mobility is crucial, and that includes supporting charging infrastructure and promoting the adoption of Electric Vehicles ("EVs").

Supply Chain Decarbonisation
Reducing emissions throughout the supply chain by sourcing sustainable materials, improving energy efficiency and minimising waste.

Circular Economy
Implementing practices that promote recycling, reuse and restoring used or worn-out components, extending their lifespan, and reducing waste and resource consumption.

SUSTAINABILITY GOVERNANCE STRUCTURE

At TCMH, we manage sustainability with dedication, precise guidance and strategic influence under the Group's leadership. Our robust sustainability governance structure underpins these efforts, guiding the implementation of our sustainability strategy across business operations, goal setting and reporting processes. This approach strengthens our relationships with external stakeholders and upholds overall accountability.

As we progress, we remain agile in adjusting and modifying our sustainability approaches across all operational business units and regions to ensure adaptability within the Group. In line with Bursa Malaysia's Main Market Listing Requirements, we have adopted a progressive approach to sustainability governance by periodically reviewing and strengthening our governance structure.

SUSTAINABILITY STATEMENT

Roles and Responsibilities

The Board	• Ultimately responsible for overseeing the Group's sustainability journey, including EESG integration and execution, ensuring accountability and transparency of the Group's ethical and social responsibility footprints. • Reviews updates on material issues, developments and progress reports on a quarterly basis to monitor the achievement of the Group's sustainability targets.
BRMSC	• Comprising six Board members, entrusted by the Board with specific terms of reference, to assist in overseeing the EESG agenda, including recommending action plans for the Board's consideration.
RMSC	• Provides strategic direction, support and oversight for sustainability strategies, targets and initiatives, ensuring alignment and effectiveness through regular reviews and monitoring. • Coordinates and communicates sustainability initiatives to promote awareness of the Group's efforts both internally and externally. • Drives performance through target setting, Key Performance Indicators ("KPI") measurement, stakeholder engagement and reports to the BRMSC on sustainability matters and trends.
SWC and GRMS	• The Chairman of RMSC empowers SWC and GRMS to perform materiality assessment for submission to RMSC and BRMSC for approval. They also review sustainability matters annually, proposing changes and reassessing materiality as needed. • Implement sustainability strategies, coordinate and communicate initiatives to drive the Group's sustainability efforts and promote awareness both internally and externally. • Facilitate and guide BUs on sustainability directives from the Chairman of RMSC, and monitor sustainability KPIs and Bursa Malaysia's common indicators reporting to RMSC and BRMSC.
BUs and FSGs	• Owners of sustainability initiatives, data and implementations. • Determine and track performance metrics and targets by identifying, assessing and implementing planned sustainability initiatives and programmes. • Review the effectiveness of relevant policies based on their materiality, including the initiatives undertaken.

SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT

The table below outlines the Group's stakeholders, their primary engagement channels and the frequency of these interactions.

Frequency of engagement | ● Annually | ◆ Half-yearly | ☐ Quarterly | ▲ Continuous | ❍ As Needed

Key Stakeholder Groups (Internal and External)	Engagement Approach		
	Channels of Engagement	**Stakeholders' Key Interests and Concerns**	**Our Responses**
Investors/ Financial Analysts *Frequency* ●☐❍	• Quarterly financial analysts and fund managers' briefing • Annually and quarterly financial results announcements • Other announcements made to Bursa Malaysia • Investor relations channel • Corporate website • Press release and coverage	• Financial and operational performance • Market and industry insights • Corporate governance approach • Business strategy • Risk management • Future plans and strategies	• Regular updates via communication channels • Ensuring transparent and timely dissemination of information to all
Customers/ Dealers *Frequency* ▲❍	• Customer satisfaction survey • Customer feedback channel • Customer care centre and customer service hotline • Social media and corporate website • Marketing events and roadshows • Product showrooms • Product briefing • Scheduled dealers meeting	• Customer satisfaction • Product safety and quality • Service quality • Ethical business practices • Environmental impact • Trading terms • Product updates	• Ensuring customer satisfaction through high-quality products and services • Sales and marketing campaigns to attract and retain customers • Digitalisation efforts, mobile applications and virtual showroom • Equip dealers with products knowledge
Employees *Frequency* ●◆▲	• Trade unions • Staff engagement events and functions • Training and development programmes • Intranet • Internal memorandum • Mid-year and annual performance appraisal	• Career development • Health, safety and well-being • Diversity and inclusivity • Talent development • Employee welfare • Emergency preparedness • Remuneration, benefits and compensation • Job security • Workplace relationship • Recognition and appreciation	• Implementing a robust learning and development plan across all areas of the business • Hiring and promotions are based entirely on merit • Occupational Safety and Health Administration ("OSHA") policies and procedures • Grievances mechanism • Health and safety communication
Local Communities and Non-Governmental Organisations *Frequency* ●❍	• Social enhancement and environmental conservation programmes • Humanitarian programme • Philanthropy activities • Education and childcare centre programme • Site visits	• ESG impact • Support for vulnerable groups • Rising cost of living	• Ad-hoc charitable activities for the needy community • Long-term social partnership with relevant institutions/organisations in driving positive changes in the targeted communities • Blood donation drive

SUSTAINABILITY STATEMENT

Frequency of engagement | ● Annually | ◆ Half-yearly | □ Quarterly | ▲ Continuous | ❍ As Needed

Key Stakeholder Groups (Internal and External)	Engagement Approach		
	Channels of Engagement	**Stakeholders' Key Interests and Concerns**	**Our Responses**
Media *Frequency* ❍	• Press conferences • Press releases • Corporate website	• Business performance, strategy and direction • New products and services • Strategic business plan • Timely and accurate information disclosure	• Timely dissemination of information via various channels such as email circular updates, corporate website and social media platform • Short respond time to media enquiries
Principal Partners *Frequency* ●◆	• Scheduled engagements such as meetings and teleconferences • Summit and conferences • Site visits and audits	• Operational and business performance • Supply chain management • Environmental, health and safety • Quality and compliance • ESG compliance	• Conduct regular meetings for review of decision making and updates • Comply with quality standards and ESG requirements
Suppliers/ Vendors/ Contractors *Frequency* ●❍	• Meetings/Briefings • Pre-qualification assessment • Screening and due diligence • Performance evaluation • Trade exhibitions • Factory/Site visits • ESG Survey Feedback	• Efficient procurement processes • Transparency in procurement processes • Timely payment • Continuous business opportunities	• Emphasis on provision of transparent procurement processes • Briefing for the suppliers/ vendors on the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy • Yearly supplier performance evaluation
Regulators and Government Bodies *Frequency* ●❍	• Meetings • Audits/Inspections • Association periodical meeting	• License to operate • Automotive industrial related issues • Industry compliance requirements • ESG compliance	• Constant engagement with the authorities to share and exchange ideas • Disclosures of ESG information
Financiers *Frequency* ●❍	• Meetings • Annual review • Corporate events	• Financial performance • Business performance • ESG compliance	• Timely disclosure of updated audited financial statements • Forward-looking statements • ESG response and updates
Shareholders *Frequency* ●▲	• Annual reports • General Meetings • Circulars • Corporate website • Investment relation portal • Quarterly reporting	• Continuous flow of information • Transparency and accurate reporting • ESG performance disclosures • Timely disclosures of financial performances • Corporate updates • Return of Investment ("ROI")	• Dividend payout • Timely disclosure of information

SUSTAINABILITY STATEMENT

MATERIALITY MATTERS

TCMH conducts its materiality matter assessment in every three years to identify key issues affecting stakeholders and our business strategy. In the interim, annual reviews are conducted to ensure that these issues remain relevant to the Group. The 2024 Review confirmed that the continued relevance of the 18 material matters, which were identified in 2022. These matters aligned with TCMH's strategic priorities and are benchmarked against peers, considering emerging risks and opportunities in the industry.

Our Materiality Assessment Approach

Phase 1.

Identification of sustainability matters

Understand the Group's unique context, identify key stakeholders and their needs, and derive a list of significant sustainability matters

Phase 2.

Prioritisation of material sustainability matters

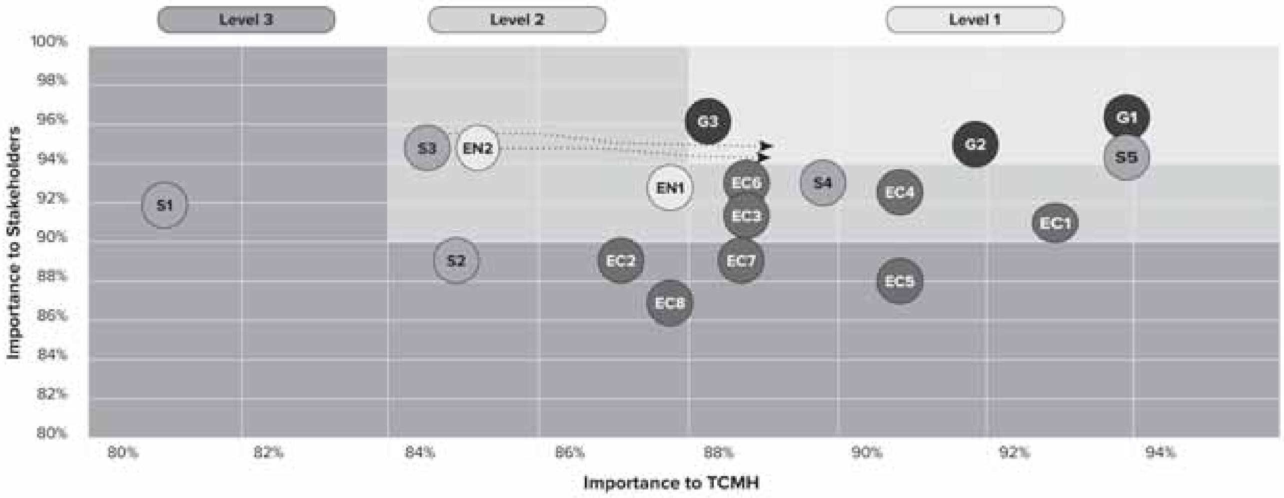
Engage stakeholders to prioritise sustainability matters, then disclose these prioritised matters to illustrate their relative importance

Phase 3.

Review and validation of process and outcome

Subject the materiality assessment outcome to validation and approval, establish a review process, and determine the frequency for conducting the assessment

TCMH's 3-Year Materiality Matrix (2022 to 2024)



Economic	Environmental	Social	Governance
• **EC1** - Financial Stability and Revenue Growth • **EC2** - Optimum Assets Utilisation and Capital Allocation • **EC3** - Sustainable Productivity • **EC4** - Succession Planning and Bench Strength • **EC5** - Convenient After-Sales Service • **EC6** - Customer Outreach • **EC7** - Automation and Digitalisation • **EC8** - Innovation and Value-Added Services	• **EN1** - Environmental Compliance and Regulation • **EN2** - Emissions, Waste and Effluent Management	• **S1** - Community Engagement and Empowerment • **S2** - Diversity and Inclusiveness • **S3** - Human Rights • **S4** - Talent Development and Retention • **S5** - Employees' Safety and Well-Being	• **G1** - Information Security • **G2** - Good Corporate Governance • **G3** - Supply Chain Management

Note: The sustainability matters related to **EN2 (Emissions, Waste and Effluent Management)** and **S3 (Human Rights)** were **reclassified to Level 1**. The Group elevated the priority of these two matters due to their considerable environmental and social impacts to the organisation and stakeholders.

SUSTAINABILITY STATEMENT

Our focus on the importance of the sustainability matters is based on the weighted average of both ratings obtained from the internal and external stakeholder engagements. The Group has categorised the prioritisation of the materiality sustainability matters into 3 priority levels, elaborated below:

Level 1 – Critical Priority

Placing strong emphasis on the materiality approach to ensure close alignment with the Group's Enterprise Risk Management ("ERM") and business strategy, aiming to achieve desired outcomes for all stakeholders.

Level 2 – High Priority

Close monitoring and continuous efforts are implemented to drive process improvement and achieve the desired results. This demonstrates a proactive approach to risk management, climate action, social and governance issues, and long-term strategy.

Level 3 – Moderate Priority

Create a comprehensive long-term strategy that prioritises potential EESG issues, effectively managing impacts through risk mitigation and maximising opportunities.

In Quarter 4 of 2024, TCMH surveyed stakeholders regarding sustainability impacts for 2025-2027. These findings will shape TCMH's EESG priorities and guide targeted management and reporting efforts in the coming years.

RISKS AND OPPORTUNITIES

TCMH follows ISO 31000:2018 Risk Management Guidelines to boost resilience by managing potential risks. Our ERM framework integrates sustainability and environmental risks, with regular reviews by designated risk owners, GRMS and SWC. The outcomes are evaluated quarterly by RMSC and BRMSC. Material matters, risks and strategic initiatives for stakeholder value are detailed in each thematic pillar of this Statement.

The Group completed a series of sustainability awareness trainings across the organisation in 2024.

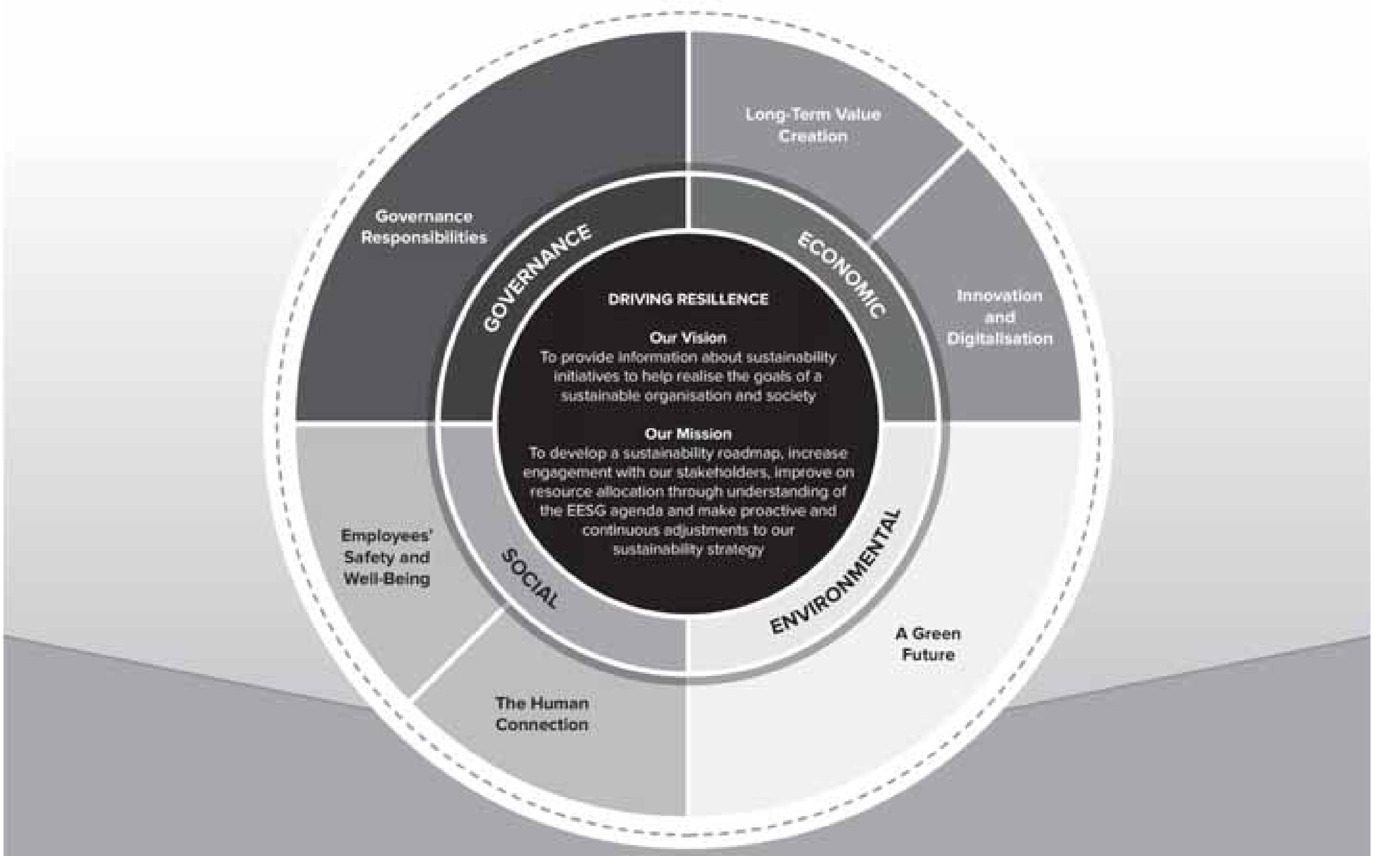
SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK

Our Purpose Statement – "DRIVING RESILIENCE"

The foundation of TCMH's Sustainability Framework is built on our guiding principles of core values ("TCFIMPeD"), which encompass seven focal areas.

The Group's 5-Year Sustainability Framework (2022 to 2026), titled "Driving Resilience", emphasises integrating sustainable practices at every level of our organisation. We have defined and incorporated sustainability-related KPIs and targets according to the directives of the Board and the Senior Management of TCMH. This ensures that all BUs are aligned in achieving the Group's EESG goals.



Economic

Long-Term Value Creation
- Financial Stability and Revenue Growth
- Optimum Assets Utlisitation and Capital Allocation
- Sustainable Productivity
- Succession Planning and Bench Strength

Innovation and Digitalisation
- Convenient After-Sales Service
- Customer Outreach
- Automation and Digitalisation
- Innovation and Value-Added Services

Environmental

A Green Future
- Environmental Compliance and Regulation
- Emissions, Waste and Effluent Management

Social

The Human Connection
- Community Engagement and Empowerment
- Diversity and Inclusiveness
- Human Rights
- Talent Development and Retention

Employees' Safety and Well-Being
- Employees' Safety and Well-Being

Governance

Governance Responsibilities
- Information Security
- Good Corporate Governance
- Supply Chain Management

In alignment to these UNSDGs:

SUSTAINABILITY STATEMENT

OUR EESG PERFORMANCE SCORE CARD

Legend: Progress Tracking	Target achievement: > 90%	Target achievement: 50% to 90%	Target achievement: < 50%

Material Matters	Indicator	Target	Current progress against targets
G1 Information Security	Percentage of employees attended cybersecurity awareness and assessment training	100%	99%
	Incident management on successful cyberattack that impacts TCMH	Zero successful cyberattack	Zero successful cyberattack
S5 Employees' Safety and Well-Being	Number of training programmes on health awareness	At least 12 programmes	Conducted 20 programmes
G2 Good Corporate Governance	Percentage of employees attended training on Code of Business Conduct and Ethics	100%	100%
	Percentage of employees who have attended training on anti-corruption	100%	100%
	Number of confirmed incidents of corruption and action taken	Zero confirmed incidents	Zero confirmed incidents
G3 Supply Chain Management	Supplier Performance Evaluation	100% completion of performance evaluation of at least 20 key suppliers	Evaluated 87 key suppliers
EN2 Emissions, Waste and Effluent Management	Waste Management	Total waste diverted from disposal ≥ 95%	Total waste diverted from disposal: 94% Total waste directed to disposal: 6%
S3 Human Rights	Number of substantiated complaints concerning human rights violations	Zero case	Zero case

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC

LONG-TERM VALUE CREATION

TCMH's strategy for long-term value creation emphasises sustainable revenue growth and financial stability through business diversification, regional expansion and operational excellence. By prioritising sustainable practices and considering all stakeholders' interests, TCMH aims to foster trust and cooperation, contributing to a stable and resilient economic environment. Managing risks effectively is essential to prevent financial losses and maintain consistent economic performance.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EC1: Financial Stability and Revenue Growth Continuously map out long-term strategic directions of the Group in ensuring its financial sustainability and navigating the highly disruptive era. ***Related UNSDG:*** 	Financial stability and revenue growth are vital for continuous operations, market competitiveness and stakeholder confidence. These factors help TCMH remain resilient to economic fluctuations, support sustainable practices, enhance employee welfare, and facilitate strategic expansion and diversification.	TCMH continuously maps out long-term strategic directions to ensure financial sustainability. The focus is on business diversification, regional expansion, and process and cost efficiency for long-term value creation. By broadening recurring income streams, the Group mitigates income concentration risk. We regularly assess financial performance and adjust strategies as needed, keeping operations agile and optimising processes to reduce unnecessary expenses and improve profitability.	Underperforming financial results can lead to operational disruptions, hinder growth investments, damage credit ratings and lower employee morale, erode customer confidence, disrupt supplier relationships and limit the ability to adapt, innovate and stay competitive.	Innovate and diversify offerings, optimise costs and efficiencies, seek strategic partnerships and embrace digital technologies to streamline operations, reduce costs and open new revenue channels.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EC2: Optimum Assets Utilisation and Capital Allocation Optimising assets utilisation and capital allocation to ensure a better Return On Assets (“ROA”) employed. ***Related UNSDG:***	By optimising asset utilisation and strategic capital allocation, the Group can improve ROA, enhance operational performance, reduce costs and drive sustainable growth. These efforts are expected to boost profitability and shareholder value.	Develop strategic initiatives to maximise long-term shareholder returns. Stay agile in identifying and commercialising new opportunities through innovation in a rapidly changing, technology-driven world. Ensure optimal capacity utilisation at assembly and manufacturing plants, and maximise after-sales service centre capacity through improved touchpoints and customer service. Maintain strong discipline in delivering expected returns on investments.	Non-optimal asset utilisation and poor capital allocation can increase operational costs, lower profit margins and lead to financial instability due to underperforming investments.	Refocus on core strengths by divesting non-core assets to enhance performance and profitability, and develop unique value propositions that are not heavily reliant on asset-intensive operations.
EC3: Sustainable Productivity Driving productivity improvement while creating new job opportunities. ***Related UNSDG:***	To achieve long-term value, TCMH focuses on improving productivity, driving efficiency and creating job opportunities, which enhance employee engagement and retention. The Group aims to use resources efficiently, achieving higher output with fewer inputs and integrating sustainable practices to reduce environmental impact. Promoting inclusive economic growth improves living standards and ensures equitable distribution of benefits. These efforts are vital for balanced, long-term economic growth, efficient resource use, environmental sustainability, innovation, resilience and stability.	By adopting new technologies and innovative practices, the Group drives productivity and economic growth. Leadership ensures sustainability goals align with strategic objectives, with KPIs tracking progress in energy efficiency, waste reduction and resource utilisation. Sustainability action plans with timelines, responsible parties and resources are integrated into all operations. Communicating TCMH’s 5-Year Sustainability Roadmap to stakeholders ensures alignment with the Group’s sustainability objectives.	Unsustainable productivity can lead to inefficient workflows and talent loss, over-reliance on finite resources may cause shortages and increase costs, and market demand fluctuations for sustainable products can impact profitability.	Fostering sustainable productivity enhances employee ownership and accountability, making TCMH more productive and competitive, while focusing on employee well-being improves morale, productivity and retention.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EC4: Succession Planning and Bench Strength Building a robust workforce by strategically developing the next generation of managers. Building talent pool to drive business sustainability. ***Related UNSDG:***	Succession planning is crucial for TCMH's long-term stability and growth. It ensures smooth leadership transitions, reduces risks from unexpected departures and enhances leadership readiness by developing internal talent. This process saves time and costs, and maintains business continuity. Overall, succession planning secures the Group's future by ensuring resilience, adaptability and long-term success.	The Group ensures leadership continuity by identifying and developing key talents for critical positions through a structured succession planning framework. Annual talent reviews are conducted to maintain development plans and engagement with potential successors. Additionally, the Group employs contract or temporary staff to address operational needs, allowing flexibility to adapt to workload fluctuations and project demands.	Without a clear succession plan, delays in filling key leadership positions can cause instability and loss of valuable knowledge, negatively impacting financial performance and eroding customer and stakeholder confidence in the Group's stability and future prospects.	Drive business continuity through leadership development programmes, provide clear career paths, minimise disruptions during leadership changes, and prepare the Group to adapt quickly to market changes and seize new opportunities with capable leaders in place.

OUR PERFORMANCE/VALUE CREATED

Capacity Utilisation of After-Sales Services in Malaysia

The efficiency of our after-sales operations is important to the Group as high utilisation rates indicate that resources (like service bays, technicians and equipment) are being used effectively, minimising idle time and maximising productivity. It is important for our operations to ensure efficient use of resources to help in controlling operational costs and avoiding underutilised resources which can lead to unnecessary expenses such as maintenance costs for idle equipment. The Group continued to track on the after-sales operation resource planning to better understand the allocation of resources, ensuring that the service centre can meet customer demand without overextending its capabilities. As a result, we achieved 10% increase in capacity utilisation of after-sales services in Malaysia compared to 2023.

Employees' Productivity

To drive sustainable growth, the Group focuses on workforce upskilling, digitalisation and lean management. Actions adopted include investing in Artificial Intelligence ("AI")-driven automation and robotics to streamline tasks. We also rolled out training programmes to upskill employees in data analytics and new technologies, and introducing performance-based incentives to enhance motivation and accountability.

In 2024, the Group performed resource right-sizing to optimise the allocation and utilisation of the Group's resources, including human capital, technology and physical assets, to better align with TCMH's strategic goals and operational needs. This entails evaluating current resource utilisation, pinpointing inefficiencies or surpluses and making adjustments to ensure resources are used effectively and efficiently across all BUs.

SUSTAINABILITY STATEMENT

ECONOMIC

INNOVATION AND DIGITALISATION

The Group aims to gain a competitive edge by accelerating innovation, fostering efficient collaboration and delivering value with minimal effort through advanced technology for digital transformation and automation. This enhances efficiency, speed and quality in services and products while strengthening customer connections. Investing in technology drives economic growth, creates new markets and improves productivity by automating processes, enhancing communication and enabling data-driven decision-making. Digitalisation reduces transaction costs and expands global market reach. Embracing innovation and digitalisation enhances resilience, adaptability, and contributes to sustainable and inclusive development.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EC5: Convenient After-Sales Service Prioritising convenience and ease of after-sales services provided to customers. ***Related UNSDGs:*** 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Prioritising convenience and ease of after-sales services in vehicle service workshops is essential as it enhances customer satisfaction and retention, fosters brand loyalty, generates positive word-of-mouth, increases revenue, ensures vehicle performance and longevity, and provides a competitive advantage in the market.	TCMH introduces the “DriveOn” apps to our customers for hassle-free car service and repair appointment scheduling. Internally, the “DriveIT” system will streamline sales and after-sales services delivery by seamlessly interfacing with backroom systems using automation technology to ensure a smooth delivery of our products and services.	Inefficient processes and lack of convenience can decrease customer satisfaction, create a competitive disadvantage, increase operational inefficiency and costs, and result in longer wait times, limited service availability and poor customer experiences.	Digital tools, like AI-powered analytics, enable personalised services by understanding customer preferences and behaviours. Digitalisation ensures seamless, consistent interactions across multiple channels and facilitates instant customer feedback, allowing businesses to quickly address issues and enhance their offerings.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EC6: Customer Outreach Fostering good relationships with customers by delivering high standards of interactions. ***Related UNSDGs:***	Fostering good relationships by proactively reaching out to customers is crucial as it builds customer loyalty, increases sales, enhances brand reputation, provides valuable customer insights, offers a competitive advantage and aids in customer retention.	Extend customer outreach through seamless connectivity and digital marketing across all platforms. Interact with customers on social media, mobile apps and websites to provide a consistent experience, increasing accessibility to services and products anytime, anywhere, enhancing convenience and satisfaction.	Poor outreach strategies and inconsistent communication can harm our brand's image, reduce customer loyalty and retention, and put us at a disadvantage compared to competitors. Ineffective outreach can also lead to disjointed efforts and reduced operational efficiency.	Effective customer outreach can increase conversion rates and sales, build strong relationships to boost loyalty and retention, enhance brand visibility to attract new customers, and tap into new markets for growth and diversification.
EC7: Automation and Digitalisation Technological innovation to enhance key internal business functions, improve process efficiency and effectiveness, and promote innovation and business continuity. ***Related UNSDGs:***	It is important to enhance efficiency and effectiveness to ensure business continuity of the Group. It also provides a competitive advantage, fosters a culture of innovation, enables adaptability to market changes and reduces operational costs.	Business process improvements through automation and digitalisation will increase production capacity, reduce lead times and minimise human errors. Continuous innovation in process automation and cross-border system interfacing allows TCMH to offer a wide range of efficient products and services.	Error-prone manual processes increase costly mistakes and inefficiencies, while time-consuming repetitive tasks reduce productivity. Inconsistent internal controls can lead to compliance issues, and a lack of digital tools hinders real-time operational visibility, making it difficult to monitor performance and identify improvement areas.	Digital tools enhance customer experience with personalised interactions, foster innovation for new product development, provide a competitive advantage and improve collaboration among teams, boosting overall productivity.
EC8: Innovation and Value-Added Services Innovating to meet market demands and deliver value-added services to customers. ***Related UNSDGs:***	Innovating to meet market demands and deliver value-added services is essential for TCMH as it enhances customer satisfaction and loyalty, meets evolving customer expectations, improves the overall customer experience, builds trust and loyalty, differentiates from competitors and fosters long-term relationships leading to sustained business growth.	Enhance and introduce a wider range of products and value-added services, like car subscription programmes and GoInsuran.com, to meet customer demand through product innovation. EV charging facilities are available at all our selected centres, ensuring convenient electrification for customers' EVs whenever required.	Lack of innovation will lead to a loss of competitive edge, customer dissatisfaction, decreased profitability and obsolescence. It can also negatively impact employee morale and talent retention, and limit the Group's strategic options, making it more vulnerable to market changes and external shocks.	Offer a competitive advantage, market expansion, increase revenue and enhance customer loyalty. These also lead to operational efficiency, attract top talent, build resilience to disruption and enhance brand reputation.

OUR PERFORMANCE/VALUE CREATED

After-Sales Service – Customer Retention and Satisfaction

It is crucial for our after-sales operations to retain their customers. Our after-sales team has continuously focused on upselling opportunities such as promoting additional services or products, extended warranties, accessories or premium services. The lower retention rate compared to last year was mainly due to the decline in Units in Operation affected by the decrease in new car sales. Continuous efforts to promote our Nissan Preventive Maintenance Programme ("NPMP") to retain customers and assuring them of our high-quality service.

Yearly customer satisfaction survey was conducted to our existing long-term after-sales customers to obtain feedback and improvement. The feedback provided helps the after-sales operations to improve services and address issues, leading to better overall service quality. In 2024, the Group achieved a modest improvement in our after-sales service delivery based on survey result as compared to the previous year.

Development to Optimise and Maximise System Efficiency

The Group has focused on technology to optimise efficiency by developing a cloud-based Sales, Service and Spare Parts (3S) system to streamline processes and reduce waste. We implemented an in-house middleware solution for LHDN e-Invoice compliance and involved in projects to integrate with government systems like Customs and Road Transport. Significant investments were made in the Human Resource Management ("HRM") system to enhance efficiency, while an electronic signing solution was introduced to enable paperless transactions in procurement and customer operations.

ENVIRONMENTAL

A GREEN FUTURE

The Group is dedicated to environmental sustainability, emphasising energy conservation, decarbonisation and efficient management of effluents, water and materials. We aim to lower greenhouse gas emissions by using renewable energy and improving energy efficiency. Eco-friendly practices in production, responsible sourcing and waste minimisation are adopted. The Group also promotes environmental education, supports green initiatives and reflects a holistic approach that prioritises clean environment and creates a positive impact on the society.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EN1: Environmental Compliance and Regulation Manage evolving changes in the regulatory landscape and ensure compliance with all environmental laws and regulations. ***Related UNSDGs:***	Managing evolving regulatory changes and ensuring compliance with environmental laws is essential for TCMH as it helps avoid legal penalties, mitigates risks, promotes sustainable practices, enhances reputation, improves operational efficiency and provides a competitive advantage.	TCMH established a structured environmental management framework to monitor and achieve performance objectives, and stay updated on regulations. Business owners monitor compliance risks monthly, with oversight by the BRMSC, ensuring timely mitigation. Ensure sustainable practices improve efficiency, drive innovation and reduce waste, supporting long-term sustainability goals without depleting resources or causing environmental damage.	Non-compliance with environmental regulations can lead to significant financial penalties, legal consequences, operational disruptions and costly remediation efforts. It can also result in increased insurance costs, reputational damage, loss of business opportunities and heightened regulatory scrutiny.	Enhance the Group's reputation, lead to cost savings, open new markets, attract investment, provide a competitive edge, enhance corporate image, increase trust from stakeholders, tap on available green funds, mitigate environmental risks and improve employee morale and retention.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
EN2: Emissions, Waste and Effluent Management Aspiring towards the circular economy within our operations, supply chain waste management and reducing CO_2 footprint. ***Related UNSDG:***	It is crucial for the Group to adopt a circular economy, effective supply chain waste management and reducing the CO_2 footprint as it promotes sustainability, achieves cost savings, ensures regulatory compliance, provides a competitive advantage, fosters innovation and growth, and enhances the Group's brand image.	To effectively manage emissions and pollutants, we measure and monitor them, enhance energy efficiency, transition to renewable energy and engage employees in reduction initiatives. In our assembly plants, we install and maintain treatment systems, regularly monitor effluent quality, implement preventive measures to minimise effluent generation and ensure regulatory compliance.	Poor management of emissions, effluent and waste can lead to environmental damage, legal penalties, health risks, reputational damage, operational disruptions, financial losses, resource depletion and decline in stakeholders' confidence.	Lead to cost savings, regulatory compliance, enhanced reputation, new market opportunities, competitive advantage, improved employee engagement, and increased innovation and efficiency.

OUR PERFORMANCE/VALUE CREATED

Environmental Compliance

TCMH is committed to its Environmental, Health and Safety ("EHS") policies, consistently monitoring performance through reporting, inspections and monthly reviews. Our plants retained their ISO 14001 recertification by meeting the required standards. In addition, the Group adhered to register the myPremis system across the organisation, in compliance with the mandatory requirement set by the Department of Environment under the Ministry of Natural Resources and Environmental Sustainability.

Indicator: Compliance with Environmental Laws And Regulations			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Non-compliance with environmental laws and regulations	Zero case and no Stop Work Notice	Zero case and no Stop Work Notice	Zero Stop Work Notice from Authority (Case)

Renewable Energy is the Future of Sustainability

TCMH's floating LSSPV plant in Serendah marks its first venture into renewable energy. The Group is committed to environmental conservation and advancing EESG aspirations, particularly in the Renewable Energy sector. We look forward to participating in the next cycle of Large-Scale Solar scheme or the Corporate Green Power Programme.

The LSSPV plant in Serendah celebrated its first year of operation on 5 January 2025, injected 40,907,246 kWh of green energy into the national grid, offset 23,931 tonnes of CO_2e. Routine preventive maintenance was carried out to ensure peak performance and compliance.

In 2024, we conducted water quality sampling at three locations (inlet, neutral and discharge points) at the plant to comply with Lembaga Urus Air Selangor's ("LUAS") guidelines and to preserve lake water quality. The assessments conducted in 2024 based on the American Public Health Association's standards showed readings below the limit of lab quantification, ensuring no effluents were discharged from external sources or operations into the waterbody. The water sampling report was shared with LUAS officers for their records and comments.

SUSTAINABILITY STATEMENT

Energy Consumption and Conservation

TCMH's operations demand substantial energy, particularly at our plants. To address this, we have implemented proactive measures, including systematic monitoring, control and optimisation of our energy consumption to conserve usage and reduce costs. As part of our energy management efforts, we practise Total Preventative Maintenance, focusing on maintaining the machinery in our plants, showrooms, factories and workshops to ensure optimal efficiency and minimise energy usage, thereby reducing operational costs.

We further optimise energy usage at our workplace by insulating buildings to lower cooling energy demands and installing energy-efficient lighting solutions. Additionally, we continuously educate our employees on efficient energy consumption by adjusting operational processes, behaviours and habits to reduce unnecessary energy use.

Bursa's Common Indicator C4(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Total energy consumption	54,809.78 megawatts (197,315 Gigajoules)	55,230.62 megawatts (198,830 Gigajoules)	No target set

Emission Management

The Group prioritise in emission management to achieve reductions in greenhouse gas emissions to mitigate climate change and protect public health. We are transitioning to renewable energy sources, improving energy efficiency, and promoting sustainable practices like recycling and waste reduction. Our BUs implement energy-efficient technologies and practices to reduce energy consumption and emissions such as installation of solar roof panel system at plants and gradually replacing the Group's corporate fleet vehicles with hybrid and electric vehicles.

Bursa's Common Indicator C11(a), (b) and (c)		
Measurement Metric	**2024**	**Target for 2024**
Emission Management (a) Scope 1 emissions in tonnes of CO_2e (b) Scope 2 emissions in tonnes of CO_2e (c) Scope 3 emissions in tonnes of CO_2e Category 6 – Business Travel Category 7 – Employee Commuting	 5,899.32 metric tonnes 23,600.46 metric tonnes 5,652.59 metric tonnes	No target set

Revolutionising Mobility with Advanced Electrification Solutions

The Group has long been a key player in the EV landscape for being the one of the first automotive players to introduce fully EVs for public purchase in Malaysia through our Nissan Leaf and Renault Zoe. To drive the adoption of EVs, we have charging facilities made available for our customers at showrooms and service centres. This effort is to help promote the adoption of EVs by customers.

Building on this pioneering legacy, in 2024, TCMH continued its commitment to innovation by launching Nissan e-POWER vehicles, the Nissan Kicks e-POWER in Malaysia and the Nissan X-Trail e-POWER in Cambodia and Laos.

Nissan e-POWER vehicles contribute towards sustainable development through electrification with a unique hybrid system that lowers carbon emissions. Unlike traditional hybrids, Nissan e-POWER vehicles run solely on an electric motor, with a gasoline engine acting only as a generator. This design eliminates external charging and reduces tailpipe emissions significantly compared to conventional ICE vehicles, supporting global climate efforts.

While being highly energy efficient, e-POWER also serves as a bridge to full electrification by making electrified driving more accessible, especially in regions where EV charging infrastructure is still developing. By providing an electric driving experience without range anxiety or charging station dependency, e-POWER encourages wider adoption of electrified vehicles.

The Group will continue to introduce other e-POWER models into our markets, providing a cleaner mobility without the need of extensive EV infrastructure.

SUSTAINABILITY STATEMENT

Sustainable Waste Practices

The Group is committed to reduce operational waste disposal, increase recycling activities and minimise environmental impact. We adhere to local and international waste management and e-waste disposal regulations to reduce waste being disposed to landfill. Our BUs were guided in waste segregation management and established recycling programmes for materials like paper, plastic, glass, metals and e-waste.

The Group disposed our e-waste responsibly through licensed partners in accordance with environmental regulations. BUs are required to regularly track and report our scheduled waste management performance, focusing on waste disposal and diversion to meet the Group's sustainability goals.

The Group will initiate the 5R (Refuse, Reduce, Reuse, Repurpose and Recycle) programme in 2025 to educate employees on 5R practices, aiming to improve waste management and promote sustainability.

Bursa's Common Indicator C10(a)		
Measurement Metric	**2024**	**Target for 2024**
Waste Management Total waste generated (i) Total waste diverted from disposal (ii) Total waste directed to disposal	 3,521.84 metric tonnes 3,303.56 metric tonnes 218.28 metric tonnes	No target set

Circular Economy

As a car subscription service provider through our Nissan and Renault Car Subscription Programmes, the Group supports a circular economy and reduce waste to landfill by maximising vehicle usage and extending their lifespan. Unlike traditional ownership, where cars are often underutilised, subscription models ensure continuous use through multiple users. Regular maintenance and refurbishments keep vehicles in optimal condition, delaying scrappage and minimising waste. Additionally, at the end of a subscription cycle, our vehicles will be refurbished and reintroduced into the fleet or resold as certified pre-owned at our other BUs.

As the car subscription landscape shifted towards cleaner energy vehicles, the Group also expanded its fleet to include EVs and hybrid vehicles, further reducing fossil fuel dependence and emissions. Ultimately, we strongly believe that car subscriptions promote shared mobility, extend vehicle usability and support responsible end-of-life management, contributing to a more sustainable transportation ecosystem.

Cultivate ESG Culture for a Sustainable Business

In 2024, the Group conducted workshops for selected BUs in Malaysia and Indo-China. Middle management and above learned about the Group's EESG framework, targets, material matters, compliance, risks and opportunities. These workshops aimed to assist employees to align their operations with sustainability requirements and mitigate non-compliance risks.

TCMH believes that a strong sustainable culture and practice will lead to cost savings, improve efficiency, enhancing business performance while retaining and attracting talents.

Efficient Water Management

The Group emphasises on the effectiveness of water management as it plays a key role in numerous manufacturing processes, such as cooling, cleaning, painting and metal treatment. Proper management leads to reduced water usage, adherence to environmental regulations and alignment with sustainability objectives, thereby lowering operational expenses.

At our plants, we implement several water management strategies which include redirecting used water from waterproofing assessments to storage for reuse, optimising water usage in manufacturing processes through assessments and efficient equipment, installing rainwater harvesting systems for non-potable uses. We are proactively detecting and repairing water leaks, and educating employees on water conservation to foster a culture of sustainability and encourage daily water-saving practices. These implementations have notably improved our water management performance in 2024.

Bursa's Common Indicator C9(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Total volume of water used	422.22 Megalitres	395.14 Megalitres	No target set

SOCIAL

THE HUMAN CONNECTION

The Group constantly engages with employees and communities, focusing on human rights and social justice. We aim to improve community living standards through corporate social responsibility ("CSR") activities, community empowerment programmes and employee volunteerism. The Group embraces diversity and inclusivity, recruiting based on merit and valuing freedom of association and participation. We uphold human and labour rights, ensure business activities do not infringe upon these rights, provide equitable employment conditions and invest in continuous employee development.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
S1: Community Engagement and Empowerment Financial and non-financial contributions to support local communities, underprivileged and underserved groups. ***Related UNSDGs:*** 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	TCMH supports local communities, underprivileged and underserved groups through financial and non-financial contributions. This is crucial for the Group as it builds strong community connections, fosters economic growth and stability, enhances corporate reputation and boosts employee engagement.	The Group is dedicated to nurturing the next generation and improving community quality of life. We prioritise equitable education access and empower disadvantaged individuals through impactful CSR initiatives, such as the TCMH Childcare Centre Programme for underprivileged children and various philanthropic efforts to enhance community well-being.	Potential backlash if community expectations exceed the Group's efforts towards community improvement, resulting in risks that could damage our reputation through superficial engagement perceived as "greenwashing".	Enhance the Group's reputation, build trust and loyalty among stakeholders, attract talent, promote diversity and inclusion, support environmental conservation, and boost employee morale and sense of purpose.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
S2: Diversity and Inclusiveness Zero tolerance on all forms of discrimination, championing a diverse and inclusive working culture. ***Related UNSDGs:***	Embracing a diverse and inclusive working culture is crucial for the Group as it improves employee engagement and retention, attracts top talent, leads to better decision-making, enhances corporate reputation, and ensures compliance and risk management.	Promote fair and equitable employment and workforce diversity across gender, ethnicity and age. Ensure full and productive employment including individuals with disabilities. End all forms of discrimination against gender and age, and ensure their full participation and equal opportunities for leadership in the Group. Provide grievance and whistleblowing channels through our corporate website and intranet.	Reputational damage, reduced innovation, higher employee turnover, limited talent pool, decreased employee morale and legal risks. These issues can negatively impact customer trust.	Lead to enhanced innovation, improved decision-making, access to new markets, higher employee engagement, attracting top talent, better financial performance and an enhanced company reputation.
S3: Human Rights Adherence to human rights standards across all operations. ***Related UNSDGs:***	Adhering to human rights standards across all operations is crucial for TCMH as it builds reputation and trust, manages risks, enhances employee satisfaction and productivity, supports sustainable business practices, and attracts market access and investment.	TCMH is committed to eradicating forced labour, ending modern slavery and human trafficking, and eliminating the worst forms of child labour throughout our supply chain. We uphold the right to free, active and meaningful participation in associations for all individuals. We promote human rights in our operations, ensuring business activities do not violate people's rights. We protect labour rights and promote safe, secure working environment by supporting equality of opportunity, treatment and outcomes.	Failure to uphold human rights can lead to reputational damage, legal consequences, operational disruptions, financial losses, low employee morale and retention, and supply chain risks, all of which can significantly impact the Group's overall performance.	Enhance the Group's reputation, attract top talent, increase productivity, mitigate regulatory risks, improve stakeholder relations, differentiate the Group in the marketplace and support sustainable growth.
S4: Talent Development and Retention Promote the development of employees' competencies to respond to the rapidly changing and complex business environment. ***Related UNSDGs:***	This enhances adaptability, improves performance and productivity, increases employee retention, aligns with business goals and succession programme.	Cultivate continuous learning and development culture to enhance employees' skills and stay updated with industry trends. Develop a succession plan to identify and prepare future leaders within TCMH. This ensures continuity and retains top talent.	Lead to high attrition rates, reputational damage, operational disruptions and increased costs, loss of competitive edge, decreased employee morale, legal risk and compliance risks.	Increase productivity, enhance innovation, lead to higher employee engagement, reduce employees turnover, minimise work disruptions and result in better alignment with business goals.

SUSTAINABILITY STATEMENT

OUR PERFORMANCE/VALUE CREATED

Nurturing Young Generations

TCMH Childcare Centre Programme – Providing a Safe and Supervised Post-School Environment for Children

TCMH continued its commitment to supporting school children from B40 families through its long-standing Childcare Centre Programme at Sekolah Jenis Kebangsaan (C) Sungai Chua and Persatuan Kebajikan Kanak-Kanak Kajang. This programme provides a secure after-school environment for children from disadvantaged backgrounds, including those of single parents and working parents from B40 families. We offer comprehensive support, including meals, tuition, self-improvement activities and counselling services, fostering academic growth and holistic development.

After a 13-year partnership, the TCMH Childcare Centre Programme at Sekolah Jenis Kebangsaan (C) Sungai Way was discontinued in March 2024 due to low student enrolment. This decision allows the Group to reallocate resources to initiatives with broader reach and impact. The Group appreciates the collaboration with Sekolah Jenis Kebangsaan (C) Sungai Way and acknowledges the positive influence the programme has had on participating students.

Empowering Community through Employee Volunteerism

Support for National Workers' Day Celebration

The Group's participation in the National Workers' Day Celebration on 1 May 2024 demonstrated solidarity with national labour movements. A delegation of 20 representatives from TCMH joined over 2,800 attendees at the Pusat Konvensyen Putrajaya to honour Malaysia's workforce. This event reaffirmed the Group's ESG-driven commitment to employee welfare, inclusivity and a culture of recognition and pride.

Advocating for the Malaysian Association for the Blind ("MAB")

TCMH fosters a caring culture by encouraging employee volunteerism in its CSR programmes. This initiative educates employees on community engagement and inspires them to positively impact the environment and society. In June 2024, TCMH collaborated with MAB on the "Bridge the Gap" CSR initiative, which aimed to empower visually impaired individuals in Malaysia by providing essential resources and support.

Employees participated in two impactful activities: Audiobook Recording and Book Typing. We recorded audiobooks to bring the joy of reading to those who rely on auditory learning, and typed books or articles to convert digital texts into Braille text, aiding the education of the visually impaired. We contributed 41 audiobooks and 71 typed materials to MAB's library, breaking down barriers and fostering inclusivity, reflecting TCMH's commitment to social responsibility and a more equitable society.

Sharing the Festive Joy with the Ch'om Community

In September 2024, TCMH's Da Nang plants partnered with the Nhan Ai Charity Club to host a Mid-Autumn Festival charity event for the Ch'om Community in Quang Nam Province, Vietnam. The Co'Tu people in this remote mountain village face challenges such as limited access to basic necessities and education resources. Despite these difficulties, they maintain a rich cultural heritage. The two-day event brought joy to the community with a festive dinner and performances. Our Vietnamese team and their employees donated 100 school bags to the children.

Spreading Holiday Cheer by Fulfilling Wishes

Through the "Year-End Wishes" CSR activity, employees brought joy to 93 residents across four welfare homes in the Klang Valley by fulfilling their wishes. The homes included Persatuan Rumah K.I.D.S (Kanak-Kanak Ini DiSayangi), Pertubuhan Kebajikan Cahaya Kasih Kuala Lumpur & Selangor, Pertubuhan Kebajikan Rasa Sayang Selangor and Persatuan Kebajikan OKU Hati Berganda Selangor. Employees selected the wish cards from a Wishing Tree, which outlined specific gift requests such as toys, educational supplies, clothing and sports equipment. The gifts were delivered in mid-December 2024, spreading festive cheer to the residents. The enthusiastic participation of employees resulted in the fulfillment of all resident wishes, showcasing the Group's compassion and generosity.

Giving Back to our Community

Celebrating the Festive Season with Delicious Treats

In collaboration with GR Natural Enterprise (Jammy Tummy), our trading division launched a new line of vegan cookies for the 2024 Chinese New Year. This initiative supported employment, training and work readiness programmes for these neuro-divergent individuals at Jammy Tummy. The cookies were available for purchase by employees, providing a festive treat or gift option. This partnership empowers neuro-divergent individuals through meaningful work, fostering a more inclusive and supportive community.

Contributing Essential Items in Mid-Year Outreach

In August 2024, the Group continued their annual mid-year outreach initiative by donating essential groceries to three local welfare organisations in Kuala Lumpur: Pusat Jagaan Pertubuhan Kebajikan Chester Selangor, Pertubuhan Kebajikan Rumah Warga Emas Gemilang and Sweet Care Home. We also spent quality time with approximately 90 residents, creating cherished memories. These contributions reflect the Group's ongoing commitment to supporting the community and making a positive difference in the lives of those in need.

SUSTAINABILITY STATEMENT

Blood Donation Drives

In 2024, TCMH demonstrated its commitment to life-saving initiatives through seven blood donation drives organised by its Headquarters ("HQ") and subsidiaries. Partnering with local hospitals and blood centres, including Pusat Darah Negara ("PDN"), Pusat Perubatan Universiti Malaya ("PPUM") and Hospital Duchess of Kent, Sandakan in Sabah, these drives addressed critical blood shortages and saved lives. Overall, TCMH contributed 211 bags of blood in 2024, supporting health needs and reinforcing its commitment to community care.

Summary of Community Activities in 2024

Activity	Date
TCMH Childcare Centre Programme	January – December 2024
Celebrating the Festive Season with Delicious Treats	January 2024
Donation to Selangor And Federal Territory Association for the Mentally Handicapped	June 2024
"Bridge the Gap" for MAB	June – August 2024
Contributing Essential Items in Mid-Year Outreach	August 2024
Sharing the Festive Joy with the Ch'om Community in Vietnam	September 2024
"Year-End Wishes" for Welfare Homes	November – December 2024
Blood Donation Drives • Kuala Lumpur • Sandakan, Sabah • Serendah, Selangor • Seri Kembangan, Selangor • Petaling Jaya, Selangor	 23 January 2024 12 May 2024 6 June and 15 November 2024 12 August 2024 16 November and 10 December 2024

Bursa's Common Indicator C2(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM262,403	RM175,386	No target set

Bursa's Common Indicator C2(b)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Total number of beneficiaries of the investment in communities	337 beneficiaries	304 beneficiaries	No target set

SUSTAINABILITY STATEMENT

Empowering Future Careers through Sponsorships and Job Opportunities

TCMH's education division provides comprehensive automotive training to equip school leavers with marketable skills. In 2024, 33 students completed their Sijil Kemahiran Malaysia ("SKM") Level 2 and 3 certifications, with 24.2% joining the Group's workforce and 45.5% furthering their studies. This demonstrated the Group's commitment to job creation and societal development. Our Group supports youth from B40 households and underprivileged groups by educating and equipping them with these vital skills in automotive mechanics. Three students sponsored by the Group for the Diploma Kemahiran Malaysia ("DKM") Level 4 certification in automotive mechanics will be completing their trainings in Quarter 2 of 2025 and will join our commercial vehicle business workforce, with potential career growth within the Group.

In 2024, TCMH supported job opportunities by offering full-time employment to 16 university and college interns and trainees who met the functional and technical job requirements across various businesses within the Group.

Embracing Diversity and Inclusivity

Diversity and inclusivity are core to the Group's identity. With a strong regional presence, the Group attracts global talents and ensures fair and equal treatment for all employees, promoting individuals based on merit, skills and potential. The Group maintains a zero-tolerance approach against workplace discrimination and harassment, fostering a supportive environment. In 2024, women made up 25.3% of the total workforce, with 35.3% in managerial roles. The Group is committed to promoting gender diversity, particularly at the management level and nurturing a diverse pipeline of future leaders through internal succession and new talent recruitment.

Bursa's Common Indicator C3(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Percentage of employees by gender and age group for each employee category	Male=74% Female=26% *(Refer to page 63 for gender and age group by employee category)*	Male=75% Female=25% *(Refer to page 63 for gender and age group by employee category)*	No target set

Indicator: Diversity by Gender			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Entire Workforce:			No target set
Male	74.3%	74.7%	
Female	25.7%	25.3%	
At Management Level:			
Male	65.3%	64.7%	
Female	34.7%	35.3%	

Indicator: Diversity by Age			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Entire Workforce:			No target set
Over 50 years old	11.8%	11.4%	
30 – 50 years old	61.0%	58.8%	
Under 30 years old	27.2%	29.8%	

Indicator: Diversity by Nationality			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Entire Workforce:			No target set
Malaysians	70.6%	71.2%	
Other nationalities	29.4%	28.8%	

SUSTAINABILITY STATEMENT

Bursa's Common Indicator C3(b)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Percentage of directors by gender and age group	Male=86% Female=14% *(Refer to page 63 for gender and age group)*	Male=75% Female=25% *(Refer to page 63 for gender and age group)*	At least one (1) female (14%) director

Celebrating Diversity and Unity

Throughout the year, our commitment to cultural inclusivity and festive engagement was evident. In January 2024, we celebrated the Lunar New Year with the Mandarin Orange Distribution initiative, where employees across Malaysia and Indo-China received mandarin oranges, symbolising prosperity and unity. This gesture enhanced workplace harmony and strengthened bonds within our diverse workforce, reflecting our dedication to ESG principles by promoting cultural respect and connection.

For Hari Raya Aidilfitri in April 2024, many of our businesses and companies held celebrations and open houses, fostering unity and harmony among the workforce.

In August 2024, the Merdeka Kahoot Competition and Photo Contest celebrated Malaysian heritage, with employees participating both in person and virtually. The photo contest showcased traditional costumes and innovative designs, fostering joy and camaraderie.

In October 2024, over 150 employees participated in the Deepavali Kolam Design Competition, creating intricate, colourful patterns that symbolised joy and good fortune.

The year ended with a lively Christmas Trivia Competition involving over 70 participants, strengthening community spirit through shared laughter, learning and festive cheer.

Commitment to Human Rights and Ethical Labour Practices

The Group enforces comprehensive policies such as Code of Business Conduct and Ethics ("CBCE"), Supplier Code of Conduct ("SCoC"), ABAC policies and other guidelines that promote equality, financial fairness and social protection within the Group and its supply chain.

TCMH aligns its policies with internationally recognised human rights principles, guided by the United Nations Universal Declaration of Human Rights and the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work. The Group integrates ongoing human rights impact assessments into its core operations, employing rigorous screening processes, comprehensive training programmes, consistent oversight of internal operations and supply chain partners, and formal mechanisms for reporting violations. In cases of breaches, TCMH has remedial measures to address and mitigate human rights impacts, ensuring appropriate remedies for affected individuals or communities.

Human Rights Integration in Our Operations

Human rights are integral to our business practices, embedded in our Core Values, CBCE, SCoC and other policies. We comply with all national and international laws on employee and worker treatment in the countries we operate. These principles are communicated to all employees and business partners to ensure clear understanding on upholding human rights. We also have grievance and whistleblowing channels through Special Complaint Policy for employees and external stakeholders to raise concerns about working conditions, employee treatment or business dealings.

Our approach to human rights is based on five key principles:

1. **Safe and Healthy Work Environment:**

   Ensuring compliance with national Occupational Safety Health ("OSH") regulations to maintain safe and healthy workplaces.

2. **Respectful and Inclusive Workplace:**

   Prohibiting discrimination and harassment, treating all individuals with dignity and respect, and fostering an inclusive environment.

3. **Zero Tolerance for Forced and Child Labour:**

   Prohibiting child, forced or compulsory labour within our operations and supply chain, and expecting the same from suppliers and partners.

4. **Fair Work Hours and Compensation:**

   Complying with laws on work hours, wages, overtime, holidays and benefits to ensure fair and equitable compensation while reducing excessive working hours.

5. **Freedom of Association and Collective Bargaining:**

   Supporting employees' rights to associate, join unions, and engage in collective bargaining and encouraging open dialogue between management and staff.

Bullying and Harassment through Grievance Mechanism

TCMH promotes a safe and respectful workplace, free from bullying, harassment and intimidation. To prevent and address such behaviours, TCMH has implemented measures including awareness briefings for new staff, posters in visible areas and a Special Complaint channel for employees to raise concerns or grievances.

The Group provides clear channels for employees and stakeholders to raise concerns about their working conditions, treatment or employment. The grievance procedure and Special Complaint channel ensure impartial handling and thorough investigations by Group Human Resources and Group Investigation and Forensic Services Departments.

In 2024, no incidents of human rights violations, discrimination, forced or child labour were reported, reaffirming TCMH's commitment to ethical business practices and human rights protection.

Bursa's Common Indicator C6(d)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Number of substantiated complaints concerning human rights violations	Zero	Zero	Zero

Empowering People for Future Success

At TCMH, we invest in the growth and development of our people to navigate a dynamic business landscape. We focus on strengthening personal and managerial skills, ensuring employees are prepared for future challenges and can contribute to the Group's long-term success. We provide a wide range of learning, development and training opportunities to empower employees to upskill and grow in their roles through our proprietary Learning Management System ("LMS").

In 2024, we emphasised personal development by enhancing communication, problem-solving and managerial skills across all levels. Consequently, 1,507 participants, including nearly 75% of management staff, engaged in 106 training programmes. The list of personal development training programmes conducted based on employee category is tabulated below:

Category	Programme Title
Officer/Executive	• Personal Excellence Towards Being Extraordinary • Basic Business Writing Skills • Customer Services Excellence with Interpersonal Communication Skills • English Communication Skills • Basic Problem Solving
Senior Executive/Assistant Manager	• Supervisory Skills • Critical Thinking and Problem Solving • Presenting with Confidence • Using Data to Uncover Insights
Manager/Senior Manager/ Deputy General Manager	• Managing Performance • The Art of Questioning • Coaching for Performance • The Art of Managing Conflict • Design Thinking • High Impact Presentation Skills • Situational Leadership & Decision Making • Storytelling with Data • Strategic Business Planning

Bursa's Common Indicator C6(a)				
Measurement Metric	**2022**	**2023**	**2024**	**Target for 2024**
Total hours of training by employee category	**-**	**46,045**	**48,238**	No target set
Management	-	13,598	13,242	
Executive	-	16,728	18,439	
Non-Executive/Technical Staff	-	8,220	13,921	
General Workers	-	7,499	2,636	

Employee Performance Management and Compensation

At TCMH, successful performance management is crucial for reaching our business objectives. By aligning individual performance with the Group's strategic objectives, we empower employees to drive innovation, enhance productivity and achieve operational excellence. Our performance management system sets clear expectations, offers regular feedback and provides development opportunities, helping employees enhance their skills and reach their potential. Annual performance appraisals, including mid-year and year-end reviews, are crucial for evaluating contributions and establishing fair compensation. We emphasise both quantifiable KPIs (What) and behavioural expectations (How) aligned with our Core Values.

Building Personal Professionalism:

Cultivating trust, maintaining integrity, continuously developing skills and projecting a professional image to add value to colleagues, customers and partners.

Behaving like an Owner:

Focusing on accountability, improving processes and nurturing talent to ensure long-term sustainability.

Being Creative and Innovative:

Enhancing operations, adapting to market changes and ensuring resilience.

The compensation reflects the value employees bring to the organisation. We regularly review remuneration and benefits packages to ensure competitiveness within the industry, helping retain top talent and uphold our reputation as a preferred employer. We remain committed to equal pay for equal work and ongoing support for professional growth in the automotive sector.

Bursa's Common Indicator C6(b)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Percentage of employees that are contractors or temporary staff (Malaysian operations only)	17%	15%	No target set

Bursa's Common Indicator C6(c)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Total number of employee turnover by employee category	**1,053**	**961**	No target set
Management	133	139	
Executive	217	199	
Non-Executive/Technical Staff	246	186	
General Workers	457	437	

SOCIAL

EMPLOYEES' SAFETY AND WELL-BEING

In 2024, the Group reinforced its commitment to employee well-being by implementing comprehensive medical, health awareness and financial literacy programmes alongside a strong EHS system to ensure workplace safety. This holistic approach enhanced corporate culture by promoting engagement, inclusivity and sustainability. By fostering a dynamic and supportive work environment, the Group continues to prioritise teamwork, collaboration and innovation across all BUs.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
S5: Employees' Safety and Well-Being Providing for the health, safety and well-being of our employees in ways that address key challenges and bring positive development to their livelihood in the workplace. It covers all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work and their workplace environment. ***Related UNSDGs:***	The Group prioritises employee safety and well-being, as it leads to higher productivity, boosts morale and engagement, reduces absenteeism and saves costs on medical expenses and legal issues. It also enhances the Group's reputation, attracts top talent, ensures compliance with regulations and fosters a supportive environment that encourages creativity and innovation.	Instituted a clear safety policy, foster a safe, healthy and supportive work environment. Conduct periodic review on safety hazards and controls, and provide ongoing safety trainings that include emergency procedures and equipment use. Implement health and wellness programmes that promote physical and mental well-being.	Lead to increased accidents and fatalities, business disruption or downtime, substantial financial costs, legal actions, damaged reputation, low employee morale, decreased productivity and negative impacts on mental health.	Enhance productivity, save costs, improve reputation, increase employee retention, foster innovation and collaboration, and ensure compliance with regulations, reducing legal risks.

SUSTAINABILITY STATEMENT

OUR PERFORMANCE/VALUE CREATED

EHS Awareness and Training

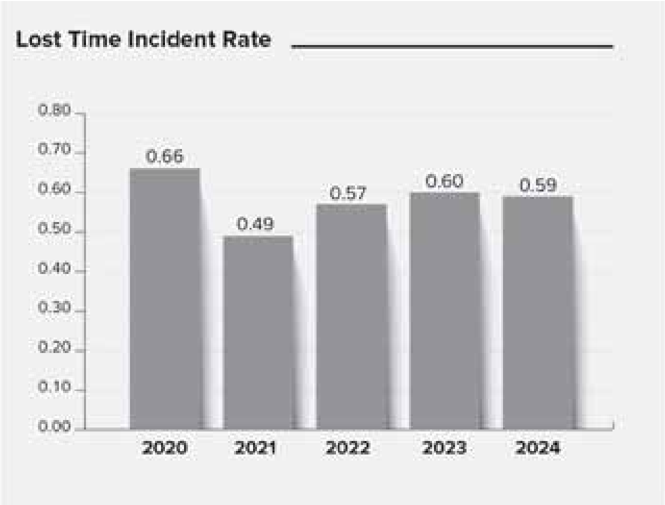
The Group organised 176 training sessions on various health and safety topics, including Environmental, Health and Safety ("EHS") management, working at heights, occupational safety, incident reporting, risk management i.e. Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), waste management i.e. 5R Practices, contractor management, 5S (Sort, Set in Oder, Shine, Standardise, Sustain) implementation, chemical management, noise management and safe operation of forklifts and machinery. These programmes aimed to enhance employees' skills and knowledge for effective workplace safety measures.

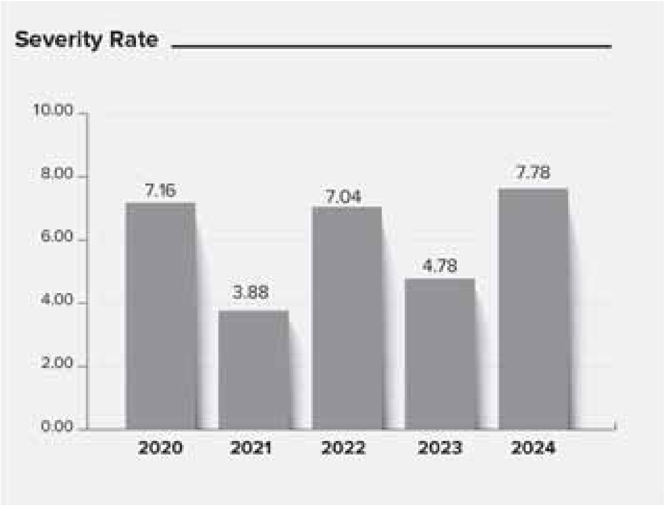
To foster a safety-conscious environment, the Group held awareness talks, safety briefings and EHS Week events across all BUs. Additionally, AI technology was incorporated into safety training materials to make them more interactive and accessible, improving the learning experience and convenience for employees.

Bursa's Common Indicator C5(c)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Number of employees trained on health and safety standards	3,353	3,966	No target set

Workplace Incident Monitoring

In 2024, TCMH closely monitored workplace incidents, resulting in a 1.6% decrease in the Lost Time Incident Rate ("LTIR") to 0.59. However, the Severity Rate ("SR") increased by 63.0% to 7.78. Investigations revealed insufficient risk management for non-routine activities and a lack of staff awareness of environmental hazards as primary causes. In response, TCMH implemented corrective and preventive actions to enhance safe operating procedures and strengthen safety awareness among staff, aiming to mitigate risks and prevent future incidents.





Bursa's Common Indicator C5(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Number of work-related fatalities	Zero	Zero	No target set

Bursa's Common Indicator C5(b)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Lost Time Incident Rate ("LTIR")	0.60	0.59	≤ 2.55 (2023 Target: 3.00)

SUSTAINABILITY STATEMENT

Engagement and Wellness: A Holistic Focus

TCMH prioritises on employees' health and wellness as they enhance employee productivity, reduce absenteeism and boost morale, leading to better overall performance and a positive work environment. Building on the success of the 2023 Nationwide Health Tour, we expanded essential health resources in 2024 to BUs across Malaysia, offering screenings and wellness vouchers in collaboration with MiCare and Alpro Pharmacy. Positive feedback emphasised the importance of accessible wellness initiatives.

2024 Health and Wellness Activities

Category	Activities	Objectives
April	In-House Nursing Services and Support	A personalised healthcare resource to employees, promoting proactive well-being and reinforcing our commitment to a healthy, resilient workforce.
April to July	Mini REDLINE Rumble Challenge	Encouraged employees' participation in fitness and team-building exercises.
August	Employees Promotion Day	Created a festive atmosphere to enhance employee engagement and celebrate diversity.
All year round	Fitness Classes	Weekly workout sessions for employees to promote health and inclusivity.

Product Quality and Safety

Ensuring our customers' safety on the road has always been the Group's top priority. We are committed to delivering vehicles that meet the highest quality and safety standards. Each new generation of vehicle is equipped with advanced technology and safety innovations, and we remain dedicated to upholding the highest safety standards in partnership with all our principal brands to ensure ultimate safety for our customers. Some of the features are highlighted below:

Nissan Intelligent Mobility features a 360° Safety Shield and advanced driver assistance systems.

UD Trucks are equipped with UD Extra Engine Brake (UD EEB) to slow down the vehicle using engine braking, reducing the need for frequent brake applications.

King Long buses include passenger protection, driver assistance and vehicle stability systems such as Electronic Stability Control, anti-rollover protection, Anti-lock Braking System, Electric Braking System and collision mitigation systems, all contributing to enhanced braking control and overall safety.

GOVERNANCE

GOVERNANCE RESPONSIBILITIES

The Group emphasises transparency and accountability in business practices to achieve long-term business value and drive growth while maintaining ethical standards and complying with best practices in Corporate Governance ("CG"). In 2024, notable advancements were made in enhancing information systems and Information Technology ("IT") infrastructure, focusing on system governance, compliance and resilience to support organisational growth.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
G1: Information Security Protection of all data, information and intellectual property against cybersecurity breaches. ***Related UNSDGs:*** 	Information security safeguards sensitive data, ensures compliance with regulations, maintains business continuity, preserves reputation, reduces financial risks and enhances customer trust.	The Group conducted a cybersecurity risk assessment and developed an incident response plan to address security breaches quickly and effectively. Clear guidelines and protocols were established to protect data and systems, and employees were educated on security best practices and threat recognition. Secure technology was implemented to safeguard information. Additionally, the Group ensures adherence to relevant laws and regulations to avoid legal issues and penalties.	Lead to data loss, financial costs, legal consequences, reputation damage, productivity loss, intellectual property theft and potentially business closure.	Build customer trust, provide a competitive advantage, save costs, ensure regulatory compliance, improve operational efficiency, enhance reputation, and foster innovation and growth.

SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
G2: Good Governance Upholding good corporate governance practices. ***Related UNSDGs:***	Upholding good corporate governance practices is essential for TCMH as it builds investor confidence, fosters stakeholder trust, promotes ethical behaviour, enhances risk management, improves reputation and ensures long-term sustainability.	The Group prioritises a clear organisational structure, ethical leadership, transparent reporting, stakeholder engagement, robust risk management, strong internal controls, board diversity, regular performance evaluations, continuous improvement, legal compliance, and integrating sustainability and social responsibility into its strategy.	Lead to reputation damage, legal and regulatory issues, financial losses, decreased investor confidence, operational inefficiencies, low employee morale, increased fraud risk, strategic failures, stakeholder discontent and loss of competitive advantage.	Enhance reputation, increase investor confidence, offer competitive advantage, support sustainable growth, mitigate risks, improve decision-making and foster stakeholder engagement.
G3: Supply Chain Management Integrates environmental, social and financial considerations to minimise negative impacts while ensuring efficiency and reliability, ultimately helping TCMH to achieve its EESG goals and long-term success. ***Related UNSDGs:***	Sustainable supply chain practices are essential for TCMH as they enhance resource efficiency, reduce waste and costs, mitigate risks, minimise environmental impact, improve brand reputation and customer loyalty, ensure regulatory compliance and promote social responsibility by fostering fair labour practices and better working conditions.	The approach and strategies for supply chain management include establishing procurement and vendor management policies, conducting inspections and assessments for compliance, performing annual performance evaluations, carrying out third-party due diligence on corruption risk, engaging in negotiations and conducting annual surveys on ESG compliance.	Face increased financial costs, reputational damage, difficulty in attracting investment, operational disruptions, regulatory penalties and negative social impacts due to poor labour practices and unsafe working conditions.	Cost savings through efficient resource use, enhanced reputation, increased investment, regulatory compliance, operational resilience, innovation and growth.

OUR PERFORMANCE/VALUE CREATED

Mitigation of Advanced Phishing Attacks and Cybersecurity Preventive Measures

In 2024, TCMH experienced an advanced phishing attack targeting employees through spoofed domains. Prompt activation of network and security measures successfully blocked the attempts, resulting in no impact on financial systems, organisation or customer data loss. In response, TCMH strengthened cybersecurity defences, enhanced system controls and network security, and improved employee awareness through annual cybersecurity training. These initiatives aim to bolster data security and foster a culture of security awareness, integrity and resilience throughout our operations.

Further IT Infrastructure Enhancements

The Group is dedicated to continuously improving business applications, information systems and IT infrastructure. Planned initiatives include upgrading critical application systems, deploying advanced cybersecurity tools and providing continuous employee training. Network security connectivity will be enhanced by upgrading key locations, ensuring a robust and secure network. This strategy aims to boost operational efficiency, data accuracy and real-time analytics, aligning with strategic objectives.

To comply with the Inland Revenue Board of Malaysia's ("IRB") e-Invoice mandate, TCMH initiated a phased implementation strategy to ensure system readiness by August 2024. This includes the development of e-Invoice middleware, systems upgrade to capture IRB data, integration of QR codes into business documents and communication with IRB's MyInvois system, ensuring compliance without compromising operational efficiency.

SUSTAINABILITY STATEMENT

Robust IT Policies and Cybersecurity Training Initiatives

The Group's IT Policy, reviewed annually and published on the intranet, outlines robust security measures and guidelines. Emphasis is placed on educating employees about data privacy and security risks through annual cybersecurity awareness training, with 4,900 employees completing it by 31 December 2024.

TCMH aims to enhance data security through continuous review and improvement of technological infrastructure and security protocols. Future plans include strengthening Third-Party Risk Management ("TPRM"), ensuring robust protection of sensitive data, and maintaining continuous monitoring and adaptation to mitigate emerging threats.

Customer Data Privacy Protection

Our dedication to strong data privacy and security measures through secured firewalls guarantees that personal and confidential information, particularly on customers' data, are safeguarded responsibly, preventing unauthorised access, disclosure or misuse. By employing rigorous security protocols, encryption methods and access controls, we reduce the risk of data breaches and cyber threats that could harm our reputation and erode customer trust. Additionally, prioritising data privacy and security underscores our commitment to ethical business practices and demonstrates our respect for individuals' rights to privacy and data protection.

Bursa's Common Indicator C8(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Zero	Zero	Zero

Ongoing Oversight of Corruption Risk Assessment Framework

In August 2020, the Group formalised the Corruption Risk Assessment Framework to help business units identify and manage potential corruption risks. This framework guides BUs through risk identification, assessment of severity and impact, cause analysis and development of corrective measures to minimise or eliminate risks.

TCMH conducted annual training sessions to update and ensure understanding of the corruption risk framework, with all active business operations performing annual risk reassessments to develop and implement effective corruption mitigation strategies.

In 2024, the Group ensured continuous monitoring of risk exposures through Key Risk Indicators ("KRIs") with pre-determined thresholds. All 67 active BUs performed yearly corruption risk assessments with monthly KRI monitoring on risk exposures. The status of KRI was reported quarterly to RMSC and BRMSC meetings. There were no reported incidents of corruption risks in 2024.

Bursa's Common Indicator C1(b)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Percentage of operations assessed for corruption-related risks	100%	100%	100% of operations assessed for corruption-related risks

SUSTAINABILITY STATEMENT

Anti-Bribery and Anti-Corruption ("ABAC") Awareness Programme

The Group is committed to securing business based on merit, capability and fairness while actively addressing irregularities. Combating and preventing corruption is a top priority, requiring discipline, persistence and clear strategies. All TCMH employees must complete e-training on the ABAC Policy and the awareness programme extends to key suppliers and vendors, including the whistleblowing mechanism. The main objective is to raise awareness and build partnerships in the fight against corruption, aligning with the UNSDG 16 to reduce corruption and bribery in all forms.

The Group is also committed to fostering integrity and transparency by ensuring all employees and business partners are well-informed and compliant with policies. To maintain zero tolerance for bribery and corruption, mandatory training sessions are provided to communicate and create awareness of TCMH's ABAC Policy, Special Complaint Policy and Fraud Prevention Policy. In 2024, TCMH achieved a 100% completion rate for employee e-training on ABAC Policy and a 91% attendance rate for selected third parties in ABAC awareness training. In 2024, there were no confirmed incidents of corruption (substantiated and investigated) reported.

Bursa's Common Indicator C1(a)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Percentage of employees who have received training on anti-corruption by employee category	100% *(refer to page 63 for details by employee category)*	100% *(refer to page 63 for details by employee category)*	100% of employees attended the training on anti-corruption

Bursa's Common Indicator C1(c)			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Number of confirmed incidents of corruption and action taken	Zero	Zero	Zero

Special Complaint Policy ("SCP")

The SCP which is equivalent to a whistleblowing policy was established to support the ABAC Policy and Fraud Prevention Policy of TCMH. To ensure high ethical, moral and legal business conduct and foster open communication, TCMH provides confidential reporting channels on the TCMH's intranet for employees and corporate website for third parties to raise concerns, including anonymously. These channels are not exhaustive.

To safeguard whistleblowers from reprisals and victimisation, TCMH commits to protecting those who report in good faith and with reasonable grounds. Appropriate disciplinary actions are taken against individuals who retaliate against whistleblowers, as well as those who whistleblow with ill intentions. The Group Integrity Officer ("GIO") (or the Chairman of Audit Committee, if GIO is implicated) reviews the complaint reports and if necessary, mandates the in-house Investigation Department to investigate. Investigation findings are escalated and presented to a Governing Committee for deliberation and decisions. The GIO, who is also the Secretary of the Governing Committee would report the findings and actions taken to the Audit Committee for notation. The SCP is publicly available at our corporate website.

Communication on Code of Business Conduct and Ethics ("CBCE") to Employees

The Group's comprehensive CBCE covers business ethics, workplace safety and personal conduct for all employees, including subsidiaries and associates, ensuring high standards of ethics and professional behaviour. Employees must annually declare their acknowledgment and acceptance of the code, which is periodically reviewed for relevance. In 2024, the entire workforce completed the mandatory annual CBCE refresher training, with materials accessible through the Group's in-house LMS.

Indicators: Awareness and Acknowledgement on CBCE			
Measurement Metric	**2023**	**2024**	**Target for 2024**
Employee acknowledgement on CBCE	100%	100%	100% acknowledgement by all employees

SUSTAINABILITY STATEMENT

Risk-based Due Diligence on Corruption Risk for Key Suppliers and Contractors

Our BUs follow risk-based anti-corruption due diligence protocols to thoroughly scrutinise business partners, collecting and analysing information on their processes, integrity and bribery risks. A review schedule was established in TCMH's Risk-based Due Diligence on Corruption Risk Guidelines to ensure business partners are reassessed based on their risk level rated.

In 2024, the annual training was conducted on risk-based due diligence for corruption risk guidelines to help management and key personnel understand its importance. The Group emphasised that BUs must ensure third parties comply with laws, regulations and internal policies to avoid penalties and safeguard the Group's reputation. By implementing pre-qualification and continuous due diligence based on risk levels, BUs can prevent financial losses and ensure third parties are reliable and capable of meeting contractual obligations. This thorough due diligence allows the management of all BUs to make informed decisions and mitigate identified risks.

Supporting Local Suppliers

The Group acknowledges the critical role of supply chain management in laying the groundwork for economic growth. It helps streamline the delivery process of our products and services to the market and, ultimately, to our customers. We continue to promote sustainable public procurement practices in line with national policies and priorities, collaborating with our business partners throughout the supply chain.

The Group consistently supports local small businesses, particularly Small and Mid-sized Enterprises ("SME"), and the local community to stimulate the local economy and ensure businesses thrive in our region. We believe our support will create more jobs, attract new businesses and enhance public services for the community, ultimately contributing to improved public infrastructure.

In 2024, the Group's local spending saw a decline compared to 2023, primarily due to strategic operational adjustments in response to the broader economic conditions and supply chain challenges. Despite this shift, the Group continued to support local SMEs and the community. The evolving dynamics in the automotive industry and heightened market competition have necessitated for the Group to adopt a more flexible sourcing approach, including engaging with cost effective or specialised international suppliers where necessary. Nevertheless, the Group remains committed to actively seek opportunities to collaborate with local vendors wherever feasible.

Bursa's Common Indicator C7(a)			
Measurement Metric	2023	2024	Target for 2024
Proportion of spending on local suppliers	63%	55%	No target set

Supply Chain Sustainability

The Group ensures environmentally responsible, socially equitable and economically viable practices throughout the supply chain, from raw material sourcing to product delivery. BUs are reminded to reduce carbon footprints, minimise waste, conserve resources and avoid environmental harm. We formalised the SCoC to ensure our business partners, i.e. suppliers/vendors/contractors, commit to fair labour practices, safe working conditions, respect for human rights, regulatory compliance and ethical business conduct. For economic viability, the Group focuses on efficient resource use, cost-effective waste management and long-term financial planning.

This year, in addition to the yearly performance appraisal, the Group invited key suppliers to provide feedback on their ESG journey through a survey. Results showed recognition of ESG importance: 55% on Environmental, 87% on Social and 82% on Governance. Further engagement will be arranged in 2025 to raise awareness in ESG compliance, impact, risk and opportunities. This proactive approach helps the Group identify and mitigate potential risks related to environmental impact, labour practices and governance issues, ensuring a stable supply chain.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	99.90
Executive	Percentage	99.99	99.50
Non-Executive/Technical Staff	Percentage	100.00	99.60
General Workers	Percentage	100.00	99.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	262,403.00	175,386.00 *
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	337	304 *
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Below 30	Percentage	1.90	1.72
Management Between 30 to 50	Percentage	71.04	71.75
Management Above 50	Percentage	27.06	26.53
Executive Below 30	Percentage	24.93	30.37
Executive Between 30 to 50	Percentage	66.07	61.69
Executive Above 50	Percentage	9.00	7.94
Non-Executive/Technical Staff Below 30	Percentage	37.86	50.19
Non-Executive/Technical Staff Between 30 to 50	Percentage	56.38	46.58
Non-Executive/Technical Staff Above 50	Percentage	5.76	3.23
General Workers Below 30	Percentage	31.31	34.77
General Workers Between 30 to 50	Percentage	58.08	55.08
General Workers Above 50	Percentage	10.61	10.15
Gender Group by Employee Category			
Management Male	Percentage	65.33	65.00
Management Female	Percentage	34.67	35.00
Executive Male	Percentage	56.14	62.00
Executive Female	Percentage	43.86	38.00
Non-Executive/Technical Staff Male	Percentage	73.06	76.00
Non-Executive/Technical Staff Female	Percentage	26.94	24.00
General Workers Male	Percentage	84.38	85.00
General Workers Female	Percentage	15.62	15.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	86.00	75.00
Female	Percentage	14.00	25.00
Below 30	Percentage	0.00	0.00
Between 30 to 50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	54,809.78	55,230.62

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE (Cont'd)

Indicator	Measurement Unit	2023	2024
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.60	0.59
Bursa C5(c) Number of employees trained on health and safety standards	Number	3,353 *	3,966
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	13,598	13,242
Executive	Hours	16,728	18,439
Non-Executive/Technical Staff	Hours	8,220	13,921
General Workers	Hours	7,499	2,636
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.00	15.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	133	139
Executive	Number	217	199
Non-Executive/Technical Staff	Number	246	186
General Workers	Number	457	437
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	63.00	55.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	422.220000	395.140000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	3,521.84
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	3,303.56
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	218.28
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	5,899.32
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	23,600.46
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	5,652.59

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT

ASSURANCE STATEMENT

The Sustainability Statement has not been reviewed by an independent external assurance provider. Instead, the Group Internal Audit function has reviewed the selected indicators tabulated below for factual accuracy.

The Subject Matter(s) and scope covered are provided below:

Material Matters	Indicators	Scope
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	Operations assessed: 1. Malaysia 2. Indo-China excluding Health and Safety
	Percentage of operations assessed for corruption-related risks	
	Confirmed incidents of corruption and action taken	
Health and Safety	Number of work-related fatalities	
	Lost time incident rate ("LTIR")	
	Number of employees trained on health and safety standards	
Data Privacy	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	
Labour Practices and Standards	Total hours of training by employee category	
	Percentage of employees that are contractors or temporary staff (Malaysia only inclusive of senior management)	
	Total number of employee turnover by employee category	
	Number of substantiated complaints concerning human rights violations	

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("Board") of Tan Chong Motor Holdings Berhad ("Company") recognises the importance of having high standards of corporate governance in the Company in order to safeguard the interest of its stakeholders as well as enhance shareholder value. 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 2024. 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 Chief Executive Officer ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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), Deputy President (which is currently vacant), 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. Mr. Lee Min On 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 Business Conduct & Ethics 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 ("Complaints 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 eight (8) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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	7/8	87.5
Ho Wai Ming	8/8	100
Lee Min On	8/8	100
Ng Chee Hoong	8/8	100
Dato' Ng Mann Cheong	8/8	100
Dato' Chan Choun Sien	8/8	100
Dr. Nesadurai Kalanithi	8/8	100
Chia Tuang Mooi *(Appointed on 1 February 2024)*	7/7	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 and the Company/Group.

All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I required by the MMLR of Bursa Securities and six (6) out of eight (8) Directors have completed the MAP Part II as at the date of this Statement. The remaining two (2) Directors have registered for the MAP Part II and are expected to complete the mentioned before 31 July 2025. 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	• Warisan TC Holdings Berhad ("WTCH")/ APM Automotive Holdings Berhad ("APM")/ Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • TCMH: The Journey to Net Zero for Businesses • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") - Refresher Course • WTCH: CBCE – Refresher Course • WTCH: 2024 Office Safety Training – Refresher Course • WTCH: 2024 Cybersecurity Awareness Training & Assessment • WTCH (Group Compliance Department): 2024 Anti-Bribery and Anti-Corruption, Gratification/ Entertainment/ Hospitality, Fraud Prevention & Special Complaint – Refresher Course • APM: 2024 ABAC Refresher Course • TCMH Group Tax Department: 2025 National Budget Briefing • TCMH: 2024 Cybersecurity Awareness Training & Assessment • WTCH (Group Compliance Department): 2024 Anti-Money Laundering/ Countering Financing Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions • WTCH: 2024 Defensive Driving Training – Refresher Course
Ho Wai Ming	• Association of Chartered Certified Accountants ("ACCA"): Double Materiality Assessment for Sustainability Reporting – Challenges of Regulatory Evolutions • KPMG PLT: Webinar with RMCD – Service Tax – Transitional Rules and Expansion of Taxable Services • Malaysian Institute of Accountants ("MIA"): Decoding the TCFD Reporting Framework • Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • ACCA Global: ACCA Sustainability Half-Day Conference • TCMH: The Journey to Net Zero for Businesses • KPMG Asia Pacific: The Risk Landscape – Navigating Climate Transition Risks in a Circular Economy • MIA: Navigating Malaysia's Indirect Tax Landscape – Latest Updates and Implications

Name	Details of Programme
Ho Wai Ming (Cont'd)	• KPMG PLT: Cybersecurity Oversight – Board Responsibilities in Light of the Cybersecurity Bill 2024 • KPMG Asia Pacific: Geopolitical Risks and the Strategic Imperatives for Board and C-Suite • Institute of Corporate Directors Malaysia: MAP Part II – Leading for Impact • Malaysian Rating Corporation Berhad ("MARC"): MARC 360 Reflections – Analysis of Malaysia's Budget 2025 and Post-Budget Debates • Tan Chong Motor Holdings Berhad: 2025 National Budget Briefing • KPMG PLT: MFRS Updates 2024
Lee Min On	• The Malaysian Institute of Chartered Secretaries & Administrators ("MAICSA"): Conflict of Interest & what can go wrong – Unpacking its implications to listed issuers & their Directors • Eastern & Oriental Berhad: The Risk Management Process – how it assists the Board of Directors & Management in mitigating the Group's risk exposures • MAICSA: Board Governance & Oversight – the ESG impact on Group's businesses • Tan Chong Motor Holdings Berhad ("TCMH"): The Journey to Net Zero for Businesses • AHAM Asset Management Berhad: (i) Integrity – What it's about & how it underpins the Company's Anti-Bribery & Corruption Framework (ii) Bribery under Section 17A of MACC Act 2009 - Beyond the reach of Control Procedures • TCMH & Warisan TC Holdings Berhad ("WTCH"): 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • MICPA & CA ANZ Conference 2024: Creating Value in Sustainability • Security Industry Development Corporation: Case studies – Wirecard Reluctant Whistle blower & Other Financial Deceptions • Malaysian Institute of Corporate Governance: Sustainability-related Risks & Opportunities – Implications of regulatory changes, including proposed changes, to listed issuers on sustainability governance, management, & reporting • Prokhas Sdn. Bhd.: Delineating the roles & responsibilities of Directors & Management under Companies Act 2016 & recommended Practices of the Malaysian Code on Corporate Governance, including Conflict of Interest & Related Party Transactions • Audit Oversight Board ("AOB") of Securities Commission: AOB Conversations with Audit Committee 2024 – Preparing for IFRS Sustainability Disclosure Standards in Malaysia • TCMH: 2025 National Budget Briefing • WTCH (Group Compliance Department): 2024 Anti-Bribery and Anti-Corruption, Gratification/Entertainment/Hospitality, Fraud Prevention & Special Complaint – Refresher Course • WTCH (Group Compliance Department): 2024 Anti-Money Laundering/Countering Financing Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions • TC iTech Sdn. Bhd. & WTCH: 2024 Cybersecurity Awareness Training & Assessment • WTCH: 2024 Defensive Driving Training – Refresher Course • WTCH: 2024 Office Safety Training – Refresher Course
Ng Chee Hoong	• Malaysian Institute of Accountants ("MIA"): Excel – Crash Course for Productivity • Padini Holdings Berhad: E-invoicing & Chat GPT • BDO PLT: Simplifying e-Invoicing • Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • MIA: Audit Quality Enhancement Programme for SMPs • TCMH: The Journey to Net Zero for Businesses • SSF Home Group Berhad/Cospec Management Services: Briefing on the Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Enhanced Sustainability Reporting Framework and Conflict of Interest

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Details of Programme
Ng Chee Hoong (Cont'd)	• Tan Chong Motor Holdings Berhad ("TCMH"): 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Institute of Corporate Directors Malaysia: MAP Part II – Leading for Impact • Chartered Tax Institute of Malaysia ("CTIM"): National Tax Conference 2024 • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • SSF Home Group Berhad/Cospec Management Services: Briefing on the Companies (Amendment) Act 2024 to the Guidelines for the Reporting Framework for Beneficial Ownership • TCMH: 2025 National Budget Briefing • CTIM: 2025 Budget Seminar • TC iTech Sdn. Bhd.: 2024 Cybersecurity Awareness Training & Assessment
Dato' Ng Mann Cheong	• Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • TCMH: The Journey to Net Zero for Businesses • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • TC iTech Sdn. Bhd.: 2024 Cybersecurity Awareness Training & Assessment
Dato' Chan Choun Sien	• Global Leadership Network: Global Leadership Summit 2024 • Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • Deloitte: M&A Tax Series – Tax, Legal and Financial Highlights • TCMH: The Journey to Net Zero for Businesses • Lee Hishammuddin Allen Gledhill: Unlocking Shareholders and Corporate Disputes • Bank of Singapore: Malaysia Tax Updates and Wealth Planning • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • CPA Australia: Transforming Finance – KLDX's First Initial Exchange Offerings Platform & Security Tokenisation • Associated Chinese Chambers of Commerce and Industry of Malaysia: 17th World Chinese Entrepreneurs Convention • Khazanah Nasional Berhad: Khazanah Megatrends Forum 2024 • Skrine: Lasting Strategies in a Changing World • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • TC iTech Sdn. Bhd.: 2024 Cybersecurity Awareness Training & Assessment
Dr. Nesadurai Kalanithi	• Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Securities Commission Malaysia: Transforming the Global Digital Economy with Generative AI • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • IOI Corporation Berhad ("IOI"): Sustainability Consultation Forum • Malaysian Institute of Accountants and Institute of Internal Auditors: Integrating ESG into Audit Committee Agenda-Conference • CEO Action Network and IOI: Waste Conference • Institute of Corporate Directors Malaysia in conjunction with COP 29: Role of the Board – Climate Resilience – How do we adapt • TC iTech Sdn. Bhd.: 2024 Cybersecurity Awareness Training & Assessment

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Details of Programme
Chia Tuang Mooi	• Warisan TC Holdings Berhad ("WTCH"): Conflict of Interest and What Can Go Wrong – Unpacking Its Implications to Listed Issuers and Their Directors • Bursa Malaysia Berhad: MAP Part I • Tan Chong Motor Holdings Berhad ("TCMH"): Conflict of Interest and Related Party Transactions • TCMH: The Journey to Net Zero for Businesses • Chartered Tax Institute of Malaysia: National Tax Conference 2024 • TCMH: 2024 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • TCMH: 2024 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • The Inland Revenue Board of Malaysia: Capital Gains Tax Seminar • Bursa Malaysia Berhad: MAP Part II – Leading for Impact • KPMG PLT: KPMG Tax and Business Summit 2024 • TCMH: 2025 National Budget Briefing • TC iTech Sdn. Bhd.: 2024 Cybersecurity Awareness Training & Assessment

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 2024, 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 20 to 23 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 2024 was conducted by the NRC on 22 January 2025 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' Ng Mann Cheong, Mr. Lee Min On and Dr. Nesadurai Kalanithi, 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 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 2024 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Salient areas of priority noted from the annual assessment of the Board, Board Committees and individual Directors that require the Board's focus in 2025 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.

Having considered the Directors' Skill Set Matrix and Evaluation, the NRC recognised the following strength areas (in no specific order) of the Board and Board Committees, and a key area for improvement is in sales and marketing:

(i) Strategy and entrepreneurship;
(ii) Legal and regulatory requirements;
(iii) Corporate governance, sustainability, risk management and internal controls;
(iv) Audit, accounting, financial reporting and taxation;
(v) Treasury and banking; and
(vi) Production and quality assurance.

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 appointment of Ms. Chia Tuang Mooi as an Executive Director of the Company;
- 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 Company Secretary;
- 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; 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 2024, 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 three (3) meetings held during the financial year, is as follows:

Name	No. of Board Meetings attended	Percentage of Attendance (%)
Lee Min On (Chairman)	3/3	100
Ng Chee Hoong	3/3	100
Dato' Ng Mann Cheong	3/3	100
Dato' Chan Choun Sien	3/3	100
Dr. Nesadurai Kalanithi	3/3	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2024 amounted to RM16,496,730 and RM11,130,243 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.

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 2024, 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 2024.

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 (including the attendance of its members at the four (4) meetings held during the financial year), 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:

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Designation	No. of Meetings attended	Percentage of Attendance (%)
Lee Min On (Senior Independent Non-Executive Director)	Chairman	4/4	100
Dato' Tan Heng Chew (Executive Director)	Member	4/4	100
Ng Chee Hoong (Independent Non-Executive Director)	Member	4/4	100
Dato' Ng Mann Cheong (Non-Independent Non-Executive Director)	Member	4/4	100
Dato' Chan Choun Sien (Independent Non-Executive Director)	Member	4/4	100
Dr. Nesadurai Kalanithi (Independent Non-Executive Director)	Member	4/4	100

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.

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 on pages 80 to 87 of this Annual Report.

In line with the MCCG 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 MCCG, the Company despatched the notice of the 52nd AGM to its shareholders at least 28 days before the AGM.

At the last AGM, which was held virtually at the broadcast venue at Tricor Business Centre, Kuala Lumpur, 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 were given the opportunity to submit their questions prior to, and during the AGM via e-query box. All questions received prior to the day of the AGM were addressed during the AGM. For questions received on the day of the AGM and those not dealt with during the AGM, the Company had responded to them by posting the questions and answers on the Company's website after 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 days after the AGM.

All resolutions set out in the notice of the 52nd 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 18 April 2025.

AUDIT COMMITTEE **REPORT**

The Board of Directors of Tan Chong Motor Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2024.

COMPOSITION AND MEETINGS

The Audit Committee was established on 1 August 1994 and the current composition, including the attendance of its members at the seven (7) meetings held during the financial year, is as follows:

Name	Designation	Attendance
Ng Chee Hoong Independent Non-Executive Director	Chairman	7/7
Lee Min On Senior Independent Non-Executive Director	Member	7/7
Dato' Ng Mann Cheong Non-Independent Non-Executive Director	Member	7/7
Dato' Christopher Chan Choun Sien Independent Non-Executive Director	Member	7/7
Dr. Nesadurai Kalanithi Independent Non-Executive Director	Member	7/7

The Audit Committee meetings are structured with the use of agendas, and relevant meeting papers are distributed to the Audit Committee members prior to such meetings. This enables the Committee members to study the items on the agenda, including relevant materials that support the items and, where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

While the Committee Chairman calls for meetings to be held not less than four (4) times in a financial year, any member of the Audit Committee may at any time request for, and the Company Secretary(ies) who is/are the Committee Secretary(ies) shall, on such requisition, arrange for such a meeting. Except in the case of an emergency, seven (7) days' notice of meeting is given in writing to all members. The quorum for meeting is a majority of members who are Independent Non-Executive Directors. Meetings are chaired by the Committee Chairman and, in his absence, by an Independent Non-Executive Director elected from those members who are present. Decisions are made by a majority of votes on a show of hands, with any member interested in the matter deliberated abstaining.

The Chief Financial Officer and Head of Group Internal Audit, including other Board members and employees attend the Committee meetings upon invitation of the Audit Committee to facilitate discussion of matters on the agenda. Representatives of the external auditors attend the scheduled meetings to table their annual audit plan and consider the final audited financial statements, as well as such other meetings as determined by the Audit Committee.

The Committee Chairman has the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters that needs to be preserved.

For the financial year under review, the performance and effectiveness of the Audit Committee were evaluated through the Audit Committee members' self and peer evaluation, the outcome of which was reviewed by the Nominating and Remuneration Committee. Having considered the recommendation made by the Nominating and Remuneration Committee based on the outcome of the evaluation, the Board was satisfied that the Audit Committee members were able to, and had discharged their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee.

In line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), details of the terms of reference of the Audit Committee are available for reference at https://www.tanchonggroup.com.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE

During the financial year under review and up to the date of this report, the Audit Committee worked closely with Management, internal auditors and external auditors to carry out its functions and duties as required under its terms of reference.

Details of such work and activities carried out by the Audit Committee for the purpose of the financial year under review and up to the date of this Report are summarised as follows:

(1) Financial Reporting

(a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on significant matters, which included the going concern assumption, and ensured the disclosures complied with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Listing Requirements before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities;
(b) Reviewed the annual audited financial statements of the Company and the Group together with the external auditors before recommending the same to the Board for approval; and
(c) Reviewed the impact of changes in accounting policies and adoption of new accounting standards, together with significant matters highlighted in the financial statements.

(2) External Audit

(a) Reviewed the external auditors' Audit Plan for the Group, which outlined the responsibilities and the scope of work, anticipated key audit matters, and reporting timelines for the financial year ended 31 December 2024 and the external auditors' fees;
(b) Discussed and reviewed with the external auditors, the results of their examination and their reports in relation to the audit and accounting issues, including weaknesses noted in internal controls pertaining to financial reporting, arising from the audit;
(c) Discussed and reviewed the areas for improvements in the internal control system of certain subsidiaries as highlighted by the external auditors and steps needed to be taken to address the issues;
(d) Reviewed and pre-approved/approved the nature of, and fees for, non-assurance/non-audit services before they were provided by the external auditors and/or their affiliates, both local and overseas in accordance with the Group's external auditors' assessment policy to ensure that such non-assurance/non-audit services did not compromise the objectivity and independence of the external auditors. Details of non-assurance/non-audit fees incurred by the Company and Group for the financial year ended 31 December 2024 are stated in the Additional Compliance Information on page 89 of this Annual Report;
(e) Assessed the suitability, objectivity and independence of the external auditors by evaluating, among others, the adequacy of their technical knowledge, experience, skills, independence and objectivity, their audit engagement and the supervisory ability and competency of the engagement team assigned to the engagement. Moreover, the external auditors had confirmed their professional independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants via their presentation deck to the Audit Committee as well as their engagement letter. In line with the Malaysian Code on Corporate Governance 2021 Edition, the Committee also reviewed the Annual Transparency Report of the external audit firm which set out, inter-alia, the governance and leadership structure of the firm, as well as measures undertaken by the firm to uphold audit quality and manage risks. Following the outcome of such assessment, the Audit Committee was satisfied that the external auditors were able to meet the audit requirements and statutory obligations of the Company and their professional independence and objectivity as external auditors of the Company. Accordingly, the Audit Committee recommended, and the Board accepted the Audit Committee's recommendation, for KPMG PLT to be re-appointed as the Company's external auditors at the forthcoming Annual General Meeting ("AGM") in May 2025, subject to shareholders' approval; and
(f) Held three (3) private sessions with the external auditors, following the presentation of their Audit Plan for the financial year ended 31 December 2024 on 22 November 2024, and following their presentation of results and findings from their audit on 26 February 2025 and 7 April 2025, in the absence of Executive Directors, Management and Committee Secretary(ies). These sessions enabled the external auditors to discuss with candour with the Audit Committee on any other matters noted by the external auditors during their audit of the financial statements for the financial year under review without being beholden to Management's presence.

AUDIT COMMITTEE REPORT

(3) Internal Audit

(a) Reviewed and approved the Annual Internal Audit Plan ("Plan") to ensure adequacy of scope, resources, competencies and coverage of auditable entities in the Group with significant and high risks, including the periodic status of completion of the Plan;
(b) Reviewed the scope and results of internal audits addressing the assessment of risk management and internal controls over operations, financial and compliance relating to the Group based on the approved Plan;
(c) Reviewed and discussed the major findings, areas requiring improvements and significant internal audit matters raised by the internal auditors and Management's response, including follow-up actions. Management of the business units concerned was requested to rectify and improve the risk management and internal control procedures and workflow process deficiencies based on the internal auditors' recommendations; and
(d) Reviewed the performance, competencies, training requirements and effectiveness of the internal audit function.

(4) Related Party Transaction and Conflict of Interest

Reviewed recurrent related party transactions ("RRPTs") of the Group on a quarterly basis to determine if the transactions entered into by the Group were within the shareholders' mandate, in relation to the nature, terms and value limits of the transactions, including "arm's length" terms of trade.

In the case of related party transactions ("RPTs") entered into by the Group, the Audit Committee reviewed these transactions to determine if they were undertaken at "arm's length", on normal commercial terms of the Group and on terms which were not more favourable to the related parties than those generally available to the public and complied with the Listing Requirements of Bursa Securities.

The Audit Committee reviewed if there are any conflict of interest situations or potential conflict of interest situations that may arise within the Company or the Group in accordance with the Group's enhanced Conflict of Interest Policy and Procedures and existing Directors' Fit & Proper Policy applicable to the Company and its subsidiaries to ensure that conflicts are identified and measures are taken to resolve, eliminate or mitigate such conflicts effectively in line with the Listing Requirements of Bursa Securities. No conflict of interest situations required the AC's attention, except for the RRPTs and multiple directorships in various listed issuers, which were declared by personnel of the Group. These potential interested persons have abstained from voting and deliberations in discussion(s) which may be perceived as conflicted matter(s).

(5) Others

(a) Reviewed the Circular to Shareholders in relation to Shareholders' Mandate on RRPTs, the review procedures of RRPTs, the RRPT estimates and methods for determination of RRPT transaction price and threshold of authority, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval;
(b) Reviewed valuation of non-current assets of the Group;
(c) Reviewed the report on irregularities and serious misconduct issued by the Group Integrity Office (as presented by the Head of Group Investigation and Digital Forensic Services Department) and ensured that remedial action plans were appropriate; and
(d) Supervised the implementation of the Anti-Bribery and Anti-Corruption Policy ("ABAC") for the Group, effective from 19 May 2020, and reviewed the effectiveness of the ABAC and the Adequate Procedures that were implemented to help prevent the occurrence of corrupt practices and to comply with Section 17A(5) of the MACC Act 2009.

SUMMARY OF WORKS OF THE 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 governance, risk management and internal control.

The Group Internal Audit ("GIA") Department, which is independent of the activities it audits, reports directly to the Audit Committee. Periodic testing of the adequacy and operating effectiveness of the governance, risk management and internal control procedures and processes is conducted by GIA to assess whether the system is viable, robust and adequate to meet the needs of the Group. GIA operates under a charter approved by the Audit Committee that gives the internal audit function a formal mandate to carry out its work as well as unrestricted access to companies within the Group for the purpose of conducting internal audit.

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 risks inherent in the business units concerned. The Group's Internal Audit Plan is tabled annually to, and approved by, the Audit Committee. Action plans are taken by Management to address audit findings and concerns raised in the internal audit reports. GIA also follows through on the status of Management's action plans on the internal audit findings. On a quarterly basis, the internal audit reports are presented and tabled at the Audit Committee meetings.

Works carried out by GIA for the financial year under review encompassed the following:

(a) Formulated and agreed with the Audit Committee the annual Internal Audit Plan, strategy and scope of work;
(b) Reviewed compliance with policies, procedures and relevant rules and regulations;
(c) Reviewed the Group's risk management policies and procedures, including assessing the adequacy and operating effectiveness of the policies and procedures in achieving their intended purpose;
(d) Reviewed and tested the adequacy and operating effectiveness of internal controls associated with key business units and support functions within the Group. The significant areas and processes, including their underlying risks, of the Group covered by GIA comprised the following:

    - Transfer pricing;
    - Corporate governance – application of the 48 Practices under the updated MCCG 2021;
    - Sales and collections;
    - Procurement and payment process;
    - Inventory verification;
    - E-payment;
    - Bank reconciliation;
    - Business operations and process improvement;
    - Inventory and logistics management;
    - Cyber security and data protection;
    - Anti-Bribery and Anti-Corruption reporting channels;
    - Environmental, health and safety compliance;
    - Compliance with licensing requirements;
    - Social media;
    - Cost rationalisation;
    - Bank financial covenants;
    - Project implementation;
    - Petty cash management; and
    - Follow up audit on the agreed management action plans.

(e) Performed special review and investigation, as required;
(f) Reported audit findings and made recommendations to improve the internal control system at the various business units; and
(g) Reviewed the RRPTs and RPTs of the Group to determine if they were undertaken at "arm's length", on normal commercial terms of the Group and on terms which were not more favourable to the related parties than those generally available to the public and complied with the Listing Requirements of Bursa Securities as well as the guidelines and procedures in relation to the Shareholders' Mandate for RRPTs which was obtained at the last Annual General Meeting.

This Report is dated 18 April 2025.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

PURPOSE OF STATEMENT

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") stipulates that a listed issuer must ensure that its board of directors makes a statement about the state of risk management and internal controls of the listed issuer as a group ("Statement on Risk Management and Internal Control" or "Statement"). The Statement needs to include sufficient and meaningful information for shareholders and other stakeholders to make an informed assessment of the main features and adequacy of the listed issuer's risk management and internal control system as a group.

Accordingly, the Board of Directors ("Board") of Tan Chong Motor Holdings Berhad ("Company") furnishes this Statement, which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2024 and up to the date of approval of this Statement for inclusion in the Company's Annual Report. For disclosure purpose, this Statement has considered and, where required, included the mandatory contents outlined in the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

BOARD'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges and assumes its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and operating effectiveness of this system in meeting the Group's business objectives. The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with the Principles, Practices and Guidance of the Malaysian Code on Corporate Governance 2021 Edition ("MCCG"). As such, the Board is aware of its principal responsibilities, as outlined in the following Practices and Guidance of the MCCG, pertaining to risk management and internal control:

- Practice 1.1 and Guidance 1.1
  The Board should:
  - ensure a sound framework for internal controls and risk management;
  - understand the principal risks of the Company's businesses and recognise that business decisions involve the taking of appropriate risks;
  - set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- Practice 10.1
  The Board should establish an effective risk management and internal control framework; and
- Practice 10.2
  The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

During the year, the Board continued to adopt a risk management approach which focused on identifying key risks and deploying actions to mitigate the likelihood and impact of the risks on the business. The Group reviews and improves upon the risk management and internal control system across all its business units and subsidiaries to enable the system to meet business needs and support the effective management of risks to acceptable levels.

The risk management and internal control system implemented within the Group and appraised by the Board enables Management to:

- Improve decision making, resource planning and prioritisation to achieve the Group's targeted performance and strategic objectives;
- Pursue opportunities while managing risks in a rapidly changing business environment;
- Mitigate loss of resources and missed business opportunities;
- Comply with laws and regulations; and
- Deal with risks should they materialise, including emerging ones, and the impact thereon.

The Board has delegated the oversight of risk management to one of its sub-committees, namely the Board Risk Management and Sustainability Committee ("BRMSC"), which comprises four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and President. The Group Chief Executive Officer, Chief Financial Officer, Head of Group Risk Management and Sustainability and Head of Business Units attended the BRMSC meeting as invitees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The reporting to BRMSC is undertaken by the Risk Management and Sustainability Committee ("RMSC"), which is chaired by the Group Chief Executive Officer and comprises Heads of the major business units of the Group as its members. The RMSC is supported by the Group Risk Management and Sustainability ("GRMS") Department. GRMS's primary role is to review and update the risk management methodologies applied, specifically those related to risk identification, assessment, controlling, monitoring and reporting.

The BRMSC is committed to ensure effective implementation of risk management framework and internal control system; reviewed the effectiveness from the updates by RMSC and GRMS during quarterly scheduled meetings. During the financial year under review, the BRMSC reviewed and endorsed the following for subsequent reporting to the Board:

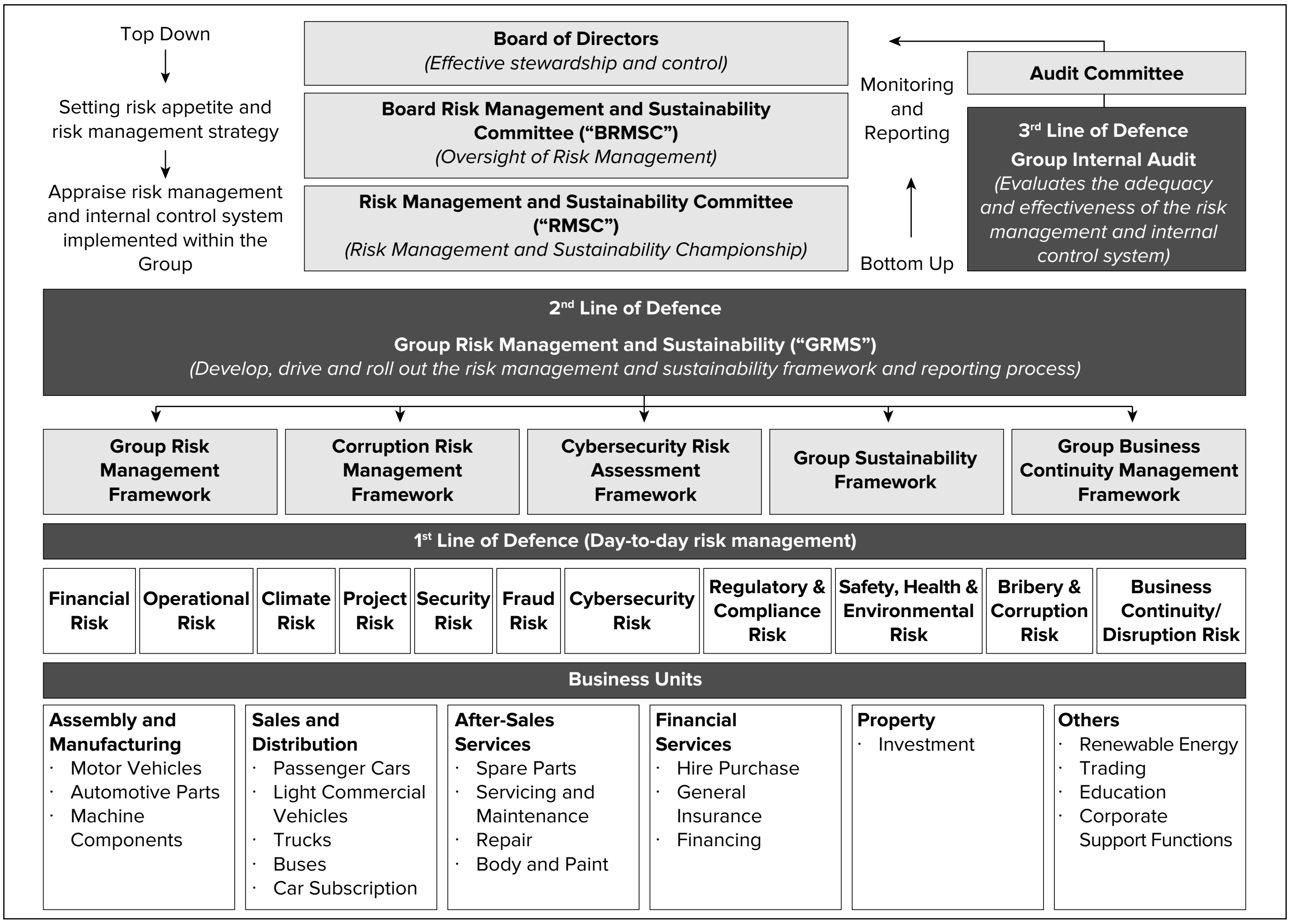
- Risk appetite and risk management strategy;
- Risk profiles of the Group, which were developed in line with the risk management framework;
- Management's actions required in response to changes in the risk profiles and emerging or potential risks;
- The adequacy and effectiveness of risk management framework and internal control system in relation to the Group's activities; and
- The Group Risk Management and Sustainability's work plan and activities.

The Board has received assurance in writing from the President, Group Chief Executive Officer and Chief Financial Officer, that the Group's risk management framework and internal control system is operating adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and strategic objectives. The system can, hence, only provide reasonable, but not absolute, assurance against any material misstatement, financial loss or fraudulent activity.

RISK MANAGEMENT GOVERNANCE STRUCTURE

A holistic risk management processes is applied throughout the businesses. Set out below is the risk governance structure, including the respective remit, adopted by the Group:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

The Company's Risk Management Framework ("RMF") is recognised by both the BRMSC and RMSC as a crucial component of the business. Its primary aim is to facilitate the implementation of the risk management processes across the Company and its subsidiaries. The Group is committed to continuously enhancing these processes, enabling proactive risk management and minimising any adverse impacts on the Group's business strategies and objectives.

How the Group Manages Risk

The Group adopts the RMF, aligned with the ISO 31000:2018 Risk Management - Guidelines.

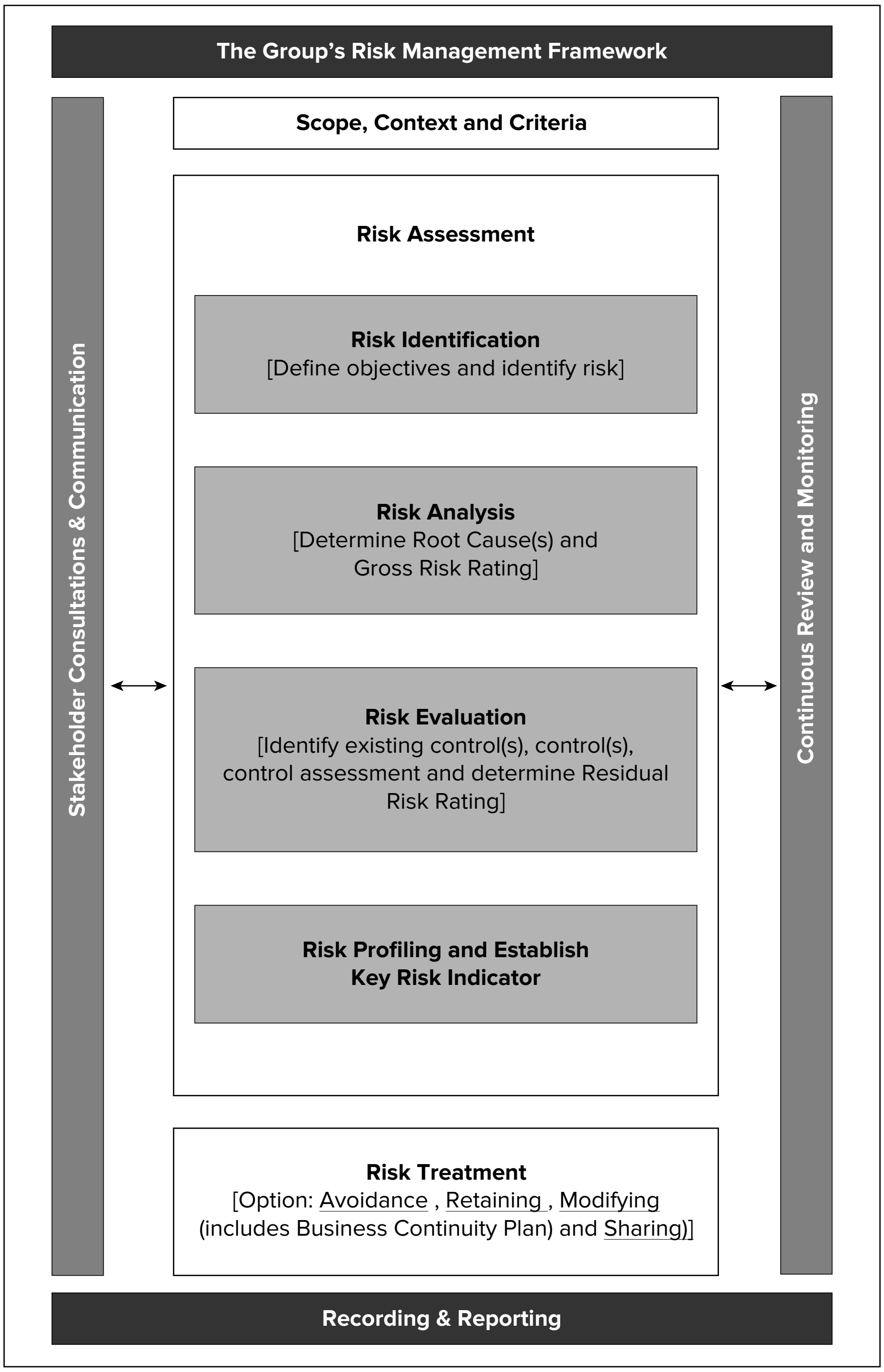
The risk assessment process includes key elements such as risk identification, likelihood and impact analysis, risk evaluation and risk treatment, as illustrated in the risk management framework on the right.

All identified risks are described, analysed, and reported by the respective risk owners using a standardised risk profile template.

Risks are assessed based on their likelihood of occurrence and potential impact, using the risk parameters established for the business. These parameters reflect the organisation's risk appetite, which defines the level of risk the Group is willing to accept to achieve its objectives.

The Group's risk parameters include both quantitative (financial) and qualitative (non-financial) matrices. These matrices cover various aspects such as reputation and image, business interruption, operational efficiency, governance and regulatory compliance, people, business model sustainability, environmental factors, and health and safety.

Identified risks are rated as "High", "Moderate" or "Low" based on an evaluation of their likelihood and potential impact, taking into account the adequacy and effectiveness of existing controls. Risk treatment or risk mitigating plans are then formulated to address the risks and ensure alignment with the Group's risk appetite.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

Key risk management activities carried out by the Board, with assistance from the BRMSC, RMSC, GRMS and business units, during the year under review were:

Framework

- Reviewed and updated the Group Risk Management Framework to align with the current business operating environment and best practices in risk management; and
- Reviewed and updated the Group's risk appetite and risk parameters to ensure alignment with the Group's sustainability strategies.

Risk Assessment & Monitoring

- Quarterly reviews were performed by business units to identify and assess existing or emerging risks affecting their business;
- GRMS reviewed and analysed the risk ratings against root causes, existing controls, and progress of mitigation plans reported by business units. Subsequently, deliberation sessions were conducted with business units to confirm the risk ratings;
- The Key Risk Indicators ("KRIs") were established to provide an early signal of increasing risk exposures, covering business and corruption risks. These indicators were updated by business units and monitored monthly by GRMS. When indicators reached unacceptable levels, remedial actions were taken by business units, and the implementation of action plans was closely monitored by GRMS;
- Group Information Technology ("Group IT") monitored and engaged with GRMS in discussions (if needed) on the KRIs and Cybersecurity Incident Management reports;
- In compliance with the Group's Anti-Bribery and Anti-Corruption Policy, GRMS guided business units in conducting corruption risk assessments and performing third party due diligence on corruption risks;
- In compliance with Anti Money Laundering/Counter Financing of Terrorism requirements, GRMS facilitated the trust company in performing risk assessments and customer due diligence;
- CCRIS Annual Compliance Audit was performed and reported to Bank Negara Malaysia for the financial services business unit.

Reporting

- Four (4) RMSC and four (4) BRMSC meetings were held to table updated risks and present the mitigation plans for approval by Senior Management and Board, based on the Group's current risk appetite;
- Risk profiles assessed by the respective business units were consolidated into the Corporate Risk Map of the Group for presentation to the RMSC and BRMSC;
- Group IT presented the status of the KRIs, cybersecurity risk ratings and status of cybersecurity incidents during the quarterly RMSC and BRMSC meetings; and
- The Group Integrity Office ("GIO") presented the progress of TCMH's Group anti-bribery management system and the status of any incidents during the quarterly BRMSC meetings.

Training & Communication

Subject	Key Objectives
Risk awareness briefing	Raise awareness of business and corruption risk management and frameworks to embed a corporate risk culture and instill good governance within the Group.
Risk-based Due Diligence for Corruption Risks Workshop	Guide business units in performing due diligence on corruption risks.
Economic, Environmental, Social and Governance Framework awareness briefing	Inculcate the importance of sustainability and facilitate business units in identifying sustainability risks and opportunities.
Money Laundering, Labuan Financial Services Authority's Legal Framework and Updates	Understanding and addressing perceptions and misconceptions about machine learning related to money laundering, identifying and reporting suspicious transactions, and following guidelines for the Statistical Management System ("SMS").

Internal controls and risk related matters that warranted the Board's attention, along with the recommended remedial measures, were highlighted by the RMSC and BRMSC. Additionally, matters or decisions made within the RMSC's and BRMSC's purview were updated to the Board for notation or further action, as appropriate.

THE GROUP'S KEY RISKS FOR 2024

Type of Risk	Concern	Mitigating Action/Strategy
Regulatory Risk	Changes to local regulatory requirements and government policies may reduce operating efficiency. Failing to observe or comply with latest regulations can also result in penalties imposed by the authorities.	The Group stay updated on the latest regulatory requirements changes by actively engaging with government agencies and business associations, ensuring they gained early insights into new regulations and policies requirements. Changes to regulatory requirements were integrated into the policies and standard operating procedures, and communicated to staff to ensure compliance. Ensure compliance with environmental, health and safety regulations by enhancing preventive controls, conducting routine inspections, raising health and safety awareness through briefings, and providing skilled training certification.
Country Risk	The Group has investment abroad in the ASEAN region and is exposed to country risk, where potential changes in the business environment (due to economic, political and other factors) may adversely affect operating profits or the value of assets in the countries.	The control measures in place to minimise the impact of country risk on the Group's long-term business strategy include: • Conducting detailed studies and due diligence prior to investment; • Evaluating investment proposals by the Investment Committee before seeking Board endorsement; • Staying updated with the latest rules and regulations imposed by local governments; • Engaging local experts and consultants for advisory services on legal and tax matters; and • Close monitoring the business environment in the countries where the Group operates, and adopting appropriate business strategies to mitigate emerging risks.
Cybersecurity Risk	The Group faces potential risks from malware, ransomware, phishing attacks, unauthorised access and the corruption or loss of its information assets.	To mitigate these risks, processes have been implemented to manage and protect the confidentiality, integrity and availability of data and critical infrastructure, including: • Continuous monitoring of network activities and firewalls to prevent malicious or unnecessary network traffic; • Installation of Advanced Persistent Threat and Endpoint Protection Systems on all servers and endpoints to safeguard critical and confidential data; • Regular preventive maintenance of the Group's systems, with action taken to address any identified gaps; • Establishment of an Incident Management process to facilitate immediate response and resolution plans for cybersecurity incidents; and • Conducting multiple sessions of Cybersecurity awareness briefings to educate staff on the risks associated with cyber-attacks and to foster a culture of cybersecurity awareness within the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Type of Risk	Concern	Mitigating Action/Strategy
Foreign Exchange Risk	The Group is exposed to foreign currency risk on sales, purchases and borrowings denominated in currencies other than the functional currencies of its entities. The primary currencies contributing to this risk are the U.S. Dollar ("USD") and Japanese Yen ("JPY").	The strategies in place to mitigate the impact of foreign exchange risk on the Group include: • Group Treasury closely monitors foreign exchange movements and hedges Group's foreign currency denominated trade payables with forward contracts; • Business units continuously negotiate with suppliers to transact in suppliers' home country currencies such as Renminbi, Thai Baht and etc.; and • Business units in Indo-China diligently manage the cash flow positions by maintaining optimal levels of local currencies and vigilantly monitoring foreign exchange rate movements.
Competition Risk	The Group faces competition risk in vehicle sales primarily due to the rising demand for Electric Vehicles ("EVs"). This is driven by government policies and incentives promoting EV adoption, environmental concerns, technological advancements, and the entry of many global and local automakers into the Malaysian market with new EV models. Consumers have more choices and the proliferation of EVs increase competition for internal combustion engine ("ICE") vehicles.	The mitigating strategies in place to manage the impact of the competition risk to the Group include: • Business units offer aggressive value proposition promotions for EV models from Nissan and AION for customers who are interested in EVs. • Energy efficient vehicles, namely new Nissan models with e-POWER technology which drive like an EV, without the hassle of charging, have been introduced into the market as an alternative option for customers. • Implement aggressive marketing activities, including on-ground roadshows and digital ads on social media. • Promoting subscription programme for Nissan and Renault EVs to enable better accessibility for our customers. • Foster strong relationships with Principals to support vehicle sales growth and maintain competitiveness.

INTERNAL CONTROL SYSTEM

The internal controls system established by the Group encompasses key features as described below:

a. Communication of Company's Core Values i.e. Trustworthiness & Integrity, Courage, Frugality, Innovation & Creativity, 24/7 Mindset, Perseverance and Diligence, to all employees;
b. A code of conduct which requires employees to maintain the highest standards of professionalism and integrity in all that the employees do, including communications with colleagues, customers, clients, suppliers and the public;
c. An organisational structure of the Group with formally defined lines of responsibility and delegation of authority for the respective business units. Matters beyond the formalised limits of authority for Management are referred upward to the Board for approval. Group support functions such as Finance and Administration, Taxation, Treasury, Risk Management and Sustainability, Internal Audit, Secretarial, Legal, Human Resources, Insurance and Information System play a vital role in the overall risk management and internal control system of the Group. Various Management committees have been established to manage and control the Group's business;
d. The Board and Audit Committee review the Group's financial reporting process, financial and operational performance, internal controls, risk management and governance structure;
e. Active participation and involvement from the President, Group Chief Executive Officer and Chief Financial Officer in the day-to-day running of the major businesses and discussions with the Management of smaller business units on operational issues;
f. Review and approval of annual business plan and budget of all major business units by the Board;
g. Variance analysis, comparing actual performance against budget/forecast results is carried out, monitored and reported to the President, Group Chief Executive Officer and Chief Financial Officer. Relevant remedial action plans are formulated to address significant variance or gaps. On a quarterly basis, the Chief Financial Officer briefs the Audit Committee on the performance of the Group in relation to previous quarters as well as the budget;
h. Human Resource policies and procedures have been formalised to cover hiring, orientation, training, evaluating, counselling, promotion and compensation and benefits;
i. IT preventive maintenance exercise is carried out nationwide where IT related assessment activities are performed e.g. computer inventory stock count to verify the quantities and condition of the laptop and desktop computers, software inventory checks to verify that only authorised software are installed, review of the network rack and condition of the server room wiring, and review and test on the network connectivity such as internet speed and WIFI connectivity;

j. A fraud prevention policy has been adopted by the Group - this policy provides guidance in preventing fraud and to promote transparency and integrity;
k. In line with the provisions of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Group has adopted a culture of zero tolerance towards all forms of bribery and corruption as already enunciated in our Group's policies, codes of conduct, and core values. This culture is restated in our Anti-Bribery and Anti-Corruption Policy ("ABAC") which can be viewed in our intranet and the Group's website at: https://www.tanchonggroup.com/policies/;
l. Since the beginning of 2021, our GIO has conducted ABAC awareness and training for all employees and stakeholders via our E-Learning platform. All employees are also required to sit for an awareness test to gauge their understanding of the ABAC;
m. Individual project task forces have been formed to assess and evaluate the feasibility and risk impact that prospective investments have on the Group. The feasibility study, risk impact and assessment on new investments or projects are then evaluated and approved by an Investment Committee for the Board's deliberation and approval;
n. Policies and procedures, which address the major aspects of activities throughout the Group, have been established to enable necessary management directives to be carried out with actions taken on risks to achieve the Group's objectives. The policies and procedures include a range of control activities as diverse as approval, authorisation, verification, reconciliation, review of performance, safeguarding of assets and segregation of key conflicting functions;
o. Periodic management and Board meetings are carried out to discuss pertinent business matters whilst relevant information and data is collated and reported at the Management and Board meetings to facilitate decision making. Such information includes financial and non-financial, internal and external reporting;
p. Heads of department are entrusted to conduct management and supervisory reviews ensuring that personnel reporting to them discharge the duties and tasks as entrusted;
q. Group Internal Audit ("GIA") carries out separate and independent evaluations on the effectiveness of the internal control system, risk management and corporate governance. Internal control deficiencies as well as material risk issues and governance breaches are reported to the Audit Committee, the Board, President, Group Chief Executive Officer and Chief Financial Officer;
r. The regional internal audit office is established in our Bangkok office and has commenced operations to conduct internal audits on the Indo-China business units. The regional audits performed and completed in the year covered Cambodia, Myanmar, Thailand and Vietnam units; and
s. The Environment, Health & Safety ("EHS") Policy for the Group has been reviewed and revised based on the current corporate directive for compliance with the Occupational Safety and Health Act 1994, and the local authorities and ESG requirements. Every reasonable effort is taken to minimise our carbon footprint and address climate change issues through conserving and optimising the utilisation of earth's resources and reducing emissions and waste in a responsible manner. The policy is now available on TCMH's corporate website and intranet (HR Portal).

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.

The IPPF, which organises The IIA's authoritative body of knowledge on the professional practice of internal auditing, was updated in 2024. Three components comprise the IPPF:

- Global Internal Audit Standards™
- Topical Requirements
- Global Guidance

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Global Internal Audit Standards incorporate content from the five mandatory elements of the 2017 IPPF (Mission of Internal Audit, Definition of Internal Auditing, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, and Standards) as well as one of the recommended (non-mandatory) elements, Implementation Guidance. These elements no longer exist as separate entities.

Topical Requirements will be added as a mandatory element of the IPPF and aim to enhance the consistency and quality of internal audit services related to specific risk areas.

Global Guidance will continue to be a recommended element in the new IPPF, providing in-depth information about various internal audit practices and subjects.

GIA is now in conformance with the Global Internal Audit Standards. The Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. The Standards are set according to a due process followed by the International Internal Audit Standards Board and overseen by the IPPF Oversight Council.

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 2024 amounted to approximately RM1.34 million (2023: approximately RM1.51 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 2024 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 2024, 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 required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, 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 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 18 April 2025.

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR **PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 2016 ("Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors have:

(i) adopted the appropriate accounting policies, which are consistently applied;
(ii) made judgments and estimates that are reasonable and prudent; and
(iii) ensured that applicable approved accounting standards in Malaysia and provisions of the Act are complied with.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose, with reasonable accuracy, the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud as well as other irregularities.

ADDITIONAL COMPLIANCE **INFORMATION**

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided:

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the Directors' and major shareholders' interests either still subsisting at the end of financial year ended 31 December 2024 or entered into since the previous financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by the Auditors of the Company, KPMG PLT and their overseas affiliates, to the Company and the Group respectively for the financial year ended 31 December 2024 were as follows:

	Company 2024 (RM)	**Group 2024 (RM)**
Statutory audit fees	67,600	573,152
Non-audit fees *	15,000	105,965

** The non-audit fees comprised mainly fees paid or payable to KPMG PLT and their overseas affiliates for tax compliance, tax advisory services, transfer pricing study and review of statutory documents.*

FINANCIAL STATEMENTS

DIRECTORS' **REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities and the details of the subsidiaries are as stated in Note 35 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year attributable to:		
Owners of the Company	(214,166)	287,867
Non-controlling interests	(6,639)	-
	(220,805)	287,867

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company declared an interim single tier dividend of 1.0 sen per ordinary share totalling approximately RM6,517,000 on 24 May 2024 in respect of the financial year ended 31 December 2024 and paid on 28 June 2024.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Dato' Tan Heng Chew
Ho Wai Ming
Lee Min On
Ng Chee Hoong
Dato' Ng Mann Cheong
Dato' Chan Choun Sien
Dr. Nesadurai Kalanithi
Chia Tuang Mooi (Appointed on 1 February 2024)

Save for Mr. Ng Chee Hoong, Dato' Chan Choun Sien and Dr. Nesadurai Kalanithi, the remaining Directors of the Company are also Directors of some of the Company's subsidiaries.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

List of Directors of Subsidiaries

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (other than those who are Directors of the Company) during the financial year and up to the date of this report is as follows:

Abdul Rahman Bin Mohamed (Ceased on 24 February 2025)
Adrian Low Kok Kiang
Alagasan a/l Gadigaselam
Alex Kua Yeow Choon (Appointed on 12 August 2024)
Allan Chong Phang Ngee
Chan Mei-Lynn
Chen Wen-Chun
Cheng Mun Kean
Cheong Kim Seong
Cheong Yoke Yean
Chin Ten Hoy
Chin Yoon Leng
Chiou Wi-Guo
Chong Choon Yeng (Resigned on 23 December 2024)
Chong Meow Fong
Chong Moon Fen
Choo Chee Seong
Chow Kai Ming
Christopher Tan Kok Leong
Daniel Chow Wing Fai
Dato' Azmil Bin Mohd Zabidi
Dato' Tan Eng Hwa
Dato' Than Tai Hing
Dato' Yew Hock Tat
Datuk Abdullah bin Abdul Wahab
Datuk Lim Juay Jin (Appointed on 12 July 2024)
Datuk Saharudin bin Muhamad Toha
Foo Check Tuann
Han Yin Nee
Hout Kimmeng
Kay Fock Soon
Ke Bee Kian
Khoo Cheng Pah
Khoo Peng Peng
Kol. (B) Ho Wah Juan
Kong Kim Loong @ Robert Kong
Lau Wai Yoong
Law Ah Tiong (Resigned on 27 March 2024)
Lee Jiunn Shyan
Lee Kok Loon
Lee Long How
Leong Moh Jyee
Leong Wen Yew
Leong Yee Voon
Lew Jiun Shang
Lim Chee Khoon
Ling Koon Kiong (Resigned on 12 October 2024)
Loh Ling Howe
Loh Thim Choy
Loke Kwong Cheong (Resigned on 12 July 2024)
Looi Kok Eu
Martin Leow @ Liew Hun Vean
Mohd Yusop bin Saidin
Narasak Woraphun (Resigned on 6 September 2024)
Nicholas Tan Chye Seng
Ong Siew Luan

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

List of Directors of Subsidiaries (continued)

Ong Teck Seong
Ong Wee Teck
Ong Yin Ee
Phang Mun Kuee
Roslan Bin Ahmad
Say Teck Ming
Soh Peng Hui
Song Choon Beng (Resigned on 6 March 2025)
Sunida Thaisom (Resigned on 6 September 2024)
Tan Hock Leong (Appointed on 5 October 2024)
Tan Keng Meng
Tan Lian Chin
Tan Poh Guan
Tan Seng Huat
Tan Siew Hoong
Tan Soon Huat
Tan Su Kui @ Tan Su Leong
Tan Teow Chang
Tan Ying Xiu
Tang Chin Fook
Teh Kim Hwa
Teong Seng Kiang
Terence Lau Han Seong
Thambirajah A.Marimuthu (Appointed on 1 March 2024)
Tse Pei Chen
Tyrel Sackett Fernandez
U Khin Maung Lwin
Wan Chun Shong
Wong Hoe Mun
Wong King Yoon
Yap Boon Wah
Yap Yoke Moi
Yong Ye Yeen
Yuen Kok Leong

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	**Bought**	**Disposed/ Transferred**	**At 31.12.2024**
Interests in the Company				
Direct interests:				
Dato' Tan Heng Chew	32,801,962	1,622,500	-	34,424,462
Indirect/Deemed interests:				
Dato' Tan Heng Chew	290,363,430 (1)	225,000	-	290,588,430 (1)
Dato' Ng Mann Cheong	150,000 (2)	-	-	150,000 (2)
Ho Wai Ming	20,000 (2)	-	-	20,000 (2)

Notes:

(1) *Deemed interests by virtue of his interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interests of his spouse and children by virtue of Section 59(11)(c) of the Act.*

(2) *Interest of spouse by virtue of Section 59(11)(c) of the Act.*

By virtue of Dato' Tan Heng Chew's interests in the ordinary shares of the Company, he is also deemed interested in the shares of the subsidiaries as stated in Note 35 to the financial statements during the financial year to the extent that Tan Chong Motor Holdings Berhad has an interest.

Save for the above, the other Directors holding office at 31 December 2024 did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the professional fees received by a Director of the Company and a legal firm in which a Director of the Company is a partner; rental income receivable and/or rental expense payable by the Company and/or related corporations from/to companies in which the Directors and/or their connected persons have significant financial interests, and the relevant related party transactions.

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000	**From its subsidiary companies RM'000**
Fees	660	16
Remuneration	7,201	5,102
Estimated money value of any other benefits	3,270	10
Legal fees paid to a firm in which a Director is a partner	-	238
	11,131	5,366

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Share buy-back

Details of share buy-back are disclosed in Note 16 to the financial statements.

Indemnity and insurance costs

During the financial year, total indemnity coverage of RM40,000,000 was effected with insurance premium of RM67,320 paid for the Directors and officers of the Group and of the Company.

There was no indemnity given to or insurance effected for auditors of the Group and of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debt or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Significant events

Significant events are disclosed in Note 36 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM938,000 and RM68,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Ho Wai Ming
Director

....
Chia Tuang Mooi
Director

Kuala Lumpur,

Date: 18 April 2025

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Property, plant and equipment	3	2,319,140	2,371,155	343	461
Investment properties	4	237,075	238,590	-	-
Intangible assets	5	99,678	100,888	-	-
Investments in subsidiaries	6	-	-	2,818,996	2,476,369
Equity-accounted investees	7	54,941	66,456	26,896	26,896
Deferred tax assets	9	87,899	90,966	8,137	7,386
Hire purchase receivables	10	333,584	343,799	-	-
Receivables	11	-	-	215,107	214,611
Total non-current assets		3,132,317	3,211,854	3,069,479	2,725,723
Inventories	12	842,136	822,057	-	-
Contract assets	13	24,070	25,541	-	-
Current tax assets		20,855	29,497	-	-
Hire purchase receivables	10	92,209	108,181	-	-
Receivables	11	317,343	296,370	1,487	453
Deposits and prepayments	11	86,562	83,019	144	144
Derivative financial assets	14	871	345	-	-
Other investments	8	30,750	25,872	-	-
Cash and cash equivalents	15	545,499	511,579	126	164
Total current assets		1,960,295	1,902,461	1,757	761
Total assets		5,092,612	5,114,315	3,071,236	2,726,484

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Equity					
Share capital	16	336,000	336,000	336,000	336,000
Reserves		2,201,596	2,430,434	2,209,914	1,928,564
Treasury shares		(26,443)	(26,294)	(26,443)	(26,294)
Total equity attributable to owners of the Company		2,511,153	2,740,140	2,519,471	2,238,270
Non-controlling interests		4,585	1,658	-	-
Total equity		2,515,738	2,741,798	2,519,471	2,238,270
Liabilities					
Borrowings	17	309,827	450,000	309,827	450,000
Lease liabilities		65,510	67,929	104	192
Employee benefits	18	100,798	90,388	32,406	29,231
Deferred tax liabilities	9	233,913	243,850	-	-
Contract liabilities	13	54,492	51,312	-	-
Total non-current liabilities		764,540	903,479	342,337	479,423
Borrowings	17	1,406,417	1,092,614	200,000	-
Lease liabilities		39,895	29,587	83	83
Derivative financial liabilities	14	32	807	-	-
Current tax liabilities		4,301	2,424	-	-
Contract liabilities	13	45,795	24,431	-	-
Payables and accruals	19	315,894	319,175	9,345	8,708
Total current liabilities		1,812,334	1,469,038	209,428	8,791
Total liabilities		2,576,874	2,372,517	551,765	488,214
Total equity and liabilities		5,092,612	5,114,315	3,071,236	2,726,484

The notes on pages 98 to 204 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2024 (IN USD EQUIVALENT)

	2024 USD'000	2023 USD'000
Assets		
Property, plant and equipment	518,186	516,423
Investment properties	52,972	51,963
Intangible assets	22,272	21,973
Equity-accounted investees	12,276	14,474
Deferred tax assets	19,640	19,812
Hire purchase receivables	74,536	74,877
Total non-current assets	699,882	699,522
Inventories	188,165	179,039
Contract assets	5,378	5,563
Current tax assets	4,660	6,424
Hire purchase receivables	20,603	23,561
Receivables	70,907	64,548
Deposits and prepayments	19,341	18,081
Derivative financial assets	195	75
Other investments	6,871	5,635
Cash and cash equivalents	121,885	111,419
Total current assets	438,005	414,345
Total assets	1,137,887	1,113,867

The information presented on this page does not form part of the audited financial statements of the Group.

The audited figures are converted into USD equivalent using the exchange rate of RM4.4755 = USD1.00

(2023 - RM4.5915 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (IN USD EQUIVALENT)

	2024 USD'000	2023 USD'000
Equity		
Share capital	75,075	73,179
Reserves	491,922	529,333
Treasury shares	(5,908)	(5,727)
Total equity attributable to owners of the Company	561,089	596,785
Non-controlling interests	1,024	361
Total equity	562,113	597,146
Liabilities		
Borrowings	69,227	98,007
Lease liabilities	14,637	14,795
Employee benefits	22,522	19,686
Deferred tax liabilities	52,265	53,110
Contract liabilities	12,176	11,175
Total non-current liabilities	170,827	196,773
Borrowings	314,249	237,964
Lease liabilities	8,914	6,444
Derivative financial liabilities	7	176
Current tax liabilities	961	528
Contract liabilities	10,232	5,321
Payables and accruals	70,584	69,515
Total current liabilities	404,947	319,948
Total liabilities	575,774	516,721
Total equity and liabilities	1,137,887	1,113,867

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(2023 - RM4.5915 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	20	2,082,655	2,532,726	344,447	81,100
Cost of sales		(1,649,021)	(2,037,263)	-	-
Gross profit		433,634	495,463	344,447	81,100
Other income		56,318	76,041	622	2
Distribution expenses		(188,460)	(195,313)	-	-
Administrative expenses		(344,890)	(375,634)	(12,511)	(20,415)
Net impairment loss on financial instruments		(19,342)	(10,697)	(870)	(3,469)
Other expenses		(94,873)	(67,945)	(29,273)	(90)
Results from operating activities		(157,613)	(78,085)	302,415	57,128
Finance income	21	16,694	20,377	10,563	8,113
Finance costs	22	(71,331)	(62,901)	(25,862)	(20,188)
Net finance cost		(54,637)	(42,524)	(15,299)	(12,075)
Share of loss of equity-accounted investees, net of tax		(2,027)	(534)	-	-
(Loss)/Profit before tax	23	(214,277)	(121,143)	287,116	45,053
Tax (expense)/income	25	(6,528)	(12,708)	751	795
(Loss)/Profit for the year		(220,805)	(133,851)	287,867	45,848

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(4,097)	(3,185)	-	-
Foreign currency translation differences for an equity-accounted associate		(674)	1,395	-	-
Cash flow hedge		1,170	3,751	-	-
		(3,601)	1,961	-	-
Other comprehensive (expense)/income for the year, net of tax	26	(3,601)	1,961	-	-
Total comprehensive (expense)/income for the year		(224,406)	(131,890)	287,867	45,848
(Loss)/Profit attributable to:					
Owners of the Company		(214,166)	(128,742)	287,867	45,848
Non-controlling interests		(6,639)	(5,109)	-	-
(Loss)/Profit for the year		(220,805)	(133,851)	287,867	45,848
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(222,321)	(125,276)	287,867	45,848
Non-controlling interests		(2,085)	(6,614)	-	-
Total comprehensive (expense)/income for the year		(224,406)	(131,890)	287,867	45,848
Basic loss per ordinary share (sen)	27	(32.86)	(19.75)		

The notes on pages 98 to 204 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024 (IN USD EQUIVALENT)

	2024 USD'000	**2023 USD'000**
Revenue	*465,346*	*551,612*
Cost of sales	*(368,455)*	*(443,703)*
Gross profit	***96,891***	***107,909***
Other income	*12,584*	*16,561*
Distribution expenses	*(42,109)*	*(42,538)*
Administrative expenses	*(77,062)*	*(81,811)*
Net impairment loss on financial instruments	*(4,322)*	*(2,330)*
Other expenses	*(21,198)*	*(14,797)*
Results from operating activities	*(35,216)*	*(17,006)*
Finance income	*3,730*	*4,438*
Finance costs	*(15,938)*	*(13,699)*
Net finance cost	*(12,208)*	*(9,261)*
Share of loss of equity-accounted investees, net of tax	*(453)*	*(116)*
Loss before tax	*(47,877)*	*(26,383)*
Tax expense	*(1,459)*	*(2,768)*
Loss for the year	*(49,336)*	*(29,151)*

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The audited figures are converted into USD equivalent using the exchange rate of RM4.4755 = USD1.00

(2023 - RM4.5915 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024 (IN USD EQUIVALENT)

	2024 USD'000	2023 USD'000
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(915)	(694)
Foreign currency translation differences for an equity-accounted associate	(151)	304
Cash flow hedge	261	817
	(805)	427
Other comprehensive (expense)/income for the year, net of tax	(805)	427
Total comprehensive expense for the year	(50,141)	(28,724)
Loss attributable to:		
Owners of the Company	(47,853)	(28,039)
Non-controlling interests	(1,483)	(1,113)
Loss for the year	(49,336)	(29,152)
Total comprehensive expense attributable to:		
Owners of the Company	(49,675)	(27,284)
Non-controlling interests	(466)	(1,440)
Total comprehensive expense for the year	(50,141)	(28,724)
Basic loss per ordinary share (sen)	(7.34)	(4.30)

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(2023 - RM4.5915 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT **OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company									
		Non-distributable					Distributable				
Group	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Translation reserve RM'000**	**Revaluation reserve RM'000**	**Hedging reserve RM'000**	**Capitalisation of retained earnings RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2023		336,000	(25,953)	(13,361)	939,782	(4,082)	100	1,639,790	2,872,276	(22,598)	2,849,678
Transfer of revaluation surplus on properties		-	-	-	(17,609)	-	-	17,609	-	-	-
Foreign currency translation differences for foreign operations		-	-	(1,680)	-	-	-	-	(1,680)	(1,505)	(3,185)
Foreign currency translation difference for an equity-accounted associate		-	-	1,395	-	-	-	-	1,395	-	1,395
Cash flow hedge		-	-	-	-	3,751	-	-	3,751	-	3,751
Total other comprehensive (expense)/income for the year		-	-	(285)	(17,609)	3,751	-	17,609	3,466	(1,505)	1,961
Loss for the year		-	-	-	-	-	-	(128,742)	(128,742)	(5,109)	(133,851)
Total comprehensive (expense)/income for the year		-	-	(285)	(17,609)	3,751	-	(111,133)	(125,276)	(6,614)	(131,890)
Purchase of treasury shares		-	(341)	-	-	-	-	-	(341)	-	(341)
Dividend paid											
- 2023 first interim	28	-	-	-	-	-	-	(6,519)	(6,519)	-	(6,519)
		-	(341)	-	-	-	-	(6,519)	(6,860)	-	(6,860)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	30,870	30,870
Total transactions with owners of the Company		-	(341)	-	-	-	-	(6,519)	(6,860)	30,870	24,010
At 31 December 2023		336,000	(26,294)	(13,646)	922,173	(331)	100	1,522,138	2,740,140	1,658	2,741,798
		Note 16	Note 16								

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company									
		Non-distributable					Distributable				
Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Hedging reserve RM'000	Capitalisation of retained earnings RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024		336,000	(26,294)	(13,646)	922,173	(331)	100	1,522,138	2,740,140	1,658	2,741,798
Transfer of revaluation surplus on properties		-	-	-	(17,609)	-	-	17,609	-	-	-
Foreign currency translation differences for foreign operations		-	-	(8,651)	-	-	-	-	(8,651)	4,554	(4,097)
Foreign currency translation difference for an equity-accounted associate		-	-	(674)	-	-	-	-	(674)	-	(674)
Cash flow hedge		-	-	-	-	1,170	-	-	1,170	-	1,170
Total other comprehensive (expense)/income for the year		-	-	(9,325)	(17,609)	1,170	-	17,609	(8,155)	4,554	(3,601)
Loss for the year		-	-	-	-	-	-	(214,166)	(214,166)	(6,639)	(220,805)
Total comprehensive (expense)/income for the year		-	-	(9,325)	(17,609)	1,170	-	(196,557)	(222,321)	(2,085)	(224,406)
Purchase of treasury shares		-	(149)	-	-	-	-	-	(149)	-	(149)
Dividend paid											
- 2024 first interim	28	-	-	-	-	-	-	(6,517)	(6,517)	-	(6,517)
		-	(149)	-	-	-	-	(6,517)	(6,666)	-	(6,666)
Dividend paid to non-controlling Interest		-	-	-	-	-	-	-	-	(623)	(623)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	5,635	5,635
Total transactions with owners of the Company		-	(149)	-	-	-	-	(6,517)	(6,666)	5,012	(1,654)
At 31 December 2024		336,000	(26,443)	(22,971)	904,564	839	100	1,319,064	2,511,153	4,585	2,515,738
		Note 16	Note 16								

The notes on pages 98 to 204 are an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
		← *Attributable to owners of the Company*			→
		Non-distributable		*Distributable*	
Company					
At 1 January 2023		336,000	(25,953)	1,889,235	2,199,282
Profit for the year		-	-	45,848	45,848
Total comprehensive income for the year		-	-	45,848	45,848
Purchase of treasury shares		-	(341)	-	(341)
Dividend paid					
- 2023 first interim	28	-	-	(6,519)	(6,519)
Total transactions with owners of the Company		-	(341)	(6,519)	(6,860)
At 31 December 2023/1 January 2024		336,000	(26,294)	1,928,564	2,238,270
Profit for the year		-	-	287,867	287,867
Total comprehensive income for the year		-	-	287,867	287,867
Purchase of treasury shares		-	(149)	-	(149)
Dividend paid					
- 2024 first interim	28	-	-	(6,517)	(6,517)
Total transactions with owners of the Company		-	(149)	(6,517)	(6,666)
At 31 December 2024		336,000	(26,443)	2,209,914	2,519,471
		Note 16	Note 16		

The notes on pages 98 to 204 are an integral part of these financial statements.

STATEMENTS OF
CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(214,277)	(121,143)	287,116	45,053
Adjustments for:					
Amortisation of intangible asset	5	5,972	1,859	-	-
Depreciation of property, plant and equipment	3	132,732	141,687	124	139
Dividend income		-	-	(344,447)	(81,100)
Loss on disposal of property, plant and equipment	23	507	2,404	-	-
Loss/(Gain) on unrealised foreign exchange - net	23	24,103	(11,431)	2	(2)
Finance costs	22	71,331	62,901	25,862	20,188
Finance income	21	(16,694)	(20,377)	(10,563)	(8,113)
Inventories written off	23	399	460	-	-
Write-down of inventories	12	7,148	1,431	-	-
Bad debts written off	23	835	347	-	-
Additional impairment loss on:	23				
- Amount due from subsidiaries		-	-	870	3,469
- Hire purchase receivables		19,029	9,968	-	-
- Investment in subsidiaries	23	-	-	29,271	-
- Equity-accounted investees		8,564	3,000	-	-
- Trade receivables		313	729	-	-
Reversal of write-down of inventories	12	(5,381)	(10,417)	-	-
Property, plant and equipment written off	3	26	85	-	-
Retirement benefits charged	18	11,358	10,762	3,175	2,937
Fair value changes on investment properties	4	(405)	400	-	-
Fair value gain on other investments	23	-	(414)	-	-
Share of loss of equity-accounted investees		2,027	534	-	-
Fair value adjustment to derivatives		(26)	2	-	-
Operating profit/(loss) before changes in working capital		47,561	72,787	(8,590)	(17,429)
Changes in working capital:					
Inventories		(16,959)	(33,778)	-	-
Hire purchase receivables		6,360	2,275	-	-
Receivables		(19,915)	(5,396)	(1,034)	171
Deposits and prepayments		(3,543)	9,762	-	4
Payables and accruals		(16,209)	(113,664)	(5,599)	(4,552)
Contract assets		1,471	808	-	-
Contract liabilities		24,544	2,126	-	-
Cash generated from/(used in) operations		23,310	(65,080)	(15,223)	(21,806)
Tax paid		(3,314)	(25,513)	-	-
Tax refunded		1,064	3,738	-	-
Dividends received from unquoted subsidiaries		-	-	344,197	80,700
Interest paid		(61,257)	(54,063)	(20,447)	(15,473)
Interest received		16,694	20,377	10,563	8,113
Employee benefits paid		(948)	(1,276)	-	-
Net (used in)/from operating activities		(24,451)	(121,817)	319,090	51,534

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from investing activities					
Acquisition of intangible asset		(352)	(73,824)	-	-
Acquisition of property, plant and equipment		(99,670)	(118,580)	(6)	(33)
Repayment to subsidiaries		-	-	(536)	(3,426)
Net acquisition of other investments		(4,878)	(23,466)	-	-
Subscription to subsidiaries' share capital		-	-	(371,898)	(192,030)
Dividends received from:					
- Joint ventures		250	400	250	400
- Associates		-	1,485	-	-
Proceeds from disposal of property, plant and equipment		18,019	17,069	-	-
Net cash used in investing activities		(86,631)	(196,916)	(372,190)	(195,089)
Cash flows from financing activities					
Dividends paid to owners of the company	28	(6,517)	(6,519)	(6,517)	(6,519)
Dividend paid of non-controlling interests	6	(623)	-	-	-
Purchase of own shares		(149)	(341)	(149)	(341)
Net proceeds from bankers' acceptance		104,668	46,620	-	-
Net drawdown/(repayment) of term loans		56,179	(66,827)	-	-
Net (repayment)/drawdown of revolving credit		(48,172)	135,952	-	-
Payment of lease liabilities		(16,378)	(22,742)	(99)	(99)
Net proceeds from medium term notes	17	59,827	150,000	59,827	150,000
Share subscription in a subsidiary by non-controlling interest shareholders		5,635	30,870	-	-
Net cash from financing activities		154,470	267,013	53,062	143,041
Net change in cash and cash equivalents		43,388	(51,720)	(38)	(514)
Effects of exchange rate fluctuations on cash and cash equivalents		(9,468)	5,139	-	-
Cash and cash equivalents at 1 January		511,579	558,160	164	678
Cash and cash equivalents at 31 December	15	545,499	511,579	126	164

Cash outflows for leases as a lessee

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Included in net cash used in operating activities					
Payment relating to leases of short-term leases and low-value assets	23	6,062	5,561	56	56
Interest paid in relation to lease liabilities	22	4,201	4,138	11	16
Included in net cash from financing activities					
Payment of lease liabilities		16,378	22,742	99	99
Total cash outflows for leases		26,641	32,441	166	171

The notes on pages 98 to 204 are an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

Tan Chong Motor Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Registered office/Principal place of business
62-68 Jalan Sultan Azlan Shah
51200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include any other entities.

The Company is principally engaged in investment holding, whilst the principal activities and the details of the subsidiaries are as stated in Note 35 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 18 April 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures*)
- *Annual Improvements to MFRS Accounting standards – Volume 11:-*
  - o Amendment to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards*
  - o Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - o Amendments to MFRS 9, *Financial Instruments*
  - o Amendments to MFRS 10, *Consolidated Financial Statements*
  - o Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments : Disclosures – Contracts Referencing Nature – Dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and* MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and Company plan to apply to abovementioned accounting standards, interpretations and amendments, where applicable, once they become effective.

The initial application of the applicable accounting standards, interpretations or amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than those disclosed in the notes to the financial statements.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- *Note 3 - valuation of property, plant and equipment and Note 4 - valuation of investment properties*

  The Group carries certain property, plant and equipment and investment properties at valuation and fair value respectively, with changes in fair value being recognised in other comprehensive income and statement of profit or loss respectively. The Group engaged independent valuation specialists to assess the fair value for both property, plant and equipment and investment properties. The valuation methodologies adopted are sales comparison and depreciated replacement cost approach. The key assumptions used to determine the fair value of the properties are provided in Notes 3 and 4.

- *Note 3 – extension options and incremental borrowing rate in relation to leases*

  Some leases of land and office buildings contain extension options exercisable by the Group up to three (3) years before the end of the contract period. The extension options held are exercisable only by the Group and not by the lessors.

  The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

  The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

- *Note 3 – extension options and incremental borrowing rate in relation to leases (continued)*

  The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

- *Note 9 - recognition of deferred tax assets*

  Deferred tax assets are recognised for unutilised tax losses to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

- *Notes 10, 11 and 33 - measurement of expected credit loss allowances for hire purchase and trade receivables*

  The loss allowances for hire purchase and trade receivables are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment model, based on the Group's past experience, existing market conditions as well as forward looking estimates as at the end of the reporting period.

  For impaired hire purchase receivables which are individually assessed, judgement by management is required in the estimation of the amount and timing of future cash flows including estimation of recoveries from the repossessed vehicles net of outstanding balance owing from the receivables in determination of impairment losses. In estimating these cash flows, judgements are made about the borrower's financial position.

  For hire purchase receivables which are collectively assessed, judgements are made based on the financing portfolio data including historical non-performing loans' delinquency rates, average loss appropriate to the portfolio and forward-looking adjustments.

- *Note 12 - valuation of inventories*

  The calculation of inventory provision requires judgement by management of the expected value of future sales. If the carrying value of inventory is higher than the expected recoverable amount, the Group writes the inventory down to its net realisable value. Inventories are initially assessed for impairment by comparing inventory levels to recent sales trend and carrying values to estimated selling prices. A detailed review is completed for inventory lines identified in the initial assessment after considering sales activities, order trend, customer contracts and current selling prices less estimated sales incentives and other related costs to sell.

- *Note 18 - valuation of employee benefits*

  The defined benefit obligation is determined based on an actuarial valuation. The actuarial valuation involves making assumptions regarding the discount rate, future salary increases and withdrawal rates. Due to the long-term nature of the defined benefit plan, such estimates are subject to significant uncertainties. Details of the assumptions used are disclosed in Note 18.

2. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group and the Company, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the hedging reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

2. Material accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristic and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost (see Note 2(k)(i)).

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets are not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition is as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedged item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (“forward points”) and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(iv) Hedge accounting (continued)

Cash flow hedge (continued)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedge future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on their modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment, except for freehold land, are measured at cost/valuation less accumulated depreciation and any accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of reporting period.

Freehold land is stated at valuation less any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

Property, plant and equipment under the revaluation model

The Group revalues its properties comprising land and building every three (3) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation of properties held for own use are dealt with in other comprehensive income and are accumulated separately in equity in the revaluation reserve account. When a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation. When revalued assets are retired or disposed, the amounts included in the revaluation surplus reserve are transferred to retained earnings and are not reclassified to profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use except for one of the subsidiaries where its plant, machinery and equipment are depreciated over the shorter of the model useful life or projected production volume. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Buildings	3 - 50 years
Plant, machinery and equipment	4 - 10 years
Furniture, fixtures, fittings and office equipment	3 - 10 years
Motor vehicles	5 years
Renovation	5 - 8 years
Rough road	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- The customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

2. Material accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve (12) months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If the head lease is a short-term lease to which the Group applies exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset (except for land) is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For leases of land recognised as right-of-use assets that are related to property, plant and equipment, the Group has elected to apply the revaluation model in accordance to MFRS 116, *Property, Plant and Equipment*. This class of right-of-use assets is subsequently measured at fair value less accumulated depreciation and any accumulated impairment losses (see Note 2(d)(i)).

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(f) Intangible assets

(i) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

(ii) Goodwill

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have infinite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Goodwill has indefinite useful lives and is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

2. Material accounting policies (continued)

(f) Intangible assets (continued)

(v) Amortisation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Service Concession arrangements	25 years
Development costs	2 - 10 years
Software	10 years

(g) Investment property

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification from/to investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

2. Material accounting policies (continued)

(h) Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of locally assembled motor vehicles, work-in-progress in respect of motor vehicles under assembly and unassembled vehicle packs are determined at standard cost adjusted for variances which approximates actual cost on a specific identification basis.

Costs of other raw materials, work-in-progress, manufactured inventories and trading inventories are determined mainly on the first-in-first out basis whilst spare parts are determined mainly on the weighted average basis.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have a low risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period with the Group and the Company are exposed to credit risk.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. The Group first assesses whether objective evidence of impairment exists for financial assets which are individually significant. If the Group determines that objective evidence of impairment exists, i.e. credit-impaired, for an individually assessed financial asset, a lifetime expected credit loss will be recognised for impairment loss which has been incurred. Financial assets which are not individually significant and that have been individually assessed with no evidence of impairment loss are grouped together for collective impairment. Collectively, the individual assessment allowance and collective assessment allowance form the total allowance for impairment on hire purchase receivables.

2. Material accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating units (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are distributed as share dividends, the costs of the treasury shares is applied in the reduction of the distributable reserves.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group or the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Defined benefit plans

The Group's and the Company's net obligations in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Group and the Company determine the interest expense on the defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(m) Employee benefits (continued)

(iii) Defined benefit plans (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group or the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(o) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognised revenue when (or as) it transfers control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

Revenue from contracts with customers is recognised when the Group satisfies each distinct performance obligation identified in the contracts by transferring control of promised goods or services to the customers. Revenue may be recognised at a point in time or over time, depending on the substance of the contract.

Revenue from contracts with customers is measured at its transaction price which is the amount of consideration that the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, net of applicable taxes, returns, rebates and discounts. Transaction price is allocated to each distinct performance obligation on the basis of its relative stand-alone selling price.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

Performance obligations by segment are as follows:

(i) Vehicles assembly, manufacturing and distribution and after-sales services

The Group is involved in the business of assembly and distribution of passenger and commercial vehicles, manufacturing and distribution of automotive spare parts and provision of automotive workshop services.

Manufacturing and assembly of passenger and commercial vehicles

(i) Point in time recognition

Revenue is recognised when control of vehicles is transferred to the customer. The customer accepts the vehicle with satisfaction as to the quality of the assembled vehicle, take delivery and has absolute rights over the distribution and selling price of the vehicle.

Revenue from these services is recognised based on the fixed price specified in the contract and the variable expenses recoverable from the customers, based on the aggregate service provided over an agreed period. Accumulated experience is used to estimate and provide for the variable expenses recoverable, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. There is no significant financing component in the revenue arising from manufacturing and assembly of vehicles as the sales are made on the normal credit terms not exceeding 12 months.

A receivable is recognised when the vehicles are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Over time recognition

For certain contracts, revenue is recognised over the contract period if the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Revenue is recognised based on the actual cost of assembly incurred at the end of the period, including a reasonably estimated average profit margin with the customer. This method represents a faithful depiction of the service as the actual costs incurred represents the percentage of service rendered.

The average profit margin is revised accordingly if required to reflect the actual situation. Any resulting increases or decreases in estimated revenue are reflected in profit or loss in the period in which the situation that give rise to the revision become known by management. The Group’s obligation to provide warranty for the vehicles under the standard warranty terms is recognised as a provision.

Distribution and sale of vehicles and parts

Revenue from distribution and sale of vehicles is recognised when the Group transfers the control over the vehicles and parts to customers, being when the vehicles and parts are delivered to customers. The retail sales of parts normally occur during performance of after-sales services and is recognised at point in time.

The Group normally collects deposits from customers for the sales of vehicles. Since the Group has an obligation to transfer the vehicles to customers in respect of deposits received, the deposits received are recognised as contract liabilities in the statements of financial position. Customer deposits will be recognised as revenue upon the sales of the vehicles to the customers. A receivable is recognised when the vehicles are delivered as this is the point in time when the Group has performed its obligations and the remaining consideration under the sales contract becomes unconditional.

Vehicles and parts may be sold with volume-based discounts and incentives will be given based on achieved targeted sales. Accumulated experience is used to estimate the discounts and incentives using the expected value or most likely methods depending on the type of discounts and incentives. Discounts and incentives are accounted for as a reduction of the transaction price and revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

(i) Vehicles assembly, manufacturing and distribution and after-sales services (continued)

Distribution and sale of vehicles and parts (continued)

No element of financing is deemed present as the sales are made with a credit term of 30 days. The Group's obligation to provide warranty for the vehicles and parts under the standard warranty terms is recognised as a provision.

After-sales services

The Group provides after-sales services or routine vehicle maintenance services within and/or outside of the warranty period in relation to the vehicle brands that the Group sells.

The sales of vehicles to customers may be bundled together with extended warranties and/or free services. The extended warranty provides assurance to the customer that the vehicle parts comply with agree-upon specifications beyond the general standard warranty period. The extended warranties and free services are separate performance obligations and the transaction price is allocated to the service obligations based on their relative stand-alone selling prices. Considerations collected from customers in advance for the extended warranties and free services are recognised as contract liabilities and will be recognised as revenue over the period covered by the extended warranties and when the free services are performed respectively.

Revenue from after-sales services beyond the free service period is recognised upon the performance of services to customers.

There is no significant financing component in the sale of extended warranties and/or free services as the sales are made on normal credit terms not exceeding three (3) months.

(ii) Financial services – Hire purchase financing, personal loans and insurance agency

Hire purchase revenue is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the net investment outstanding at the end of each reporting period.

Personal loan revenue is recognised in profit or loss upon commencement of the personal loan tenure, based on the reducing balance method over the period of agreement.

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

The Group's other sources of revenue and income include the following:

(i) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of lease. Rental income from subleased property is recognised as "other income".

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

(iv) Service concession arrangements

Revenue related to construction of the floating solar plant under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised over the period of the service concession arrangement in which the services are provided by the Group.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at fair value in accordance with the accounting policies set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sales of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(q) Income tax (continued)

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the President of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group Cost/Valuation	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
At 1 January 2023	459,926	596,838	1,074,698	598,759	152,610	350,539	108,010	3,365	36,903	3,381,648
Additions	-	79	20,527	5,383	5,383	69,448	4,912	-	33,375	139,107
Disposals	-	-	(19,282)	(2,398)	(406)	(25,232)	(2)	-	-	(47,320)
Transfer from assets under construction	-	13,006	-	16,934	267	-	527	-	(30,734)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(1,085)	(1,085)
Transfer to inventories	-	-	-	-	-	^ (64,992)	-	-	-	(64,992)
Write-off	-	-	-	(9,378)	(4,313)	(59)	(1,547)	-	-	(15,297)
Effects of movement in exchange rates	-	6,762	3,639	3,628	406	537	751	(134)	837	16,426
At 31 December 2023/ 1 January 2024	459,926	616,685	1,079,582	612,928	153,947	330,241	112,651	3,231	39,296	3,408,487
Additions	-	4,270	24,490	8,746	8,242	38,895	5,132	-	34,385	124,160
Disposals	-	-	(10,421)	(476)	(361)	(29,054)	(23)	-	-	(40,335)
Transfer from assets under construction	-	28,602	-	13,852	627	362	733	-	(44,176)	-
Transfer from investment properties (Note 4)	-	900	1,020	-	-	-	-	-	-	1,920
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(4,762)	(4,762)
Transfer to inventories	-	-	-	-	-	^ (63,689)	-	-	-	(63,689)
Write-off	-	-	-	(917)	(2,562)	(26)	(296)	-	-	(3,801)
Effects of movement in exchange rates	-	(10,627)	(6,593)	(12,354)	(679)	(723)	(835)	(67)	(243)	(32,121)
At 31 December 2024	459,926	639,830	1,088,078	621,779	159,214	276,006	117,362	3,164	24,500	3,389,859

^ Included in this amount was the transfer of motor vehicles from property, plant and equipment to inventories during the financial year with a carrying value of RM5,286,000 for the business of subscription plans in one of the subsidiaries of the Group (2023: RM31,352,000).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group Cost/Valuation	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
Representing items:										
- at cost	-	19,847	146,546	612,928	153,947	330,241	112,651	3,231	39,296	1,418,687
- at valuation	459,926	596,838	933,036	-	-	-	-	-	-	1,989,800
At 31 December 2023	459,926	616,685	1,079,582	612,928	153,947	330,241	112,651	3,231	39,296	3,408,487
Representing items:										
- at cost	-	42,992	162,166	621,779	159,214	276,006	117,362	3,164	24,500	1,407,183
- at valuation	459,926	596,838	925,912	-	-	-	-	-	-	1,982,676
At 31 December 2024	459,926	639,830	1,088,078	621,779	159,214	276,006	117,362	3,164	24,500	3,389,859

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2023										
Accumulated depreciation	-	-	87,901	483,944	133,811	137,716	87,951	646	-	931,969
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	9,133	90,590	503,020	133,848	137,716	87,995	646	-	967,178
Depreciation for the year	-	22,490	37,833	24,369	5,664	46,644	4,657	30	-	141,687
Disposals	-	-	(11,394)	(2,170)	(383)	(13,898)	(2)	-	-	(27,847)
Transfer to inventories	-	-	-	-	-	(33,640)	-	-	-	(33,640)
Write-off	-	-	-	(9,366)	(4,287)	(59)	(1,500)	-	-	(15,212)
Effects of movement in exchange rates	-	626	894	2,651	320	228	574	(127)	-	5,166
At 31 December 2023										
Accumulated depreciation	-	23,116	115,234	499,428	135,125	136,991	91,680	549	-	1,002,123
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	32,249	117,923	518,504	135,162	136,991	91,724	549	-	1,037,332
At 1 January 2024										
Accumulated depreciation	-	23,116	115,234	499,428	135,125	136,991	91,680	549	-	1,002,123
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	32,249	117,923	518,504	135,162	136,991	91,724	549	-	1,037,332
Depreciation for the year	-	23,612	37,677	19,498	6,502	40,463	4,779	201	-	132,732
Disposals	-	-	(5,162)	(444)	(289)	(15,891)	(23)	-	-	(21,809)
Transfer to inventories	-	-	-	-	-	(58,403)	-	-	-	(58,403)
Write-off	-	-	-	(911)	(2,561)	(25)	(278)	-	-	(3,775)
Effects of movement in exchange rates	-	(2,101)	(2,154)	(9,375)	(634)	(437)	(639)	(18)	-	(15,358)
At 31 December 2024										
Accumulated depreciation	-	44,627	145,595	508,196	138,143	102,698	95,519	732	-	1,035,510
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	53,760	148,284	527,272	138,180	102,698	95,563	732	-	1,070,719
Carrying amounts										
At 1 January 2023	455,696	587,705	984,108	95,739	18,762	212,823	20,015	2,719	36,903	2,414,470
At 31 December 2023/ 1 January 2024	455,696	584,436	961,659	94,424	18,785	193,250	20,927	2,682	39,296	2,371,155
At 31 December 2024	455,696	586,070	939,794	94,507	21,034	173,308	21,799	2,432	24,500	2,319,140

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Company	Right-of-use assets - Building RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost					
At 1 January 2023	513	220	1,689	10	2,432
Additions	-	33	-	-	33
At 31 December 2023/ 1 January 2024	513	253	1,689	10	2,465
Additions	-	6	-	-	6
Write-off	-	(135)	-	-	(135)
At 31 December 2024	513	124	1,689	10	2,336
Depreciation					
At 1 January 2023	171	218	1,475	1	1,865
Depreciation for the year	85	4	49	1	139
At 31 December 2023/ 1 January 2024	256	222	1,524	2	2,004
Depreciation for the year	86	15	22	1	124
Write-off	-	(135)	-	-	(135)
At 31 December 2024	342	102	1,546	3	1,993
Carrying amounts					
At 1 January 2023	342	2	214	9	567
At 31 December 2023/ 1 January 2024	257	31	165	8	461
At 31 December 2024	171	22	143	7	343

The Company leases an office for 3 years, with an option to renew the lease after that date.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.1 Right-of-use assets

Included in property, plant and equipment are right-of-use assets as follows:

Group	Long-term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost/Valuation						
At 1 January 2023	940,478	123,787	802	8,863	768	1,074,698
Additions	22	20,181	-	13	311	20,527
Disposals	(7,442)	(5,251)	-	(6,104)	(485)	(19,282)
Effects of movement in exchange rates	2,976	663	-	-	-	3,639
At 31 December 2023/ 1 January 2024	936,034	139,380	802	2,772	594	1,079,582
Additions	237	23,889	364	-	-	24,490
Disposals	(2,570)	(7,690)	(67)	(2)	(92)	(10,421)
Transfer from investment properties	1,020	-	-	-	-	1,020
Effects of movement in exchange rates	(5,625)	(968)	-	-	-	(6,593)
At 31 December 2024	929,096	154,611	1,099	2,770	502	1,088,078
Cost/Valuation						
Representing items:						
- at cost	2,998	139,380	802	2,772	594	146,546
- at valuation	933,036	-	-	-	-	933,036
At 31 December 2023	936,034	139,380	802	2,772	594	1,079,582
Representing items:						
- at cost	3,184	154,611	1,099	2,770	502	162,166
- at valuation	925,912	-	-	-	-	925,912
At 31 December 2024	929,096	154,611	1,099	2,770	502	1,088,078

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.1 Right-of-use assets (continued)

Group	Long-term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Depreciation and impairment loss						
At 1 January 2023						
Accumulated depreciation	-	77,875	635	8,851	540	87,901
Accumulated impairment loss	2,689	-	-	-	-	2,689
	2,689	77,875	635	8,851	540	90,590
Depreciation for the year	15,375	22,174	129	1	154	37,833
Disposals	(161)	(4,656)	-	(6,092)	(485)	(11,394)
Effects of movement in exchange rates	436	458	-	-	-	894
At 31 December 2023/ 1 January 2024						
Accumulated depreciation	15,650	95,851	764	2,760	209	115,234
Accumulated impairment loss	2,689	-	-	-	-	2,689
	18,339	95,851	764	2,760	209	117,923
Depreciation for the year	19,855	17,539	154	2	127	37,677
Disposals	(215)	(4,788)	(67)	-	(92)	(5,162)
Effects of movement in exchange rates	(1,333)	(821)	-	-	-	(2,154)
At 31 December 2024						
Accumulated depreciation	33,957	107,781	851	2,762	244	145,595
Accumulated impairment loss	2,689	-	-	-	-	2,689
	36,646	107,781	851	2,762	244	148,284
Carrying amounts						
At 1 January 2023	937,789	45,912	167	12	228	984,108
At 31 December 2023/ 1 January 2024	917,695	43,529	38	12	385	961,659
At 31 December 2024	892,450	46,830	248	8	258	939,794

The Group has land leases ranging from 5 years to 93 years and leases of showrooms and workshops ranging from 2 years to 5 years with an option to renew the lease.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.2 Property, plant and equipment under revaluation model

The Group's properties were revalued on 31 December 2022 by external, independent professional qualified valuers using comparison and depreciated replacement cost approach.

Had the revalued properties been carried under the cost model, the net carrying amount of each class of property, plant and equipment that would have been included in the financial statements of the Group would be as follows:

	Freehold land RM'000	Long-term leasehold land (Note a) RM'000	Buildings RM'000	Total RM'000
Group				
2024				
Cost	143,231	274,776	643,217	1,061,224
Accumulated depreciation	-	(80,285)	(208,674)	(288,959)
Accumulated impairment loss	(4,230)	(2,689)	(9,133)	(16,052)
	139,001	191,802	425,410	756,213
2023				
Cost	143,231	274,776	643,217	1,061,224
Accumulated depreciation	-	(75,289)	(193,979)	(269,268)
Accumulated impairment loss	(4,230)	(2,689)	(9,133)	(16,052)
	139,001	196,798	440,105	775,904

Fair value information

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Freehold land	-	-	455,696	455,696
Long-term leasehold land	-	-	923,223	923,223
Buildings	-	-	587,705	587,705
	-	-	1,966,624	1,966,624
2023				
Freehold land	-	-	455,696	455,696
Long-term leasehold land	-	-	930,347	930,347
Buildings	-	-	587,705	587,705
	-	-	1,973,748	1,973,748

Note a: The long-term leasehold land is under right-of-use assets.

3. Property, plant and equipment (continued)

3.2 Property, plant and equipment under revaluation model (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Valuation process applied by the Group

The fair value of land and buildings is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical land and buildings that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the land and buildings, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and Level 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using inputs with significant adjustments for the land and buildings.

Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation. The price per square foot for material properties in Malaysia range from RM40 to RM671 (2023: RM40 to RM671), properties in Vietnam range from RM40 to RM87 (2023: RM41 to RM89) per square foot and a property in Myanmar is RM79 per square foot (2023: RM81 per square foot).

3.3 Titles

The titles to certain properties with a total carrying amounts of RM1,300,000 (2023: RM1,300,000) have yet to be issued by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS

4. Investment properties

	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
Group				
At 1 January 2023	171,485	21,715	45,790	238,990
Change in fair value recognised in profit or loss	(2,730)	1,715	615	(400)
At 31 December 2023/ 1 January 2024	168,755	23,430	46,405	238,590
Transfer	-	* (1,020)	* (900)	(1,920)
Change in fair value recognised in profit or loss	315	90	-	405
At 31 December 2024	169,070	22,500	45,505	237,075

* Transferred to Property, plant and equipment (Note 3).

The operating lease payments to be received are as follows:

	Group 2024 RM'000	Group 2023 RM'000
Less than one year	2,127	1,808
One to two years	1,074	894
Two to three years	467	137
Three to four years	46	117
Total undiscounted lease payments	3,714	2,956

4.1 Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Freehold land	-	-	169,070	169,070
Long-term leasehold land	-	-	22,500	22,500
Buildings	-	-	45,505	45,505
	-	-	237,075	237,075
2023				
Freehold land	-	-	168,755	168,755
Long-term leasehold land	-	-	23,430	23,430
Buildings	-	-	46,405	46,405
	-	-	238,590	238,590

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. Investment properties (continued)

4.1 Fair value information (continued)

Valuation process applied by the Group

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and Level 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Average price per square foot range from RM14 to RM2,738 (2023: RM14 to RM2,738).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Highest and best use

The Group's investment properties are currently office building, residential apartment, shoplot, car park yard. The current usage should be the highest and best use of these properties.

4.2 Titles

The titles to certain properties with a total carrying amounts of RM14,050,000 (2023: RM14,050,000) have yet to be issued by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets

Group Cost	Goodwill RM'000	Development costs RM'000	System RM'000	Service concession arrangement RM'000	Total RM'000
At 1 January 2023	14,703	7,898	8,226	-	30,827
Additions	-	5,863	-	82,790	88,653
Transfer from property, plant and equipment (Note 3)	-	-	-	1,085	1,085
At 31 December 2023/1 January 2024	14,703	13,761	8,226	83,875	120,565
Additions	-	-	-	352	352
Transfer from property, plant and equipment (Note 3)	-	-	4,762	-	4,762
Effects of movement in exchange rates	-	(433)	-	-	(433)
At 31 December 2024	14,703	13,328	12,988	84,227	125,246
Amortisation and impairment losses					
At 1 January 2023					
Accumulated amortisation	-	1,454	1,664	-	3,118
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	1,454	1,664	-	17,821
Amortisation	-	1,018	841	-	1,859
Effects of movement in exchange rates	-	(3)	-	-	(3)
At 31 December 2023/1 January 2024					
Accumulated amortisation	-	2,469	2,505	-	4,974
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	2,469	2,505	-	19,677
Amortisation	-	1,623	985	3,364	5,972
Effects of movement in exchange rates	-	(81)	-	-	(81)
At 31 December 2024					
Accumulated amortisation	-	4,011	3,490	3,364	10,865
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	4,011	3,490	3,364	25,568
Carrying amounts					
At 1 January 2023	-	6,444	6,562	-	13,006
At 31 December 2023/1 January 2024	-	11,292	5,721	83,875	100,888
At 31 December 2024	-	9,317	9,498	80,863	99,678

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets (continued)

5.1 Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

		Group	
		2024	**2023**
		RM'000	**RM'000**
(i)	Malaysia property	648	648
(ii)	Vietnam vehicles distribution network	13,944	13,944
	Travel agency and transportation services	111	111
		14,703	14,703
Less: Impairment loss		(14,703)	(14,703)
		-	-

(i) The impairment test in respect of Malaysia property was based on fair value of the property which was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

(ii) In December 2018, the Group via its wholly-owned subsidiary, namely ETCM (V) Pte Ltd ("ETCMV"), has received from Nissan Motor Co., Ltd. ("NML") a notice of termination of the Joint Venture Agreement dated 22 September 2010 previously entered into between ETCMV and NML. Consequently, the management has decided to impair the entire goodwill attributable to the Vietnam vehicles distribution unit. The Joint Venture Agreement ended after the notice of termination which was extended from 10 September 2019 to 30 September 2021 lapsed.

5.2 Service concession arrangements

On 16 August 2021, TC Sunergy Sdn. Bhd. ("TC Sunergy"), an indirect 51% owned subsidiary of the Company, entered into a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad ("TNB"). Under this agreement, TC Sunergy sell and TNB purchased the energy generated by the 20MW Large Scale Solar Photovoltaic Plant ("LSSPV") installed, operated, and maintained by TC Sunergy on the water surface in Serendah, Hulu Selangor.

Pursuant to the PPA, TC Sunergy is entitled to be paid for the net energy output generated by the LSSPV up to the maximum annual allowable quantity.

Intangible assets represent the fair value of the consideration receivable for the construction of the LSSPV during the construction stage, on a mark-up basis of the cost incurred.

The amortisation of the intangible asset commenced upon the completion of the LSSPV in year 2024. The Group amortises the intangible asset over the estimated useful life of 25 years.

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
Investments at cost	2,893,335	2,521,437
Less: Impairment loss	(74,339)	(45,068)
	2,818,996	2,476,369

Details of the subsidiaries are in Note 35.

Although the Group owns less than half of the ownership interest and voting power in TC Express Auto Services and Spare Parts (Thailand) Co., Ltd., the Directors have determined that the Group controls the entity. The Group has de facto control over the entity because the Group has held significantly more power over the entity than any other equity holders and that remaining voting rights in the investees are widely dispersed and that there is no indication that all other shareholders would exercise their votes collectively.

The Group has established a structured entity ("SE") for undertaking asset-backed securitisation under Premium Commerce Berhad ("PCB"). The Group does not have any direct or indirect shareholding in PCB. A SE is consolidated if, based on an evaluation of the substance of its relationship with the Group, the Group concludes that it controls the SE. Control by the Group was established under terms that impose strict limitations on the decision-making powers of the SE's management and that resulted in the Group receiving majority of the benefits related to the SE's operations and net assets.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

(i) Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA")
(ii) Nissan Vietnam Co., Ltd. ("NVL")
(iii) TC Express Auto Services and Spare Parts (Thailand) Co., Ltd. ("TCEAS Thai")
(iv) TC Sunergy Sdn. Bhd. ("TC Sunergy")

2024	**TCMA RM'000**	**NVL RM'000**	**TCEAS (Thai) RM'000**	**TC Sunergy RM'000**	**Other individually immaterial subsidiaries RM'000**	**Total RM'000**
NCI percentage of ownership interest and voting interest	30%	26%	51%	49%		
Carrying amount of NCI	30,151	(54,147)	(11,641)	40,707	(485)	4,585
Total comprehensive (expense)/income allocated to NCI	(967)	(2,040)	(29)	1,201	(250)	(2,085)
2023						
NCI percentage of ownership interest and voting interest	30%	26%	51%	49%		
Carrying amount of NCI	31,118	(52,107)	(11,612)	34,495	(236)	1,658
Total comprehensive income/(expense) allocated to NCI	532	(6,404)	(2,127)	1,476	(91)	(6,614)

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

Summarised financial information before intra-group elimination

	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000
2024				
As at 31 December				
Non-current assets	90,858	586	-	81,961
Current assets	29,765	11,550	120	5,456
Non-current liabilities	(10,167)	-	-	(77)
Current liabilities	(9,954)	(220,393)	(22,946)	(4,264)
Net assets/(liabilities)	100,502	(208,257)	(22,826)	83,076
Year ended 31 December				
Revenue	59,777	25	-	7,879
(Loss)/Profit for the year	(3,223)	(23,716)	(609)	2,451
Total comprehensive (expense)/income	(3,223)	(7,845)	(57)	2,451
Cash flows from/(used in) operating activities	8,547	(12,854)	(49)	(5,637)
Cash flows used in investing activities	(9,902)	-	-	(532)
Cash flows from financing activities	500	7,679	-	10,228
Net (decrease)/increase in cash and cash equivalents	(855)	(5,175)	(49)	4,059
Dividend paid to NCI	-	-	-	623

	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000
2023				
As at 31 December				
Non-current assets	84,561	791	-	84,874
Current assets	36,941	13,824	161	571
Non-current liabilities	(10,285)	-	-	(52)
Current liabilities	(7,492)	(215,027)	(22,930)	(14,996)
Net assets/(liabilities)	103,725	(200,412)	(22,769)	70,397
Year ended 31 December				
Revenue	63,174	68	19	83,875
Profit/(Loss) for the year	1,773	(21,010)	(3,058)	3,012
Total comprehensive income/(expense)	1,773	(24,630)	(4,171)	3,012
Cash flows from/(used in) operating activities	30,491	(2,801)	(35)	20,234
Cash flows used in investing activities	(33,067)	(706)	-	(82,793)
Cash flows (used in)/from financing activities	-	(13,981)	-	63,000
Net (decrease)/increase in cash and cash equivalents	(2,576)	(17,488)	(35)	441
Dividend paid to NCI	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. Equity-accounted investees

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Interests in associates	a	50,770	62,441	25,490	25,490
Interest in joint venture	b	4,171	4,015	1,406	1,406
		54,941	66,456	26,896	26,896

(a) Interests in associates

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost:				
In Malaysia	35,585	35,585	13,243	13,243
Outside Malaysia	12,247	12,247	12,247	12,247
Share of post-acquisition reserve	14,502	17,609	-	-
Less: Impairment loss	(11,564)	(3,000)	-	-
	50,770	62,441	25,490	25,490

In 2024, the Group had made an impairment loss amounting to RM8,564,000 (2023: RM3,000,000) in equity-accounted investees, MUV Marketplace Sdn. Bhd., an indirect associate.

Details of the associates are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2024 %	Effective ownership interest and voting interest 2023 %
Direct associates				
Comit Communication Technologies (M) Sdn. Bhd. ("CCT")	Malaysia	Property investment holding	24.50	24.50
TC Capital (Thailand) Co., Ltd. ("TCCT")	Thailand	Hire purchase service of vehicles and services of financial credits	45.45	45.45
Indirect associates				
Kanzen Energy Ventures Sdn. Bhd. ("KEV")	Malaysia	Investment holding	25.00	25.00
MUV Marketplace Sdn. Bhd. ("MUV")	Malaysia	Provision of used vehicles auction services, vehicle inspection and certification, and trading of used vehicles	15.78	15.78
THK Rhythm Malaysia Sdn. Bhd. ("THK")	Malaysia	Manufacture and sale of automobile tie rods, tie rod ends and suspension ball joints, stabiliser links, steering linkages and power steering gears	20.00	20.00

NOTES TO THE FINANCIAL STATEMENTS

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

Group	**CCT RM'000**	**TCCT RM'000**	**KEV RM'000**	**THK RM'000**	**MUV RM'000**
Summarised financial information					
As at 31 December 2024					
Non-current assets	40,305	3,143	10,481	23,639	761
Current assets	16,509	69,749	2,110	32,901	2,561
Non-current liabilities	-	-	(66)	-	(414)
Current liabilities	(1,459)	(9,917)	(327)	(28,859)	(38,306)
Net assets	55,355	62,975	12,198	27,681	(35,398)
Year ended 31 December 2024					
Profit/(Loss) for the year	2,637	(132)	464	(15,675)	-
Other comprehensive expense	-	(1,485)	-	-	-
Total comprehensive income/(expense)	2,637	(1,617)	464	(15,675)	-
Included in the total comprehensive income is:					
Revenue	769	293	1,085	81,266	-

	CCT RM'000	**TCCT RM'000**	**KEV RM'000**	**THK RM'000**	**MUV RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount as at 31 December 2024						
Group's share of net assets	13,562	28,622	3,050	5,536	-	50,770
Group's share of results for the year ended 31 December 2024						
Group's share of profit /(loss) for the year	646	(60)	116	(3,135)	-	(2,433)
Group's share of other comprehensive expense	-	(674)	-	-	-	(674)
Group's share of total comprehensive income/(expense)	646	(734)	116	(3,135)	-	(3,107)
Other information						
Dividends received by the Group	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

Group	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000
Summarised financial information					
As at 31 December 2023					
Non-current assets	43,500	2,129	10,433	28,970	88,522
Current assets	15,662	65,886	1,760	32,748	3,000
Non-current liabilities	-	-	(20)	-	(388)
Current liabilities	(6,444)	(3,423)	(439)	(18,362)	(36,866)
Net assets	52,718	64,592	11,734	43,356	54,268
Year ended 31 December 2023					
Profit/(Loss) for the year	673	361	520	(4,760)	(3,973)
Other comprehensive income	-	3,069	-	-	-
Total comprehensive income/(expense)	673	3,430	520	(4,760)	(3,973)
Included in the total comprehensive income is:					
Revenue	773	732	1,124	81,897	79,997

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at 31 December 2023						
Group's share of net assets	12,915	29,357	2,934	8,671	8,564	62,441
Group's share of results for the year ended 31 December 2023						
Group's share of profit /(loss) for the year	165	164	130	(952)	(627)	(1,120)
Group's share of other comprehensive income	-	1,395	-	-	-	1,395
Group's share of total comprehensive income/(expense)	165	1,559	130	(952)	(627)	275
Other information						
Dividends received by the Group	735	-	750	-	-	1,485

NOTES TO THE FINANCIAL STATEMENTS

7. Equity-accounted investees (continued)

(b) Interest in joint venture

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Unquoted shares in Malaysia, at cost	500	500	1,406	1,406
Share of post-acquisition reserve	3,671	3,515	-	-
	4,171	4,015	1,406	1,406

Structurflex Sdn. Bhd. ("Structurflex"), the only joint arrangement in which the Group and the Company participate, is principally engaged in manufacturing of truck curtains.

Structurflex is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in Structurflex as a joint venture.

The following tables summarise the financial information of Structurflex, as adjusted for any differences in accounting policies. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Structurflex, which is accounted for using the equity method.

	Group and Company	
	2024	**2023**
Percentage of ownership and voting interest	50%	50%

	Group	
Summarised financial information	**2024 RM'000**	**2023 RM'000**
As at 31 December		
Non-current assets	185	505
Current assets (including cash and cash equivalents)	9,603	9,236
Non-current liabilities	(147)	(137)
Current liabilities	(1,299)	(1,574)
Net assets	8,342	8,030
Year ended 31 December		
Profit and total comprehensive income	812	1,172
Included in the total comprehensive income are:		
Revenue	13,205	15,708
Depreciation and amortisation	343	357
Income tax expense	500	393
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	4,171	4,015
Group's share of results for year ended 31 December		
Group's share of profit and total comprehensive income	406	586
Other information		
Dividend received by the Group	250	400

NOTES TO THE FINANCIAL STATEMENTS

8. Other investments

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current				
Fair value through profit or loss financial asset:				
Liquid investments in quoted unit trusts with licensed financial institutions	30,750	25,872	-	-
Representing items:				
At fair value	30,750	25,872	-	-

9. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Assets 2024 RM'000	Assets 2023 RM'000	Liabilities 2024 RM'000	Liabilities 2023 RM'000	Net 2024 RM'000	Net 2023 RM'000
Group						
Deferred tax assets/(liabilities)						
Property, plant and equipment/ investment properties						
- capital allowances/right-of-use assets	-	-	(37,244)	(47,967)	(37,244)	(47,967)
- revaluation	-	-	(229,419)	(234,826)	(229,419)	(234,826)
Provisions and contract liabilities	77,793	79,603	-	-	77,793	79,603
Unabsorbed capital allowances	2,055	17,924	-	-	2,055	17,924
Unabsorbed investment tax allowance	1,247	1,247	-	-	1,247	1,247
Unabsorbed reinvestment allowance	-	6,230	-	-	-	6,230
Tax losses carry-forwards	23,200	13,922	-	-	23,200	13,922
Lease liabilities	20,886	18,842	-	-	20,886	18,842
Net gain on unrealised foreign exchange	-	-	(4,428)	(7,887)	(4,428)	(7,887)
Derivative financial liabilities	-	132	-	-	-	132
Other items	-	-	(104)	(104)	(104)	(104)
Tax assets/(liabilities)	125,181	137,900	(271,195)	(290,784)	(146,014)	(152,884)
Set off tax	(37,282)	(46,934)	37,282	46,934	-	-
Net tax assets/(liabilities)	87,899	90,966	(233,913)	(243,850)	(146,014)	(152,884)
Company						
Deferred tax assets/(liabilities)						
Property, plant and equipment						
- capital allowances/right-of-use assets	-	-	(12)	(73)	(12)	(73)
Provisions	8,145	7,393	-	-	8,145	7,393
Lease liabilities	4	66	-	-	4	66
Net tax assets/(liabilities)	8,149	7,459	(12)	(73)	8,137	7,386

NOTES TO THE FINANCIAL STATEMENTS

9. Deferred tax assets/(liabilities) (continued)

Recognised deferred tax assets/(liabilities) (continued)

Group's movement in temporary differences during the year:

Group	At 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 26) RM'000	At 31.12.2023 RM'000
Property, plant and equipment/ investment properties					
- capital allowances/right-of-use assets	(45,261)	(2,707)	1	-	(47,967)
- revaluation	(240,415)	5,589	-	-	(234,826)
Provisions and contract liabilities	91,360	(11,171)	(586)	-	79,603
Unabsorbed capital allowances	10,791	7,133	-	-	17,924
Unabsorbed investment tax allowances	-	1,247	-	-	1,247
Unabsorbed reinvestment allowances	6,253	(23)	-	-	6,230
Tax losses carry-forwards	8,901	5,016	5	-	13,922
Lease liabilities	21,546	(2,704)	-	-	18,842
Net gain on unrealised foreign exchange	(5,039)	(2,845)	(3)	-	(7,887)
Derivative financial (assets)/liabilities	(7)	-	-	139	132
Other items	70	(174)	-	-	(104)
	(151,801)	(639)	(583)	139	(152,884)

Group	At 1.1.2024 RM'000	Recognised in profit or loss (Note 25) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 26) RM'000	At 31.12.2024 RM'000
Property, plant and equipment/ investment properties					
- capital allowances/right-of-use assets	(47,967)	10,723	-	-	(37,244)
- revaluation	(234,826)	5,407	-	-	(229,419)
Provisions and contract liabilities	79,603	(1,810)	-	-	77,793
Unabsorbed capital allowances	17,924	(15,869)	-	-	2,055
Unabsorbed investment tax allowances	1,247	-	-	-	1,247
Unabsorbed reinvestment allowances	6,230	(6,230)	-	-	-
Tax losses carry-forwards	13,922	9,623	(345)	-	23,200
Lease liabilities	18,842	2,044	-	-	20,886
Net gain on unrealised foreign exchange	(7,887)	3,459	-	-	(4,428)
Derivative financial liabilities/(assets)	132	(27)	-	(105)	-
Other items	(104)	-	-	-	(104)
	(152,884)	7,320	(345)	(105)	(146,014)

9. Deferred tax assets/(liabilities) (continued)

Recognised deferred tax assets/(liabilities) (continued)

Company's movement in temporary differences for deferred tax assets during the year:

	At 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2024 RM'000
Company					
Property, plant and equipment – capital allowances/right-of-use assets	(94)	21	(73)	61	(12)
Provisions	6,599	794	7,393	752	8,145
Lease liabilities	86	(20)	66	(62)	4
	6,591	795	7,386	751	8,137

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2024 RM'000	Group 2023 RM'000
Unabsorbed capital allowances	163,097	98,724
Tax losses carry-forwards	458,504	434,044
Deductible temporary differences	(50,716)	(69,118)
Provisions	53,788	33,933
	624,673	497,583

Group

In accordance with the provision of Finance Act 2021 which was gazetted on 31 December 2021, the unused tax losses from the year of assessment 2019 for Malaysian entities are available for utilisation up to a period of ten (10) consecutive years from when it was incurred, for which, any excess at the end of the tenth year, shall be disregarded. In addition, any accumulated unused tax losses up to the year of assessment 2018 would be allowed to be carried forward until year of assessment 2028. Certain countries, which the Group operates, have also imposed legislations that tax losses have expiry dates to be utilised.

Deferred tax assets have not been recognised in respect of these items because it is not probable that the respective subsidiaries will generate sufficient future taxable profits against which they can be utilised.

Included in tax losses carry-forwards is RM206,552,000 (VND1,173,589,190,000) (2023: RM216,620,000 (VND1,230,795,576,000)) (stated at gross) which will be expiring in financial years 2025 to 2029 for subsidiaries in Vietnam, RM6,243,000 (THB47,659,000) (2023: RM7,606,000 (THB58,059,000)) (stated at gross) which will be expiring in financial years 2025 to 2029 for a subsidiary in Thailand and RM245,709,000 (2023: RM209,818,000) (stated at gross) which will be expiring in financial years 2028 to 2033 for subsidiaries in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

10. Hire purchase receivables

	Group 2024 RM'000	Group 2023 RM'000
Gross receivables	618,494	631,183
Less: Unearned interest receivables	(169,183)	(152,289)
	449,311	478,894
Less: Impairment loss	(23,518)	(26,914)
	425,793	451,980
Current		
Hire purchase receivables	105,651	119,972
Less: Impairment loss	(13,442)	(11,791)
	92,209	108,181
Non-current		
Hire purchase receivables	343,660	358,922
Less: Impairment loss	(10,076)	(15,123)
	333,584	343,799
	425,793	451,980

	Gross repayments receivables 2024 RM'000	Unearned interest receivables 2024 RM'000	Present value of minimum hire purchase receivables 2024 RM'000	Gross repayments receivables 2023 RM'000	Unearned interest receivables 2023 RM'000	Present value of minimum hire purchase receivables 2023 RM'000
Group						
Current						
Less than one year	158,743	(53,092)	105,651	170,804	(50,832)	119,972
Non-current						
Between one and five years	392,104	(109,871)	282,233	401,680	(96,050)	305,630
After five years	67,647	(6,220)	61,427	58,699	(5,407)	53,292
	459,751	(116,091)	343,660	460,379	(101,457)	358,922
	618,494	(169,183)	449,311	631,183	(152,289)	478,894

NOTES TO THE FINANCIAL STATEMENTS

11. Receivables, deposits and prepayments

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current					
Amount due from subsidiaries	a	-	-	226,568	225,642
Less: Impairment loss		-	-	(11,461)	(11,031)
		-	-	215,107	214,611
Current					
Trade receivables	b	287,291	269,406	-	-
Less: Impairment loss		(22,201)	(21,888)	-	-
		265,090	247,518	-	-
Other receivables	c	52,253	48,852	1,487	453
		317,343	296,370	1,487	453
Current					
Deposits		16,374	12,414	105	105
Prepayments	d	70,188	70,605	39	39
		86,562	83,019	144	144

Note a
The non-current amount due from subsidiaries is in respect of advances that are unsecured, not receivable within the next twelve months and subject to interest ranging from 1.70% to 6.05% (2023: 1.70% to 5.81%) per annum.

Note b
Included in trade receivables are amounts due from related parties of RM78,062,000 (2023: RM67,318,000).

Note c
Included in other receivables are indirect taxes amounting to RM12,889,000 (2023: RM8,081,000).

Note d
As at 31 December 2024, the prepayments made for inventories was RM40,118,000 (2023: RM41,544,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

12. Inventories

	Group	
	2024	**2023**
	RM'000	**RM'000**
Raw materials	16,570	17,711
Unassembled vehicle packs	302,392	250,963
Work-in-progress	15,779	14,032
Manufactured inventories and trading inventories	12,206	5,385
Used vehicles	26,285	55,186
New vehicles	290,821	314,322
Spare parts and others	178,083	164,458
	842,136	822,057

Recognised in profit or loss:		
Inventories recognised as cost of sales	1,485,123	1,811,457
Write-down to net realisable value	7,148	1,431
Reversal of write-down	5,381	10,417

The write-down and reversal are included in cost of sales.

13. Contract assets/(liabilities)

13.1 Contract assets

	Group	
	2024	**2023**
	RM'000	**RM'000**
Opening balance	25,541	26,349
Transfer to receivables from contract assets recognised at the beginning of the period	(18,337)	(23,452)
Addition by obligation performed but not billed during the year	16,866	22,644
Ending balance	24,070	25,541
Current	24,070	25,541

The contract assets primarily relate to the Group's rights to consideration for work completed on assembly contracts and accident repair but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

NOTES TO THE FINANCIAL STATEMENTS

13. Contract assets/(liabilities) (continued)

13.2 Contract liabilities

	Group 2024 RM'000	Group 2023 RM'000
Opening balance	(75,743)	(73,617)
Revenue recognised that was included in the contract liability balance at the beginning of the period	13,523	36,090
Increase due to cash received, excluding amounts recognised as revenue during the period	(38,067)	(38,216)
Ending balance	(100,287)	(75,743)
Current	(45,795)	(24,431)
Non-current	(54,492)	(51,312)
	(100,287)	(75,743)

The contract liabilities primarily relate to the advance consideration from customers on free maintenance services, extended warranties and service contracts.

14. Derivative financial assets/(liabilities)

	Nominal value (Gross) 2024 RM'000	Assets 2024 RM'000	Liabilities 2024 RM'000	Nominal value (Gross) 2023 RM'000	Assets 2023 RM'000	Liabilities 2023 RM'000
Group						
Derivatives designated as hedging instruments – forward exchange contracts	19,890	871	(32)	74,904	345	(807)

Forward foreign exchange contracts are entered into with locally incorporated licensed banks to hedge certain portion of the Group's purchases from exchange rate movements and repayments from overseas subsidiaries. As the exchange rates are predetermined under such contracts, in the event of exchange rate movement, exposure to opportunity gain/(loss) is expected. Apart from a small fee payable to the banks there are no cash requirements for the forward contracts.

It is the Group's policy not to enter into hedging contracts, which in the aggregate relate to volumes that exceed its expected commercial requirements for imports.

15. Cash and cash equivalents

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash and bank balances		209,283	165,863	126	164
Deposits with licensed banks		162,736	345,716	-	-
Liquid investments	a	173,480	-	-	-
		545,499	511,579	126	164

Note a
The liquid investments represent investments in unit trust funds which primarily invest in money market instruments. The Directors regard the liquid investment as cash equivalents in view of its high liquidity and insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

16. Share capital and reserves

	Group and Company			
	Number of shares 2024 '000	Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000
Ordinary shares, issued and fully paid				
At 1 January/31 December	672,000	336,000	672,000	336,000

Ordinary shares

All of the shares issued have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Treasury shares

The shareholders of the Company had via a resolution passed at the Annual General Meeting held on 29 May 2024 approved the Company's plan to purchase its own shares.

During the year, the Company bought back 180,000 (2023: 310,000) of its issued shares from the open market at price ranging from RM0.48 to RM1.00 (2023: RM0.98 to RM1.14) per ordinary share. The cumulative total number of shares bought back at the end of the year was 20,373,000 (2023: 20,193,000). These transactions were financed by internally generated funds.

As at 31 December 2024, the number of outstanding shares in issue after deducting treasury shares held was 651,627,000 (2023: 651,807,000) ordinary shares.

The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. Treasury shares have no rights to vote, dividends and participation in other distribution.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Revaluation reserve

This revaluation reserve relates to revaluation surplus arising from the valuation of land and buildings in property, plant and equipment under revaluation model or immediately prior to its reclassification as investment properties.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

NOTES TO THE FINANCIAL STATEMENTS

17. Borrowings

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Islamic Medium Term Notes ("Islamic MTNs") – unsecured	309,827	450,000	309,827	450,000
Current				
Term loans – unsecured	56,179	-	-	-
Bankers' acceptances – unsecured	310,238	205,570	-	-
Islamic Medium Term Notes ("Islamic MTNs") – unsecured	200,000	-	200,000	-
Revolving credit – unsecured	840,000	887,044	-	-
	1,406,417	1,092,614	200,000	-
	1,716,244	1,542,614	509,827	450,000

During the year, the Company completed the issuance of RM60 million nominal value of Islamic Medium Term Notes Programme (2023: RM150 million). The Islamic MTNs issued are as follows:

Tenure (years)	Interest rate (per annum)	Maturity date	Nominal value RM'000
3	5.00%	14 March 2025	200,000
3	5.76%	19 June 2026	150,000
5	5.58%	16 March 2027	100,000
3	5.50%	26 July 2027	10,000
3	5.50%	20 September 2027	15,000
5	5.80%	3 September 2029	35,000

The interest is payable every half yearly and the principal is repayable in full upon maturity.

Information on repayment terms and interest rates to the Group's and the Company's borrowings are as set out in Note 33.5.

NOTES TO THE FINANCIAL STATEMENTS

17. Borrowings (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31 December 2023/1 January 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31 December 2024 RM'000
Group											
Islamic Medium Term Notes ("IMTNs") - unsecured	300,000	150,000	-	-	-	450,000	59,827	-	-	-	509,827
Term loans - unsecured	65,942	(66,827)	-	885	-	-	56,179	-	-	-	56,179
Bankers' acceptances - unsecured	158,950	46,620	-	-	-	205,570	104,668	-	-	-	310,238
Revolving credit - unsecured	749,135	135,952	-	1,957	-	887,044	(48,172)	-	1,128	-	840,000
Lease liabilities	89,811	(22,742)	20,527	2,067	7,853	97,516	(16,378)	24,490	(1,330)	1,107	105,405
Total liabilities from financing activities	1,363,838	243,003	20,527	4,909	7,853	1,640,130	156,124	24,490	(202)	1,107	1,821,649

	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2023/1 January 2024 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2024 RM'000
Company							
Islamic Medium Term Notes ("IMTNs") - unsecured	300,000	150,000	-	450,000	59,827	-	509,827
Lease liabilities	358	(99)	16	275	(99)	11	187
Total liabilities from financing activities	300,358	149,901	16	450,275	59,728	11	510,014

18. Employee benefits

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Recognised liability for employee benefits	100,798	90,388	32,406	29,231

Under the Group's and the Company's defined benefit scheme, eligible employees, who include Directors who are employees, are entitled to retirement benefits of 16.0% to 17.0% of total basic salary earned less the statutory pension funds for each completed year of service upon the retirement age of 60 or such other age as stipulated in their respective service contracts as well as retirement benefits as a factor of the last drawn monthly salary for each completed year of service upon retirement or termination of service, if so provided in the terms of the relevant service contract.

18. Employee benefits (continued)

Movements in the net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance at 1 January	90,388	80,902	29,231	26,294
Included in profit or loss				
Current service cost	6,705	7,813	980	910
Interest cost	4,653	2,949	2,195	2,027
	11,358	10,762	3,175	2,937
Others				
Benefits paid	(948)	(1,276)	-	-
Balance at 31 December	100,798	90,388	32,406	29,231

Actuarial assumptions

Principal actuarial assumptions used at the end of the reporting period (expressed as weighted averages):

	Group and Company	
	2024 %	2023 %
Discount rate	5.15 and 5.19	5.15 and 5.19
Future salary growth	5.50	5.50
Withdrawal rate	14.35 and 14.43	14.35 and 14.43

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group		Company	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
2024				
Discount rate (1% movement)	(5,350)	6,050	(1,158)	1,290
Future salary growth (1% movement)	4,151	(3,740)	310	(263)
Withdrawal rate (1% movement)	(1,817)	1,886	(16)	16
2023				
Discount rate (1% movement)	(5,355)	6,066	(1,269)	1,416
Future salary growth (1% movement)	3,595	(3,242)	278	(237)
Withdrawal rate (1% movement)	(1,368)	1,424	(13)	14

Although the analysis does not account to the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS

19. Payables and accruals

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current					
Trade					
Trade payables	a	145,590	132,235	-	-
Current					
Non-trade					
Payables and accruals		170,304	186,940	8,477	8,670
Amount due to subsidiaries	b	-	-	868	38
		170,304	186,940	9,345	8,708
		315,894	319,175	9,345	8,708

Note a
Included in trade payables are amount due to related parties of RM2,595,000 (2023: RM1,311,000).

Note b
The current amount due to subsidiaries is unsecured, repayable on demand and non-interest bearing.

20. Revenue

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue from contracts with customers	2,026,947	2,482,038	-	-
Other revenue				
Financial services revenue	55,708	50,688	-	-
Dividend income	-	-	344,447	81,100
Total revenue	2,082,655	2,532,726	344,447	81,100

NOTES TO THE FINANCIAL STATEMENTS

20. Revenue (continued)

20.1 Disaggregation of revenue

Analysis of revenue disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition are disclosed below. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments as disclosed in Note 29.

	Reportable Segments							
	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
Group	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Primary geographical markets								
Malaysia	1,853,138	2,122,483	70,705	66,384	* 19,299	* 99,434	1,943,142	2,288,301
Vietnam	37,839	151,826	-	-	-	-	37,839	151,826
Other countries	99,890	91,299	-	-	1,784	1,300	101,674	92,599
	1,990,867	2,365,608	70,705	66,384	21,083	100,734	2,082,655	2,532,726
Major products/ service lines								
Manufacturing, assembly and distribution of passenger and commercial vehicles	1,669,114	2,014,564	-	-	-	-	1,669,114	2,014,564
After-sales services	321,753	351,044	-	-	-	-	321,753	351,044
Hire purchase financing	-	-	55,708	50,688	-	-	55,708	50,688
Insurance agency	-	-	14,997	15,696	-	-	14,997	15,696
Other income	-	-	-	-	* 21,083	* 100,734	21,083	100,734
	1,990,867	2,365,608	70,705	66,384	21,083	100,734	2,082,655	2,532,726

* Included in this amount is service concession revenue recognised in accordance with service concession arrangements (Note 5.2) amounting to RM7,879,000 (2023: RM83,875,000).

NOTES TO THE FINANCIAL STATEMENTS

20. Revenue (continued)

20.1 Disaggregation of revenue (continued)

Group	Reportable Segments: Vehicles assembly, manufacturing, distribution and after-sales services 2024 RM'000	2023 RM'000	Financial services 2024 RM'000	2023 RM'000	Other operations 2024 RM'000	2023 RM'000	Total 2024 RM'000	2023 RM'000
Timing and recognition								
At a point in time	1,773,514	2,159,945	14,997	15,696	13,204	16,859	1,801,715	2,192,500
Over time	217,353	205,663	-	-	* 7,879	* 83,875	225,232	289,538
Revenue from contracts with customers	1,990,867	2,365,608	14,997	15,696	21,083	100,734	2,026,947	2,482,038
Other revenue	-	-	55,708	50,688	-	-	55,708	50,688
	1,990,867	2,365,608	70,705	66,384	21,083	100,734	2,082,655	2,532,726

* This is service concession revenue recognised in accordance with service concession arrangements (Note 5.2).

20.2 Transaction price allocated to the remaining performance obligations

As at 31 December 2024, the aggregated amount of revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date was RM100,287,000 (2023: RM75,743,000). This amount mainly represents the remaining performance obligations relating to extended warranty services, free maintenance services and marketing services, where RM45,795,000 (2023: RM24,431,000) is expected to be recognised during the next financial year, while the remaining amount is expected to be recognised after the next financial year up to 5 years.

21. Finance income

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Interest income of financial assets that are not at fair value through profit or loss	16,116	20,345	10,563	8,113
Other finance income	578	32	-	-
Recognised in profit or loss	16,694	20,377	10,563	8,113

NOTES TO THE FINANCIAL STATEMENTS

22. Finance costs

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss				
- Term loans	834	2,294	-	-
- Bankers' acceptances	10,698	8,136	-	-
- Revolving credit	29,999	27,714	-	-
- Medium Term Notes	25,441	20,172	25,851	20,172
- Other borrowings	158	447	-	-
	67,130	58,763	25,851	20,172
Interest expense on lease liabilities	4,201	4,138	11	16
Recognised in profit or loss	71,331	62,901	25,862	20,188

23. (Loss)/Profit before tax

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(Loss)/Profit before tax is arrived at after crediting:				
Bad debts recovered	3,188	2,250	-	-
Dividend income from:				
- Unquoted subsidiaries	-	-	344,197	80,700
- Joint ventures	250	400	250	400
- Associates	-	1,485	-	-
Fair value gain on investment properties	405	-	-	-
Fair value gain on other investments	2,853	414	-	-
Interest income	16,694	20,377	10,563	8,113
Net gain on foreign exchange:				
- Unrealised	4,282	20,327	-	2
- Realised	7,148	13,374	623	-
Rental income on leased assets	237	106	-	-
Rental income on land and buildings	3,920	1,410	-	-
Reversal of write-down of inventories	5,381	10,417	-	-

NOTES TO THE FINANCIAL STATEMENTS

23. (Loss)/Profit before tax (continued)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
(Loss)/Profit before tax is arrived at after charging:				
Audit fee				
Current year				
- KPMG Malaysia	520	495	68	68
- Overseas affiliates of KPMG Malaysia	53	114	-	-
- Other auditors	365	397	-	-
Non-audit fee				
Current year				
- KPMG Malaysia	15	19	15	15
- Overseas affiliates of KPMG Malaysia	91	174	-	-
- Other auditors	15	14	-	-
Amortisation of intangible assets	5,972	1,859	-	-
Bad debts written off	835	347	-	-
Fair value loss on investment properties	-	400	-	-
Depreciation of property, plant and equipment	132,732	141,687	124	139
Direct operating expenses of investment properties generating rental income	736	320	-	-
Expenses relating to short-term leases and leases of low-value assets (Note a)	6,062	5,561	56	56
Loss on disposal of property, plant and equipment	507	2,404	-	-
Interest expense	71,331	62,901	25,862	20,188
Inventories written off	399	460	-	-
Write-down of inventories	7,148	1,431	-	-
Impairment loss on:				
- Equity-accounted investees	8,564	3,000	-	-
- Hire purchase receivables	19,029	9,968	-	-
- Investment in subsidiaries	-	-	29,271	-
- Amount due from subsidiaries	-	-	870	3,469
- Trade receivables	313	729	-	-
Property, plant and equipment written off	26	85	-	-
Net loss on foreign exchange:				
- Unrealised	28,385	8,896	2	-
- Realised	12,266	5,851	-	90

Note a: The Group leases equipment with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these assets by virtue of MFRS 16, *Leases* paragraphs 5 to 8.

23. (Loss)/Profit before tax (continued)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
(Loss)/Profit before tax is arrived at after charging (continued):				
Non-executive directors:				
- Fees	676	586	660	570
- Allowances and benefits	242	213	242	213
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	33,587	37,457	91	1,396
- Expenses related to defined benefit plans	11,358	10,762	3,175	2,937
- Wages, salaries and others	333,298	369,556	6,278	13,781
Warranty claim	2,435	653	-	-

24. Key management personnel compensations

The key management personnel compensations are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive directors:				
- Remunerations	12,068	17,855	6,966	12,695
- Other short-term benefits	69	193	59	193
- Post-employment benefits	3,204	2,220	3,204	2,220
	15,341	20,268	10,229	15,108
Other key management personnel:				
- Remuneration and other short-term employee benefits	12,289	12,855	603	751
- Post-employment benefits	230	301	-	25
	12,519	13,156	603	776
	27,860	33,424	10,832	15,884

Remunerations paid to executive directors were by virtue of their contract of service or employment with the Group and the Company.

Other key management personnel comprise the executive directors of certain subsidiaries of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

Under the Group's and the Company's defined benefit scheme, eligible employees, who include Directors who are employees, are entitled to retirement benefits of 16.0% to 17.0% of total basic salary earned less the statutory pension funds for each completed year of service upon the retirement age of 60 or such other age as stipulated in their respective service contracts as well as retirement benefits as a factor of the last drawn monthly salary for each completed year of service upon retirement or termination of service, if so provided in the terms of the relevant service contract.

25. Tax expense/(income)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Recognised in the profit or loss				
Income tax expense				
Income tax expense	12,163	11,563	-	-
Under/(Over) provided in prior years	665	(1,215)	-	-
	12,828	10,348	-	-
Withholding taxes	1,020	1,721	-	-
Deferred tax expense				
(Reversal)/Origination of temporary differences	(1,021)	5,714	(755)	(699)
Crystallisation of deferred tax liabilities arising from revaluation surplus	(5,407)	(5,589)	-	-
(Over)/Under provided in prior years	(892)	514	4	(96)
	(7,320)	639	(751)	(795)
	6,528	12,708	(751)	(795)

Reconciliation of tax expense

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(Loss)/Profit before tax	(214,277)	(121,143)	287,116	45,053
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	(51,427)	(29,074)	68,908	10,813
Effect of tax rates in foreign jurisdictions	2,836	1,036	-	-
Double deduction	(195)	-	-	-
Non-deductible expenses	36,453	28,287	13,004	7,952
Income not subject to tax	(7,027)	(8,233)	(82,667)	(19,464)
Tax incentives	-	(156)	-	-
Crystallisation of deferred tax liabilities arising from revaluation surplus	(5,407)	(5,589)	-	-
Tax on deemed sales income	-	992	-	-
Withholding taxes	1,020	1,721	-	-
Unrecognised deferred tax assets	30,502	24,425	-	-
	6,755	13,409	(755)	(699)
(Over)/Under provided in prior years	(227)	(701)	4	(96)
	6,528	12,708	(751)	(795)

NOTES TO THE FINANCIAL STATEMENTS

26. Other comprehensive (expense)/income

	2024 Before tax RM'000	2024 Tax expense RM'000	2024 Net of tax RM'000	2023 Before tax RM'000	2023 Tax expense RM'000	2023 Net of tax RM'000
Group						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(4,097)	-	(4,097)	(3,185)	-	(3,185)
Foreign currency translation differences for an equity-accounted associate	(674)	-	(674)	1,395	-	1,395
Cash flow hedge	1,275	(105)	1,170	3,612	139	3,751
	(3,496)	(105)	(3,601)	1,822	139	1,961

27. Basic loss per ordinary share

Group

Basic loss per ordinary share

The calculation of basic loss per ordinary share as at 31 December 2024 was based on the loss attributable to ordinary shareholders of RM214,166,000 (2023: loss of RM128,742,000) and the weighted average number of ordinary shares outstanding during the year of 651,698,000 (2023: 651,922,000).

Weighted average number of ordinary shares

	Group 2024 '000	Group 2023 '000
Issued ordinary shares at 1 January	651,807	652,117
Effect of treasury shares held	(109)	(195)
Weighted average number of ordinary shares at 31 December	651,698	651,922

Diluted loss per ordinary share is not presented as the Group has no potential shares or other instrument with dilutive effects.

28. Dividends

Dividends recognised and paid in the current year and previous year by the Company are as follows:

	Dividend per share (sen)	Total RM'000	Date of payment
2024			
First interim 2024 ordinary	1.00	6,517	28 June 2024
2023			
First interim 2023 ordinary	1.00	6,519	30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- *Vehicles assembly, manufacturing, distribution and after-sales services:* Business in assembly and distribution of passenger and commercial vehicles, automotive workshop services, distribution of automotive spare parts and manufacturing of automotive parts.
- *Financial services:* Business in provision of hire purchase financing, personal loans and insurance agency.
- *Other operations:* Business in property and investment holding activities.

Performance is measured based on segment earnings/(loss) before interest, taxation, depreciation and amortisation ("EBITDA"/"LBITDA"), as included in the internal management reports that are reviewed by the Chief Operating Decision Makers ("CODM"). Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The operations of the Group are predominantly in Malaysia and Vietnam.

There is no concentration or reliance of single customer which the single external revenue is 10 percent or more during the financial year 2024 and 2023.

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

(a) Business segment

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
External revenue	1,990,867	2,365,608	70,705	66,384	21,083	100,734	2,082,655	2,532,726
Inter-segment revenue	3,620	4,672	-	16	79,382	74,517	83,002	79,205
Segment (LBITDA)/ EBITDA	(22,471)	35,369	5,466	15,802	9,656	35,492	(7,349)	86,663
Depreciation and amortisation	(103,138)	(108,541)	(861)	(832)	(34,705)	(34,174)	(138,704)	(143,547)
Finance costs	(46,461)	(38,330)	-	(1)	(24,870)	(24,570)	(71,331)	(62,901)
Finance income	6,202	6,690	205	299	10,287	13,388	16,694	20,377
Share of (loss)/profit of equity-accounted investees, net of tax	(2,093)	(991)	41	164	25	293	(2,027)	(534)
Unallocated corporate expenses							(11,560)	(21,201)
Loss before tax							(214,277)	(121,143)
Tax expense							(6,528)	(12,708)
Loss for the year							(220,805)	(133,851)

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (continued)

(b) Geographical segment

	Malaysia		Vietnam		Others		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
External revenue	1,943,142	2,288,301	37,839	151,826	101,674	92,599	2,082,655	2,532,726
Segment EBITDA/ (LBITDA)	34,366	130,537	(42,064)	(39,589)	349	(4,285)	(7,349)	86,663

30. Commitments

Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment:		
Authorised but not contracted for	32,474	38,373
Contracted but not provided for		
In Malaysia	27,485	20,571
Outside Malaysia	3,517	6,427
	63,476	65,371

31. Contingencies

Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE")

On 15 August 2017, TCIE, a wholly-owned subsidiary of the Company received a sealed Writ of Summons dated 12 August 2017 and Statement of Claim dated 11 August 2017 ("the Plaintiffs' Claim"), a sealed copy of a Notice of Application for Injunction dated 12 August 2017 ("the Application") and Affidavit in Support dated 11 August 2017 from the solicitors acting for Transnasional Express Sdn. Bhd. ("Transnasional"), Plusliner Sdn. Bhd. ("Plusliner"), Syarikat Kenderaan Melayu Kelantan Berhad ("SKMK"), Syarikat Rembau Tampin Sdn. Bhd. ("SRT"), Kenderaan Langkasuka Sdn. Bhd. ("Langkasuka"), Epicon Berhad (formerly known as Konsortium Transnasional Berhad) and MHSB Properties Sdn. Bhd. ("MHSB") (collectively known as "Plaintiffs").

TCIE entered into a series of lease agreements with Transnasional, Plusliner and SKMK and a series of service maintenance agreements with Transnasional, Plusliner, SKMK, SRT and Langkasuka (collectively known as "Debtors") for the lease and service maintenance of the vehicles. The Debtors owed to TCIE outstanding rentals and service bills amounting to RM32,920,575 ("Debt").

After lengthy negotiations, the Debtors and KTB mutually agreed to enter into a Settlement Agreement with TCIE on 4 July 2016 ("Settlement Agreement") with the following, inter alia, terms:

i. to settle the Debt by transferring a piece of land held under H.S.(D) 87546, PT No. 7929, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor ("Land") from MHSB to TCIE at an agreed price of RM16,000,000.00 and repayment the balance debt of RM16,920,575.06 in cash in several instalments ("Balance Debt"); and
ii. in the event of breach of the Settlement Agreement, TCIE was entitled to terminate the Settlement Agreement and repossess the vehicles.

Pursuant to the Settlement Agreement, a Sale and Purchase Agreement was entered into between MHSB and TCIE on 4 July 2016 for the sale of the Land.

As the Debtors failed to make timely repayments of the Balance Debt in accordance with the Settlement Agreement; TCIE had exercised its contractual rights to repossess the vehicles leased to the Debtors.

31. Contingencies (continued)

Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE") (continued)

Subsequently, the Plaintiffs filed the Plaintiffs Claim claiming, amongst others:

i. an injunction to restrain TCIE from proceeding with the repossession and disposal of the vehicles, taking any legal action under the Settlement Agreement until the disposal of the Plaintiffs' Claim and entering into any dealing in relation to the Land;
ii. a declaration that the value of the Land was RM55,600,000.00;
iii. payment of the sum of RM22,679,424.94 to MHSB;
iv. the return of the vehicles to the Plaintiffs;
v. payment of the sum of RM877,000.00 being compensation paid by the Government of Malaysia for acquisition of part of the Land to the Plaintiffs.

On 12 September 2017, TCIE filed a Defence and application to strike out the Plaintiffs' Claim.

On 4 January 2018, the High Court allowed TCIE's application to strike out the Plaintiffs' Claim and dismissed the Plaintiffs' injunction application with costs of RM5,000 ("the High Court Striking Out Order").

On 13 December 2018, the Plaintiffs withdrew their injunction application against TCIE with no order to costs.

On 15 November 2018, the Court of Appeal had allowed the Plaintiffs' Appeal with costs in the cause and set aside the High Court Striking Out Order of 4 January 2018 ("the Court of Appeal Order").

On 27 December 2018, TCIE filed an application for leave at the Federal Court to appeal against the Court of Appeal Order dated 15 November 2018 ("the Leave Application").

On 7 October 2020, the Federal Court dismissed with cost TCIE's application for leave to appeal against the Court of Appeal Order regarding TCIE's application to strike out the Plaintiffs' Claim.

On 2 November 2020, the Plaintiffs filed an application to amend the pleadings in the High Court ("Plaintiffs' Amendment Application"). On 14 December 2020, the High Court allowed the Plaintiffs' Amendment Application, with costs in the sum of RM1,000 to be paid by the Plaintiffs to TCIE.

Pursuant to the Order of the High Court dated 14 December 2020, the Plaintiffs filed and served the Amended Writ and Amended Statement of Claim on 30 December 2020 and TCIE filed and served the Amended Defence on 8 January 2021. The trial was heard before the High Court on 10, 11 and 12 March 2021 and on 2 and 14 April 2021.

On 15 July 2021, the High Court allowed the Plaintiffs' Claim which included orders, inter alia, for: -

i. a declaration that the value of the Land was RM55,600,000.00;
ii. repayment of the sum of RM22,679,424.94, with interest at the rate of 5% per annum, to be paid by TCIE to MHSB, the 7th Plaintiff;
iii. the return of the land acquisition compensation sum of RM877,000.00 by TCIE to the Plaintiffs;
iv. the return of all the buses by TCIE to the Plaintiffs; and costs in the sum of RM80,000.00, subject to allocatur, to be paid by TCIE to the Plaintiffs.

(collectively known as "High Court Judgement dated 15 July 2021")

NOTES TO THE FINANCIAL STATEMENTS

31. Contingencies (continued)

Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE") (continued)

On 21 July 2021, TCIE filed the Notice of Appeal against the High Court Judgement dated 17 July 2021 to the Court of Appeal.

On 23 September 2021, the High Court granted a stay of execution in relation to the High Court Judgement dated 15 July 2021 pending the disposal of TCIE's appeal to the Court of Appeal.

On 16 November 2023, the Court of Appeal allowed TCIE's appeal and set aside the High Court Judgement dated 15 July 2021.

The Court of Appeal has also awarded RM120,000.00 in costs to TCIE for the costs of the appeal and the costs of the High Court, subject to allocatur fees.

On 7 December 2023, the Plaintiffs filed a Notice of Motion for leave to appeal to the Federal Court against the decision of Court of Appeal of 16 November 2023. On 7 May 2024, the Federal Court allowed the Plaintiffs' application for leave to appeal to the Federal Court against the decision of Court of Appeal of 16 November 2023 and ordered for costs in the cause. The Plaintiffs have filed the notice of appeal against the decision of Court of Appeal of 16 November 2023 on 17 May 2024 and to file all appeal records by 5 August 2024.

The Plaintiffs filed the Record of Appeal before the Federal Court on 27 June 2024. The hearing of the appeal before the Federal Court initially fixed on 13 November 2024 has been vacated and re-fixed on 27 February 2025.

Subsequent to year end, on 27 February 2025, the Federal Court has dismissed the Plaintiffs' appeal against the decision of the Court of Appeal of 16 November 2023 to dismiss the Plaintiffs' claims against TCIE for:

i. an injunction to prevent TCIE from repossessing and disposing of its buses, taking legal proceedings to enforce the subject settlement agreement and dealing with the subject land;
ii. a declaration that the value of the subject land was RM 55,600,000.00 which resulted in overpayment in the sum of RM22,679,424.94;
iii. an order that TCIE shall pay the sum of RM22,679,424.94 to MHSB Properties Sdn. Bhd., the 7th Plaintiff;
iv. payment of interest on the sum of RM22,679,424.94;
v. an order to compel TCIE to return the land acquisition compensation sum of RM877,000.00 to the Plaintiffs;
vi. an order that TCIE shall return all the buses repossessed by TCIE to the Plaintiffs; and
vii. costs.

In dismissing the Plaintiffs' said appeal, the Federal Court has also awarded costs of RM80,000.00 in favour of TCIE being the costs of the appeal payable by the Plaintiffs, subject to the payment of allocatur fees.

32. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Controlling related party relationships are as follows:

(i) The subsidiaries as disclosed in Note 35.
(ii) The substantial shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

32. Related parties (continued)

Significant related party transactions

(i) Significant transactions with Warisan TC Holdings Berhad ("WTCH"), APM Automotive Holdings Berhad ("APM") and Tan Chong International Limited ("TCIL"), companies in which a Director of the Company, Dato' Tan Heng Chew, is deemed to have substantial financial interests, are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
With WTCH Group		
Purchases	(68,461)	(52,421)
Sales	44,728	28,891
Insurance agency, workshop services and administrative services	8,091	7,604
Travel agency and car rental services	(2,151)	(2,269)
Rental income	1,329	1,299
Rental expense	(1,882)	(1,089)
Contract assembly fee	13,125	3,094
With APM Group		
Purchases	(20,322)	(22,420)
Sales	2,863	1,902
Insurance agency, workshop services and administrative services	1,951	1,896
Rental income	534	12
Rental expense	(1,895)	(1,701)
With TCIL Group		
Sales	6,146	9,864
Contract assembly fee	-	14,132

(ii) Significant transactions with Nissan Motor Co., Ltd. Group, which is a substantial shareholder of the Company, are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Purchases	(597,590)	(585,062)
Technical assistance fee and royalty expense	(3,249)	(4,218)

(iii) Significant transactions with Renault s.a.s. Group, which is a substantial shareholder of Nissan Motor Co., Ltd., are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Purchases	(844)	(9,204)

NOTES TO THE FINANCIAL STATEMENTS

32. Related parties (continued)

Significant related party transactions (continued)

(iv) Significant transactions with Auto Dunia Sdn. Bhd.:

(a) a company in which a Director of the subsidiaries of the Company, namely Datuk Abdullah bin Abdul Wahab, has substantial financial interests; and

(b) a company connected with a Director of the Company, Dato' Tan Heng Chew, by virtue of Section 197 of the Companies Act 2016.

	Group	
	2024	**2023**
	RM'000	**RM'000**
Purchases	(53,211)	(476,517)
Sales	12,174	16,079
Insurance agency, workshop services and administrative services	4	28
Rental income receivable	280	280

(v) Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2024	**2023**
	RM'000	**RM'000**
Subsidiaries		
Dividend income	344,197	80,700
Interest income	10,546	8,111
Management fees	(711)	(664)
Rental expense	(155)	(155)
Interest expense	(410)	-
Joint venture		
Dividend income	250	400

These transactions have been entered into in the normal course of business and have been established under negotiated terms. The gross balances outstanding for subsidiaries are disclosed in Note 11 and Note 19.

There are no significant transactions with the key management personnel in the Group other than as disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC");
(b) Fair value through profit or loss ("FVTPL") – Mandatorily required by MFRS 9; and
(c) Derivatives designated as hedging instruments.

2024	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
Financial assets				
Group				
Trade and other receivables*	304,454	304,454	-	-
Hire purchase receivables	425,793	425,793	-	-
Deposits	16,374	16,374	-	-
Derivative financial assets	871	-	-	871
Other investments	30,750	-	30,750	-
Cash and cash equivalents	545,499	545,499	-	-
	1,323,741	1,292,120	30,750	871
Company				
Amount due from subsidiaries and other receivables	216,594	216,594	-	-
Deposits	105	105	-	-
Cash and cash equivalents	126	126	-	-
	216,825	216,825	-	-
Financial liabilities				
Group				
Borrowings	(1,716,244)	(1,716,244)	-	-
Payables and accruals	(315,894)	(315,894)	-	-
Derivative financial liabilities	(32)	-	-	(32)
	(2,032,170)	(2,032,138)	-	(32)
Company				
Borrowings	(509,827)	(509,827)	-	-
Payables and accruals	(9,345)	(9,345)	-	-
	(519,172)	(519,172)	-	-

* excludes non-financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.1 Categories of financial instruments (continued)

2023	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
Financial assets				
Group				
Trade and other receivables*	288,289	288,289	-	-
Hire purchase receivables	451,980	451,980	-	-
Deposits	12,414	12,414	-	-
Derivative financial assets	345	-	-	345
Other investments	25,872	-	25,872	-
Cash and cash equivalents	511,579	511,579	-	-
	1,290,479	1,264,262	25,872	345
Company				
Amount due from subsidiaries and other receivables	215,064	215,064	-	-
Deposits	105	105	-	-
Cash and cash equivalents	164	164	-	-
	215,333	215,333	-	-
Financial liabilities				
Group				
Borrowings	(1,542,614)	(1,542,614)	-	-
Payables and accruals	(319,175)	(319,175)	-	-
Derivative financial liabilities	(807)	-	-	(807)
	(1,862,596)	(1,861,789)	-	(807)
Company				
Borrowings	(450,000)	(450,000)	-	-
Payables and accruals	(8,708)	(8,708)	-	-
	(458,708)	(458,708)	-	-

* excludes non-financial instruments.

33. Financial instruments (continued)

33.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	3,431	32	-	-
Financial assets at amortised cost	58,030	62,239	9,693	4,644
Financial liabilities at amortised cost	(96,351)	(39,809)	(25,851)	(20,172)
Derivatives designated as hedging instruments	1,170	3,751	-	-
	(33,720)	26,213	(16,158)	(15,528)

33.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

33.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Credit risk in relation to the Group's core business activities are managed by the respective operating units where credit policies that are specific to their respective industries are in place.

New vehicles sales are mainly financed by finance companies, with the remainder financed by TC Capital Resources Sdn. Bhd. ("TCCR") and as such, the Group's collection risk rests mainly with these finance companies. The Group also extends credit to used car dealers, spare part dealers and selected corporate purchasers. Bank guarantees are required on a selective basis to secure the line of credit from the Group. For used car dealers, spare part dealers and selected corporate purchasers, the Group has an informal credit policy in place and the exposure is monitored on an ongoing basis. In respect of hire purchase business financed via TCCR, credit evaluations are performed on all customers requiring financing from the Group and the Group has ownership claims over the vehicles under financing.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their recoverable amount. A significant portion of these receivables are trade receivables of the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss

The Group uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past years. The Group also considers differences between:

(a) economic conditions during the period over which the historic data has been collected;
(b) current conditions; and
(c) the Group's view of economic conditions over the expected lives of the receivables.

Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For hire purchase receivables which are individually assessed, management estimates the amount and timing of future cash flows including estimation of recoveries from the repossessed vehicles net of outstanding balance owing from the receivables in determination of impairment losses.

For hire purchase receivables which are collectively assessed, management estimates the ECLs based on the financing portfolio data including historical non-performing loans delinquency rates and average loss appropriate to the portfolio and forward-looking adjustments.

(a) Trade receivables and contract assets

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Current (Not past due)	133,048	(855)	132,193
Past due 1 – 30 days	15,718	(333)	15,385
Past due 31 – 90 days	34,612	(1,714)	32,898
	183,378	(2,902)	180,476
Credit impaired			
Past due more than 90 days	33,620	(4,750)	28,870
Individually impaired	70,293	(14,549)	55,744
	287,291	(22,201)	265,090
Trade receivables	287,291	(22,201)	265,090
Contract assets	24,070	-	24,070
	311,361	(22,201)	289,160

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(a) Trade receivables and contract assets (continued)

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (Not past due)	112,456	(669)	111,787
Past due 1 – 30 days	31,768	(591)	31,177
Past due 31 – 90 days	22,303	(1,280)	21,023
	166,527	(2,540)	163,987
Credit impaired			
Past due more than 90 days	20,926	(2,461)	18,465
Individually impaired	81,953	(16,887)	65,066
	269,406	(21,888)	247,518
Trade receivables	269,406	(21,888)	247,518
Contract assets	25,541	-	25,541
	294,947	(21,888)	273,059

The movements in the allowance for impairment in respect of trade receivables are shown below:

	Trade receivables		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance as at 1 January 2023	2,194	18,965	21,159
Net remeasurement of loss allowance	346	383	729
Balance as at 31 December 2023/ 1 January 2024	2,540	19,348	21,888
Net remeasurement of loss allowance	362	(49)	313
Balance as at 31 December 2024	2,902	19,299	22,201

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(a) Trade receivables and contract assets (continued)

There was no allowance for impairment made on contract assets in year 2024 and 2023.

Trade receivables of RM37,000 were written off in the financial year ended 31 December 2024 (2023: RM347,000).

(b) Hire purchase receivables

The following table provides information about the exposure to credit risk and ECLs for hire purchase receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Current (Not past due)	241,889	(723)	241,166
Past due 1 – 30 days	90,307	(269)	90,038
Past due 31 – 90 days	81,125	(2,151)	78,974
	413,321	(3,143)	410,178
Credit impaired			
Past due more than 90 days	15,602	(5,045)	10,557
Individually impaired	20,388	(15,330)	5,058
	449,311	(23,518)	425,793
Hire purchase receivables	449,311	(23,518)	425,793

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(b) Hire purchase receivables (continued)

Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
2023			
Current (Not past due)	263,626	(681)	262,945
Past due 1 – 30 days	96,092	(248)	95,844
Past due 31 – 90 days	83,262	(1,859)	81,403
	442,980	(2,788)	440,192
Credit impaired			
Past due more than 90 days	18,017	(7,688)	10,329
Individually impaired	17,897	(16,438)	1,459
	478,894	(26,914)	451,980
Hire purchase receivables	478,894	(26,914)	451,980

The movements in the allowance for impairment in respect of hire purchase receivables are shown below:

	Lifetime ECL RM'000	**Credit impaired RM'000**	**Total RM'000**
Balance as at 1 January 2023	2,667	45,756	48,423
Amounts written off	-	(31,477)	(31,477)
Net remeasurement of loss allowance	121	9,847	9,968
Balance as at 31 December 2023/ 1 January 2024	2,788	24,126	26,914
Amounts written off	-	(22,425)	(22,425)
Net remeasurement of loss allowance	355	18,674	19,029
Balance as at 31 December 2024	3,143	20,375	23,518

Hire purchase receivables of RM798,000 were written off in the financial year ended 31 December 2024 (2023: nil).

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.4 Credit risk (continued)

Investments and other financial assets

Transactions involving derivative financial instruments were entered with licensed banks only. The Group also placed a significant portion of its excess funds in money market funds and short term deposits with licensed financial institutions.

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

As at the end of the reporting period, there was no indication that the investments and other financial assets are not recoverable.

These financial institutions have low credit risk. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Other receivables are mainly arising from receivables from external parties. The amounts are unsecured and non-interest bearing.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The other receivables have low credit risks. As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Related company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries of the Company.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

33. Financial instruments (continued)

33.4 Credit risk (continued)

Related company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

Company	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Low credit risk	211,275	-	211,275
Credit impaired	15,293	(11,461)	3,832
	226,568	(11,461)	215,107
2023			
Low credit risk	214,484	-	214,484
Credit impaired	11,158	(11,031)	127
	225,642	(11,031)	214,611

The movement in the allowance for impairment in respect of subsidiaries' loans and advances is as follows:

Company	Lifetime ECL 2024 RM'000	2023 RM'000
Balance as at 1 January	11,031	7,562
Amount written off	(440)	-
Net remeasurement of loss allowance	870	3,469
Balance as at 31 December	11,461	11,031

33.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Contractual interest/ discount rate %	Carrying amount RM'000	Not later than 2 years RM'000	More than 2 years but not later than 5 years RM'000	More than 5 years RM'000	Contractual cash flows RM'000	Not later than 1 year RM'000	More than 1 year but not later than 5 years RM'000	More than 5 years RM'000
Group									
2024									
Non-derivative financial liabilities									
Medium Term Notes	5.00 - 5.80	509,827	350,000	159,827	-	555,994	222,557	333,437	-
Term loans	4.91 - 5.74	56,179	56,179	-	-	56,179	56,179	-	-
Bankers' acceptances	3.70 - 5.46	310,238	310,238	-	-	310,238	310,238	-	-
Revolving credit	3.71 - 6.58	840,000	840,000	-	-	840,000	840,000	-	-
Payables and accruals	-	315,894	315,894	-	-	315,894	315,894	-	-
Lease liabilities	5.00	105,405	38,736	28,411	38,258	166,683	23,273	51,988	91,422
		2,137,543	1,911,047	188,238	38,258	2,244,988	1,768,141	385,425	91,422
Derivative financial liabilities									
Forward exchange contracts (gross settled):									
Outflow		32	32	-	-	8,229	8,229	-	-
Inflow		-	-	-	-	(8,197)	(8,197)	-	-
		2,137,575	1,911,079	188,238	38,258	2,245,020	1,768,173	385,425	91,422

	Contractual interest/ discount rate %	Carrying amount RM'000	Not later than 2 years RM'000	More than 2 years but not later than 5 years RM'000	More than 5 years RM'000	Contractual cash flows RM'000	Not later than 1 year RM'000	More than 1 year but not later than 5 years RM'000	More than 5 years RM'000
Group									
2023									
Non-derivative financial liabilities									
Medium Term Notes	5.00 - 5.76	450,000	200,000	250,000	-	505,957	24,244	481,713	-
Bankers' acceptances	3.85 - 5.08	205,570	205,570	-	-	205,570	205,570	-	-
Revolving credit	3.80 - 7.00	887,044	887,044	-	-	887,044	887,044	-	-
Payables and accruals	-	319,175	319,175	-	-	319,175	319,175	-	-
Lease liabilities	5.00	97,516	19,266	22,830	55,420	146,401	16,730	34,587	95,084
		1,959,305	1,631,055	272,830	55,420	2,064,147	1,452,763	516,300	95,084
Derivative financial liabilities									
Forward exchange contracts (gross settled):									
Outflow		807	807	-	-	41,581	41,581	-	-
Inflow		-	-	-	-	(40,774)	(40,774)	-	-
		1,960,112	1,631,862	272,830	55,420	2,064,954	1,453,570	516,300	95,084

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.5 Liquidity risk (continued)

Maturity analysis (continued)

	Contractual interest/ discount rate %	Carrying amount RM'000	Not later than 2 years RM'000	More than 2 years but not later than 5 years RM'000	Contractual cash flows RM'000	Not later than 1 year RM'000	More than 1 year but not later than 5 years RM'000
Company							
2024							
Non-derivative financial liabilities							
Medium Term Notes	5.00 - 5.80	509,827	350,000	159,827	555,994	222,557	333,437
Amount due to subsidiaries							
- Current	-	868	868	-	868	868	-
Payables and accruals	-	8,477	8,477	-	8,477	8,477	-
Lease liabilities	5.00	187	187	-	198	99	99
		519,359	359,532	159,827	565,537	232,001	335,536
2023							
Non-derivative financial liabilities							
Medium Term Notes	5.00 - 5.76	450,000	-	450,000	505,957	24,244	481,713
Amount due to subsidiaries							
- Current	-	38	38	-	38	38	-
Payables and accruals	-	8,670	8,670	-	8,670	8,670	-
Lease liabilities	5.00	275	275	-	495	99	396
		458,983	8,983	450,000	515,160	33,051	482,109

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

33.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Japanese Yen ("JPY").

Risk management objectives, policies and processes for managing the risk

The Group hedges its foreign currency denominated trade payables and overseas subsidiaries loan repayments. Derivative financial instruments like forward exchange contracts are used to reduce exposure to fluctuations in foreign exchange rates. The Group avoids using leverage derivatives for hedging purposes and also does not hedge for speculative purposes. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	2024 Denominated in		2023 Denominated in	
	USD RM'000	JPY RM'000	USD RM'000	JPY RM'000
Group				
Receivables	7,155	3,135	981	3,244
Intra-group balances	142,985	-	203,030	-
Cash and cash equivalents	102,500	6,360	175,589	1,741
Payables and accruals	(1,648)	-	(1,441)	-
Borrowings	-	-	(32,039)	-
Derivative financial assets	871	-	345	-
Derivative financial liabilities	(32)	-	(807)	-
Net exposure	251,831	9,495	345,658	4,985

Currency risk sensitivity analysis

A simulated 5% strengthening in the USD/JPY against MYR at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables in particular interest rates and market conditions remained constant and ignores any impact of forecasted sales and purchases.

	2024		2023	
	Equity RM'000	Profit or loss RM'000	Equity RM'000	Profit or loss RM'000
USD	9,570	9,538	21,032	21,050
JPY	361	361	189	189

A simulated 5% weakening of USD/JPY against the MYR at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

33. Financial instruments (continued)

33.6 Market risk (continued)

33.6.2 Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings, the placement of excess funds in interest-earning deposits and lease liabilities. The borrowings which have been obtained to finance the working capital of the Group are subject to floating interest rates except for Medium Term Notes and lease liabilities.

Excess funds are placed with licensed financial institutions for certain periods during which the interest rates are fixed. The management reviews the rates at regular intervals.

On the other hand, the Group provides hire purchase loans at fixed rates for tenures of up to 9 years. These loans are funded by internal and external resources.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of ensuring that between 30% and 60% of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Fixed rate instruments				
Financial assets:				
Hire purchase receivables	425,793	451,980	-	-
Amount due from subsidiaries	-	-	187,107	174,329
Deposits with licensed banks	162,736	345,716	-	-
Financial liabilities:				
Medium Term Notes	(509,827)	(450,000)	(509,827)	(450,000)
Lease liabilities	(105,405)	(97,516)	(187)	(275)
	(26,703)	250,180	(322,907)	(275,946)
Floating rate instruments				
Financial assets:				
Amount due from subsidiaries	-	-	28,000	40,282
Financial liabilities:				
Term loans	(56,179)	-	-	-
Bankers' acceptances	(310,238)	(205,570)	-	-
Revolving credit	(840,000)	(887,044)	-	-
	(1,206,417)	(1,092,614)	28,000	40,282

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.6 Market risk (continued)

33.6.2 Interest rate risk (continued)

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) interest rate at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss		**Profit or loss**	
	100 bp increase 2024 RM'000	**100 bp decrease 2024 RM'000**	**100 bp increase 2023 RM'000**	**100 bp decrease 2023 RM'000**
Group				
Floating rate instruments	(9,169)	9,169	(8,304)	8,304
Company				
Floating rate instruments	213	(213)	306	(306)

33.6.3 Other price risk

Market price risk is the risk that the fair value or future cash flow of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rate).

Risk management objectives, policies and processes for managing the risk

The Group is exposed to market price risk arising from its investments in quoted unit trusts. The instrument is classified as financial assets at fair value through profit or loss.

To manage its market price risk, the Group manages its portfolio in accordance with established guidelines and policies. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Treasury Investment Committee.

Sensitivity analysis

At the reporting date, if the prices of instruments had been 1% (2023: 1%) higher/lower, with all other variables held constant, the Group profit or loss would have increased/(decreased) by RM2,042,000 (2023: RM259,000) arising as a result of changes in the fair value of the financial assets classified as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.7 Hedging activities

Cash flow hedge

The Group entered into forward foreign currency exchange contracts to hedge the cash flow risk in relation to the foreign currency exposure, which are designated as cash flow hedges.

The following table indicates the periods in which the cash flows associated with the forward exchange contracts are expected to occur and affect profit or loss:

	Carrying amount RM'000	Expected cash flows RM'000	Under 1 year RM'000
Group			
2024			
Forward exchange contracts	839	839	839
2023			
Forward exchange contracts	(462)	(462)	(462)

During the financial year, a gain of RM1,170,000 (2023: RM3,751,000) was recognised in other comprehensive income. The gain/(loss) on the hedging derivative is included in the carrying amount of the inventory acquired. The gain/(loss) is reclassified to profit or loss when the inventory affects profit or loss (that is, on sale of the goods containing the hedged components or impairment of the inventory).

33.8 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
2024										
Group										
Financial assets										
Other investments										
- Liquid investments with licensed financial institutions	-	30,750	-	30,750	-	-	-	-	30,750	30,750
Hire purchase receivables	-	-	-	-	-	-	333,584	333,584	333,584	333,584
Derivative financial assets – forward exchange contracts	-	871	-	871	-	-	-	-	871	871
	-	31,621	-	31,621	-	-	333,584	333,584	365,205	365,205
Financial liabilities										
Borrowings	-	-	-	-	-	-	(309,827)	(309,827)	(309,827)	(309,827)
Derivative financial liabilities – forward exchange contracts	-	(32)	-	(32)	-	-	-	-	(32)	(32)
	-	(32)	-	(32)	-	-	(309,827)	(309,827)	(309,859)	(309,859)
2023										
Group										
Financial assets										
Other investments										
- Liquid investments with licensed financial institutions	-	25,872	-	25,872	-	-	-	-	25,872	25,872
Hire purchase receivables	-	-	-	-	-	-	343,799	343,799	343,799	343,799
Derivative financial assets – forward exchange contracts	-	345	-	345	-	-	-	-	345	345
	-	26,217	-	26,217	-	-	343,799	343,799	370,016	370,016
Financial liabilities										
Borrowings	-	-	-	-	-	-	(450,000)	(450,000)	(450,000)	(450,000)
Derivative financial liabilities – forward exchange contracts	-	(807)	-	(807)	-	-	-	-	(807)	(807)
	-	(807)	-	(807)	-	-	(450,000)	(450,000)	(450,807)	(450,807)

33. Financial instruments (continued)

33.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2024										
Company										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	215,107	215,107	215,107	215,107
Financial liabilities										
Borrowings	-	-	-	-	-	-	(309,827)	(309,827)	(309,827)	(309,827)
2023										
Company										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	214,611	214,611	214,611	214,611
Financial liabilities										
Borrowings	-	-	-	-	-	-	(450,000)	(450,000)	(450,000)	(450,000)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial assets

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either direction).

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (continued)

33.8 Fair value information (continued)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Fair values of hire purchase receivables, finance lease receivables, non-current borrowings and non-current amounts due from and due to subsidiaries, which are determined for disclosure purpose, have been derived using discounted cash flow approach. For finance lease receivables and hire purchase receivables, the market rate of interest is determined by reference to similar finance lease and hire purchase agreements.

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The team regularly reviews significant unobservable inputs and valuation adjustments.

34. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 December 2024 and 31 December 2023 were as follows:

		Group	
	Note	2024 RM'000	2023 RM'000
Total borrowings	17	1,716,244	1,542,614
Lease liabilities		105,405	97,516
Less: Other investments	8	(30,750)	(25,872)
Less: Cash and cash equivalents	15	(545,499)	(511,579)
Net debt		1,245,400	1,102,679
Total equity attributable to owners of the Company		2,511,153	2,740,140
Net debt-to-equity ratios		0.50	0.40

There were no changes in the Group's approach to capital management during the financial year.

The Group is also required to maintain certain debt-to-equity ratio to comply with debt covenants, failing which, an event of default may be triggered. The Group has complied with these covenants.

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries

The principal activities of the subsidiaries, their places of incorporation and the interest of the Company are shown below:

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Malaysia:			
* Agensi Pekerjaan Bijak Sdn. Bhd.	Provision of private employment agency services	49	49
# β Auto Components Manufacturers Sdn. Bhd.	Property investment holding	100	100
# β Autokita Sdn. Bhd.	Insurance agency	100	100
# β Ceranamas Sdn. Bhd.	Property and investment holding	100	100
Chauffeur Safe Travel Sdn. Bhd.	Travel agency and transportation services	100	100
# β Constant Knight (M) Sdn. Bhd.	Property investment holding	100	100
Edaran Tan Chong Motor Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Sabah) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Sarawak) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Selatan) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Tengah) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Utara) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
# β E-Garage Auto Services	Automotive workshop services	100	100
Extreme Market Place Sdn. Bhd.	Sales of motor vehicle parts and accessories	100	100
GoEV Sdn. Bhd. (formerly known as GoEVCharger Sdn. Bhd.)	Trading and marketing of motor vehicles, automotive workshop services and sales of motor vehicles parts and accessories	100	100
Hikmat Asli Sdn. Bhd.	Property investment holding	100	100
# β Julang Lumayan Sdn. Bhd.	Property investment holding	100	100
# β Perwiramas Sdn. Bhd.	Investment holding	100	100
* Premium Commerce Berhad	Structured entity for asset - backed securitisation	-	-
Space Studio House Sdn. Bhd.	Provision of advertising and marketing services	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Malaysia:			
# β Sungei Bintang Sdn. Bhd.	Property investment holding	100	100
Tan Chong & Sons Motor Company Sdn. Bhd.	Assembly and sales of motor vehicles	100	100
# β Tan Chong Agency Sdn. Bhd.	Insurance agency	100	100
# β Tan Chong Construction Sdn. Bhd.	Investment holding	100	100
# β Tan Chong Education Sdn. Bhd.	Investment holding	100	100
Tan Chong Education Services Sdn. Bhd.	Provision of education services	100	100
Tan Chong Ekspres Auto Servis Sdn. Bhd.	Automotive workshop services	100	100
# β Tan Chong IBS Sdn. Bhd.	Insurance agency	100	100
Tan Chong Industrial Equipment (Sabah) Sdn. Bhd.	Distribution of passenger and commercial vehicles, spare parts and after sales services for commercial vehicles	100	100
Tan Chong Industrial Equipment Sdn. Bhd.	Distribution of commercial vehicles, spare parts and after sales services for commercial vehicles	100	100
# β Tan Chong Inspire Sdn. Bhd.	Insurance agency	100	100
Tan Chong Motor Assemblies Sdn. Bhd.	Assembly of motor vehicles	70	70
# β Tan Chong Premier Sdn. Bhd.	Insurance agency	100	100
# β Tan Chong Technical Centre Sdn. Bhd.	Research and development on engineering and technology	100	100
Tan Chong Trading (Malaysia) Sdn. Berhad	Investment holding, merchandise, cosmetics, food and tractors trading	100	100
Tanahku Holdings Sdn. Bhd.	Property investment holding	100	100
TC Auto Tooling Sdn. Bhd.	Production of car alarm system and other security systems, autoparts and accessories	100	100
TC Capital Resources Sdn. Bhd.	Hire purchase financing and money lending	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Malaysia:			
# β TC Commercial Assets Sdn. Bhd.	Property investment holding	100	100
TC Euro Cars Sdn. Bhd.	Distribution and leasing of motor vehicles	100	100
# β TC Facilities Management Sdn. Bhd.	Provision of building facilities management services	100	100
# β TC Hartanah Sdn. Bhd.	Property investment holding	100	100
# β TC Heritage Sdn. Bhd.	Investment holding	100	100
# β TC Insurservices Sdn. Bhd.	Insurance agency	100	100
TC iTech Sdn. Bhd.	Provision of information technology services	100	100
# β TC Maju Properties Sdn. Bhd.	Property investment holding	100	100
TC Management Services Corporation Sdn. Bhd.	Provision of management services	100	100
# β TC Manufacturing Holdings Sdn. Bhd.	Investment holding	100	100
# β TC Metropolitan Sdn. Bhd.	Property investment holding	100	100
TC Module Integrator Sdn. Bhd.	Manufacture and sale of automotive parts and modules	100	100
TC Motors (Sarawak) Sdn. Bhd.	Distribution of commercial vehicles and after-sales services and spare parts	100	100
# β TC Residence Sdn. Bhd.	Property investment holding	100	100
TC Security Services Sdn. Bhd.	Provision of security services	51	51
# β TC Sri Amar Sdn. Bhd.	Property investment holding	100	100
TC Sunergy Sdn. Bhd.	Developing, operating and trading of power from renewable energy projects	51	51
TC Trucks After Sales Sdn. Bhd.	Distribution and sales of auto parts and provision of after-sales services for commercial vehicles	100	100
TC Trucks Group Sdn. Bhd.	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Malaysia:			
TC Trucks Sales Sdn. Bhd.	Distribution and sales of commercial vehicles	100	100
# β TC Utama Sdn. Bhd.	Property investment holding	100	100
# β TCCL Sdn. Bhd.	Insurance agency	100	100
TCM Stamping Products Sdn. Bhd.	Manufacture and sale of automotive parts and modules	100	100
TMC Services Sdn. Bhd.	Provision of financial services	100	100
Truckquip Sdn. Bhd.	Distribution of automotive spare parts and construction of vehicle bodies	100	100
VDC Sdn. Bhd.	Provision of pre-delivery inspection services	100	100
# β Vincus Holdings Sdn. Bhd.	Investment holding	100	100
# β WariTan Automobile Sdn. Bhd.	Assembly, sales and distribution of motor vehicles, sales of spare parts and provision of after-sales services	100	100
# β West Anchorage Sdn. Bhd.	Investment holding	100	100
# β Agensi Pekerjaan Bijak (Sabah) Sdn. Bhd.	Dormant	100	100
# β Auto Infiniti Sdn. Bhd.	Dormant	100	100
# β Auto Trucks & Components Sdn. Bhd.	Dormant	100	100
# β ◊ Fujiyama Car Cooler Sdn. Bhd.	Dormant	-	100
# β TQ Manufaturing Sdn. Bhd. (formerly known as Pemasaran Alat Ganti Sdn. Bhd.)	Dormant	100	100
# β Rustcare Sdn. Bhd.	Dormant	100	100
# β Tan Chong Development Sdn. Bhd.	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	2023 %
Incorporated in Malaysia:			
# β ◊ Tan Chong Motorcycles (Malaysia) Sdn. Bhd.	Dormant	-	100
# β TC Automotive Assembles Sdn. Bhd. (formerly known as TC Automotive Electronics Sdn. Bhd.)	Dormant	100	100
# β ◊ TC Brake System Sdn. Bhd.	Dormant	-	100
# β TC Commercial Insure Agency Sdn. Bhd.	Dormant	100	100
TC Contact Centre Services Sdn. Bhd.	Dormant	100	100
# β ◊ TC Engines Manufacturing Sdn. Bhd.	Dormant	-	100
# β TC Manufacturing Company (Sabah) Sdn. Bhd.	Dormant	100	100
# β ◊ TC Plastics Sdn. Bhd.	Dormant	-	100
# β ◊ TC Transmission Sdn. Bhd.	Dormant	-	100
Incorporated in Labuan:			
# β ETCM (C) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (Labuan) Pty Ltd	Investment holding	100	100
# β ETCM (L) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (MM) Pte Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (V) Pte Ltd	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Labuan:			
# β Tan Chong Motorcycles (Labuan) Pte Ltd	Investment holding	100	100
# β TC Express Auto Services and Spare Parts (Labuan) Pty Ltd	Investment holding	100	100
# β TC Overseas Assets Holdings Labuan Pte Ltd	Investment holding	100	100
# β TC Services Holdings Labuan Pte Ltd	Investment holding	100	100
# β TC Security Services (Labuan) Pte Ltd	Investment holding	100	100
# β TC Services Labuan (V) Pte Ltd	Investment holding	100	100
# β TC Trust Labuan Limited	Provision of Labuan trust company services	100	100
# β TCIE (Labuan) Pty Ltd	Investment holding	100	100
# β TCMSC (Labuan) Pte Ltd	Investment holding	100	100
# β Tan Chong Construction (Labuan) Pte Ltd	Dormant	100	100
# β Tan Chong Motorcycles (MM) Pte Ltd	Dormant	100	100
# β Tan Chong Trading (Labuan) Pty Ltd	Dormant	100	100
# β TC Assets Labuan (V) Pte Ltd	Dormant	100	100
# β TC Capital Resources (Labuan) Pty Ltd	Dormant	100	100
# β TC Intellectual Investment Pte Ltd	Investment holding	100	100
# β TC iTech (Labuan) Pte Ltd	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Labuan:			
# β TC Manufacturing (C) Pte Ltd	Dormant	100	100
# β TC Manufacturing (L) Pte Ltd	Dormant	100	100
# β TC Manufacturing (MM) Pte Ltd	Dormant	100	100
# β TC Manufacturing (V) Pte Ltd	Dormant	100	100
# β TC Overseas Assets Labuan (C) Pte Ltd	Dormant	100	100
# β TC Services Labuan (C) Pte Ltd	Dormant	100	100
# β TC Services Labuan (L) Pte Ltd	Dormant	100	100
# β TC Services Labuan (MM) Pte Ltd	Dormant	100	100
# β TCIP Pte Ltd	Dormant	100	100
Incorporated in Cambodia:			
# β TC Express Auto Services and Spare Parts (Cambodia) Pty. Ltd.	Automobile workshop services and trading of spare parts, components, accessories and lubricant products	100	100
^ TC Security Services (Cambodia) Co. Ltd.	Provision of security services	90	90
# β Tan Chong Motor (Cambodia) Pty. Ltd.	Importation and distribution of motor vehicles	100	100
^ β T C Motor Sales (Cambodia) Pty. Ltd.	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Vietnam:			
# β TC Motor Vietnam Co., Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
@ β TCIE Vietnam Pte. Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
# β Nissan Vietnam Co., Ltd.	Importation and distribution of motor vehicles and spare parts	74	74
# β TC Motorcycles (Vietnam) Co., Ltd.	Importation and distribution of motorcycles and motorcycle components	100	100
# β TC Services Vietnam Co., Ltd.	Retail distribution of automobiles, automobile workshop services and trading of spare parts	100	100
# β TC iTech (Vietnam) Co., Ltd.	Producing software products, providing IT solutions & services and integrating IT systems	100	100
Incorporated in Laos:			
^ β Tan Chong Motor (Lao) Co., Ltd.	Importation and distribution of motor vehicles and spare parts including providing after-sales services	100	100
^ β Tan Chong Motorcycles (Lao) Co., Ltd.	Property investment holding	100	100
Incorporated in United States of America:			
^ β Tan Chong Warisan Resources Management LLC	Dormant	51	51
Incorporated in Myanmar:			
ð β E-Garage Auto Services and Spare Parts (Myanmar) Company Limited	Servicing, maintenance and repairing of all kinds of vehicles and machines, and importer and sales of cars, spare parts and service equipment	90	90
ð β ETCM (Myanmar) Company Limited	Provision of services relating to vehicle distribution	100	100
ð β Tan Chong Motor (Myanmar) Company Limited	Assembly, sales and distribution of motor vehicles, trading of spare parts and automotive workshop services	100	100
ð β TC Express Auto Services & Spare Parts (Myanmar) Company Limited	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2024 %	Effective ownership interest 2023 %
Incorporated in Thailand:			
# * β TC Express Auto Services and Spare Parts (Thailand) Co., Ltd.	Automotive workshop services and trading of spare parts	49	49
# β Tan Chong Mekong Regional Co., Ltd.	International business centre	100	100
# β Tan Chong Mekong Trading (Thailand) Co., Ltd.	International trading centre	100	100
Incorporated in Taiwan:			
^ β Tan Chong Technology Development (Taiwan) Co., Ltd.	Provision of research and development services	100	100

\# Company audited by another firm of Public Accountants.

* Deemed subsidiary by virtue of control in the company.

^ The 2024 and 2023 financial statements of these subsidiaries are not required to be audited according to the relevant regulations of the country of incorporation and are not material to the Group. Hence, the unaudited management financial statements of these subsidiaries were used for the purpose of consolidation.

ð The 2024 and 2023 financial statements of these subsidiaries are not material to the Group. Hence, the unaudited management financial statements of these subsidiaries were used for the purpose of consolidation.

@ Company audited by member firms of KPMG International.

β Company not audited by KPMG PLT.

◊ Company was struck off from Suruhanjaya Syarikat Malaysia in 2024.

NOTES TO THE FINANCIAL STATEMENTS

36. Significant events

(i) On 16 March 2022, the Company had established the Sukuk Murabahah Programme, and completed the inaugural issuance of RM300 million nominal value of Sukuk Murabahah ("Series 1 Sukuk Murabahah") under the Sukuk Murabahah Programme. The Series 1 Sukuk Murabahah is rated $A+_{IS}$ with a stable outlook by MARC Ratings Berhad.

On 20 June 2023, the Company had completed the issuance of RM150 million nominal value of Sukuk Murabahah ("Series 2 Sukuk Murabahah") under the Sukuk Murabahah Programme. The Series 2 Sukuk Murabahah is rated $A+_{IS}$ with a stable outlook by MARC Ratings Berhad.

On the 26 July 2024, 3 September 2024 and 20 September 2024, the Company had completed total issuance of RM60 million nominal value of Sukuk Murabahah ("Series 3 Sukuk Murabahah") under the Sukuk Murabahah Programme. The Series 3 Sukuk Murabahah is unrated.

Proceeds from the issuance of the Series 3 Sukuk Murabahah shall be utilised by the Company's subsidiaries for working capital requirements.

(ii) On 2 February 2024, TC Services Vietnam Co., Ltd. ("TCSV") entered into an agreement of Distribution and Service with GAC Motor International Co., Ltd. for the appointment of TCSV as a distributor to import, distribute and sell vehicles (fuel vehicles) and spare parts, and provide after-sales services on the vehicles in Vietnam.

STATEMENT BY **DIRECTORS**

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 98 to 204 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Ho Wai Ming
Director

....
Chia Tuang Mooi
Director

Kuala Lumpur,

Date: 18 April 2025

STATUTORY **DECLARATION**

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Ho Wai Ming**, the Director primarily responsible for the financial management of Tan Chong Motor Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 98 to 204 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 April 2025.

....
Ho Wai Ming

Before me:

INDEPENDENT
AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tan Chong Motor Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 98 to 204 (except for pages 100, 101, 104 and 105 that do not form part of the financial statement).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventories

Refer to Note 1(d) – Use of estimates and judgements, Note 2(h) – Material accounting policies: Inventories and Note 12 – Inventories.

The key audit matter

The Group holds significant levels of inventories including the new vehicles and unassembled vehicle packs ("the inventories"). The ability of the Group to sell the inventories in the future may be adversely affected by many factors including changes in consumers' preferences, competitors' activities including pricing and the introduction of new car models. As a result, there is a risk that certain models may be sold below the carrying value and may need to be written down to their net realisable value ("NRV"). It is a significant area for our audit as establishing the valuation of the inventories requires management to make estimates and judgements in determining the appropriateness of write down of the inventories to NRV.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the assessment performed by the management to arrive at the net realisable value of inventories;
- We tested the cost of inventories by model to suppliers invoices;
- We compared the inventory levels to recent sales trend; and
- We compared the cost of inventories against the expected selling price less cost to sell by model. The expected selling price less cost to sell was derived from post year-end published selling price by model net of estimated discounts, estimated sales incentives and other related costs to sell.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Key Audit Matters (continued)

Valuation of Hire Purchase Receivables

Refer to Note 1(d) – Use of estimates and judgements, Note 2(k)(i) – Material accounting policies: Impairment and Note 10 – Hire purchase receivables.

The key audit matter

Impairment allowances for hire purchase ("HP") receivables are calculated on individual basis and collective basis. Individual impairment allowances are calculated based on the estimated recoveries from the repossessed vehicles net of the outstanding receivables balances. The calculation of collective impairment allowances is inherently judgemental and is based on an impairment model where the inputs used are historical average delinquency rate, historical average loss on large portfolios of HP receivables and forward-looking adjustments. The accuracy of the impairment calculation would be affected by unanticipated changes to the economic environment and assumptions which may differ from actual.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the assessment performed by the management to arrive at the individual and collective impairment allowances;
- For individual assessment, we assessed the appropriateness of the allowance made based on the estimated loss arising from the sales of the repossessed vehicles by comparing the estimated disposal price to the published market price;
- We tested the inputs to the collective impairment model which include the historical average delinquency rate, historical average loss and forward-looking adjustments; and
- We compared the collective impairment allowances rate to externally available industry data.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 35 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lee Hean Kok
Approval Number: 02700/12/2025 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 18 April 2025

TEN LARGEST PROPERTIES **OF THE GROUP**

as at 31 December 2024

No	Location	Description	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Tenure/ Expiry Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Date of Last Revaluation
1	249 Jalan Segambut, 51200 Kuala Lumpur, Malaysia	Assembly plant, office, vehicle storage yard, warehouse & hostel	2,043,425	931,098	Freehold/ Leasehold 4.7.2065 20.4.2068 19.5.2068 14.11.2073 27.1.2074 5.10.2099	505.40	47	1974 to 1999	2022
2	Lot 29120 (P.T. 15014), Mukim Serendah, Daerah Hulu Selangor Darul Ehsan, Malaysia	Assembly plant, office, vehicle storage yard & warehouse	7,281,185	1,076,701	Freehold/ Leasehold 22.3.2094 28.4.2105 27.9.2106 28.4.2112 3.7.2116	294.44	16	1996 to 2013	2022
3	Lot 44, Special Zone (6), Industrial Park in Nyung Inn Village, Bago Township, Bago Region, Myanmar	Assembly plant, warehouse and office	2,177,787	468,088	Leasehold 16.2.2076	164.65	4	2016	2022
4	Lot U8, U9, U10 and U11, Road No 5B, Expanded Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City, Vietnam	Assembly plant, office, vehicle storage yard & warehouse	1,393,926	465,406	Leasehold 25.3.2054	102.40	10	2010	2022
5	No. 2, Jalan Gerudi 15/4, Section 15, Shah Alam, 40200 Selangor Darul Ehsan, Malaysia	Industrial plant	713,983	417,424	Leasehold 19.2.2066	84.34	54	30.12.2009	2022
6	Lot 3 Jalan Perusahaan Satu, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia	Spare parts & service centre, factory, warehouse/store, offices & showroom	425,619	204,856	Leasehold 5.9.2074	81.92	43	11.09.1981	2022
7	Lot X5, X6, X7 and X8, Road No 5B, Expanded Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City, Vietnam	Assembly plant, office, vehicle storage yard & warehouse	1,645,850	135,463	Leasehold 25.3.2054	80.86	-	2013	2022

TEN LARGEST PROPERTIES OF THE GROUP

as at 31 December 2024

No	Location	Description	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Tenure/ Expiry Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Date of Last Revaluation
8	Lot U12, U13, U14 & U15, Road No. 10B, Hoa Khanh Extended Industrial Zone, Lien Chieu District, Da Nang City, Vietnam	Assembly plant and office	1,372,065	78,663	Leasehold 25.3.2054	64.11	4	2011	2022
9	No. 2, Jalan Indah 15/2, Taman Bukit Indah, 81200 Johor Bharu, Johor, Malaysia	Showroom, workshop & spare parts, office and car park	143,410	262,495	Freehold	57.91	2	01.03.2011	2022
10	Lot 93, Seksyen 46, Kuala Lumpur, Malaysia	Used vehicle display and storage yard	50,637	-	Freehold	49.10	-	27.08.2012	2024

Note : The value of 249 Jalan Segambut, 51200 Kuala Lumpur is based on valuation report of 16 lots of land held under lot numbered 1474, 1475, 3681, 4185, 14282, 25669, 43097, 46354, 49392, 49393, 49968, 49970, 49972, 57927, 81438 & 81425 and building. The value of Lot 29120 (P.T. 15014), Mukim Serendah, Daerah Hulu Selangor, Selangor Darul Ehsan is based on valuation report of 6 lots of land held under lot numbered 45, 15961, 16360, 23975, 23976, 29120 & 40874 and building.

ANALYSIS OF **SHAREHOLDINGS**

AS AT 28 MARCH 2025

SHARE CAPITAL

Total Number of Issued Shares	:	672,000,000 ordinary shares
Total Issued Share Capital	:	RM336,000,000
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share on a poll

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1 - 99	298	4.56	4,615	- (1)
100 - 1,000	1,976	30.23	1,670,417	0.25
1,001 - 10,000	3,142	48.07	13,806,424	2.05
10,001 - 100,000	918	14.05	28,123,704	4.19
100,001 - 32,581,349 (2)	199	3.04	315,528,176	46.95
32,581,350 and above (3)	3	0.05	292,493,664	43.53
Sub Total	**6,536**	**100.00**	**651,627,000**	**96.97**
Treasury shares			20,373,000	3.03
Total			**672,000,000**	**100.00**

Notes:
(1) Less than 0.01%.
(2) 100,001 to less than 5% of issued shares less treasury shares.
(3) 5% and above of issued shares less treasury shares.

DIRECTORS' SHAREHOLDING
(as per Register of Directors' Shareholding)

No.	Name	Direct No. of Shares Held	Direct %	Indirect No. of Shares Held	Indirect %
1	Dato' Tan Heng Chew	34,544,462	5.30	290,588,430 (1)	44.59
2	Ho Wai Ming	-	-	20,000 (3)	- (2)
3	Lee Min On	-	-	-	-
4	Ng Chee Hoong	-	-	-	-
5	Dato' Ng Mann Cheong	-	-	150,000 (3)	0.02
6	Dato' Chan Choun Sien	-	-	-	-
7	Dr. Nesadurai Kalanithi	-	-	-	-
8	Chia Tuang Mooi	-	-	-	-

Notes:
(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
(2) Less than 0.01%.
(3) Interest of spouse by virtue of Section 59(11)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2025

SUBSTANTIAL SHAREHOLDERS
(as per Register of Substantial Shareholders)

		Direct		Indirect	
No.	**Name**	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
1	Tan Chong Consolidated Sdn. Bhd.	263,828,240	40.49	-	-
2	Nissan Motor Co., Ltd	37,333,324	5.73	-	-
3	Dato' Tan Heng Chew	34,544,462	5.30	274,781,840 (1)	42.17
4	Tan Eng Soon	-	-	263,828,240 (2)	40.49

Notes:
(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act").
(2) Deemed interest by virtue of interest in Tan Chong Consolidated Sdn. Bhd. pursuant to Section 8(4) of the Act.

THIRTY LARGEST SHAREHOLDERS
(as per Record of Depositors)

No.	Name	No. of Shares Held	%
1	Tan Chong Consolidated Sdn. Bhd.	217,789,240	33.42
2	Tan Chong Consolidated Sdn. Bhd.	37,371,100	5.74
3	Cartaban Nominees (Asing) Sdn. Bhd. *Exempt AN for Daiwa Securities Co. Ltd. Client Acc*	37,333,324	5.73
4	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Ching Ching*	24,098,200	3.70
5	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Tan Heng Chew (PB)*	20,671,100	3.17
6	Tan Han Chuan	20,100,600	3.08
7	Pang Sew Ha @ Phang Sui Har	18,108,058	2.78
8	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Tan Hoe Pin (12024580) (449770)*	12,725,900	1.95
9	Tan Beng Keong	12,085,962	1.85
10	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Heng Chew (E-KLC)*	10,003,500	1.54
11	Tan Boon Pun	10,000,000	1.53
12	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (Islamic)*	9,848,685	1.51
13	CIMB Group Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wealthmark Holdings Sdn. Bhd. (50003 PZDM)*	9,087,400	1.39
14	Tan Ban Leong	9,031,929	1.39
15	Tan Chong Consolidated Sdn. Bhd.	8,667,900	1.33

ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2025

THIRTY LARGEST SHAREHOLDERS
(as per Record of Depositors)

No.	Name	No. of Shares Held	%
16	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Khor Swee Wah @ Koh Bee Leng (PB)*	8,430,290	1.29
17	Amanahraya Trustess Berhad *Amanah Saham Bumiputera*	8,000,000	1.23
18	Tan Chee Keong	7,252,295	1.11
19	Key Development Sdn. Berhad	6,334,400	0.97
20	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Kwee Hock*	5,294,500	0.81
21	Tan Chee Keong	4,833,667	0.74
22	Chinchoo Investment Sdn. Berhad	4,704,900	0.72
23	Gan Teng Siew Realty Sdn. Berhad	4,679,000	0.72
24	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Boon Pun*	3,704,845	0.57
25	Cartaban Nominees (Asing) Sdn. Bhd. *Exempt AN for Standard Chartered Bank Singapore (EFGBHK-ASING)*	3,648,300	0.56
26	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Heng Chew*	3,619,200	0.56
27	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN for Bank of Singapore Limited (Local)*	3,490,058	0.54
28	UOB Kay Hian Nominees (Asing) Sdn. Bhd. *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	3,361,902	0.52
29	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)*	3,250,000	0.50
30	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Siew Lai*	2,820,200	0.43
TOTAL		**530,346,455**	**81.39**

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 53rd Annual General Meeting ("AGM") of TAN CHONG MOTOR HOLDINGS BERHAD will be held at the Kristal Ballroom, Level 1, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Friday, 30 May 2025 at 10.30 a.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To lay the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire by rotation and being eligible, offer themselves for re-election in accordance with Article 103 of the Company's Constitution, as Directors of the Company:

   (i) Dato' Ng Mann Cheong **Ordinary Resolution 1**
   (ii) Mr. Lee Min On **Ordinary Resolution 2**
   (iii) Dr. Nesadurai Kalanithi **Ordinary Resolution 3**

3. To approve the payment of Directors' fees of up to RM660,000 in aggregate to the Non-Executive Directors of the Company and up to RM32,400 in aggregate to the Non-Executive Directors of TC Trust Labuan Limited, a subsidiary of the Company, during the course of the period from 31 May 2025 until the next Annual General Meeting of the Company. **Ordinary Resolution 4**

4. To approve Directors' benefits of up to RM380,000 in aggregate to the Non-Executive Directors of the Company and up to RM2,400 in aggregate to the Non-Executive Director of TC Capital Resources Sdn. Bhd., and up to RM1,200 in aggregate to the Non-Executive Directors of TMC Services Sdn. Bhd., subsidiaries of the Company, during the course of the period from 31 May 2025 until the next Annual General Meeting of the Company. **Ordinary Resolution 5**

5. To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

Special Business

To consider and, if thought fit, to pass the following resolutions:

6. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

   "THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

   (i) the aggregate number of shares purchased and/or held pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company at any point in time of the purchase; and

   (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

NOTICE OF ANNUAL GENERAL MEETING

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities." **Ordinary Resolution 7**

7. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.1 of the Company's Circular to Shareholders dated 30 April 2025 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 8**

NOTICE OF ANNUAL GENERAL MEETING

8. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINT VENTURES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.2 of the Company's Circular to Shareholders dated 30 April 2025 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 9**

9. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Tan Chong International Limited and its subsidiaries involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.3 of the Company's Circular to Shareholders dated 30 April 2025 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 10**

10. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH AUTO DUNIA SDN. BHD.**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Auto Dunia Sdn. Bhd. involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.2 of the Company's Circular to Shareholders dated 30 April 2025 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 11**

11. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

CHIN YOON LENG (MAICSA 7057010) (SSM PC No. 202208000043)
Company Secretary

Kuala Lumpur
30 April 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. *A depositor whose name appears in the Record of Depositors of the Company as at 22 May 2025 ("Record of Depositors") shall be entitled to attend, speak, and vote at the AGM.*

2. *A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to participate and vote at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate and vote at the meeting.*

3. *Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.*

4. *Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

5. *Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:*

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

6. *Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.*

7. *If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of an officer or attorney duly authorised.*

8. *The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or no later than 28 May 2025 at 10.30 a.m.:*

   (i) In hard copy form
   Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +60 3 2783 9299), or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

   (ii) By electronic means via email
   By electronic mail ("email") to Tricor's email address at is.enquiry@vistra.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 8(i) above; or

   (iii) By electronic means via Tricor's TIIH Online website
   By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms.

9. *Members may submit questions to the Board of Directors prior to the 53rd AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to pose questions and submit electronically not later than 28 May 2025 at 10.30 a.m.*

10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by poll.*

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. **Item 1 of the Agenda - Audited Financial Statements for financial year ended 31 December 2024**

   The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 340(1)(a) of the Companies Act 2016 is for the purposes of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

2. **Ordinary Resolutions 1, 2 and 3 – Re-election of Directors who retire by rotation pursuant to Article 103 of the Company's Constitution**

   Dato' Ng Mann Cheong, Mr. Lee Min On and Dr. Nesadurai Kalanithi are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 53rd AGM.

   The Board has, through the Nominating and Remuneration Committee ("NRC"), considered the assessment of the Dato' Ng Mann Cheong, Mr. Lee Min On and Dr. Nesadurai Kalanithi, and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Before making its recommendation to the Board, the NRC evaluated any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, the capacity of the retiring Directors to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company, as a whole. The Board endorsed the NRC's recommendation on the re-election of the retiring Directors.

   Please refer to pages 20 to 23 of the Annual Report 2024 for the profiles of the aforesaid Directors.

3. **Ordinary Resolutions 4 and 5 - Directors' Fees and Benefits**

   In accordance to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a public company or a listed company and its subsidiaries, shall be appoved at a general meeting.

   The Company pays Directors' fees and benefits, TC Trust Labuan Limited, a subsidiary of the Company, pays Directors' fees and TC Capital Resources Sdn. Bhd., another subsidiary of the Company, pays benefits to the Non-Executive Directors. The Executive Directors do not receive fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

   The benefits payable to the Non-Executive Directors of the Company mainly include meeting allowance and petrol allowance, notably:

(a)	Meeting allowance	
	- As Chairman of meeting	@ RM1,800 per meeting
	- As member	@ RM1,500 per meeting
(b)	Petrol allowance	@ RM800 per month

   The Board recommends that shareholders approve a maximum aggregate amount of RM660,000 for the payment of Directors' fees to the Non-Executive Directors of the Company and its subsidiary, TC Trust Labuan Limited (i.e. RM32,400) during the course of the period from 31 May 2025 until the next AGM of the Company.

   The Board also recommends that shareholders approve a maximum aggregate amount of RM380,000 for the payment of benefits to the Non-Executive Directors of the Company and its subsidiaries, TC Capital Resources Sdn. Bhd. (i.e. RM2,400), and TMC Services Sdn. Bhd. (i.e. RM1,200) during the course of the period from 31 May 2025 until the next AGM of the Company.

4. **Ordinary Resolution 7 - Proposed Renewal of Authority for the Company to Purchase Its Own Shares**

   Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority shall continue to be in force until the conclusion of the next AGM of the Company, or at the expiration of the period within which the next AGM of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

   Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2025 ("Circular"), which is available at the Company's website at https://www.tanchonggroup.com.

NOTICE OF ANNUAL GENERAL MEETING

5. **Ordinary Resolutions 8, 9, 10 and 11 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions**

   Ordinary Resolutions 8, 9, 10 and 11, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

   Further information on these proposed Ordinary Resolutions are set out in the Circular, which is available at the Company's website at https://www.tanchonggroup.com.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 53rd Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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TAN CHONG MOTOR HOLDINGS BERHAD
Registration No. 197201001333 (12969-P)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
Number of Shares Held	
Shareholder's Email Address	

I/We ______________________________ *(name of shareholder as per NRIC, in capital letters)*
NRIC No./Company No. ______________________ *(new)* ______________________ *(old)*
of ____
____ *(full address)*
telephone no. ______________________ being a member(s) of TAN CHONG MOTOR HOLDINGS BERHAD,
hereby appoint ______________________________ *(name of proxy as per NRIC, in capital letters)*
NRIC No. ______________________ *(new)* ______________________ *(old)*
telephone no. ______________________ and ______________________
(name of proxy as per NRIC, in capital letters) NRIC No. ______________________ *(new)*
______________________ *(old)* telephone no. ______________________ or failing him/her,
*the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 53rd Annual General Meeting ("AGM") of the Company to be held at the Kristal Ballroom, Level 1, Hilton Petaling Jaya, No. 2 Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Friday, 30 May 2025 at 10.30 a.m., and at any adjournment thereof, as indicated below:

No.	Resolutions	For	Against
Ordinary Resolution 1	Re-election of Dato' Ng Mann Cheong as Director		
Ordinary Resolution 2	Re-election of Mr. Lee Min On as Director		
Ordinary Resolution 3	Re-election of Dr. Nesadurai Kalanithi as Director		
Ordinary Resolution 4	Directors' fees		
Ordinary Resolution 5	Directors' benefits		
Ordinary Resolution 6	Re-appointment of KPMG PLT as Auditors		
Ordinary Resolution 7	Proposed renewal of authority for the Company to purchase its own shares		
Ordinary Resolution 8	Proposed Shareholders' Mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities		
Ordinary Resolution 9	Proposed Shareholders' Mandate for recurrent related party transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures		
Ordinary Resolution 10	Proposed Shareholders' Mandate for recurrent related party transactions with Tan Chong International Limited and its subsidiaries		
Ordinary Resolution 11	Proposed Shareholders' Mandate for recurrent related party transactions with Auto Dunia Sdn. Bhd.		

**To delete if not applicable.*

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

____
Signature of Member(s)/Attorney of Member(s)
Date:

____
Common Seal of Member, if applicable
(if the appointer is a corporation)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1	______________________	%
Proxy 2	______________________	%
Total	______________________	100 %

Notes:

1. *A depositor whose name appears in the Record of Depositors of the Company as at 22 May 2025 ("Record of Depositors") shall be entitled to attend, speak, and vote at the AGM.*

2. *A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to participate and vote at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate and vote at the meeting.*

3. *Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.*

4. *Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

5. *Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:*

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

6. *Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.*

7. *If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of an officer or attorney duly authorised.*

8. *The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or no later than 28 May 2025 at 10.30 a.m.:*

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Affix
Stamp
Here

Tricor Investor & Issuing House Services Sdn. Bhd. Registration No. 197101000970 (11324-H)
Registrar for TAN CHONG MOTOR HOLDINGS BERHAD Registration No. 197201001333 (12969-P)
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Fold Here

   (i) In hard copy form
   Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +60 3 2783 9299), or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

   (ii) By electronic means via email
   By electronic mail ("email") to Tricor's email address at is.enquiry@vistra.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 8(i) above; or

   (iii) By electronic means via Tricor's TIIH Online website
   By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms.

9. *Members may submit questions to the Board of Directors prior to the 53rd AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to pose questions and submit electronically not later than 28 May 2025 at 10.30 a.m.*

10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by poll.*

11. ***Personal Data Privacy***

    By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 53rd AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PERSONAL DATA **PROTECTION NOTICE**

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of TAN CHONG MOTOR HOLDINGS BERHAD ("Company", "TCMH", "we", "us" or "our") in accordance with the Personal Data Protection Act 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website at https://www.bursamalaysia.com ("Bursa Malaysia's personal data notice"). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia's personal data notice.

As Shareholders of TCMH, your personal data which may include your name, national registration identity card number ("NRIC no."), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in TCMH, bank account number, Central Depository System ("CDS") account number and any other personal data required, may be processed by TCMH and its related companies ("TCMH Group") for the following purposes ("Purposes"):

(a) Compliance with the Companies Act 2016, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;
(b) Verification of information to authorities and governmental agencies;
(c) Deliver, communicate and transmit to the Shareholders of TCMH's annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;
(d) Payment of dividends and giving of other benefits to you as shareholders, if applicable;
(e) Maintain, upkeep and update our records regarding the Shareholders' information; and
(f) Dealings with all matters in connection with your Shareholding in TCMH; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within TCMH Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on TCMH Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

PERSONAL DATA PROTECTION NOTICE

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn. Bhd.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Attention	:	Ms. Lim Lay Kiow, Senior Manager
Tel	:	+60 3 2783 9299
Email	:	Lay.Kiow.Lim@vistra.com

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of TCMH on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by: TAN CHONG MOTOR HOLDINGS BERHAD
30 April 2025

NOTIS PERLINDUNGAN **DATA PERIBADI**

Notis Perlindungan Data Peribadi ini ("Notis") dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama) ("Pemegang Saham") TAN CHONG MOTOR HOLDINGS BERHAD ("Syarikat", "TCMH" atau "kami") menurut Akta Perlindungan Data Peribadi 2010 ("Akta") yang berkuatkuasa pada 15 November 2013. Akta ini mengawal selia pemprosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama ("Keperluan Penyenaraian") pada 15 November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di https://www.bursamalaysia.com ("notis data peribadi Bursa Malaysia"). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham TCMH, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam TCMH, nombor akaun bank, nombor akaun Sistem Depositori Pusat ("CDS") anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh TCMH dan syarikat-syarikat yang berkaitan dengannya ("Kumpulan TCMH") untuk tujuan-tujuan berikut ("Tujuan"):

(a) Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
(b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
(c) Menyampaikan, menghubungi dan menghantar laporan tahunan TCMH, pekeliling kepada pemegang saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;
(d) Pembayaran dividen dan manfaat lain kepada anda sebagai pemegang saham, jika berkenaan;
(e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
(f) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam TCMH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan TCMH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan TCMH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi apa-apa Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

NOTIS PERLINDUNGAN DATA PERIBADI

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn. Bhd.
No. Pendaftaran 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Untuk Perhatian	:	Cik Lim Lay Kiow, Pengurus Kanan
Tel	:	+60 3 2783 9299
Emel	:	Lay.Kiow.Lim@vistra.com

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung TCMH bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh: TAN CHONG MOTOR HOLDINGS BERHAD
30 April 2025

www.tanchonggroup.com

TAN CHONG MOTOR HOLDINGS BERHAD

Registration No.: 197201001333 (12969-P)

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