

# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

Tan Chong Motor Holdings Berhad (“TCMH” or “Group”) is pleased to present our Annual Sustainability Statement for 2025 (“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 2025.

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



### Reporting Period

1 January 2025 to 31 December 2025

### 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.

### Reporting Framework

This Sustainability Statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) 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](mailto:corpcomm@tanchonggroup.com). Your input will help us on our journey towards continuous improvement.

## SUSTAINABILITY STATEMENT

**A MESSAGE FROM THE GROUP  
CHIEF EXECUTIVE OFFICER****Dear Shareholders,**

In 2025, the automotive sector continued to see dynamic and competitive business landscape. Market acceptance for electric vehicles ("EV") continue to grow on the back of innovative offerings from emerging EV players. More consumers have indicated readiness to accept EVs as the charging infrastructure expands. In response to the evolving industry, the Group has reshaped the business strategy as we maintained our commitment to sustainable progress.

This year, we strengthened our operational resilience by accelerating efficiency improvements across our assembly plants, optimising energy use, and expanding renewable energy adoption. At the same time, we advanced our transition toward electrification through strategic collaborations, new product introductions, and readiness in our manufacturing ecosystem to support the next generation of electric and energy-efficient vehicles.

Our focus on sustainability goes beyond environmental stewardship. We continued to invest in our people, digitalisation efforts, and responsible supply chain practices to uphold the highest standards of safety, ethics, and governance. These principles anchor our long-term value creation and ensure that we remain accountable to our stakeholders, even in uncertain times.

While 2025 presented challenges, it also reaffirmed our belief that sustainable mobility is the pathway forward. We will continue to innovate, strengthen our capabilities, and align our business with global climate ambitions as we work toward building a more efficient, competitive, and resilient organisation. Together, we are shaping a future where responsible growth and sustainable mobility go hand in hand.

Aligned with our overarching theme of "Driving Resilience", TCMH remains committed to creating sustainable, long-term value for our shareholders. We continue to advance innovation, uphold responsible business practices, and deepen engagement with our stakeholders, while inspiring positive change across the industry and communities we serve. Guided by this purpose, we embed Economic, Environmental, Social and Governance principles across all levels of our operations in Malaysia and the Indo China region, ensuring that resilience and sustainability remain central to how we grow, operate and deliver mobility solutions.

**Environmental Stewardship**

The year 2025 marked a significant milestone in our transition toward a lower-carbon future. We expanded our portfolio of energy efficient vehicles with the nationwide launch of the Nissan Kicks e-POWER IMPUL Edition, alongside the all-new Nissan Serena e-POWER which is locally assembled that was previewed during the year. These models reflect our confidence in innovative technologies such as e-POWER, which delivers a 100% electric motor-driven experience without the need for external charging offering a practical and impactful solution for Malaysian customers.

In addition, the introduction of the TQ Wuling Bingo EV that is locally-assembled in Tan Chong's Segambut Plant reinforces our commitment to making zero-emission mobility more accessible, particularly for value-driven and urban drivers. The strategic collaboration with SAIC-GM-Wuling Automobile Co., Ltd (SGMW) will pave the way for future models line-up that contribute to more sustainable mobility solutions for Malaysians. The Group will benefit from the technical knowledge of producing EVs and providing for more sustained development in the evolving automotive industry.

TCMH aspires to advance its Net Zero Roadmap by 2050 by progressively reducing carbon emissions, expanding renewable energy use, and embedding low-carbon practices across its operations. From 2026 to 2035, the Group will pursue targeted short- and medium-term decarbonisation strategies, including energy-efficiency upgrades, optimisation of manufacturing processes, electrification of selected operations, and the continued transition to renewable electricity to drive measurable reductions in Scope 1 and Scope 2 emissions.

## SUSTAINABILITY STATEMENT

In addition to roof-top solar panels installed at the Serendah Assembly Plant to generate energy, the Large-Scale Solar Photovoltaic ("LSSPV") floating plant in Serendah supports TCMH's carbon-reduction efforts by generating clean energy, strengthening Malaysia's green-economy value chain, improving regional air quality, and enhancing long-term financial resilience through lower exposure to rising electricity tariffs.

### Community Engagement

TCMH supported the Putra Heights community by providing free loan vehicles to families affected by the 2025 gas explosion, ensuring continued access to essential mobility during their recovery. The Group also contributed to public health through its Employee Wellness Day 2025, which included a blood donation drive in collaboration with Pusat Darah Negara. Additionally, TCMH continued its ongoing community initiatives, including support for local SMEs and contributions to sustainability programmes that benefit the wider community.

The Group continued the long-running programmes in support of children's well-being and development. This was founded on the Group's philosophy of nurturing our future generations. Many children have benefitted from this after-school programme and went on to further studies and contributing to society. We continued its commitment to community support in 2025 through a series of meaningful initiatives. The annual "Year-End Wishes" programme brought festive cheer to children by fulfilling personalised gift wishes contributed by employees, reinforcing the Group's culture of empathy, volunteerism and meaningful community engagement. Throughout the year, the Group extended assistance to various welfare organisations by supporting their care and development programmes and providing essential groceries and daily necessities to help meet their operational needs. These efforts reflect the Group's ongoing commitment to strengthening community well being and supporting vulnerable groups.

### Upholding Governance

We remain committed to enhancing transparency in our sustainability reporting. In line with Bursa Malaysia's strengthened requirements, we are transitioning to the ISSB and IFRS Sustainability Disclosure Standards to ensure our EESG information is consistent, comparable and verifiable. This alignment enables more accurate reflection of the climate related risks and opportunities relevant to the Group.

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 upholds a strict zero tolerance stance on bribery and corruption. To reinforce this commitment, mandatory annual e-training was conducted for all employees in 2025, complemented by targeted awareness programmes for key suppliers and contractors invited to participate. We have also established a dedicated reporting channel through TCMH's formal whistleblowing mechanism to enable secure and confidential reporting of such incidents. Cultivating a Sustainable Culture.

In 2025, we successfully engaged employees from selected operational business units in a sustainability awareness programme. The programme covered key sustainability fundamentals and TCMH's EESG initiatives, with strong employee participation reflected through positive evaluation outcomes. Towards the end of 2025, we also conducted a double materiality assessment to identify the significant ESG issues impacting our operations, ensuring that appropriate actions were taken and closely monitored thereafter.

The double materiality assessment strengthens our corporate responsibility by identifying ESG issues that are significant both to our business and to the communities we impact. It enhances transparency, supports more informed decision-making, and ensures our sustainability priorities are aligned with long-term value creation. This approach enables us to manage risks responsibly while reinforcing our commitment to sustainable growth.

Together, we can drive meaningful impact and advance a more sustainable future for our organisation and the communities we serve.

On behalf of the Board,  
**DANIEL HO WAI MING**  
Group Chief Executive Officer

# SUSTAINABILITY STATEMENT

## OUR APPROACH TO SUSTAINABILITY

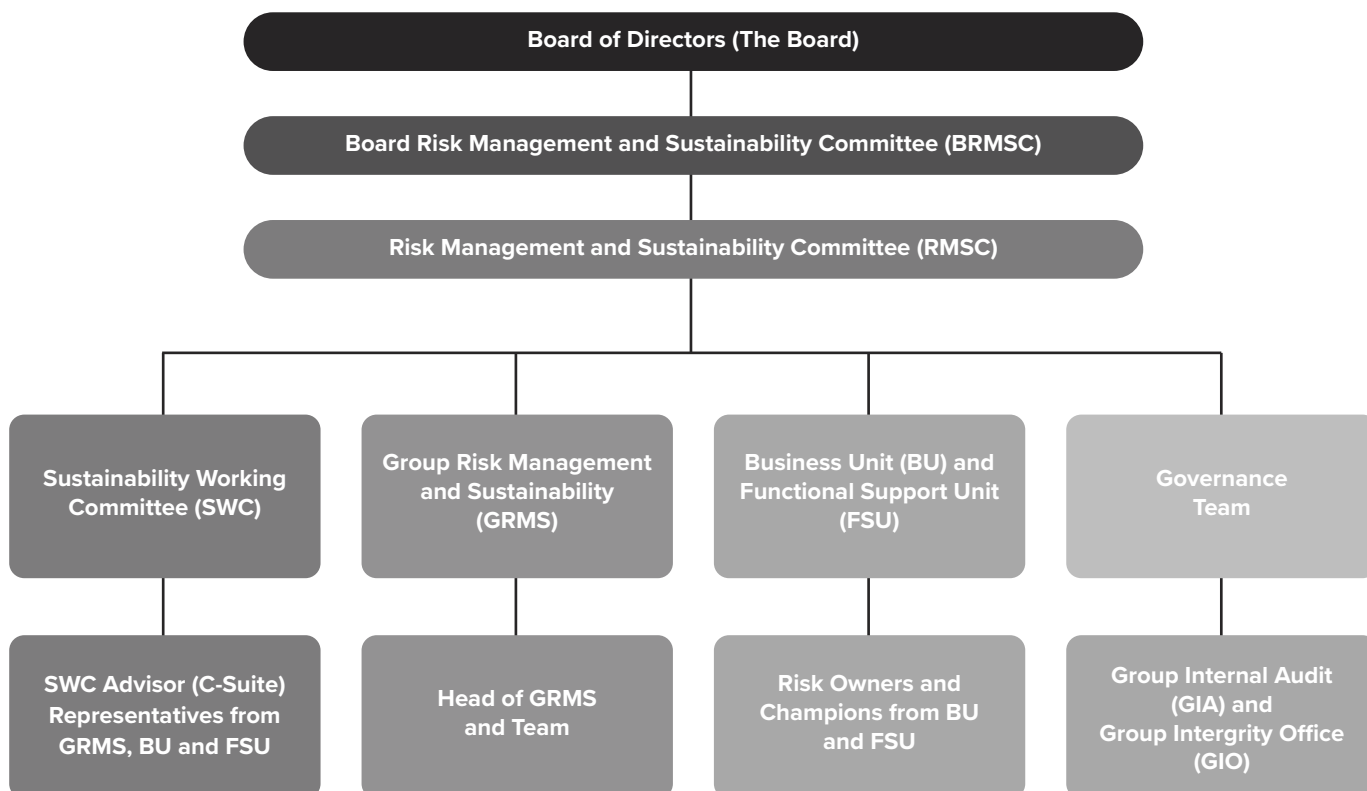
In 2025, Tan Chong Motor Holdings Berhad (“TCMH” or “Group”) remains committed to integrating sustainability into our business strategy to support long-term value creation for our stakeholders. Guided by strong governance, responsible business practices and continuous improvement, the Group focuses on balancing economic growth with environmental stewardship and social responsibility across our operations and value chain.

Our sustainability approach is anchored on managing material Environmental, Social and Governance (“ESG”) risks and opportunities, strengthening operational resilience, and supporting the transition towards a lower-carbon and more inclusive economy. We continue to enhance energy efficiency, emissions management and responsible resource use, while upholding high standards of occupational safety, workforce development, ethical conduct and regulatory compliance. Through stakeholder engagement and alignment with relevant regulatory and reporting frameworks, the Group aims to embed sustainability considerations into decision-making, risk management and performance monitoring, ensuring that our business remains resilient, responsible and sustainable over the long term.

## SUSTAINABILITY GOVERNANCE STRUCTURE

At TCMH, sustainability is managed with clear direction, disciplined oversight and strategic influence under the leadership of the Group. A robust sustainability governance structure underpins these efforts, providing effective guidance for the implementation of the Group’s sustainability strategy across business operations, target setting and reporting processes. This structured approach reinforces accountability, supports informed decision-making and strengthens engagement with our external stakeholders.

As the Group continues to evolve, we remain agile in reviewing, refining and adapting our sustainability practices across all business units and operating regions to ensure relevance and responsiveness to changing expectations and operating environments. In line with Bursa Malaysia’s Main Market Listing Requirements, the Group adopts a progressive approach to sustainability governance through periodic reviews and continuous strengthening of its governance framework, ensuring that sustainability remains embedded within our overall corporate governance and long-term value creation agenda.



# SUSTAINABILITY STATEMENT

## ROLES AND RESPONSIBILITIES

<p><b>The Board</b></p>	<p>The Board is responsible for providing strategic oversight and governance of the Group’s sustainability agenda.</p> <p>Setting the sustainability direction and ensuring alignment with corporate objectives and long-term value creation.</p> <p>Oversees ESG risks and opportunities, upholds strong governance and accountability, and reviews sustainability disclosures for accuracy and compliance with ISSB standards.</p> <p>Considers stakeholder expectations and promotes responsible corporate citizenship.</p>
<p><b>BRMSC</b></p>	<p>This Committee is delegated by the Board of Directors to provide focused oversight and strategic guidance on sustainability and risk-related matters.</p> <p>Provides strategic oversight by reviewing and recommending the Group’s sustainability strategy, objectives, and policies while ensuring alignment with corporate strategy and enterprise risk management.</p> <p>Governs sustainability-related risks, including climate, social, and governance risks, and ensures integration of ESG considerations into the Group’s risk appetite and management framework.</p> <p>Monitors compliance with sustainability standards (including ISSB and IFRS S1/S2), reviews performance against targets, and endorses accurate and transparent ESG disclosures.</p> <p>Oversees stakeholder engagement, promotes a strong sustainability and risk culture, and supports capacity-building initiatives across the organisation.</p>
<p><b>RMSC</b></p>	<p>This Committee is delegated by the Board of Directors to provide focused oversight and strategic guidance on sustainability and risk-related matters.</p> <p>Provides strategic oversight by reviewing and recommending the Group’s sustainability strategy, objectives, and policies, ensuring alignment with corporate strategy and enterprise risk management. It governs sustainability-related risks including climate, social, governance risks and integrates ESG considerations into the Group’s risk appetite and risk management framework.</p> <p>Monitors compliance with sustainability standards such as ISSB and IFRS S1/S2, reviews performance against targets, and endorses accurate and transparent ESG disclosures for reporting purposes.</p> <p>Oversees stakeholder engagement, promotes a strong sustainability and risk culture, and supports initiatives to build internal ESG capabilities.</p>
<p><b>SWC &amp; GRMS</b></p>	<p>The Chairman of RMSC has empowered SWC and GRMS to conduct the materiality assessment, review sustainability matters annually, and recommend updates for approval by RMSC and BRMSC.</p> <p>They implement sustainability strategies, guide business units on directives, and monitor sustainability KPIs and Bursa Malaysia reporting indicators for submission to the relevant committees.</p> <p>The SWC facilitates the integration of ESG by identifying material sustainability issues, coordinating initiatives, and ensuring that risks and opportunities are incorporated into business planning.</p> <p>The GRMS team embeds ESG considerations into the risk management framework by assessing ESG-related risks, aligning them with the Group’s risk appetite, and reporting them to the relevant governance committees.</p>
<p><b>BUs and FSUs</b></p>	<p>Business units are responsible for owning sustainability initiatives, data, and implementation while determining and tracking performance metrics and targets for planned programmes.</p> <p>They also review the effectiveness of related policies and initiatives based on materiality to ensure continuous improvement.</p> <p>Integrates ESG into its operations by systematically identifying material environmental, social, and governance (ESG) issues, assessing their associated risks and opportunities, and embedding the necessary actions into business processes to support sustainable and responsible performance.</p>
<p><b>GIA</b></p>	<p>Group Internal Audit provides independent assurance on the governance, risk management, and internal controls supporting sustainability reporting, with a focus on data integrity, process effectiveness, and compliance with applicable standards and requirements.</p>
<p><b>GIO</b></p>	<p>The Group Integrity Office supports sustainability reporting by overseeing ethics, compliance, and whistleblowing processes relevant to governance disclosures, and by promoting transparency, ethical behaviour, and accountability across the Group. Management remains responsible for sustainability disclosures, while GIO contributes through its integrity risk oversight and monitoring activities.</p>

# SUSTAINABILITY STATEMENT

## STAKEHOLDERS ENGAGEMENT

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

Key Stakeholder Groups (Internal and External)	Engagement Approach			
	Channels of Engagement	Frequency	Stakeholders' key interests and concerns	Our Responses
Investors/ Financial Analysts	<ul style="list-style-type: none"> <li>Quarterly financial analysts and fund managers' briefing</li> <li>Annually and quarterly financial results announcements</li> <li>Other announcements made to Bursa Malaysia</li> <li>Investor relations channel</li> <li>Corporate website</li> <li>Press release and coverage</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Market and industry insights</li> <li>Corporate governance approach</li> <li>Business strategy</li> <li>Risk management</li> <li>Future plans and strategies</li> </ul>	<ul style="list-style-type: none"> <li>Regular updates via communication channels</li> <li>Ensuring transparent and timely dissemination of information to all</li> </ul>
Customers/ Dealers	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer feedback channel</li> <li>Customer care centre and customer service hotline</li> <li>Social media and corporate website</li> <li>Marketing events, roadshows</li> <li>Product showrooms</li> <li>Product briefing</li> <li>Scheduled dealers meeting</li> </ul>	<ul style="list-style-type: none"> <li>Continuous</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Product safety and quality</li> <li>Service quality</li> <li>Ethical business practices</li> <li>Environmental impact</li> <li>Trading Terms</li> <li>Product Updates</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring customer satisfaction through high-quality products and services</li> <li>Sales and marketing campaigns to attract and retain customers</li> <li>Digitalisation efforts, mobile applications, virtual showroom</li> <li>Equip dealers with products knowledge</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Trade unions</li> <li>Staff engagement events and functions</li> <li>Training and development programmes</li> <li>Intranet</li> <li>Internal Memorandum</li> <li>Mid-year and annual performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Half yearly</li> <li>Continuous</li> </ul>	<ul style="list-style-type: none"> <li>Career development</li> <li>Health, safety and well-being</li> <li>Diversity and inclusivity</li> <li>Talent development</li> <li>Employee welfare</li> <li>Emergency preparedness</li> <li>Remuneration, benefits and compensation</li> <li>Job Security</li> <li>Workplace Relationship</li> <li>Recognition and appreciation</li> </ul>	<ul style="list-style-type: none"> <li>Implementing a robust learning and development plan across all areas of the business</li> <li>Hiring and promotions are based entirely on merit</li> <li>Occupational Safety and Health Administration ("OSHA") policies and procedures</li> <li>Grievances mechanism</li> <li>Health and safety communication</li> </ul>

# SUSTAINABILITY STATEMENT

Key Stakeholder Groups (Internal and External)	Engagement Approach			
	Channels of Engagement	Frequency	Stakeholders' key interests and concerns	Our Responses
Local Communities and Non-Governmental Organisations	<ul style="list-style-type: none"> <li>Social enhancement and environmental conservation programmes</li> <li>Humanitarian programme</li> <li>Philanthropy activities</li> <li>Education and childcare programmes</li> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>ESG impact</li> <li>Support for vulnerable Groups</li> <li>Rising cost of living</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc charitable activities for the needy community</li> <li>Long-term social partnership with relevant institutions/organisations in driving positive changes in the targeted communities</li> <li>Blood donation drive</li> </ul>
Media	<ul style="list-style-type: none"> <li>Press conferences</li> <li>Press releases</li> <li>Corporate advertisements</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Business performance, strategy and direction</li> <li>New products and services</li> <li>Strategic business plan</li> <li>Timely and accurate information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Timely dissemination of information via various channels such as email circular updates, corporate website and social media platform</li> <li>Short respond time to media enquiries</li> </ul>
Principal Partners	<ul style="list-style-type: none"> <li>Schedule engagements such as meetings and teleconferences</li> <li>Summit and conferences</li> <li>Visitations and audits</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Half yearly</li> </ul>	<ul style="list-style-type: none"> <li>Operational and business performance</li> <li>Supply chain management</li> <li>Environmental, health and safety</li> <li>Quality and compliance</li> <li>ESG compliance</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular meetings for review of decision making and updates</li> <li>Comply with quality standards and ESG requirements</li> </ul>
Suppliers/ Vendors/ Contractors	<ul style="list-style-type: none"> <li>Meetings/Briefings</li> <li>Pre-qualification assessment</li> <li>Screening and due diligence</li> <li>Performance evaluation</li> <li>Trade exhibitions</li> <li>Factory/Site visits</li> <li>ESG Survey Feedback</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Efficient procurement processes</li> <li>Transparency in procurement processes</li> <li>Timely payment</li> <li>Continuous business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on provision of transparent procurement processes</li> <li>Briefing for the suppliers/vendors on the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy</li> <li>Yearly supplier performance evaluation</li> </ul>

# SUSTAINABILITY STATEMENT

Key Stakeholder Groups (Internal and External)	Engagement Approach			
	Channels of Engagement	Frequency	Stakeholders' key interests and concerns	Our Responses
Regulators and Government Bodies	<ul style="list-style-type: none"> <li>Meetings</li> <li>Audits / Inspections</li> <li>Association periodical meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>License to operate</li> <li>Automotive industrial related issues</li> <li>Industry compliance requirements</li> <li>ESG Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Constant engagement with the authorities to share and exchange ideas</li> <li>Disclosures of ESG information</li> </ul>
Financiers	<ul style="list-style-type: none"> <li>Meetings</li> <li>Annual review</li> <li>Corporate events</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Business performance</li> <li>ESG Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Timely disclosure of updated audited financial statements</li> <li>Forward looking statements</li> <li>ESG response and updates</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Direct communication through digital platform</li> <li>Shareholders meetings and events</li> <li>Investor relations website</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Continuous</li> </ul>	<ul style="list-style-type: none"> <li>Continuous flow of information</li> <li>Transparency and accurate reporting</li> <li>ESG performance disclosures</li> <li>Timely disclosures of financial performances</li> <li>Corporate updates</li> <li>Return of Investment ("ROI")</li> </ul>	<ul style="list-style-type: none"> <li>Dividend payout</li> <li>Annual reports</li> <li>Annual General meeting</li> <li>Circulars</li> <li>Corporate website</li> <li>Investment relation portal</li> <li>Quarterly reporting</li> </ul>

## MATERIALITY MATTERS

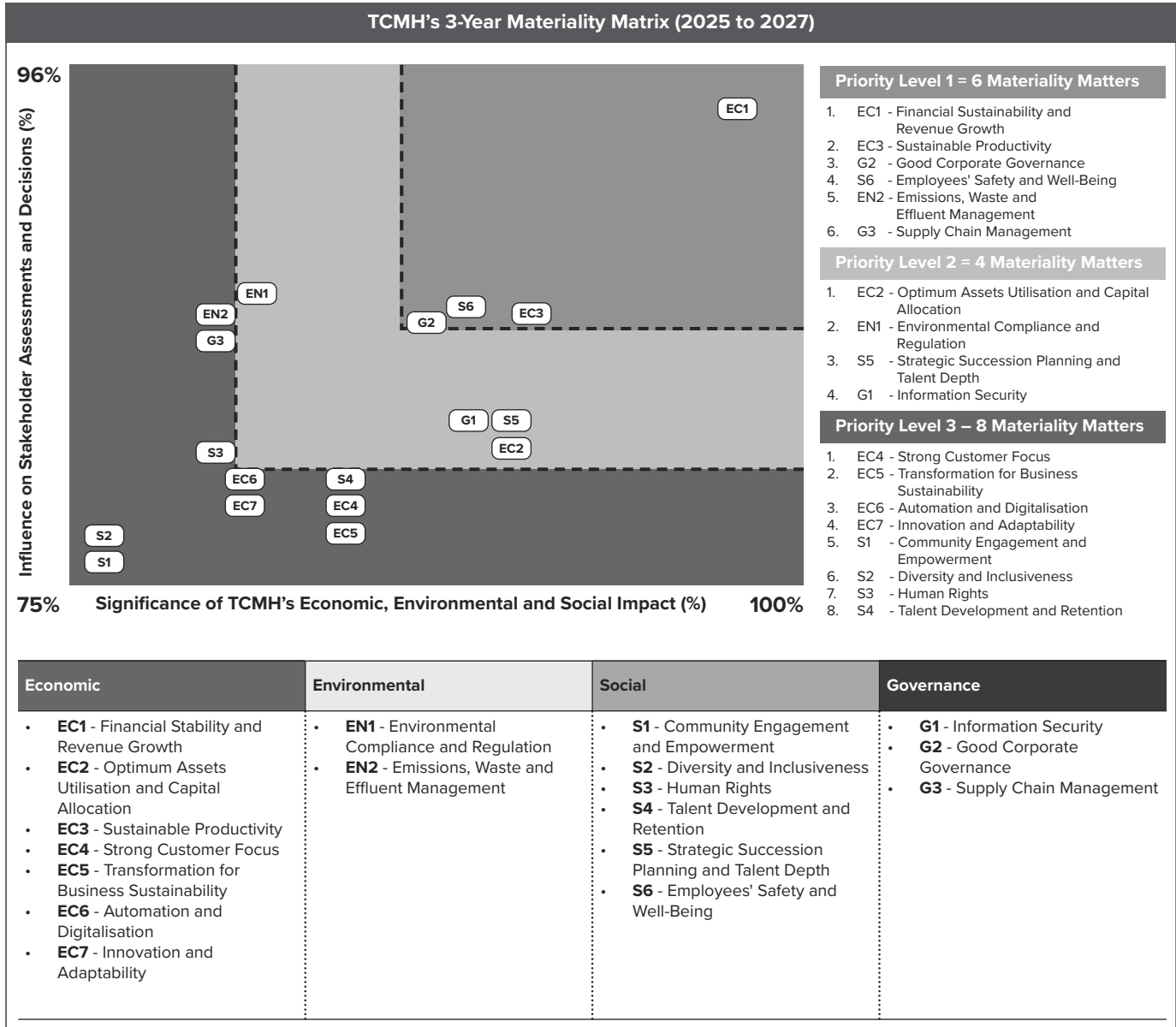
TCMH conducted its materiality assessment in 2024 with the objective of ensuring that the Group continues to identify and prioritise ESG issues for the next three years (2025–2027) that have the most significant impact on its business and stakeholders. This assessment helps keep sustainability focus areas relevant over time and supports informed decision-making, effective risk management, and strategic resource allocation.

### 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

# SUSTAINABILITY STATEMENT



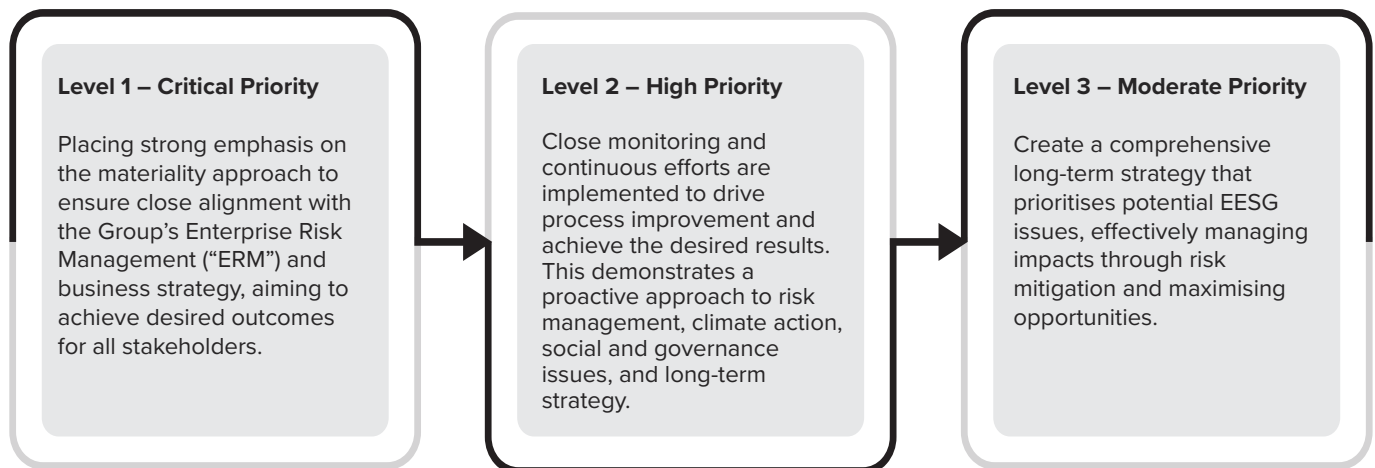
**In alignment to these UNSDGs:**



**Note:** The sustainability matters under **EN2 (Emissions, Waste and Effluent Management)** and **G3 (Supply Chain Management)** have been reclassified to **Level 1**. This elevation reflects the Group's recognition of their significant environmental and social impacts, as well as their importance to both the organisation and its stakeholders.

## SUSTAINABILITY STATEMENT

Our assessment of the importance of sustainability matters is based on the weighted average ratings derived from both internal and external stakeholder engagements. Using these insights, the Group has classified each material sustainability matter into three priority levels, as outlined below, to ensure a focused and effective approach to managing our most significant impacts.



During the year, the Group conducted a double materiality assessment by integrating ESG considerations into our Enterprise Risk Management Framework. In the fourth quarter, all active business units participated in evaluating ESG issues that are material to their operations and aligning them with the Group’s established material sustainability matters. This exercise strengthened the Group’s ability to prioritise and address key risks and opportunities. As part of the assessment, material environmental and social issues were identified, and corresponding Key Performance Indicators (“KPIs”) were developed to track and manage these areas effectively.

### RISKS AND OPPORTUNITIES

TCMH adopts the ISO 31000:2018 Risk Management Guidelines to enhance organisational resilience by identifying, assessing and managing potential risks. In line with IFRS S1 and IFRS S2, our Enterprise Risk Management (“ERM”) framework integrates sustainability and climate related risks into the Group’s overall risk assessment process.

In 2026, designated risk owners, together with GRMS and SWC, shall conduct regular reviews to evaluate ESG and climate-related exposures, including their financial implications and operational impacts. This include quarterly oversight is provided by RMSC and BRMSC, ensuring the governance, risk management, strategy and performance considerations required under IFRS S1 and S2 are fully embedded.

The Group’s material matters, related risks, opportunities and strategic responses aimed at long-term stakeholder value creation are presented within each thematic pillar of this Statement, reflecting the IFRS emphasis on connectivity and decision useful disclosure.

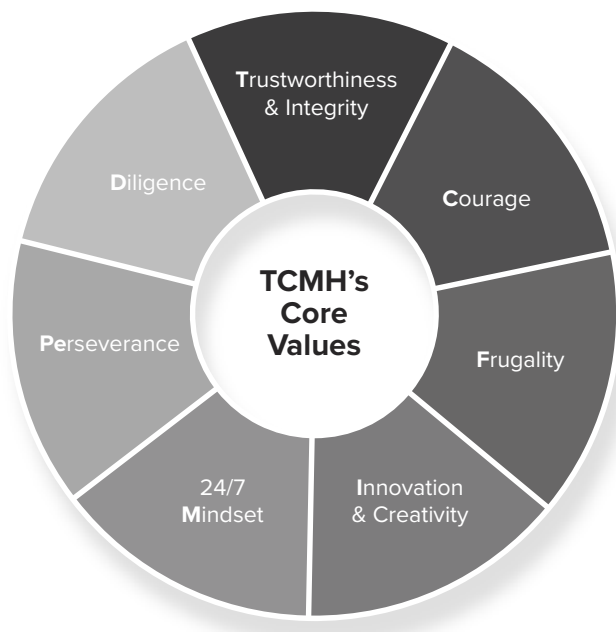
# SUSTAINABILITY STATEMENT

## SUSTAINABILITY FRAMEWORK

### Our Purpose Statement – “DRIVING RESILIENCE”

The foundation of TCMH’s Sustainability Framework is anchored in our core values (“**TCFIMPeD**”), which serve as guiding principles across seven key focus areas. Our 5-Year Sustainability Framework (2022–2026), titled Driving Resilience, reinforces the Group’s commitment to embedding sustainable practices throughout all levels of the organisation.

Under the direction of the Board and Senior Management, sustainability-related KPIs and targets have been clearly defined and integrated into the Group’s strategic and operational planning. This alignment ensures that every business unit operates cohesively toward achieving TCMH’s Environmental, Economic, Social and Governance (“EESG”) objectives.



**Our Vision :**  
To provide information about sustainability initiatives to help realise the goals of a sustainable organisation and society

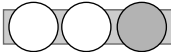

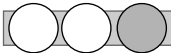
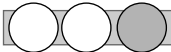
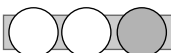


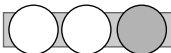



**Our Mission :**  
To develop a sustainability roadmap, increase engagement with our stakeholders, improve on resource allocation through understand of the EESG agenda and make proactive and continuous adjustments to our sustainability strategy

	PILLARS	THEMES
	ECONOMIC	Long-Term Value Creation
		Innovation and Digitalisation
	ENVIRONMENTAL	A Green Future
	SOCIAL	The Human Connection
		Employees' Safety and Well-Being
	GOVERNANCE	Governance Responsibilities

# SUSTAINABILITY STATEMENT

## OUR EESG PERFORMANCE SCORECARD

Material Matters	Indicator	Target	Current progress against targets
<b>EC1</b> Financial Sustainability and Revenue Growth	Turnover of Regional Companies	Minimum 5% growth year on year	 89.60% achieved in growth year on year
<b>EC3</b> Sustainable Productivity	Employees' Productivity	Revenue per employee of RM480K/year	 RM426.8K revenue per employee
<b>S5</b> Employees' Safety and Well-Being	Training programmes on health awareness	At least 12 programmes	 Conducted 17 health awareness programmes
<b>G2</b> Good Corporate Governance	Code of Business Conduct and Ethics	100% acknowledgement by employees	 Achieved 100% acknowledgement by employees
	Percentage of employees who have received training on anti-corruption by employee category	100% of employees attended the training on anti-corruption	 Achieved 100% of attendance by employees
	Number of confirmed incidents of corruption (substantiated and investigated) and action taken	Zero confirmed incidents of corruption (substantiated and investigated) and action taken	 Achieved Zero of confirmed incidents of corruption and action taken
<b>G3</b> Supply Chain Management	Supplier Performance Evaluation	100% completion of performance evaluation of at least 20 key suppliers	 Evaluated more than 20 key suppliers
<b>EN2</b> Emissions, Waste and Effluent Management	Waste Management	Total waste diverted from disposal $\geq$ 95%	 Total waste diverted from disposal: 96%
			 Total waste directed to disposal: 4%

**Legend: Progress Tracking**

Target achievement: > 90%  


Target achievement: 50% to 90%  


Target achievement: < 50%  


# SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS

### ECONOMIC: LONG-TERM VALUE CREATION

TCMH's long-term value creation is driven by a holistic approach that integrates strategic growth, operational excellence, and responsible business practices. The Group aims to deliver sustainable value for stakeholders by balancing financial performance with environmental stewardship, social responsibility, and strong governance.

The Group focuses on building a resilient business model capable of adapting to evolving market conditions, technological advancements, and regulatory expectations. Through strategic diversification, continuous efficiency improvements, and prudent risk management, the Group safeguards sustainable performance and long-term competitiveness.

Sustainability and EESG considerations are embedded into key decision-making processes, supported by the Group's Enterprise Risk Management ("ERM") Framework. TCMH ensures that long-term planning incorporates factors such as:

- transition to low-carbon mobility,
- circular economy practices,
- social impacts across the value chain, and
- governance expectations from regulators and stakeholders.

TCMH's long-term value creation includes reducing environmental footprint, advancing resource efficiency, and promoting responsible operations across the automotive, assembly, distribution, and after-sales ecosystem. The Group commits to:




- improving emissions efficiency,
- managing waste responsibly,
- strengthening supply chain sustainability under ethical and responsible labour practices, and
- supporting communities through safety and skills development.

Long-term value is also created through investments in technology, digitalisation, and emerging mobility solutions. This includes advancing EV readiness, modernising systems, and adopting new technologies that enhance operational productivity and customer experience.

TCMH's governance structure including the Board, RMSC, BRMSC, SWC, and GRMS ensures that sustainability issues are overseen at the highest level. Clear policies, transparent reporting, and regular reviews reinforce stakeholder trust and support long-term value creation.



# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>EC1: Financial Stability and Revenue Growth</b></p> <p>Continuously map out long-term strategic directions of the Group in ensuring its financial sustainability and navigating the highly disruptive era.</p> <p><b>Related UNSDG:</b></p> 	<p>Financial stability and revenue growth are essential for TCMH to remain competitive, invest in strategic initiatives, and navigate market volatility. As the automotive sector is cyclical and consumer preferences evolve, these factors underpin the Group's long-term resilience and strategic strength.</p>	<p>TCMH strengthens financial stability and revenue growth through disciplined cost management, regional market expansion, and diversified product portfolios. The Group leverages digital transformation, operational efficiency, and strategic investments in EV and future mobility. Strong governance, prudent risk management and ESG integration support sustainable performance, capital access and long-term profitability.</p>	<p>Economic volatility, supply disruptions, competition, regulatory changes, electrification demands and shifting consumer preferences pose risks that reduce demand, increase costs and pressure profitability. stay competitive.</p>	<p>Expansion in regional markets, EV growth, digitalisation and strong ESG-aligned financial performance create new revenue opportunities, cost efficiencies and long-term resilience.</p>
<p><b>EC2: Optimum Assets Utilisation and Capital Allocation</b></p> <p>Optimising assets utilisation and capital allocation to ensure a better Return On Assets ("ROA") employed.</p> <p><b>Related UNSDG:</b></p> 	<p>Optimising asset utilisation and applying disciplined capital allocation enhance efficiency, liquidity and financial resilience, enabling TCMH to invest strategically in mobility innovation, digitalisation, regional expansion and operational improvements for sustainable, long-term value creation.</p>	<p>TCMH enhances asset efficiency by monitoring capacity, improving after-sales performance, and prioritising strategic, low-carbon investments, while reallocating capital from underperforming assets to high-growth opportunities in EV mobility, digital platforms and regional markets.</p>	<p>Idle assets, poor investment decisions and economic volatility can raise costs, weaken liquidity and restrict capital for strategic growth initiatives.</p>	<p>Better asset and inventory utilisation boosts margins and reduces waste, while reallocating capital to EV, digital and regional growth strengthens competitiveness.</p>
<p><b>EC3: Sustainable Productivity</b></p> <p>Driving productivity improvement while creating new job opportunities.</p> <p><b>Related UNSDG:</b></p> 	<p>Sustainable productivity is vital for TCMH to stay competitive by enhancing efficiency, strengthening workforce capabilities, adopting technology and reducing waste, enabling resilience amid electrification, digitalisation and evolving customer expectations.</p>	<p>TCMH boosts sustainable productivity by applying lean practices, enhancing quality controls, upskilling employees, improving energy efficiency, and collaborating with suppliers to strengthen performance, reduce waste and support ESG-aligned operational excellence.</p>	<p>Weak process controls, skill gaps, outdated systems and unreliable suppliers can reduce productivity, raise costs, and undermine TCMH's operational competitiveness.</p>	<p>Improved processes, digitalisation, skilled workforce and energy-efficient practices boost productivity, reduce costs, enhance quality, strengthen supplier performance and support TCMH's climate goals.</p>

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE/VALUE CREATED

### Strengthening Financial Resilience Amid Industry Transformation

Financial stability and sustainable revenue growth remain central to TCMH's long-term resilience as the automotive industry undergoes structural transformation driven by electrification, digitalisation and evolving consumer expectations.

In 2025, the Group strengthened its revenue diversification strategy through the successful rollout of the TQ-Wuling Bingo EV, marking an entry into the accessible EV segment and broadening the Group's product portfolio. The strong performance of the Nissan Kicks e-POWER further reinforced TCMH's electrification positioning, reflecting market acceptance of Nissan's differentiated e-POWER technology and supporting earnings quality.

Beyond Malaysia, the Group's regional operations in Vietnam, Cambodia and Laos continued to contribute positively, providing geographical earnings diversification and enhancing resilience against domestic market cyclicality. Supported by disciplined cost management, prudent inventory planning and strengthened after-sales contributions, TCMH remains well-positioned to navigate market volatility while funding strategic growth initiatives.

### Prudent Asset Utilisation and Investment for Long-Term Value Creation

TCMH maintains a disciplined approach to asset utilisation and capital allocation to ensure resources are aligned with strategic priorities and evolving mobility trends.

In FY2025, the Group focused on optimising working capital, managing inventory levels prudently in anticipation of new model launches, and enhancing dealership and after-sales network readiness to support electrified vehicles. Investments were channelled towards strengthening EV technical capabilities, service infrastructure, digital retail initiatives and regional market development.

Capital deployment decisions continue to be guided by return discipline, liquidity preservation and long-term value creation. This ensures that the Group retains the financial flexibility to support new mobility programmes, product introductions such as upcoming Nissan model launches, and expansion of EV-related ecosystem capabilities while safeguarding balance sheet strength.

### Strengthening Operational Efficiency for a Technology-Driven Future

Sustainable productivity is critical as TCMH transitions towards a more technology-driven and electrified business model. The Group continues to enhance operational efficiency while building workforce capabilities to support EV and digital transformation initiatives.

During the year, cross-functional coordination across marketing, dealer engagement, technical training and after-sales operations was instrumental in the successful introduction of the TQ-Wuling EV programme and the continued momentum of Nissan's electrified models. The local assembly of the TQ Wuling Bingo EV underscores the Group's capability to produce affordable electric vehicle in Malaysia and supporting Malaysia's low-carbon agenda and strengthening a resilient domestic EV ecosystem. The Group intensified technical upskilling in EV diagnostics, battery systems and hybrid technologies to ensure service readiness and customer confidence.

Process improvements, digitalisation initiatives and cost optimisation efforts remain ongoing priorities to reduce waste, improve turnaround times and enhance customer experience. By integrating people, process and technology, TCMH strengthens organisational agility and reinforces its ability to compete sustainably in an increasingly dynamic automotive landscape.



# SUSTAINABILITY STATEMENT









## ECONOMIC: INNOVATION AND DIGITALISATION

The Group aims to strengthen its competitive advantage by accelerating innovation, enhancing collaboration, and leveraging advanced technologies to drive digital transformation and automation. These initiatives improve operational efficiency, speed, and product and service quality while deepening customer engagement. Strategic investments in technology support economic growth, enable new market opportunities, and increase productivity through process automation, improved communication and data-driven decision-making. Digitalisation also reduces transaction costs, expands market reach and enhances organisational resilience and adaptability. Collectively, these efforts contribute to sustainable and inclusive development.

The material sustainability matters under this theme include: Strong Customer Focus, Transformation for Business Sustainability, Automation and Digitalisation, and Innovation and Adaptability.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>EC4: Strong Customer Focus</b></p> <p>Strong customer focus drives sales, loyalty, after-sales revenue, EV transition, brand trust, and resilience sustainably</p> <p><b>Related UNSDGs:</b></p>  	<p>A strong customer focus is vital to TCMH as it operates in a competitive, cyclical, and brand-driven automotive market. Customer experience directly affects sales, loyalty, and after-sales revenue, while supporting EV and digital transformation, strengthening brand trust, and enhancing resilience by retaining loyal customers during economic downturns.</p>	<p>TCMH strengthens customer focus through consistent, quality sales and after-sales experiences, reliable service standards, digital and data-driven engagement, customer-aligned product and mobility innovation, and strong governance. These efforts emphasise lifetime customer value, proactive issue resolution, transparent communication, and accountability through KPIs aligned with ESG and reputation management.</p>	<p>Weak or inconsistent customer focus may expose TCMH to customer attrition, reputational damage, revenue and margin pressure, and operational inefficiencies due to service inconsistencies and poor complaint handling. It also heightens transition risk by undermining customer confidence during EV and digital transformation, potentially resulting in dissatisfaction, loss of trust, and reduced long-term competitiveness.</p>	<p>A strong customer focus enables TCMH to drive sustainable revenue growth through higher retention and after-sales, differentiate via service excellence, build brand trust, support successful EV and mobility adoption, reduce operating costs through efficiency and referrals, and strengthen ESG outcomes by fostering long-term stakeholder confidence, resilience, and value creation.</p>

# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>EC5: Transformation for Business Sustainability</b></p> <p>Sustainable transformation keeps TCMH competitive, resilient, compliant, and profitable amid electrification, digitalisation, and evolving market demands</p> <p><b>Related UNSDGs:</b></p>  	<p>Transformation for business sustainability is vital to TCMH as rapid electrification, digitalisation, regulatory demands, and changing customer expectations reshape the automotive and mobility industry. Without change, traditional models risk obsolescence. Sustainable transformation enables TCMH to stay competitive, compliant, resilient, and profitable while delivering long-term value to stakeholders.</p>	<p>TCMH is transforming its business model toward EVs, hybrids, and mobility solutions while diversifying revenue through digital retailing and after-sales services. The Group enhances operational efficiency by adopting digitalisation and automation, embedding sustainability across operations, supply chains, and procurement. TCMH builds long-term resilience by integrating ESG and climate priorities, upskilling its workforce, and strengthening governance to enable innovation and manage transformation risks.</p>	<p>Transformation risks include execution delays and cost overruns, high upfront investments with uncertain returns, capability and change management gaps, rapid technology obsolescence, and misalignment with customer readiness, regulatory direction, or infrastructure development during the transition period.</p>	<p>Creates opportunities for TCMH to future-proof its business, gain competitive advantage through innovation and digital capabilities, improve cost efficiency, strengthen ESG credibility, and attract and retain purpose-driven talent for long-term growth and organisational resilience.</p>
<p><b>EC6: Automation and Digitalisation</b></p> <p>Technological innovation to enhance key internal business functions, improve process efficiency and effectiveness, and promote innovation and business continuity.</p> <p><b>Related UNSDGs:</b></p>  	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p><b>EC7: Innovation and Adaptability</b></p> <p>Innovation and adaptability enable TCMH to stay competitive, manage disruption, and achieve sustainable growth amid industry change.</p> <p><b>Related UNSDGs:</b></p>  	<p>The rapid electrification, digitalisation, evolving customer expectations, and regulatory pressures reshape the automotive and mobility industry. By continuously innovating and adapting, TCMH can respond effectively to market changes, manage disruption, stay competitive, and achieve sustainable long-term growth while avoiding business model obsolescence.</p>	<p>Aligning offerings with evolving customer needs, adopting EV and digital technologies, improving processes through automation and analytics, developing agile and future-ready talent, and enabling innovation through strong governance and strategic partnerships with OEMs and technology players to remain responsive, efficient, and competitive.</p>	<p>Failed execution, uncertain investment returns, skills gaps and resistance to change, rapid technology obsolescence, and reputational damage if innovations are poorly implemented or misaligned with customer expectations.</p>	<p>Creates opportunities for TCMH to sustain competitiveness, unlock new EV and digital revenue streams, build operational resilience through agility, strengthen its forward-looking brand positioning, and attract skilled, future-oriented talent to support long-term growth and market leadership.</p>

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE/VALUE CREATED

### Expansion into Electric Vehicles (EVs)

TCMH strengthened its EV presence through a strategic partnership with SAIC GM Wuling Automobile Co., Ltd to locally assemble the TQ Wuling Bingo EVs in Malaysia. The Group also supports our business partner's first national EV project by providing Electrodeposition ("ED") coating, painting services and leasing dedicated assembly lines through Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA"), while contributing their broader EV ecosystem by optimising plant utilisation. Additionally, TCMH enhanced its EV product portfolio through the launch and expansion of the Nissan Kicks e POWER, including the IMPUL edition.

### Diversification into Mobility & Digital Solutions

TCMH is advancing its mobility strategy by expanding Mobility as a Service ("MaaS") and car subscription solutions across the region, offering customers greater flexibility and access to modern mobility options. At the same time, the Group continues to invest in digital transformation and data driven marketing to enhance customer engagement, strengthen after-sales retention, and improve sales effectiveness. These initiatives are supported by a strong focus on after sales service excellence, where TCMH prioritises customer satisfaction, timely support, and quality service delivery to build long term loyalty and strengthen customer lifetime value.

### Regional Expansion & Market Growth

TCMH is strengthening its long term mobility strategy by broadening its MaaS and car subscription offerings across the region, providing customers with greater flexibility, affordability, and access to modern mobility solutions without the need for traditional vehicle ownership. In parallel, the Group is accelerating its digital transformation agenda by investing in advanced technologies and data driven marketing capabilities to deepen customer engagement, enhance personalised interactions, and improve both sales efficiency and after-sales retention.

These efforts are reinforced by TCMH's unwavering focus on after sales service excellence, where priority is placed on delivering responsive support, high quality service standards, and a seamless customer experience. Together, these initiatives drive stronger customer satisfaction, foster long term loyalty, and strengthen customer lifetime value across the Group's mobility ecosystem.

# SUSTAINABILITY STATEMENT



## ENVIRONMENTAL: A GREEN FUTURE

Under Environmental, TCMH advances “A Green Future” through a strong commitment to environmental sustainability, focusing on energy conservation, decarbonisation, and efficient management of water, materials, and effluents. A key initiative is our solar lake farm, which generates renewable energy that is supplied to the national grid, supporting Malaysia’s green energy transition and contributing clean electricity to the surrounding community. It provides cleaner energy to nearby communities, lowering carbon intensity and environmental impact. It enhances public health by reducing emissions, promotes environmental awareness, and reinforces TCMH’s sustainability leadership. The initiative also supports national and community climate efforts, aligning with growing expectations for responsible corporate behaviour.


TCMH is committed to reducing its environmental footprint by strengthening emissions control, waste management and effluent treatment across all operations. Enhanced resource efficiency, recycling initiatives and energy-saving measures drive long-term cost reductions while supporting the Group’s Net Zero aspirations. These efforts reinforce stakeholder confidence and strengthen TCMH’s market positioning as an environmentally responsible organisation.

We continue to enhance energy efficiency across operations, adopt eco-friendly production practices, implement responsible sourcing, and minimise waste. TCMH also promotes environmental education and supports green initiatives, reflecting a holistic approach that prioritises a cleaner environment and delivers positive impact to the community and society.



Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>EN1: Environmental Compliance and Regulation</b></p> <p>Ensures TCMH meets environmental laws, avoids penalties, protects reputation, and supports long-term sustainable operations.</p> <p><b>Related UNSDGs:</b></p> <div style="display: flex; gap: 10px;"> <div style="text-align: center;"> <p>9</p> <p>INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div> <div style="text-align: center;"> <p>13</p> <p>CLIMATE ACTION</p>  </div> </div>	<p>Environmental compliance is imperative for TCMH to meet stringent Malaysian and ASEAN regulations, avoid fines and operational disruptions, and prevent reputational harm. Strong adherence to emission, waste, effluent and reporting requirements reinforces TCMH’s commitment to environmental protection, stakeholder trust and long-term business sustainability amid evolving climate, waste and decarbonisation standards.</p>	<p>TCMH strengthens environmental compliance by assigning clear accountability, implementing an ISO 14001-aligned management framework, and conducting regular audits of emissions, effluent, waste and hazardous materials. Operational controls such as waste segregation and spill prevention are enforced, supported by employee training and proactive engagement with regulators to ensure ongoing adherence.</p>	<p>Regulatory non-compliance leading to fines or operational suspension, reputational damage from environmental incidents, rising compliance costs, operational disruptions from enforcement actions, and supply chain vulnerabilities when suppliers fail to meet environmental standards.</p>	<p>Stronger stakeholder confidence, improved efficiency in waste, energy and water management, long-term cost savings from cleaner technologies, better market positioning through responsible practices, and enhanced readiness for future environmental and climate-related regulations.</p>

# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>EN2: Emissions, Waste and Effluent Management</b></p> <p>Aspiring towards the circular economy within our operations, supply chain waste management and reducing CO<sub>2</sub> footprint</p> <p><b>Related UNSDGs:</b></p> 	<p>Effective management of emissions, waste and effluents is crucial for TCMH to minimise environmental impact, ensure regulatory compliance and prevent pollution. Strong practices help reduce greenhouse gas emissions, support national climate goals, maintain community trust and strengthen long-term operational sustainability amid rising expectations for climate action and responsible waste management.</p>	<p>TCMH manages emissions, waste and effluents by reducing GHG emissions, improving energy efficiency, ensuring scheduled and general waste compliance, and partnering with licensed contractors. Effluent systems are regularly tested to meet standards, supported by spill prevention controls and comprehensive employee training on environmental procedures and emergency response.</p>	<p>Regulatory non-compliance leading to penalties or shutdowns, pollution incidents causing reputational harm, rising waste-management costs, carbon-related regulatory pressures, and operational disruptions if waste or effluent systems fail to meet required limits.</p>	<p>Reducing environmental impact through better emissions, waste and effluent management, achieving cost savings from efficiency and recycling, strengthening stakeholder trust, enhancing market positioning, and supporting TCMH's Net Zero progress through improved resource efficiency.</p>

## OUR PERFORMANCE/VALUE CREATED

### TCMH's Net Zero Roadmap by 2050

TCMH aspires to achieving Net Zero greenhouse gas emissions across its operations by 2050. Our decarbonisation pathway focuses on operational excellence, energy transition, and responsible value-chain development. TCMH will progressively reduce Scope 1 and Scope 2 emissions through increased energy efficiency, the adoption of renewable energy across assembly plants, after-sales facilities and offices, and the gradual transition towards low-carbon mobility solutions. We will strengthen carbon accounting processes, enhance data transparency, and embed climate-related risks into strategic and operational decision-making in alignment with global sustainability frameworks. Carbon offsets will only be considered for residual emissions after all feasible internal mitigation efforts have been deployed. Through this long-term roadmap, TCMH aims to build a resilient, climate-responsible, and future-ready automotive group for the next generation.

This year, GRMS collaborated with selected business units that have a record of high electricity and fuel consumption, as assessed internally, to identify opportunities for reducing usage and lowering the Group's overall emissions. These business units conducted simulations on the proposed strategies to estimate the potential emission reductions that could be achieved. The strategies were categorised into short-term (2 years), medium-term (8 years), and long-term (15 years) plans, all of which are scheduled to take effect in 2026.

The proposed target of a 30% reduction in emissions from the 2024 baseline, focusing on Scope 1 and Scope 2 emissions, was determined and deliberated in the SWC, discussed in RMSC meetings, and subsequently obtained concurrence in BRMSC meetings before being submitted for the Board's approval. This target forms the basis of the Group's strategies and plans for the 10-year period from 2026 to 2035.

# SUSTAINABILITY STATEMENT

Carbon Reduction Strategies and Plan Short-Term - 2026 to 2027 (5%) and Medium-Term - 2028 to 2035 (25%)	
Short-Term (2026 to 2027)	Medium-Term (2028 to 2035)
<ul style="list-style-type: none"> <li>Enhance energy efficiency through conservation measures and strengthened electrical usage management.</li> <li>Improve fuel consumption efficiency across operations and logistics activities.</li> <li>Promote sustainable transportation practices, including the adoption of low-emission and energy-efficient vehicles.</li> <li>Implement green procurement policies to prioritise environmentally responsible products and reduce air pollution.</li> <li>Increase the adoption of renewable energy sources where feasible across facilities and operations.</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy adoption and strengthened energy-conservation initiatives.</li> <li>Improving fuel-consumption efficiency and promoting greener transportation options.</li> <li>Encouraging sustainable transportation practices across operations.</li> <li>Reducing air pollution through cleaner technologies and environmental controls.</li> <li>Expanding the use of renewable energy sources where operationally feasible.</li> </ul>

BURSA's Common Indicator C11(a), (b) and (c)				
Measurement metric	2023	2024	2025	Target for 2025
Emissions Management Scope 1 emissions in tonnes of CO <sub>2</sub> e	Nil	5,899.32 metric tonnes	2,967.59 metric tonnes	No target set
Scope 2 emissions in tonnes of CO <sub>2</sub> e	Nil	23,600.46 metric tonnes	17,433.33 metric tonnes	
Scope 3 emissions in tonnes of CO <sub>2</sub> e Category 6 – Business Travel Category 7 – Employee Commuting	Nil	5,652.59 metric tonnes	6,260.55 metric tonnes	

## Environmental Compliance

TCMH remains committed to upholding stringent Environmental, Health and Safety ("EHS") standards by continuously monitoring performance through structured reporting, routine inspections and monthly management reviews. In line with current regulatory requirements, TCMH also ensures that competent personnel are properly trained and certified to manage and operate the system effectively.

TCMH's export programme for the Nissan Serena Hybrid to Thailand (initiated in December 2024 and continuing into 2025) required meeting both Malaysian and foreign regulatory environmental standards for automotive emissions and safety. The Group demonstrates product compliance with regional emission regulations and strong environmental quality controls in manufacturing.

The plant in Serendah provides our business partner ED coating and painting line services for the national EV project demonstrates compliance with environmental regulations governing industrial emissions, chemical handling, and paint booth exhaust standards. The upgrading and utilising these lines require compliance with DOE air-emission standards, proper waste and effluent management, which include environmental safeguards in coating and painting processes.

Indicators: Compliance with Environmental Laws And Regulations				
Measurement metric	2023	2024	2025	Target for 2025
Non-compliance with environmental laws and regulations	Zero case and no Stop Work Notice	Zero case and no Stop Work Notice	Zero case and no Stop Work Notice	Zero Stop Work Notice from Authority (Case)

# SUSTAINABILITY STATEMENT

## Renewable Energy is the Future of Sustainability

TC Sunergy Sdn. Bhd.'s ("TCS"), a subsidiary company of TCMH, solar energy division continues to contribute renewable electricity directly to Malaysia's national grid, supporting the country's clean-energy transition and reducing reliance on fossil-fuel-based power generation. By supplying green energy into the grid, TCMH helps lower overall national carbon intensity, enabling communities, businesses and households to indirectly benefit from cleaner electricity. This contributes to improved air quality, enhanced energy security and long-term environmental well-being for the wider community. The initiative also reinforces TCMH's role in advancing national sustainability goals and supporting a just, low-carbon transition beyond its own operations. TCMH's floating solar farms generate clean energy on water bodies while contributing to the biodiversity in the surrounding areas by reducing surface water temperature and evaporation plus excessive algae growth. This provides a more stable environment, supporting aquatic ecosystems, and providing habitats that encourage natural wildlife such as fishes, otters, and birds to flourish.

In 2025, Truckquip Sdn. Bhd. (TQ) strengthened its commitment to operational sustainability by utilising rooftop solar photovoltaic (PV) systems to reduce reliance on grid electricity. The solar installation generated clean, renewable energy that directly powered part of Truckquip's operational load, resulting in lower electricity consumption, reduced carbon emissions, and measurable progress towards TCMH's wider environmental goals. The shift from grid electricity, which is largely derived from fossil fuels to solar generation directly, contributed to lower Scope 2 emissions. This supported TCMH's decarbonisation aspirations and Malaysia's overall transition to cleaner energy sources.

## Energy Consumption and Conservation

TCMH's operations, particularly at our plants, require substantial energy. To manage this responsibly, we have implemented proactive measures, including systematic monitoring, control and optimisation of energy consumption to improve efficiency and reduce operating costs. As part of our energy management approach, we apply Total Preventive Maintenance across our plants, showrooms, factories and workshops to ensure machinery operates at optimal performance, thereby minimising energy use and enhancing reliability.

We further improve workplace energy efficiency by insulating buildings to reduce cooling demand and installing energy-efficient lighting systems. In addition, we continuously educate employees on energy-saving practices by encouraging adjustments in operational processes, behaviours and daily habits to eliminate unnecessary energy consumption.

The plant management team fosters a culture of reducing electricity consumption with the primary goal of achieving cost savings. As part of this initiative, they introduced changes to the lighting system by installing switches that control clusters of workstations, allowing lights to be turned on only when necessary.

BURSA's Common Indicator C4(a)				
Measurement metric	2023	2024	2025	Target for 2025
Total energy consumption	54,809.78 megawatts (197,315 Gigajoules)	55,230.62 megawatts (198,830 Gigajoules)	35,654.13 megawatts (128,355 Gigajoules)	1% reduction from previous year of 55,230.62 megawatts (198,830 Gigajoules)

## Pioneering Sustainable Mobility through Electrification Excellence

In 2025, TCMH ascend its value chain in EVs from distribution to contract assembly/line services and position the Group as an enabling partner for Malaysia's electrification agenda. The expanding affordable urban EV options and deepening EV manufacturing know-how within the Group as well as optimising plant utilisation while accelerating the local EV ecosystem. The export programme for the Nissan Serena Hybrid to Thailand (initiated Dec-2024 and contributing into 2025), broadening regional reach for electrified models and reinforcing manufacturing quality to export standards.

Expanding electrified nameplates (e-POWER/hybrids) and regional exports supports scale, reinforces brand relevance in the transition period to full EVs, and improves plant utilisation. Launched and scaled the Nissan Kicks e-POWER (incl. IMPUL edition showcased at Malaysia Autoshow 2025), strengthening TCMH's range of electrified offerings suited to urban usage while leveraging e-POWER's fuel-saving benefits.

Vietnam rebound with new distribution lines (e.g., GAC and King Long) created a broader base for future electrified/efficient mobility platforms, with improved divisional metrics noted by research coverage. Active exploration of new product opportunities in Cambodia, Laos, and Myanmar as part of regional growth laying groundwork for electrified and efficient mobility offerings across Indochina.

# SUSTAINABILITY STATEMENT

## Sustainable Waste Practices and Circular Economy

The Group focused on reducing operational waste, increasing recycling activities, and minimising environmental impact. We comply with all applicable local and international waste management and e-waste disposal regulations to limit waste sent to landfills. Operational business units are guided on proper waste-segregation practices and have established recycling programmes for materials such as paper, plastic, glass, metals, and e-waste.

All e-waste is disposed of responsibly through licensed and approved partners in accordance with environmental requirements. Business units are also required to regularly track and report their scheduled waste management performance, with a focus on waste disposal, recycling, and diversion to support the Group's sustainability goals.

TCMH's priority to the circular economy is reflected in how the Group approaches vehicle use, maintenance, and lifecycle management especially through electric vehicles) and car subscription models. These initiatives help reduce waste, extend product life, and optimise resource efficiency.

Through its car subscription services, TCMH enhances circularity by maximising the lifespan, utilisation, and recoverability of each vehicle while offering customers flexible and sustainable mobility options. The shared-use models ensure vehicles are efficiently utilised across multiple customers through professional maintenance, refurbished and redeployed multiple times which extends the full lifespan of each vehicle and its components.

### Waste sustainability practices

The Group is committed to reducing operational waste, increasing recycling efforts, and minimising environmental impact across all business activities. We comply fully with local regulatory requirements and internal waste-management and e-waste disposal guidelines to minimise the volume of waste sent to landfills.

All Business Units are guided on proper waste-segregation practices and have implemented recycling programmes for key materials such as paper, plastic, glass, metals, and e-waste. Our e-waste is disposed of responsibly through licensed and approved partners.

In accordance with environmental regulations. Beginning 2025, selected active business units are required to track and report scheduled-waste performance regularly, with emphasis on disposal volumes directed to disposal and recycling rates to support the Group's sustainability with quarterly reporting to management oversight. A Group-level KPI has been established to drive continuous improvement and ensure measurable progress toward responsible waste stewardship.

In 2025, total waste generation increased in line with business activities. Nevertheless, substantial efforts were undertaken to divert waste from disposal, achieving a record-low disposal rate compared to 2024.

BURSA's Common Indicator C10(a)				
Measurement metric	2023	2024	2025	Target for 2025
Waste Management Total waste generated:		3,521.84 metric tonnes	3,988.81 metric tonnes	≥95% of total diverted from disposal
a) Total waste diverted from disposal	Nil	3,303.56 metric tonnes	3,828.26 metric tonnes	
b) Total waste directed to disposal	Nil	218.28 metric tonnes	160.55 metric tonnes	

## Efficient Water Management

Effective water management helps minimise operational impact, lower utility costs, and support broader sustainability goals. Volumes directed to disposal and recycling rates analyse water consumption trends to establish baseline performance and monitor improvements, enabling data-driven decisions and early identification of wastage. A preventive maintenance programme is implemented across pipes, valves, toilets and water tanks, supported by routine leak inspections and prompt repairs to minimise water loss and avoid unnecessary consumption. In our plant, we operate water recycling systems, such as those used for shower testing of fully assembled buses, which reduce reliance on freshwater sources and minimize wastewater discharge. By conserving water, these initiatives support sustainable resource use and help safeguard water availability for the broader community. This year, lower water consumption was partially attributable to our premise consolidation initiative, resulting in reductions beyond the targets set.

BURSA's Common Indicator C9(a)				
Measurement metric	2023	2024	2025	Target for 2025
Total volume of water used	422.22 Megalitres	395.14 Megalitres	294.10 Megalitres	5% reduction from previous year of 395.14 Megalitres

# SUSTAINABILITY STATEMENT





## SOCIAL: THE HUMAN CONNECTION

In line with our social theme, “The Human Connection,” TCMH continues to foster a transparent, supportive and inclusive workplace. Regular employee engagement sessions, performance dialogues and open feedback channels empower employees and strengthen organisational trust. The Group embraces diversity by cultivating a workplace that values different backgrounds, perspectives and experiences, ensuring every employee feels respected and included.




TCMH remains fully committed to upholding Malaysian labour laws and international labour standards, ensuring fair wages, reasonable working hours, protection of human rights and safe working conditions. The Group enforces a strict zero-tolerance stance on forced labour, child labour, harassment and discrimination. Through our principals and suppliers engagement programmes, TCMH extends these standards across its supply chain, ensuring ethical labour practices and responsible conduct at every stage of the value chain.

Collectively, these initiatives reflect TCMH’s dedication to social responsibility and sustainable long-term value for all stakeholders.




Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>S1: Community Engagement and Empowerment</b></p> <p>Builds strong community ties, supports talent development, and enhances trust, reputation and long-term business resilience.</p> <p><b>Related UNSDGs:</b></p>    	<p>TCMH values community engagement to maintain strong local relationships, support talent development, and uphold its social licence to operate. By contributing to education, road safety, mobility access, and community well-being, the Group builds trust, enhances brand reputation, and strengthens long-term business resilience across its diverse operating regions.</p>	<p>TCMH strengthens community partnerships through education and technical training, supports employability via automotive certifications, and promotes employee volunteerism. The Group prioritises long-term, high-impact programmes and collaborates with NGOs and schools to address real community needs, ensuring initiatives align with TCMH’s expertise and deliver meaningful, measurable outcomes.</p>	<p>Weak community ties, misaligned initiatives, inconsistent engagement and unmet social expectations can harm reputation, reduce trust and cause operational delays if communities feel underserved, dissatisfied or disengaged.</p>	<p>Stronger reputation, deeper community trust and improved employee engagement, supported by youth talent development and impactful partnerships, enhance long-term business sustainability, ESG performance and alignment with national goals in education, mobility and road safety.</p>

# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>S2: Diversity and Inclusiveness</b></p> <p>Enhances innovation and collaboration, boosts engagement, strengthens talent attraction, and upholds fairness for competitive advantage.</p> <p><b>Related UNSDGs:</b></p> 	<p>Diversity and inclusiveness enable TCMH to leverage its multicultural workforce across regions, improving innovation, collaboration and service to diverse customers. An inclusive culture boosts engagement, reduces turnover and strengthens talent attraction, while reinforcing fairness, equal opportunity and compliance with labour standards essential for competitiveness in the automotive and mobility industry.</p>	<p>TCMH strengthens diversity and inclusion by developing gender-balanced talent pipelines, implementing fair and flexible HR policies, and providing training on bias and inclusive leadership. Cross-cultural collaboration across ASEAN and strong employee-feedback channels foster belonging, ensure fair treatment, and create a supportive, equitable workplace for all employees.</p>	<p>Discrimination, lack of leadership diversity, inconsistent inclusion, and perceptions of unfair treatment can damage reputation, reduce morale, hinder innovation, and weaken talent attraction if diverse employees feel unsupported or underrepresented.</p>	<p>Inclusive culture enhances talent attraction and retention, boosts innovation and engagement, strengthens ESG reputation, improves understanding of diverse markets, and supports compliance and governance, reducing HR risks and reinforcing sustainable business performance.</p>
<p><b>S3: Human Rights</b></p> <p>Protects workers, prevents labour violations, strengthens reputation, and supports compliant, responsible sourcing and stable operations.</p> <p><b>Related UNSDGs:</b></p> 	<p>Human rights matter to TCMH as the Group operates across regions with varied labour standards. Upholding human rights ensures fair treatment, protects vulnerable groups, prevents labour violations and safeguards reputation. Strong practices support responsible sourcing, legal compliance, stakeholder confidence and uninterrupted business operations.</p>	<p>TCMH upholds human rights through a Group-wide policy, fair and safe working conditions, and strict due diligence to prevent forced or child labour. Strengthened supplier controls, audits, grievance channels, regular training and continuous monitoring ensure ethical conduct, protect workers, and maintain compliance across all operations and supply chains.</p>	<p>Forced or child labour, legal non-compliance, unsafe conditions, unfair treatment and weak grievance systems can cause accidents, disputes, supply-chain disruptions, and severe regulatory and reputational damage across TCMH's operations and suppliers.</p>	<p>Stronger brand trust, better employee retention, responsible sourcing advantages, improved regulatory alignment, and proactive risk reduction enhance TCMH's competitiveness, especially as human rights compliance becomes increasingly critical for sustainable business operations and market continuity.</p>
<p><b>S4: Talent Development and Retention</b></p> <p>Promote the Builds a skilled, adaptable workforce that strengthens capability, reduces turnover, and drives productivity, innovation and resilience.</p> <p><b>Related UNSDGs:</b></p> 	<p>Talent development and retention are critical for TCMH to build a skilled, adaptable workforce that supports automotive transformation, digitalisation, EV growth and regional expansion. Strengthening talent pipelines enhances operational capability, reduces turnover costs, improves customer experience, and drives productivity, innovation and organisational resilience across the Group.</p>	<p>TCMH builds talent strength through structured learning pathways, leadership development and continuous upskilling in EV, digital and automation capabilities. Employee engagement and well-being are supported through safe workplaces and mental health initiatives, while a learning culture is reinforced via e-learning, internal mobility and cross-country exposure across the Group.</p>	<p>High turnover, skills gaps, weak leadership pipelines, and disengagement can hinder EV and digital transformation, raise costs, disrupt operations, and limit TCMH's ability to attract specialised talent across.</p>	<p>A future-ready workforce boosts productivity, strengthens employer branding, and drives innovation. Clear development pathways enhance engagement and retention, while strong succession planning and specialised talent provide competitive advantage in EV, mobility and digital transformation.</p>

# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>S5: Strategic Succession Planning and Talent Depth</b></p> <p>Building a robust workforce by strategically developing the next generation of managers. Building talent pool to drive business sustainability</p> <p><b>Related UNSDGs:</b></p> 	<p>Succession planning and talent depth are vital for TCMH to ensure strong leadership continuity across regions and support automotive transformation, digitalisation, EV growth and expansion. A robust leadership pipeline reduces operational risk, strengthens decision-making, boosts employee motivation, lowers reliance on external hires and enhances long-term organisational resilience.</p>	<p>TCMH strengthens succession planning by identifying high-potential employees early and developing them through targeted coaching, mentoring and leadership programmes. Structured career pathways and internal mobility broaden experience, while half-yearly talent reviews track readiness, update succession pipelines and refine development actions to ensure continuous leadership continuity and capability building.</p>	<p>Leadership gaps, over-reliance on limited talent, unprepared successors, and difficulty retaining high-potential employees increase operational and continuity risks, while limited mobility and weak succession governance lead to inconsistent talent pipelines across the Group.</p>	<p>Stronger leadership continuity, motivated employees, and agile, future-ready leaders drive transformation. Internal development reduces recruitment costs, boosts organisational resilience during transitions, and enhances TCMH's employer brand as a company committed to growing its own talent.</p>

## OUR PERFORMANCE/VALUE CREATED

### Building Future Generations

#### **TCMH Childcare Centre Programme – Supporting Community Resilience through a Safe and Nurturing Afterschool Programme**

In 2025, TCMH strengthened its longstanding commitment to supporting children from B40 families through its Childcare Centre Programme at Sekolah Jenis Kebangsaan (C) Sungai Chua and Persatuan Kebajikan Kanak-Kanak. Both centres continued to serve as essential community anchors, providing a safe and structured afterschool environment for students from disadvantaged backgrounds, including those from single parent and low income households. The programme's core offerings—nutritious meals, academic tuition, counselling services and character building activities ensured that each child received holistic support that addressed both academic needs and emotional well-being.

Throughout the year, the programme also expanded its enrichment components to strengthen students' personal development, introducing modules focused on literacy, confidence building and essential life skills. By nurturing academic progress while fostering resilience and self-esteem, TCMH remains committed to creating meaningful, lasting impact for the children, helping them overcome socioeconomic barriers and empowering them to pursue brighter futures.

### Driving Community Impact through Volunteerism

#### **Honouring Labour Day**

Reflecting its commitment to the nation's workforce, the Group participated in the Labour Day celebration organised by the Ministry of Human Resources (KESUMA) at Axiata Arena, Stadium Nasional Bukit Jalil. A team of 20 employee volunteers from seven subsidiaries represented the organisation in the 'Best Contingent' category, demonstrating strong unity and collaboration across the workforce. With internal partners providing apparel and logistical support, the Group's presence alongside more than 10,000 participants highlighted its dedication to employee appreciation and its support for Malaysia's workforce.

#### **Year-End Wishes – Upholding a Cherished Tradition of Giving**

Building on our annual practice of spreading year-end cheer, the Group once again engaged employees to support the "Year-End Wishes" CSR initiative, bringing festive joy to 60 students from TCMH Childcare Centre, Sekolah Jenis Kebangsaan (C) Sungai Chua and the Persatuan Kebajikan Kanak-Kanak. Through a Wishing Tree display, employees selected cards listing each child's desired gifts from toys and learning materials to clothing and sports items and prepared them for delivery in mid-December. This yearly effort brightened the celebrations for the beneficiaries while reinforcing the Group's culture of empathy, volunteerism and meaningful community engagement.

# SUSTAINABILITY STATEMENT

## **Community Support Initiatives** **Support for Welfare Organisations**

The Group continued to extend meaningful support to community welfare organisations through targeted contributions. In March, the Group provided support to the Selangor and Federal Territory Association for the Mentally Handicapped to help sustain its care and development programmes, followed by a donation in April to St. Barnabas Home, Klang, supporting its efforts in providing shelter and guidance for children in need. These contributions reflect the Group's ongoing commitment to strengthening community well-being and supporting organisations that deliver essential care services.

### **Providing Essential Support to Local Welfare Organisations**

In September, as part of its ongoing commitment to community care, the Group extended essential support to two welfare organisations in Ampang and Kepong, Kuala Lumpur by donating groceries and daily necessities. The contribution included staple items such as rice, noodles, cooking oil, biscuits and other basic provisions, which will directly assist Rumah Orang Tua Ampang and Pertubuhan Kebajikan Insan Istimewa Kuala Lumpur in meeting their day-to-day needs. This initiative underscores the Group's dedication to supporting communities in need and enhancing the wellbeing of those requiring assistance within the community.

### **Relief Support for Putra Heights Residents**

The Group, together with WTCH, swiftly mobilised support for the residents of Putra Heights affected by the gas pipeline fire, demonstrating our commitment to community well-being. A total of 30 vehicles across the Nissan, Renault, GAC and AION brands were provided to impacted families to help restore essential mobility, with the handover witnessed by Selangor State Exco for Investment, Trade and Mobility, YB Ng Sze Han. This gesture reflects the Group's commitment to community resilience and its dedication to supporting families during challenging times.

### **Preserving Automotive Heritage – Nissan President**

As part of our commitment to supporting the preservation and revitalisation of national heritage sites, the Group contributed to the reopening of Galeria Sri Perdana through the restoration of the historic Nissan President, a vehicle formerly used by Tun Dr. Mahathir Mohamad during his tenure as Malaysia's fourth Prime Minister. The restoration, completed by Edaran Tan Chong Motor Sdn Bhd, involved comprehensive exterior and interior refurbishment while preserving the vehicle's original character for public display. Hosted by the National Archives of Malaysia, the reopening ceremony also featured Tun Dr Mahathir as the special guest in conjunction with his 100th birthday celebration.

### **Supporting Malaysia's ASEAN Chairmanship**

The Group partnered with the Ministry of Investment, Trade and Industry to support Malaysia's ASEAN Chairmanship through a strategic vehicle sponsorship programme. Under this collaboration, the Group provided vehicles to facilitate official mobility needs during ASEAN-related engagements, reinforcing Malaysia's role as host nation and enhancing logistical preparedness for key regional events. This initiative reflects the Group's commitment to national service, international cooperation and strengthening Malaysia's presence on the ASEAN stage.

### **Blood Donation Drive**

In 2025, the Group continued to champion lifesaving community initiatives through a series of Blood Donation Drives held across its operations. Organised in partnership with Pusat Darah Negara, the drives drew strong participation from employees across multiple business units and contributed meaningfully to national blood reserves. These efforts reinforced the Group's commitment to community care, public health support and positive social impact within its broader sustainability.

## SUSTAINABILITY STATEMENT

## Summary of Community Activities in 2025

Item/Activity	Date
TCMH Childcare Centre Programme January – December 2025	January – December 2025
Donation to Selangor And Federal Territory Association for the Mentally Handicapped	March 2025
Donation to St. Barnabas Home, Klang	April 2025
Relief Support for Putra Heights Residents	April 2025
Preserving Automotive Heritage – Nissan President	July 2025
Supporting Malaysia's ASEAN Chairmanship	July 2025
Providing Essential Support to Local Welfare Organisations	September 2025
“Year-End Wishes” to TCMH Childcare Centre	November – December 2025
Blood Donation Drive	
• Serendah, Selangor	27 May 2025
• Seri Kembangan, Selangor	30 May 2025
• Batu Caves, Selangor	1 July 2025
• Kuala Lumpur	13 November 2025

## BURSA's Common Indicator C2(a)

Measurement metric	2023	2024	2025	Target for 2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM262,403	RM175,386	RM148,168	No target set

## BURSA's Common Indicator C2(b)

Measurement metric	2023	2024	2025	Target for 2025
Total number of beneficiaries of the investment in communities	337 beneficiaries	304 beneficiaries	171 beneficiaries	No target set

## SUSTAINABILITY STATEMENT

### **Developing Future Talent through Technical and Vocational Education (TCEDU)**

In 2025, the Technical and Vocational Education and Training (“TVET”) Division of TCMH continued to support the Group’s human capital development through Tan Chong Education (“TCEDU”). The Division remained focused on delivering industry-relevant technical education and practical training aligned with evolving automotive and technological requirements. Despite a challenging operating environment, TCEDU maintained its emphasis on accessibility and inclusivity, particularly in supporting youths from the B40 and M40 communities to obtain recognised TVET automotive certifications. A total of 106 students graduated, of whom approximately 68% transitioned into employment across the Group and the wider automotive and technical sectors, while 28% pursued higher or specialised studies and 12% were in the process of seeking employment at the time of reporting.

Selected Business Units continued to support students through scholarships, sponsorships and industry exposure opportunities, reinforcing the Group’s commitment to responsible talent development. These ongoing investments in technical and vocational education form an important part of the Group’s ESG agenda, contributing to social mobility, workforce sustainability and the development of skilled, job-ready professionals for the automotive ecosystem.

### **Driving Diversity and Inclusive Behaviours**

TCMH is committed to fostering a fair and equitable workplace that embraces diversity across gender, ethnicity, age, and other backgrounds. It is dedicated to providing equal opportunities for all employees, promoting productive employment, and ensuring equal pay for work of equal value. This commitment also includes nurturing young talents and supporting individuals with disabilities, creating an inclusive environment for everyone.

At TCMH, diversity and inclusivity are core strengths reflected in our global talent base. We ensure fair and equitable treatment for all employees, with merit-based opportunities free from bias related to ethnicity, nationality, religion, gender, sexual orientation, age, or physical abilities. Our zero-tolerance stance on discrimination and harassment reinforces a respectful and supportive workplace for everyone.

TCMH remains committed to strengthening gender diversity, particularly at the management level. In 2025, women represented 25.45% of our 5,568-strong workforce and 35.37% of management positions, reflecting steady progress in building an inclusive leadership pipeline. We continue to nurture future leaders through internal succession and targeted talent recruitment.

Our workforce is predominantly below 50 years old (85.91%), with 22.55% aged under 30, 63.36% between 30 and 50, and 14.09% above 50, ensuring a balanced mix of emerging talent and experienced employees.

Ethnic diversity remains a core strength, with 71.54% comprising Malay, Chinese, and Indian employees, while 28.46% represent other nationalities across our operating markets, including Nepal, Vietnam, Cambodia, Laos, Myanmar, and Thailand—enhancing our cultural depth and regional relevance.

# SUSTAINABILITY STATEMENT

Indicators: Diversity by Gender				
Measurement metric	2023	2024	2025	Target for 2025
<b>Entire Workforce:</b>				No target set
Male	74.3%	74.7%	74.6%	
Female	25.7%	25.3%	25.4%	
<b>At Management Level:</b>				
Male	65.3%	64.7%	64.6%	
Female	34.7%	35.3%	35.4%	

Indicators: Diversity by Age				
Measurement metric	2023	2024	2025	Target for 2025
<b>Entire Workforce:</b>				No target set
Over 50 years old	11.8%	11.4%	14.1%	
30 – 50 years old	61.0%	58.8%	63.4%	
Under 30 years old	27.2%	29.8%	22.5%	

Indicators: Diversity by Ethnicity				
Measurement metric	2023	2024	2025	Target for 2025
<b>Entire Workforce:</b>				No target set
Malaysians	70.6%	71.2%	76.4%	
Other nationalities	29.4%	28.8%	23.6%	

BURSA's Common Indicator 3(a)				
Measurement metric	2023	2024	2025	Target for 2025
Percentage of employees by gender and age group, for each employee category	Male=74% Female=26% (Refer to Annual Report 2023 page 69 for age group by employee category)	Male=75% Female=25% (Refer to Annual Report 2024 page 63 for age group by employee category)	Male=74% Female=26% (Refer to page 77 to 79 for age group by employee category)	No target set

BURSA's Common Indicator 3(b)				
Measurement metric	2023	2024	2025	Target for 2025
Percentage of directors by gender and age group	Male=86% Female=14% (Refer to Annual Report 2023 page 69 for age group)	Male=75% Female=25% (Refer to Annual Report 2024 page 63 for age group)	Male=75% Female=25% (Refer to page 79 to 80 for age group)	At least one (1) female (14%) director

# SUSTAINABILITY STATEMENT

## Employee Engagement Initiatives

In FY2025, the Human Capital and Employee Engagement division focused on reinforcing organisational resilience and aligning workforce culture with TCMH's EESG aspirations. The year was characterised by a strategic shift towards high-impact, cost-efficient initiatives that fostered cross-functional synergy and operational excellence.

## Operational and Business Achievements

The Group strengthened internal brand advocacy and product knowledge through the Malaysia Autoshow 2025 engagement. By distributing 700 complimentary tickets to employees, the Group facilitated first-hand exposure to critical innovations in sustainable mobility, including the Nissan Kicks e-POWER and Wuling Bingo EV. This initiative not only boosted morale but ensured the workforce remained aligned with the Group's strategic direction in the electric and hybrid vehicle segments.

Operational efficiency was further enhanced through the Spring Cleaning Initiative, which enforced rigorous governance in waste management. By implementing strict validation processes for asset disposal and centralising scrap collection, the Group ensured compliance with environmental standards while optimising resource utilisation.

## Embedding Human Rights and Ethical Employment Principles

TCMH is firmly committed to eliminating forced labour, modern slavery, human trafficking, and the worst forms of child labour throughout our supply chain. We actively advocate for the protection of human rights, including children's rights, and support the freedom of individuals to organise, assemble, and engage in meaningful collective bargaining with unions.

We are dedicated to upholding the dignity of all individuals within our operations, ensuring that our business activities promote equality, fairness, and respect. Our goal is to cultivate an environment where labour rights are protected, and every worker is treated equitably with access to fair wages, benefits, and opportunities for growth. To achieve this, we have implemented and strictly enforced comprehensive policies, including the Code of Business Conduct and Ethics ("CBCE"), Supplier Code of Conduct ("SCoC"), Anti-Bribery and Anti-Corruption policy ("ABAC"), and other relevant frameworks that promote equality, financial fairness, and social protection both within the Group and across our supply chain.

The Company applies rigorous screening processes, delivers comprehensive training programmes, maintains consistent oversight of internal operations and supply chain partners, and has established formal mechanisms for reporting violations. In the event of breaches, TCMH has remedial measures in place to address and mitigate human rights impacts, ensuring that affected individuals or communities receive appropriate remedies when the company has caused or contributed to such issues.

## Human Rights Embedded in Work Practices

Human rights are fundamental to how TCMH conducts its business, and we are committed to embedding human rights considerations into all aspects of our corporate practice including our existing operations as well as any potential new ventures or projects. TCMH fully complies with all national and international laws governing the treatment of employees and workers in the countries where we operate.

These principles are firmly embedded in our Core Values, CBCE, SCoC, and other relevant policies. These commitments are actively communicated to all employees and partners to ensure they understand their rights and their role in upholding human rights across the organisation.

Additionally, we provide employees and stakeholders with accessible grievance channels at both the Group and Business Unit levels. These mechanisms allow individuals to raise concerns or grievances related to their working conditions, treatment, or employment, reinforcing our commitment to a fair and respectful workplace.

Our approach to human rights is structured around the following key principles:

### 1. Prioritising Safety and Well-Being at Work:

We ensure that all employees work in an environment that complies with national occupational safety and health regulations. Their well-being is a top priority, and we are committed to maintaining safe and healthy workplaces.

### 2. Fostering an Inclusive and Respectful Culture:

Discrimination and harassment are prohibited, and we work to ensure that all individuals, regardless of role, are treated with dignity and respect. We foster an inclusive environment where everyone can thrive.

### 3. Strict Prohibition of Forced and Child Labour:

We categorically prohibit any form of child, forced, or compulsory labour within our operations and supply chain. We expect all of our suppliers and partners to adhere to these principles as well.

### 4. Ethical Work Hours and Compensation Standards:

We comply with all applicable laws concerning work hours, wages, overtime, holidays, and benefits. Our commitment is to ensure that every worker is compensated fairly and equitably while at the same time reducing excessive working hours.

### 5. Respecting Freedom of Association and Union Engagement:

We support employees' rights to freely associate, join unions, and engage in collective bargaining. We encourage open, constructive dialogue between management and staff to foster a collaborative and positive work culture.

# SUSTAINABILITY STATEMENT

## Bullying and Harassment

TCMH is committed to fostering a safe and respectful workplace, free from bullying, harassment, and intimidation. Recognising the harmful impact such behaviours can have on both individuals and overall workplace culture, the Company has introduced proactive measures to prevent and address them. These initiatives include raising awareness of workplace bullying and harassment during orientation for all new staff, displaying informational posters in visible areas such as meeting rooms and attendance or thumbprint stations, and establishing a dedicated Special Complaint channel through which affected employees can confidentially raise concerns or grievances.

BURSA's Common Indicator C6(d)				
Measurement metric	2023	2024	2025	Target for 2025
Number of substantiated complaints concerning human rights violations	Zero	Zero	Zero	Zero

## Grievance Mechanisms and Transparency

At TCMH, we have established clear and accessible channels for employees and stakeholders to raise concerns or grievances related to their working conditions, treatment, or employment. Our grievance procedure and Special Complaint channel are designed to ensure that all matters are handled in an impartial manner and resolved through a fair and thorough investigation process. These investigations are led jointly by Group Human Resources and Group Investigation and Forensic Services to uphold transparency and accountability.

## Talent Management: Employee Engagement and Retention

TCMH is committed to investing in employee well-being, recognising that an engaged workforce is essential for driving innovation, enhancing productivity, and delivering superior customer experiences across the organisation. By fostering a culture where employees feel valued, supported, and connected, TCMH strengthens loyalty, reduces turnover, and builds a dynamic workplace that attracts and retains top talent seeking growth and long-term career fulfilment.

In 2025, the Group introduced several key initiatives aimed at enhancing employee engagement and improving retention. These efforts were designed to ensure that TCMH remains a place where employees can thrive, develop their potential, and contribute meaningfully to the Group's long-term objectives.

## Training and Development: Empowering Continuous Learning

TCMH is committed to developing a future-ready workforce by strengthening personal and managerial capabilities, ensuring employees are equipped to navigate a rapidly changing business environment and contribute to the Group's long-term success. Through a wide range of practical, strategically aligned learning and development programmes delivered via our proprietary Learning Management System ("LMS"), TCMH empowers employees to continuously upskill, enhance their performance, and grow both personally and professionally.

In 2025, our focus on personal development, particularly in building core skills such as communication, problem-solving, and managerial ability across all levels resulted in 1,026 participants engaging in 83 training programmes. This represents nearly 75% of our management staff, reflecting our strong commitment to continuous learning and capability building.

Category	Programmes Title
Officer/ Executive	<ul style="list-style-type: none"> <li>• Personal Excellence Towards Being Extraordinary</li> <li>• Basic Business Writing Skills</li> <li>• Basic Problem Solving</li> <li>• Customer Service Excellence with Interpersonal Communication Skills</li> <li>• English Communication Skills</li> <li>• Microsoft Excel: Formulas, Functions &amp; Pivot</li> </ul>
Senior Executive/ Assistant Manager	<ul style="list-style-type: none"> <li>• Critical Thinking &amp; Problem Solving</li> <li>• Supervisory Skills</li> <li>• Design Thinking</li> <li>• Team Leadership &amp; Developing Others</li> <li>• Advanced Business Writing Skills</li> <li>• Presenting with Confidence</li> <li>• Basic Finance for Non-Finance</li> <li>• Using Data to Uncover Insights</li> <li>• Project Management &amp; Change Management</li> </ul>
Manager/ Senior Manager/ Deputy General Manager	<ul style="list-style-type: none"> <li>• Managing Performance</li> <li>• The Art of Questioning</li> <li>• High Impact Presentation Skills</li> <li>• Coaching for Performance</li> <li>• The Art of Managing Conflict</li> <li>• Story Telling with Data</li> <li>• Situational Leadership &amp; Decision Making</li> <li>• Strategic Business Planning</li> <li>• Advanced Finance for Non-Finance</li> </ul>

# SUSTAINABILITY STATEMENT

## Performance Management and Compensation: Driving Excellence and Rewarding Contribution

TCMH's performance management approach ensures strong alignment between individual goals and the Group's strategic priorities, empowering employees to drive innovation, productivity, and operational excellence across the organisation. Through clear expectations, continuous feedback, and structured mid-year and year-end appraisals, TCMH supports capability building, recognises meaningful contributions, and upholds a fair and rewarding compensation framework.

We recognise that performance is not only defined by measurable KPIs the "what" but also by the "how," which reflects the behaviours and attitudes employees demonstrate in their roles. These expectations are firmly anchored in our Core Values, ensuring that both results and conduct drive sustainable performance.

- **Developing Professional Behaviours and Conduct:** Employees are expected to take ownership of their growth, act with integrity, and consistently deliver quality work. This includes reliability, ethical conduct, and a proactive commitment to learning, ensuring meaningful contributions to the organisation's overall success.
- **Demonstrating Ownership Mindset:** Employees are encouraged to think and act like business owners by taking initiative, making decisions in the company's best interest, and solving problems resourcefully. This mindset builds pride, accountability, and personal investment in TCMH's performance and reputation.
- **Embracing Creative and Forward-Thinking Ideas:** We value employees who bring fresh ideas and embrace change. This behaviour encourages individuals to challenge conventional thinking, explore new approaches, and contribute to continuous improvement.

TCMH views compensation as a reflection of the value each employee contributes, not just a financial reward. We continually review our remuneration and benefits to remain competitive and uphold our position as an employer of choice. Our commitment to fair and equitable pay, supported by opportunities for ongoing development, strengthens talent retention and reinforces our leadership in the automotive industry.

BURSA's Common Indicator C6(a)				
Measurement metric	2023	2024	2025	Target for 2025
Management	13,598	13,242	9,553	No target set
Executive	16,728	18,439	15,477	
Non-Executive/Technical Staff	8,220	13,921	14,419	
General Staff	7,499	2,636	5,942	
<b>Total Hours</b>	<b>46,045</b>	<b>48,238</b>	<b>45,391</b>	

BURSA's Common Indicator C6(b)				
Measurement metric	2023	2024	2025	Target for 2025
Percentage of employees that are contractors or temporary staff (Malaysia operations only)	17%	15%	15%	No target set

BURSA's Common Indicator C6(c)				
Measurement metric	2023	2024	2025	Target for 2025
Total number of employee turnover by employee category	<b>1,053</b> employees	<b>961</b> employees	<b>1,290</b> employees	No target set
Management	133	139	156	No target set
Executive	217	199	256	
Non-Executive/Technical Staff	246	186	262	
General Staff	457	437	616	

## Key Challenges and Management Responses

The primary challenge in FY2025 involved navigating fiscal constraints while maintaining high levels of employee engagement. The management addressed cost containment pressures by adopting innovative financial models. For instance, the Larian Ria Serapi event and the Nestlé® Enercal® Wellness Programme health screenings were executed at zero cost to the organisation through strategic collaborations with government bodies and corporate partners.



The division also identified an opportunity to maximise the use of corporate wellness assets. To encourage greater participation, the Fitness Class Redemption Campaign was introduced using a "use-or-enjoy" approach that reactivated dormant class passes. This data-driven initiative not only strengthened financial stewardship but also successfully reignited employees' interest in physical well-being. Through these efforts, the Group demonstrated that operational efficiency and meaningful employee wellness outcomes can go hand in hand.

# SUSTAINABILITY STATEMENT



## SOCIAL: EMPLOYEES' SAFETY AND WELL-BEING

TCMH is committed to protecting the health, safety and well-being of all employees across our operations. We prioritise a safe, respectful and supportive work environment by implementing robust Occupational Safety and Health ("OSH") practices, continuous risk assessments and strict compliance with regulatory requirements. Guided by ESG principles, we embed proactive safety management, provide comprehensive training, and promote mental and physical well-being through targeted programmes and support systems. Our aim is to eliminate workplace incidents, foster a culture of care and ensure every employee returns home safely each day. This commitment reinforces our social responsibility, strengthens operational resilience and supports a sustainable and productive workforce.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>S6: Employees' Safety and Well-Being</b></p> <p>Creates a safe, supportive workplace that prevents harm, boosts productivity, ensures compliance and strengthens sustainable business practices.</p> <p><b>Related UNSDGs:</b></p>  	<p>Employees' safety and well-being are fundamental to TCMH due to inherent risks across plants, workshops and mobility operations. Providing a safe, healthy and supportive workplace prevents harm, reduces disruptions, boosts morale and productivity, ensures regulatory compliance, meets ESG expectations, and strengthens the Group's commitment to responsible and sustainable business practices.</p>	<p>TCMH enhances workplace safety and well-being through OSH systems, regular risk assessments, safety training and emergency drills. Proper PPE, ergonomic environments and health programmes support physical and mental well-being. Clear incident reporting, continuous improvement and active employee involvement strengthen safety culture and reduce occupational risks across all operations.</p>	<p>Workplace accidents, OSH non-compliance, unsafe practices and low well-being can trigger legal penalties, downtime, high costs, reputational harm and operational disruptions, especially when incidents or declining safety performance draw public or regulatory attention.</p>	<p>A stronger safety culture boosts productivity and reliability, enhances morale and retention, reduces medical and downtime costs, strengthens employer reputation, improves ESG performance, and builds a resilient workforce that supports long-term business continuity.</p>

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE/VALUE CREATED

### Environment, Health & Safety Compliance

Ensuring a safe and healthy workplace is at the core of TCMH’s operations. Throughout the year, regular audits and workplace inspections were conducted to maintain adherence to statutory requirements and internal safety standards. The Group actively engaged with relevant authorities through seminars and site visits, ensuring alignment with the latest legal requirements and government systems.

Where gaps were identified, corrective actions were swiftly implemented, and employees received continuous training to reinforce awareness of their safety responsibilities. These proactive measures helped TCMH maintain a high standard of compliance, with no major breaches reported, reflecting the Group’s commitment to safeguarding the well-being of everyone within the organisation.

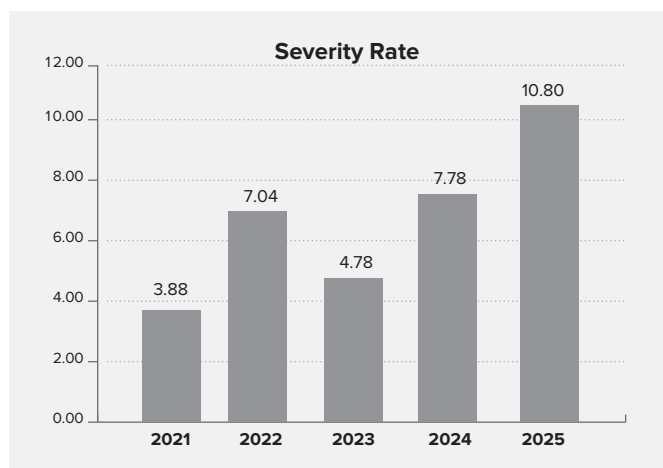
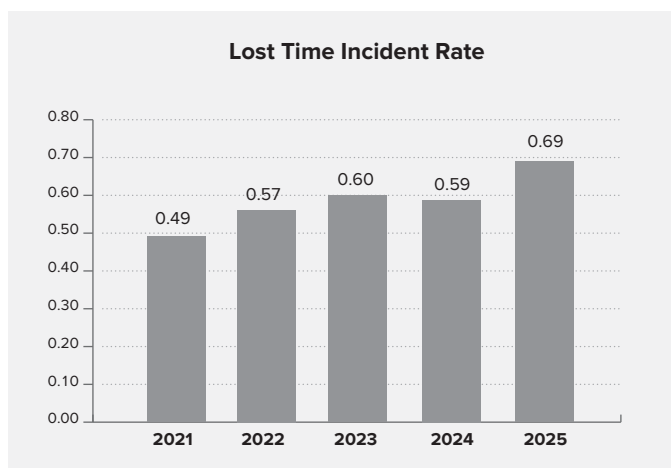
### Training and Empowerment

TCMH strengthened its safety and health performance through structured training and employee empowerment initiatives. During the year, a total of 176 training sessions were conducted, training 3,435 employees on various safety standards. Programmes included safety induction, industrial hygiene and occupational health, machinery and hand tools safety, emergency management, hazard identification, OSH coordination, and safety and health management.

These initiatives enhanced employee competency, reinforced accountability, and supported the development of a proactive safety culture throughout the organisation.

BURSA’s Common Indicator C5(c)				
Measurement metric	2023	2024	2025	Target for 2025
Number of employees trained on health and safety standards	3,353 employees	3,966 employees	3,435 employees	No target set

### Workplace Incident Monitoring



The Group continues to emphasise systematic monitoring and analysis of workplace incidents to drive safety performance improvements. In 2025, the Lost Time Incident Rate (LTIR) was 0.69, representing a 17% increase from 2024, while the Severity Rate (SR) rose by 53%, reaching 10.80 compared to 7.05 in 2024.

All incidents were thoroughly investigated to identify root causes. The majority were attributed to unsafe acts, improper handling of tools, slips, trips and falls, and inadequate risk control for new work processes. Targeted corrective and preventive measures were implemented, including enhanced supervision, safety walks, refresher training, safety alerts, and stricter enforcement of safety procedures.

Despite these challenges, TCMH achieved zero fatalities and demonstrated improvement in reporting culture, reflecting continued progress in cultivating a proactive safety culture. Moving forward, the Company remains committed to further reducing accident rates by strengthening hazard identification processes, enhancing employee competency, and fostering greater accountability at all levels of the organisation.

# SUSTAINABILITY STATEMENT

BURSA's Common Indicator C5(a)				
Measurement metric	2023	2024	2025	Target for 2025
Number of work-related fatalities	Zero	Zero	Zero	Zero

BURSA's Common Indicator C5(b)				
Measurement metric	2023	2024	2025	Target for 2025
Lost Time Incident Rate ("LTIR")	0.60	0.59	0.69	≤ 0.50 (Reduction of 15% from LTIR 0.59 in 2024)



### Organisational Transformation and Health Resilience

A significant transformation in safety culture was achieved by expanding the Environment, Health, and Safety scope to include mental well-being. The Mental Health Awareness session recorded a 96% turnout, highlighting a strong demand for psychological safety resources. Concurrently, the Group transitioned from reactive to proactive health management through the digital Health Newsletter Initiative, which delivered targeted education on seasonal risks such as Dengue and fatigue management, thereby reducing reliance on external medical clinics.




### Product Quality and Safety

TCMH upholds stringent product quality and safety standards across its commercial vehicle portfolio. Key safety features from each brand are summarised below, supported by official manufacturer information.

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 advance technology and safety innovations and 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:

	<p>Nissan's passenger e-POWER vehicles (e- Kicks e-POWER and Serena e-POWER) are equipped with comprehensive safety features including 7 airbags, Intelligent Forward Collision Warning, Intelligent Emergency Braking, ABS with EBD, 360° Around View Monitor, VDC stability control, and high-strength body construction. These advanced active and passive safety systems work together with the e-POWER drivetrain to deliver a safe, stable and EV-like driving experience.</p>
	<p>UD Trucks incorporate a comprehensive suite of active, braking, and passive safety technologies to safeguard drivers, road users, and cargo. Active safety systems such as the Traffic Eye Brake with radar and camera enable automatic emergency braking to avoid potential collisions, while Lane Departure Warning, Blind Spot Information System, UD Stability Control, and Automatic Hill Start collectively enhance situational awareness, lane discipline, vehicle stability, and hill-start safety. Braking performance is further strengthened by the UD Extra Engine Brake (EEB) for powerful auxiliary braking, a hydraulic retarder that maintains safe downhill control without stressing service brakes, and durable ABS-equipped full S-Cam air brakes designed for heavy-duty conditions. These features are reinforced by passive safety components including the Front Underrun Protection System (FUPS) and the ECE R29-compliant SAFES cabin, which incorporates a high-rigidity structure, impact-absorbing steering column, SRS airbags, and side-door beams to maximise occupant protection in the event of a collision.</p>

## SUSTAINABILITY STATEMENT

	<p>King Long buses integrate advanced braking, fire safety, structural protection, and modern driver-assist technologies to ensure high levels of passenger and operational safety. King Long buses enhance operational safety through Mobileye Shield+, which provides 360° detection of pedestrians and cyclists to eliminate blind-spot risks, supported by multiple safety indicators that monitor critical systems such as overheating, low air pressure, and component faults to ensure timely warnings and preventive action.</p>
	<p>GAC vehicles incorporate advanced safety architectures such as multi-layer battery protection, thermal management systems, collision-avoidance technologies, structural crash safety design, and comprehensive driver-assistance features to ensure a high level of occupant and road-user safety.</p>
	<p>The Wuling Bingo is designed with an integrated safety architecture, featuring multi-layer battery protection, thermal-runaway prevention systems, reinforced body structure, electronic stability control, and advanced driver-assistance features to enhance occupant and road-user safety.</p>

# SUSTAINABILITY STATEMENT

## GOVERNANCE: GOVERNANCE RESPONSIBILITIES

TCMH is fully committed to upholding the highest standards of corporate governance across all levels of the organisation. We adopt a strong governance framework guided by the Malaysian Code on Corporate Governance ("MCCG"), Bursa Malaysia's Listing Requirements, and globally recognised ESG principles. This commitment ensures integrity, accountability, transparency, and ethical behaviour in everything we do.




TCMH ensures clear Board oversight, well-defined responsibilities, and independent checks-and-balances that safeguard stakeholder interests and support sustainable long-term growth. The Group maintains strong internal controls, risk management processes, and compliance frameworks to ensure that decisions are aligned with legal, regulatory and ethical requirements.





We are committed to conducting business ethically across our entire value chain, from sourcing and procurement to distribution, after-sales and mobility services. This includes strict adherence to anti-corruption laws, conflict-of-interest policies, whistleblowing channels and responsible supplier conduct. The Group actively promotes fair competition, responsible marketing, data privacy and protection of stakeholder rights.

TCMH reinforces a culture of ethics and integrity through continuous training, policy enhancements and open communication. Employees, business partners and suppliers are expected to follow our SCoC, which emphasise honesty, respect, accountability, and zero tolerance for bribery, fraud or unethical behaviour.

By embedding strong governance, TCMH enhances investor confidence, protects reputation, strengthens operational resilience, and ensures sustainable value creation across all markets in which we operate.

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>G1: Information Security</b></p> <p>Protects sensitive data, ensures compliance, maintains business continuity, and strengthens resilience against cyber threats and reputational risks.</p> <p><b>Related UNSDGs:</b></p> 	<p>Information security is essential for TCMH as it manages sensitive data and increasingly digital operations across multiple countries. Strong cybersecurity controls protect against breaches and ransomware, safeguard business continuity, ensure PDPA compliance, preserve stakeholder trust, and support the Group's digital transformation and mobility initiatives through enhanced resilience and reduced financial and reputational risks.</p>	<p>TCMH strengthens information security through a Group-wide framework aligned with ISO 27001, robust governance, and advanced technologies such as firewalls, Endpoint Detection and Response ("EDR"), Multi Factor Authentication ("MFA") and network monitoring. Regular assessments, strong data protection controls, continuous employee awareness training, and clear incident response procedures ensure threats are identified, prevented and effectively managed.</p>	<p>Cyberattacks, data breaches, legal non-compliance, insider errors, system downtime, compromised data and weak third-party controls can cause financial loss, operational disruption, reputational damage and heightened cybersecurity risks across TCMH's operations and supply chain.</p>	<p>Stronger data protection enhances stakeholder trust, boosts operational resilience, improves digital efficiency, and supports EV growth. Compliance with PDPA and global standards strengthens competitive advantage and fosters a proactive cybersecurity culture across TCMH.</p>

# SUSTAINABILITY STATEMENT

Material Matters	Importance to TCMH	Approach/Strategy	Risks	Opportunities
<p><b>G2: Good Corporate Governance</b></p> <p>Ensures accountability and ethical conduct, strengthens trust, supports compliance, improves decisions, and enhances long-term ESG-aligned value.</p> <p><b>Related UNSDGs:</b></p>  	<p>Good governance is essential for TCMH as it ensures accountability, transparency and ethical conduct across all operations. Strong governance builds stakeholder confidence, supports regulatory compliance, strengthens risk management and strategic decision-making, enhances long-term value creation, and reinforces TCMH's reputation while aligning with ESG expectations from investors, regulators, customers and business partners.</p>	<p>TCMH strengthens good governance through clear Board oversight, robust internal controls and enterprise risk management. Ethical conduct is enforced via Codes, anti-corruption policies and whistleblowing channels. Transparency, ESG integration, regular governance training and responsible value-chain expectations ensure strong compliance, accountability and ethical behaviour across the organisation and its partners.</p>	<p>Governance failures, unethical behaviour, weak oversight, poor transparency, ESG non-compliance and value-chain misconduct can trigger legal penalties, damage reputation, weaken stakeholder confidence and expose TCMH to significant operational, regulatory and strategic risks.</p>	<p>Transparent and ethical governance strengthens stakeholder trust, enhances reputation, improves decision-making, and reinforces operational integrity. Strong controls and ESG-aligned practices support long-term value creation, sustainable growth and responsible conduct across TCMH's organisation and value chain.</p>
<p><b>G3: Supply Chain Management</b></p> <p>Integrates environmental, social, and financial considerations to minimise negative impacts while ensuring efficiency and reliability, ultimately helping TCMH to achieve its ESG goals and long-term success</p> <p><b>Related UNSDGs:</b></p>  	<p>Supply chain management is crucial for TCMH as it depends on a wide network of suppliers and logistics partners across ASEAN. Responsible and resilient supply chains ensure product quality, operational continuity and customer satisfaction while reducing ESG risks. Strong governance enhances compliance, business resilience, timely delivery and stakeholder trust.</p>	<p>TCMH strengthens supply chain management through a SCoC rigorous due diligence, and structured evaluations on quality, delivery, cost and ESG performance. Transparency, ethical procurement, and responsible sourcing are enhanced through documentation, traceability and conflict-of-interest controls, while logistics collaboration improves efficiency, reduces delays and supports reliable inventory management across markets.</p>	<p>Supply chain disruptions, unethical practices, quality issues, over-reliance on key suppliers, ESG or regulatory non-compliance, and lack of transparency can damage reputation, reduce efficiency, and create significant operational and continuity risks for TCMH.</p>	<p>Resilient supply chains enhance reliability, improve supplier quality, strengthen brand trust and ESG performance, reduce costs through fewer disruptions, and enable long-term strategic partnerships that support innovation, sustainability and technology adoption across TCMH's automotive and mobility ecosystem.</p>

## OUR PERFORMANCE/VALUE CREATED

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

The Group maintains a formal CBCE which sets out clear expectations regarding business ethics, workplace safety, and personal conduct. This framework applies to all employees across the Company, its subsidiaries, and associates, guiding them to maintain high standards of professionalism and integrity in their daily work. To reinforce the importance of these standards, every employee is required to confirm their understanding and commitment to comply with the CBCE on an annual basis. The Group also conducts regular reviews of the Code to keep it current and effective. In 2025, 100% of the workforce completed the mandatory annual refresher training on the CBCE. All training materials are readily available to staff through the Group's internal LMS.

# SUSTAINABILITY STATEMENT

## Strengthening Infrastructure Security Posture and Cybersecurity Preventive Measures

In 2025, TCMH implemented several strategic initiatives to strengthen the Group’s IT Infrastructure Security Posture, enhancing overall resilience and preventive defences against emerging cyber threats. Key efforts included technology refreshes and security upgrades across critical systems such as enforcing MFA, deploying EDR and replacing both hardware and software to ensure stability, performance, and compliance with security standards.

These enhancements were further supported by continuous cybersecurity measures, including regular risk assessments, proactive vulnerability management, and real time threat monitoring. Collectively, these initiatives improved business continuity, reduced security risks, and advanced the Group’s digital transformation and sustainability objectives.

## Strengthening Malaysian Personal Data Protection (Amendment) Act 2024 ("PDPA") Compliance Across the Group

TCMH has taken proactive measures to comply with the strengthened The PDPA regime by enhancing its governance, updating policies, strengthening breach response procedures, appointing a Data Protection Officer, implementing stricter controls for sensitive data, increasing oversight of third parties, and preparing for new rights such as data portability. These efforts ensure that the Group remains fully aligned with the PDPA and global best practices in personal data protection.

BURSA’s Common Indicator C8(a)				
Measurement metric	2023	2024	2025	Target for 2025
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Zero	Zero	Zero	Zero

## Ongoing Governance of the Corruption Risk Assessment Framework

The Group established its Corruption Risk Assessment Framework to support business units in identifying, assessing and managing potential corruption risks. The framework provides a structured process covering risk identification, evaluation of severity and impact, root-cause analysis and the formulation of corrective actions to minimise or prevent such risks.

TCMH also conducts annual training to reinforce understanding and application of the framework, with all active business units performing yearly corruption risk reassessments to develop and implement appropriate mitigation strategies.

The Group strengthened its oversight of corruption-related risks through continuous monitoring using Key Risk Indicators (“KRIs”) with defined thresholds. All 67 active operational business units completed their annual corruption risk assessments and conducted monthly KRI tracking to identify any emerging risk exposures. KRI results were consolidated and reported quarterly to the RMSC and BRMSC for review and oversight. No corruption-related incidents were reported in 2025.

BURSA’s Common Indicator C1(b)				
Measurement metric	2023	2024	2025	Target for 2025
Percentage of operations assessed for corruption-related risks	100%	100%	100%	100% of operations assessed for corruption-related risks

# SUSTAINABILITY STATEMENT

## Building a Culture of Integrity through Mandatory Anti-Bribery and Anti-Corruption (“ABAC”) Awareness Programme

TCMH maintains a strong and ongoing commitment to its zero-tolerance stance on bribery and corruption. To reinforce ethical conduct across the organisation, the GIO conducts mandatory annual training for all employees and third parties, both locally and overseas. These sessions communicate key requirements of the ABAC Policy, the Special Complaint Policy (“SCP”) which serves as the whistleblowing channel, and the Fraud Prevention Policy (“FPP”), along with reporting mechanisms and consequences of non-compliance.

Training is delivered through a combination of e-learning videos, recorded modules, visual slide presentations, face-to-face briefings and post-awareness assessments. Continuous reinforcement is provided through weekly anti-corruption messages on employee computer wallpapers and quarterly email blasts.

To further embed ABAC principles into daily operations, relevant clauses are incorporated into contracts, agreements, letters of engagement and commonly used documents such as purchase orders, invoices, debit notes and credit notes. These comprehensive measures strengthen integrity, accountability and compliance throughout TCMH.

BURSA’s Common Indicator C1(a)				
Measurement metric	2023	2024	2025	Target for 2025
Percentage of employees who have received training on anti-corruption by employee category	100% (Refer to Annual Report 2023 page 69 for age group by employee category)	100% (refer to Annual Report 2024 page 63 for details by employee category)	100% (refer to page 78 for details by employee category)	100% of employees attended the training on anti-corruption

BURSA’s Common Indicator C1(c)				
Measurement metric	2023	2024	2025	Target for 2025
Number of confirmed incidents of corruption (substantiated and investigated) and action taken	100% (Refer to Annual Report 2023 page 69 for age group by employee category)	100% (refer to Annual Report 2024 page 63 for details by employee category)	100% (refer to page 78 for details by employee category)	100% of employees attended the training on anti-corruption

## Special Complaint Policy (“SCP”)

TCMH’s (“SCP”), equivalent to a Whistleblowing Policy, supports the Group’s ABAC and FPP frameworks by providing employees and third parties with secure avenues to raise concerns. Reports can be submitted through the Hotform, Hotline, Hotmail or directly to the Chairman of the Audit Committee, with confidentiality assured. The SCP protects whistleblowers acting in good faith from retaliation and prescribes disciplinary action against those who retaliate or lodge malicious complaints. All reports are reviewed by the Group Integrity Officer or the Audit Committee Chairman and, where necessary, investigated and escalated to the Governing Committee for deliberation.

## Communication on Code of Business Conduct and Ethics (“CBCE”) to Employees

The Group’s comprehensive CBCE outlines expectations on business integrity, workplace safety and personal conduct for all employees across the Group, including subsidiaries and associates. It serves as a key reference to uphold high ethical and professional standards.

All employees are required to annually acknowledge their understanding and acceptance of the CBCE, which is periodically reviewed to ensure continued relevance. In 2025, the entire workforce completed the mandatory annual CBCE refresher training, supported by learning materials accessible through the Group’s in-house LMS.

Indicators: Awareness and Acknowledgement on CBCE				
Measurement metric	2023	2024	2025	Target for 2025
Staff acknowledgement on CBCE	100%	100%	100%	100% acknowledgement by all staff

## SUSTAINABILITY STATEMENT

**Enhancing Third-Party Integrity through Structured Corruption Risk Assessments**

TCMH's operational business units implement risk-based anti-corruption due diligence to thoroughly assess business partners, examining their processes, integrity practices and potential bribery risks. A structured review cycle, outlined in the Group's Risk-Based Due Diligence on Corruption Risk Guidelines, ensures that partners are reassessed according to their assigned risk ratings.

In 2025, the GRMS team conducted annual training to strengthen management's and key personnel's understanding of these due diligence requirements. The Group emphasised that all business units must ensure third-party compliance with applicable laws, regulations and internal policies to avoid regulatory penalties and protect the Group's reputation. By applying pre-qualification checks and ongoing due diligence proportionate to risk levels, business units can prevent financial losses, verify the reliability and capability of third parties, and ensure they can fulfil contractual obligations. This structured approach supports informed decision-making and effective mitigation of corruption-related risks across the Group.

**Sustainable Procurement to Support Local Communities and SMEs**

The Group recognises that effective supply chain management is fundamental to supporting economic growth and ensuring the efficient delivery of products and services to customers. We remain committed to promoting sustainable procurement practices that align with national policies and priorities, while working closely with our business partners to strengthen responsible practices across the value chain.

We actively support local small businesses, particularly Small and Medium-Sized Enterprises, as well as the surrounding communities to stimulate local economic development. By prioritising local suppliers, we help create employment opportunities, encourage business growth and contribute to a more vibrant and resilient local ecosystem. These efforts also support the enhancement of public services and improvements in community infrastructure, reinforcing our long-term commitment to shared prosperity.

<b>BURSA's Common Indicator C7(a)</b>				
<b>Measurement metric</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Target for 2025</b>
Proportion of spending on local suppliers	63%	55%	58%	No target set

**Building ESG Awareness across the Supply Chain**

The Group is committed to ensuring environmentally responsible, socially equitable, and economically sustainable practices across the entire supply chain covering raw material sourcing, production, logistics, and product delivery. Operational business units are consistently reminded to reduce carbon emissions, minimise waste, conserve resources and prevent environmental harm as part of our ongoing environmental stewardship efforts.

To uphold responsible sourcing, Group Procurement has formalised the SCoC, setting clear expectations for our business partners including suppliers, vendors, and contractors to comply with fair labour standards, safe working conditions, respect for human rights, regulatory requirements and ethical business conduct. From an economic perspective, the Group continues to emphasise efficient resource use, cost-effective waste management and long-term financial resilience.

This year marks the second consecutive year that the Group has conducted an ESG survey with key suppliers in our supply chain, in addition to the annual performance appraisal. The feedback received reflects growing recognition of ESG importance among our valued suppliers, with awareness levels recorded at 65% for Environmental, 70% for Social, and 62.5% for Governance aspects. Building on these insights, further engagement sessions will be organised in 2026 to strengthen supplier awareness of ESG as well as ABAC policy compliance requirements, impacts, risks and opportunities.

This proactive and collaborative approach enables the Group to identify and mitigate potential risks related to environmental impacts, labour practices and governance issues, thereby enhancing supply chain resilience.

Date & Time: 2026-03-31\_16:23:21  
EYE 31/12/2025

Tan Chong Motor Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption) C1(a) Percentage of employees who have received training on anti-corruption by employee category	Management	Percentage	100%	100%	Internal
Bursa (Anti-corruption) C1(a) Percentage of employees who have received training on anti-corruption by employee category	Executive	Percentage	100%	100%	Internal
Bursa (Anti-corruption) C1(a) Percentage of employees who have received training on anti-corruption by employee category	Non-Executive/Technical Staff	Percentage	100%	100%	Internal
Bursa (Anti-corruption) C1(a) Percentage of employees who have received training on anti-corruption by employee category	General Workers	Percentage	100%	100%	Internal
Bursa (Anti-corruption) C1(b) Percentage of operations assessed for corruption-related risks	Nil	Percentage	100%	100%	Internal
Bursa (Anti-corruption) C1(c) Confirmed incidents of corruption and action taken	Nil	Number	0	0	Internal
Bursa (Community/Society) C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	Nil	MYR	148,168	Nil	No assurance
Bursa (Community/Society) C2(b) Total number of beneficiaries of the investment in communities	Nil	Number	171	Nil	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Management Below 30	Percentage	0.98%	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Management Between 30 to 50	Percentage	6704	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Management Above 50	Percentage	31.98	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Executive Below 30	Percentage	20.23	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Executive Between 30 to 50	Percentage	66.25	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Executive Above 50	Percentage	13.52	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Non Executive & Technical Staff Below 30	Percentage	29.25	Nil	No assurance

**Tan Chong Motor Holdings Berhad**  
BMLR Transition Period

Date & Time: 2026-03-31\_16:23:21  
EYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Non Executive & Technical Staff Between 30 to 50	Percentage	62.77	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	Non Executive & Technical Staff Above 50	Percentage	7.98	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	General Workers Below 30	Percentage	21.85	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	General Workers Between 30 to 50	Percentage	63.89	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category	General Workers Above 50	Percentage	14.26	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Management Male	Percentage	65.43	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Management Female	Percentage	34.57	Nil	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Executive Male	Percentage	55.11	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Executive Female	Percentage	44.89	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Non-Executive/Technical Staff Male	Percentage	73.79	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	Non-Executive/Technical Staff Female	Percentage	26.21	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	General Worker Male	Percentage	85.13	Nil	No assurance
Bursa (Diversity) C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group Employee Category	General Worker Female	Percentage	14.87	Nil	No assurance
Bursa (Diversity) C3(b) Percentage of directors by gender and age group	Male	Percentage	75%	At least one (1) female Director	No assurance
Bursa (Diversity) C3(b) Percentage of directors by gender and age group	Female	Percentage	25%	At least one (1) female Director	No assurance

**Tan Chong Motor Holdings Berhad**  
BMLR Transition Period

Date & Time: 2026-03-31\_16:23:21  
EYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity) C3(b) Percentage of directors by gender and age group	Below 30	Percentage	0%	At least one (1) female Director	No assurance
Bursa (Diversity) C3(b) Percentage of directors by gender and age group	Between 30 to 50	Percentage	0%	At least one (1) female Director	No assurance
Bursa (Diversity) C3(b) Percentage of directors by gender and age group	Above 50	Percentage	100%	At least one (1) female Director	No assurance
Bursa (Energy management) C4(a) Total energy consumption	Nil	Megawatt	35,654.13	1% reduction from previous year (not exceeding 54,678.31 Megawatts)	No assurance
Bursa (Health and safety) C5(a) Number of work related fatalities	Nil	Number	0	0	Internal
Bursa (Health and safety) C5(b) Lost time incident rate ("LTIR")	Nil	Rate	0.69	≤ 0.50 (15% reduction from previous year rate of 0.59)	Internal
Bursa (Health and safety) C5(c) Number of employees trained on health and safety standards	Nil	Number	3,435	Nil	Internal
Bursa (Labour practices and standards) C6(e) Total hours of training by employee category	Management	Hours	9,552.71	Nil	Internal
Bursa (Labour practices and standards) C6(a) Total hours of training by employee category	Executive	Hours	15,476.92	Nil	Internal
Bursa (Labour practices and standards) C6(a) Total hours of training by employee category	Non-Executive/Technical Staff	Hours	14,419.47	Nil	Internal

# Tan Chong Motor Holdings Berhad

## BMLR Transition Period

Date & Time: 2026-03-31\_16:23:21  
EYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour practices and standards) C6(a) Total hours of training by employee category	General Workers	Hours	5,941,80	Nil	Internal
Bursa (Labour practices and standards) C6(b) Percentage of employees that are contractors or temporary staff	Nil	Percentage	15%	Nil	Internal
Bursa (Labour practices and standards) C6(c) Total number of employee turnover by employee category	Management	Number	156	Nil	Internal
Bursa (Labour practices and standards) C6(c) Total number of employee turnover by employee category	Executive	Number	256	Nil	Internal
Bursa (Labour practices and standards) C6(c) Total number of employee turnover by employee category	Non-Executive/Technical Staff	Number	262	Nil	Internal
Bursa (Labour practices and standards) C6(c) Total number of employee turnover by employee category	General Workers	Number	616	Nil	Internal
Bursa (Labour practices and standards) C6(d) Number of substantiated complaints concerning human rights violations	Nil	Number	0	0	Internal
Bursa (Supply chain management) C7(a) Proportion of spending on local suppliers	Nil	Percentage	58%	Nil	No assurance

**Tan Chong Motor Holdings Berhad**  
BMLR Transition Period

**Date & Time: 2026-03-31\_16:23:21**  
EYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Data Privacy and Security) C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil	Number	0	0	Internal
Bursa (Water) C9(a) Total volume of water used	Nil	Megalitres	294.10	5% reduction from previous year (Not exceeding 355.38 Megalitres)	No assurance
Bursa (Waste Management) C10(a) Total waste generated	Nil	Metric tonnes	3,988.81	≥95% of total diverted from disposal	No assurance
Bursa (Waste Management) C10(a) Total waste generated	(i) Total waste diverted from disposal	Metric tonnes	3,828.26	≥95% of total diverted from disposal	No assurance
Bursa (Waste Management) C10(a) Total waste generated	(ii) Total waste directed to disposal	Metric tonnes	160.55	≥95% of total diverted from disposal	No assurance
Bursa (Emissions management) C11(a) Scope 1 emissions in tonnes of CO2e	Nil	Metric tonnes	2,967.59	Nil	No assurance
Bursa (Emissions management) C11(b) Scope 2 emissions in tonnes of CO2e	Nil	Metric tonnes	17,433.33	Nil	No assurance
Bursa (Emissions management) C11(c) Scope 3 emissions in tonnes of CO2e	Category 6--business travel	Metric tonnes	1,488.91	Nil	No assurance
Bursa (Emissions management) C11(c) Scope 3 emissions in tonnes of CO2e	Category 7--employee commuting	Metric tonnes	4,771.64	Nil	No assurance

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

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

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

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

---

### I. BOARD RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

## 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	6/6	100
Ho Wai Ming	6/6	100
Lee Min On (resigned on 25 March 2026)	6/6	100
Ng Chee Hoong	6/6	100
Dato' Ng Mann Cheong	6/6	100
Dato' Chan Choun Sien	6/6	100
Dr. Nesadurai Kalanithi	6/6	100
Chia Tuang Mooi	6/6	100

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

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## II. BOARD COMPOSITION

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

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

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

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

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

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

### III. REMUNERATION

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

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

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

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

**II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

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

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

### I. COMMUNICATION WITH STAKEHOLDERS

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

### II. CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

This Statement is dated 29 April 2026.

## 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 2025.

### COMPOSITION AND MEETINGS

The Audit Committee was established on 1 August 1994 and the current composition, including the attendance of its members at the five (5) meetings held during the financial year, is as follows:

Name	Designation	Attendance
Ng Chee Hoong Independent Non-Executive Director	Chairman	5/5
Lee Min On Senior Independent Non-Executive Director (Resigned on 25 March 2026)	Member	5/5
Dato' Ng Mann Cheong Non-Independent Non-Executive Director	Member	5/5
Dato' Chan Choun Sien Senior Independent Non-Executive Director	Member	5/5
Dr. Nesadurai Kalanithi Independent Non-Executive Director	Member	5/5

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 [www.tanchonggroup.com](http://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 2025 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 2025 are stated in the Additional Compliance Information 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 June 2026, 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 2025 on 20 November 2025, and following their presentation of results and findings from their audit on 23 February 2026 and 7 April 2026, 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.

# AUDIT COMMITTEE REPORT

## 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 audits on the agreed management action plans.
- (e) Performed special review and investigation, as required;
- (f) To enhance the credibility of the Sustainability Statement, certain sections should undergo an internal review by the company's internal auditors for an independent assurance, which is approved by the Audit Committee. GIA serves as the internal auditor for this review, providing assurance on the sustainability reporting;
- (g) Reported audit findings and made recommendations to improve the internal control system at the various business units; and
- (h) 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 29 April 2026.

# 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”) requires a listed issuer to ensure that its Board of Directors provides a Statement on Risk Management and Internal Control (“Statement”) in the annual report. This Statement must enable shareholders and stakeholders to make an informed assessment of the main features, adequacy, and effectiveness of the Group’s risk management and internal control system.

In line with the SORMIC Guide 2025, the Statement should go beyond a compliance declaration and serve as a strategic disclosure, demonstrating how risk governance is embedded into the Group’s objectives and operations. It must include meaningful and transparent information on:

- The governance framework and Board oversight of risk management and internal control.
- Key processes for identifying, assessing, and managing risks, including emerging risks such as Environmental, Social and Governance (“ESG”), cyber, and AI.
- Assurance mechanisms, including internal audit and independent reviews.
- Continuous improvement initiatives and alignment with global standards (COSO, ISO 31000, MCCG, and sustainability frameworks).

Accordingly, the Board of Tan Chong Motor Holdings Berhad furnishes this Statement for the financial year ended 31 December 2025, up to the date of approval for inclusion in the Annual Report. This Statement has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the SORMIC Guide 2025, which provides updated guidance to strengthen governance, transparency, and stakeholder confidence.

## BOARD’S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges and assumes overall responsibility for the Group’s risk management and internal control system to safeguard shareholders’ investments and the Group’s assets. This includes reviewing the adequacy and operating effectiveness of the system in supporting the achievement of 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 (“MCCG”) 2021 Edition. Accordingly, the Board is aware of its principal responsibilities as outlined in the following MCCG Practices and Guidance related 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.
- **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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Approach

During the year, the Board continued to adopt a proactive risk management approach, focusing on identifying key risks and implementing actions to mitigate their likelihood and impact on the business. The Group regularly reviews and enhances its risk management and internal control system across all business units and subsidiaries to ensure it remains robust, responsive to business needs, and capable of managing risks to acceptable levels.

The system of risk management and internal control 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;
- Ensure compliance with laws and regulations; and
- Respond effectively to risks, including emerging risks, and manage their impact.

## Oversight Structure

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

## Risk Oversight and Reporting Structure

The reporting to the BRMSC is undertaken by the Risk Management and Sustainability Committee, chaired by the Group Chief Executive Officer and comprising the Heads of the major business units of the Group. The RMSC is supported by the Group Risk Management and Sustainability Department, whose primary role is to review and update risk management methodologies, particularly those related to risk identification, assessment, control, monitoring, and reporting.

The BRMSC is committed to ensuring the effective implementation of the Group's risk management framework and internal control system. It reviews the adequacy and effectiveness of these systems based on updates provided by the RMSC and GRMS during scheduled quarterly meetings. During the financial year under review, the BRMSC reviewed and endorsed the following for subsequent reporting to the Board:

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

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

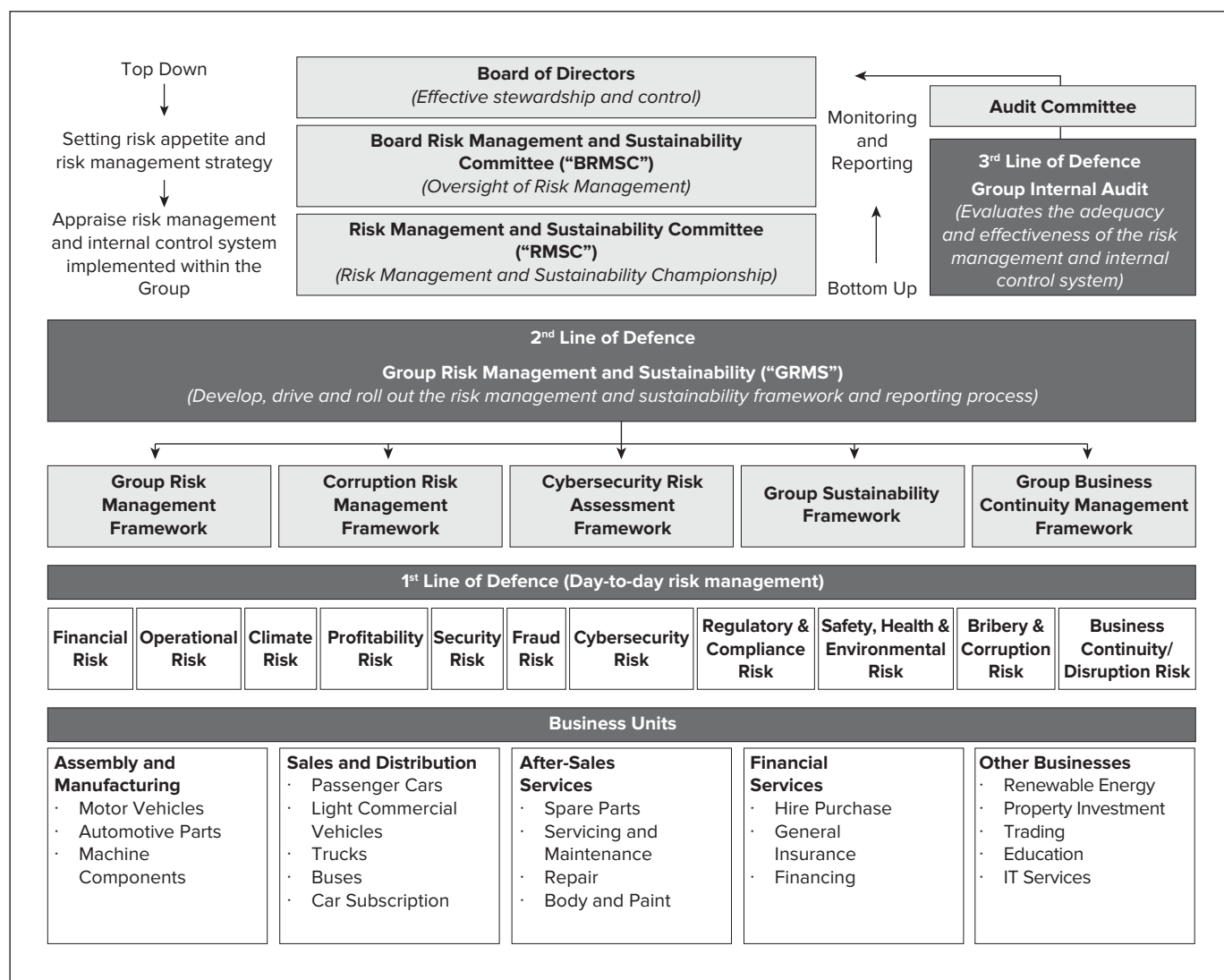
## Limitations of the System

In line with the SORMIC Guide 2025, the Board acknowledges that any system of risk management and internal control has inherent limitations. The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and strategic objectives. Accordingly, it can only provide reasonable, and not absolute, assurance against material misstatement, financial loss, or fraudulent activity.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT GOVERNANCE STRUCTURE

A holistic risk management process is applied across all business operations. The Group has adopted the following risk governance structure, which sets out the respective roles and responsibilities:

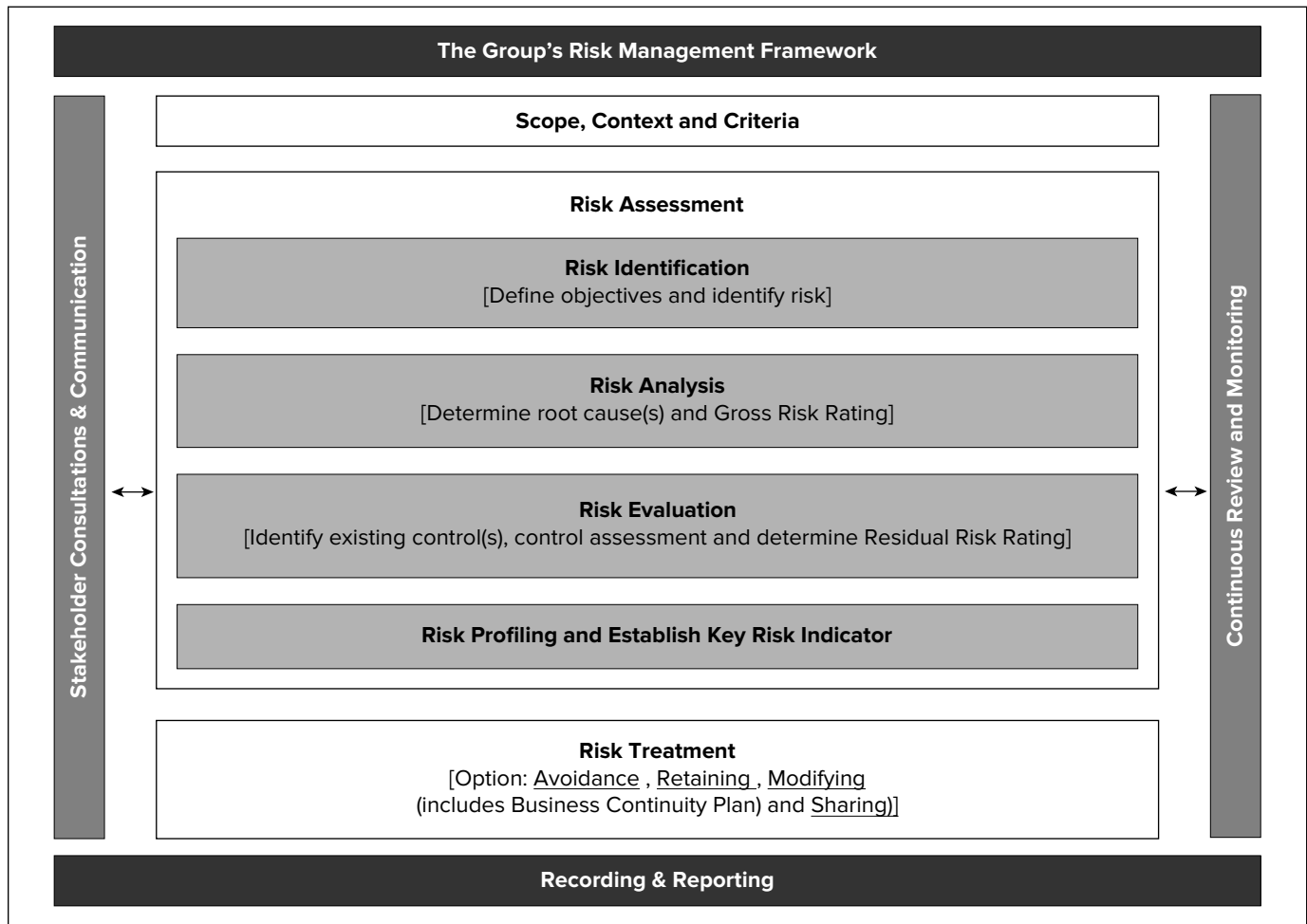


## RISK MANAGEMENT FRAMEWORK

The Company's Risk Management Framework ("RMF") is recognised by both the BRMSC and RMSC as a critical component of the Group's governance and business strategy. Its primary purpose is to ensure the consistent implementation of risk management processes across the Company and its subsidiaries. The framework provides a structured approach for identifying, assessing, managing, and monitoring risks that may affect the achievement of strategic and operational objectives.

In line with the SORMIC Guide 2025, the Group remains committed to continuously strengthening its risk management practices to enable proactive risk identification, timely mitigation, and resilience against emerging risks, including ESG, cyber, and regulatory risks. This commitment supports the Group's ability to minimise adverse impacts on business strategies and objectives while enhancing stakeholder confidence.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## How the Group Manages Risk

The Group adopts a RMF aligned with ISO 31000:2018 – Risk Management Guidelines and the Statement on Risk Management and Internal Control ("SORMIC") 2025 requirements under Bursa Malaysia's Listing Rules. This ensures a structured, transparent, and accountable approach to managing risks across all operations.

### Risk Assessment Process

The Group's risk assessment process incorporates the following key elements:

- Risk Identification – Recognizing potential events or conditions that may affect strategic and operational objectives.
- Likelihood and Impact Analysis – Assessing the probability of occurrence and potential consequences.
- Risk Evaluation – Comparing risk levels against established criteria and the Group's risk appetite.
- Risk Treatment – Developing and implementing mitigation plans to manage risks within acceptable tolerance levels.

This process is illustrated in the Group's Risk Management Framework and is subject to ongoing monitoring and periodic review to ensure effectiveness, as required by SORMIC Guide 2025.

### Risk Profiling and Reporting

All identified risks are:

- Documented, analysed, and reported by respective risk owners using a standardized Risk Profile Template.
- Evaluated based on likelihood of occurrence and potential impact, using risk parameters that reflect the Group's risk appetite and tolerance, as endorsed by the Board.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Parameters

The Group applies both:

- Quantitative (financial) measures.
- Qualitative (non-financial) matrices covering:
  - Reputation & Image
  - Operational efficiency
  - Business disruption
  - Governance and Regulatory
  - Environmental
  - Health and Safety
  - Business Model Sustainability
  - People – Leadership, people management and performance & productivity
  - Environmental, Social and Governance (ESG)

These parameters are cascaded into Key Risk Indicators (KRIs) for monitoring and reporting, in line with SORMIC Guide 2025 emphasis on measurable oversight.

## Risk Rating and Treatment

Risks are rated as High, Moderate or Low. This rating considers likelihood, impact, and the effectiveness of existing controls. Based on this evaluation, risk treatment plans are formulated to ensure alignment with the Group's risk appetite and to address any control gaps. Progress on mitigation actions is monitored and reported to the Board and relevant committees, reinforcing accountability and compliance with SORMIC Guide 2025.

## 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:

### A. Frameworks

- Reviewed and updated the Group Risk Management Framework to align with the current business operating environment and best practices in risk management, integrating Environmental, Social and Governance (ESG) into the Group's Risk Management Framework in strengthening resilience, compliance, and sustainable growth of the Group.
- Reviewed and updated the Group's risk appetite and risk parameters to ensure alignment with its sustainability strategies. Incorporated ESG risk impact parameters to guide business units in assessing the significance of ESG issues that could materially affect their operations.

### B. Risk and Sustainability Assessment & Monitoring

- GRMS conducted quarterly reviews of business risk profiles updated by the respective business units. Risk owners were engaged to deliberate on risk ratings and to discuss the current risk environment, key challenges, and potential emerging risks.
- Key Risk Indicators (KRIs) were established to provide early warning signals of increasing risk exposures, covering both business and corruption risks. The respective business units updated these indicators which are monitored monthly by GRMS. When any indicator reaches an unacceptable level, the business units implement remedial actions, while GRMS closely monitors the execution of these action plans.
- The Group's IT team conducted an annual assessment of cybersecurity risks, with pre-determined KRIs established to monitor potential cyberattacks in various forms. The team tracked these KRIs and reported quarterly to the RMSC and BRMSC on the implementation status of the cybersecurity framework, any cyberattack incidents, and the remedial actions and plans undertaken to strengthen information security across the Group. Enhanced IT policies and strengthen security systems to improve defenses against cyberattacks.
- In compliance with Labuan Financial Services Authority (LFSA) requirements, the Compliance Officer from GRMS completed the annual compliance reporting for FY2024 and prepared the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Risk Assessment Report for TC Trust Labuan Ltd for the 2025 assessment year.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### B. Risk and Sustainability Assessment & Monitoring (Cont'd)

- GRMS conducted a cybersecurity assessment for the financial business units within the Group to ensure compliance with Bank Negara Malaysia's contractual standards, with reporting scheduled for the first quarter of 2026.
- The Group enhanced financial risk parameter and refined the magnitude to reflect impact on profitability and cost overrun. Main objective is to improve accuracy, enabling proactive measures to protect profitability and prevent cost overruns.
- GRMS trained Risk Champions in business units to tabulate quarterly risk ratings in a heat map and guided them to discuss the risk profile during monthly Management Meetings. This ensures management remains informed on risk exposure trends and can make timely, well-informed decisions to address risks showing an upward trend.
- Business units incorporated ESG risk assessment by identifying material ESG issues for each business unit and conducting a double materiality assessment. KPIs and targets established to monitor and track the effectiveness of actions taken to address these ESG issues within their respective organisations.
- Business units conducted yearly reassessment of the corruption risk register, including reevaluation of the 2025 register and completion of the Corruption Risk Assessment Questionnaire to prepare for 2026 risk monitoring and identify actions needed to mitigate corruption risks.
- GRMS performed monthly monitoring and reporting of data provided by selected business units for sustainability and common indicators required by Bursa Malaysia; consolidated these data and reported quarterly to the SWC, RMSC, and BRMSC meetings.
- Selected business units actively monitored and updated the performance of sustainability KPIs monthly, based on materiality matters and Bursa Malaysia's common indicators. GRMS then reviewed, compiled, and reported these updates in the quarterly committee meetings.
- All active business units conducted an annual reassessment of their corruption risk registers and monitored KRIs monthly based on detective controls and pre-determined thresholds. GRMS reviewed and compiled the KRIs updated by the business units; and then reported the status as well as any findings in the quarterly committee meetings.

### C. Reporting

There are four (4) RMSC meetings and four (4) BRMSC meetings were held to present updated risk profiles and mitigation plans for approval by Senior Management and the Board, in alignment with the Group's current risk appetite. The agenda of these meetings included:

- GRMS consolidated and reported quarterly on the status of business and corruption risks, as well as updates on performance related to materiality matters and regulatory common indicators of the Group.
- Group IT presented the status of KRIs, cybersecurity risk ratings, and updates on cybersecurity incidents.
- Group Integrity Office (GIO) reported on the progress of TCMH's Group Anti-Bribery Management System and the status of any incidents.
- Group EHS provided updates on employee health and safety matters, including Loss Time Injury Rate (LTIR), incidents and accidents, and corrective and preventive actions taken."

### D. Training & Communication

Subject	Key Objectives
Risk Management Awareness Workshop	Enhance participants' understanding of business, corruption, and sustainability risks, and to strengthen their ability to identify, assess and manage these risks effectively within their roles. Aims to cultivate a proactive risk culture, reinforce ethical decision-making and support the organisation's commitment to responsible and sustainable business practices.
Empowering Risk Champion Workshop	Equip Risk Champions with the mindset, tools, and skills to confidently identify, assess and communicate risks within their functions. Enable integration of ESG into operational risk management by identifying material ESG risks, setting measurable KPIs and ensuring alignment with sustainability goals and regulatory requirements.
Conducting Risk-Based Anti-Corruption Due Diligence Workshop	Build awareness of third-party corruption risks and master the risk-based due diligence process, including categorisation, red flag identification and documentation requirements. Strengthen accountability through proper documentation, ongoing monitoring and periodic reviews to ensure compliance and protect organizational reputation.
5R Waste Management	Raise awareness of waste produced in the operations. Embedding the 5Rs into corporate culture, to help business units to reduce their ecological footprint, improve operational efficiency, and demonstrate leadership in sustainability. To align with global circular economy trends, which aim to keep resources in use for as long as possible, thereby creating economic and environmental value.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2025

Type of Risk	Concern	Mitigating Action/Strategy
Regulatory Risk	The Group faces changes in local regulatory requirements and government policies in Malaysia and other jurisdictions, which may affect operational efficiency and increase compliance costs. Failure to comply with updated regulations could result in financial penalties, reputational damage, and potential operational disruptions imposed by authorities.	The Group adopted proactive measures focused on compliance, monitoring, engagement, and preparedness to ensure adherence to evolving laws and maintain operational resilience. <ul style="list-style-type: none"> <li>Strengthen Compliance Framework - Established a strong compliance framework aligned with local and international regulations, supported by regularly updated policies and procedures to reflect regulatory changes.</li> <li>Continuous Monitoring - Ongoing checks and regulatory watch programmes. It identifies gaps early and updates processes to meet evolving standards.</li> <li>Documentation and Audit - Scheduled internal and external audits to validate adherence. Internal auditing provides independent assurance by evaluating controls, risk management, and compliance effectiveness, identifying weaknesses, and recommending corrective actions.</li> <li>Training and Awareness - Promote compliance by conducting regular regulatory training and fostering a compliance-driven culture across all business units.</li> </ul>
Profitability Risk	The Group regards the financial performance of business units and overall financial stability as a critical priority in its materiality assessment. This is because it directly impacts the Group's ability to generate sufficient earnings to cover costs and deliver returns to stakeholders.	The Group focused on protecting margins, controlling costs, and ensuring sustainable revenue:- <ul style="list-style-type: none"> <li>Cost control and efficiency - Implement strict budget monitoring and variance analysis. Optimise operational processes to reduce waste and improve productivity.</li> <li>Revenue diversification - Expand product/service offerings or enter new markets to reduce dependency on a single revenue stream.</li> <li>Pricing strategy - Review pricing models to maintain competitiveness while protecting margins.</li> <li>Financial monitoring - Use KRIs such as profit margin, cost overrun percentage, and EBITDA trends for early warning.</li> </ul>
Cybersecurity Risk	The Group faces threat to the confidentiality, integrity, and availability of the Group's information systems. A successful cyberattack or data breach could lead to financial losses, operational disruptions, regulatory penalties, legal liabilities, and severe reputational damage, ultimately impacting stakeholder trust and business continuity.	The Group managed cybersecurity risk through and compliance with data protection regulations such as the Malaysian Personal Data Protection (Amendment) Act 2024:- <ul style="list-style-type: none"> <li>Governance and policy - Implement a robust cybersecurity framework aligned, supported by clear governance roles and regularly updated IT security policies to ensure effective oversight and resilience.</li> <li>Technical controls - Strengthen system security through robust network defenses, endpoint protection, strict access controls, and comprehensive data encryption to safeguard information assets.</li> <li>Monitoring &amp; Detection - Enhance threat detection and response, conducting continuous vulnerability assessments, and maintaining real-time incident response capabilities.</li> <li>Employee Awareness &amp; Training - Promote a strong security culture through regular cybersecurity awareness programmes and phishing simulations to minimise social engineering risks.</li> <li>Incident Response &amp; Recovery - Ensure business resilience by maintaining and periodically assess effectiveness the Incident Response Plan.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Type of Risk	Concern	Mitigating Action/Strategy
Liquidity Risk	The Group is exposed to risk that can lead to cash flow shortages, inability to meet financial obligations, operational disruptions, increased borrowing costs, regulatory breaches, and reputational damage, ultimately threatening business continuity and financial stability.	The Group adopted proactive strategies such as focused on cash flow management, maintaining adequate reserves, diversifying funding sources, and implementing cost optimisation measures to ensure financial stability and business continuity: <ul style="list-style-type: none"> <li>• Strengthen Cash Flow Management - Improve liquidity resilience by implementing robust cash flow forecasting and monitoring working capital efficiency.</li> <li>• Maintain Adequate Liquidity Buffers - Maintain liquidity by keeping adequate cash reserves and securing committed credit lines with financial institutions.</li> <li>• Implement Cost Control Measures - Enhance liquidity by reducing non-essential expenses and phasing capital expenditures to optimise costs.</li> </ul>
Competition Risk	The Group faced competition risks that is heightened by aggressive pricing strategies and the influx of numerous China-brand variants, which may lead to reduced market share, price wars, and margin erosion, ultimately impacting revenue growth and profitability.	The Group adopted proactive strategies to protect market share and profitability: <ul style="list-style-type: none"> <li>• Product Differentiation - Enhanced quality, safety features, and technology to stand out from low-cost competitors.</li> <li>• Brand Positioning - Strengthened brand value through marketing campaigns emphasising reliability and after-sales service.</li> <li>• Pricing Optimisation - Implemented dynamic pricing strategies and offer attractive financing packages.</li> <li>• Customer Experience - Improve after-sales service, warranty programmes, and loyalty rewards to retain customers.</li> <li>• Innovation &amp; EV Transition - Invested in electric vehicles (EV) and smart mobility solutions to align with market trends.</li> <li>• Dealer Network &amp; Partnerships - Expanded dealer network and collaborate with strategic partners for better market penetration.</li> </ul>

### INTERNAL CONTROL SYSTEM

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

- Communication of Company's Core Values i.e. Trustworthiness & Integrity, Courage, Frugality, Innovation & Creativity, 24/7 Mindset, Perseverance and Diligence, to all employees;
- 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;
- 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 public website at: <https://www.tanchonggroup.com/corporate-integrity/>;
- 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;
- 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; and
- The regional internal audit office is established in our Bangkok office and has commenced operations to conduct internal audits on the Indochina business units. The regional audits performed and completed in the year covered Laos, Myanmar, Thailand and Vietnam units.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL AUDIT FUNCTION

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

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

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

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

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

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

## WEAKNESSES IN INTERNAL CONTROLS THAT RESULTED IN MATERIAL LOSSES

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

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

## CONCLUSION

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

This Statement is dated 29 April 2026.

## 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 2025, 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 2025 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 2025 were as follows:

	<b>Company 2025 (RM)</b>	<b>Group 2025 (RM)</b>
Statutory audit fees	170,000	671,114
Non-audit fees *	15,000	70,881

\* 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.



PFS  
56

# FINANCIAL STATEMENTS

<b>110</b>	Directors' Report
<b>115</b>	Statements of Financial Position
<b>117</b>	Consolidated Statement of Financial Position (in USD equivalent)
<b>119</b>	Statements of Profit or Loss and Other Comprehensive Income
<b>121</b>	Consolidated Statement of Profit or Loss and Other Comprehensive Income (in USD equivalent)
<b>123</b>	Consolidated Statement of Changes In Equity
<b>125</b>	Statement of Changes In Equity
<b>126</b>	Statements of Cash Flows
<b>128</b>	Notes To The Financial Statements
<b>220</b>	Statements By Directors and Statutory Declaration
<b>221</b>	Independent Auditors' Report

# DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025.

## 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 36 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## Results

	<b>Group</b> <b>RM'000</b>	<b>Company</b> <b>RM'000</b>
(Loss)/Profit for the year attributable to:		
Owners of the Company	(193,029)	122,430
Non-controlling interests	(5,619)	-
	<b>(198,648)</b>	<b>122,430</b>

## 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

No dividend was paid during the financial year and 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  
Ng Chee Hoong  
Dato' Ng Mann Cheong  
Dato' Chan Choun Sien  
Dr. Nesadurai Kalanithi  
Chia Tuang Mooi  
Lee Min On (Resigned on 25 March 2026)

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 2025

## 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)	Leong Yee Voon
Adrian Low Kok Kiang	Lew Jiun Shang
Alagasan a/l Gadigaselam	Lim Chee Khoon
Alex Kua Yeow Choon	Loh Ling Howe
Allan Chong Phang Ngee	Loh Thim Choy
Chan Mei-Lynn (Resigned on 28 June 2025)	Looi Kok Eu
Chen Wen-Chun	Martin Leow @ Liew Hun Vean (Resigned on 15 August 2025)
Cheng Mun Kean (Resigned on 16 January 2026)	Mohd Yusop bin Saidin
Cheong Kim Seong	Nicholas Tan Chye Seng
Cheong Yoke Yean	Ong Siew Luan
Chia Kok Kian (Appointed on 13 May 2025)	Ong Teck Seong
Chin Ten Hoy	Ong Wee Teck
Chin Yoon Leng (Resigned on 7 November 2025)	Ong Yin Ee
Chiou Wi-Guo (Resigned on 31 December 2025)	Phang Mun Kuee
Chong Meow Fong	Roslan Bin Ahmad
Chong Moon Fen	Say Teck Ming
Choo Chee Seong	Soh Peng Hui
Chow Kai Ming	Song Choon Beng (Resigned on 6 March 2025)
Christopher Tan Kok Leong	Tan Hock Leong
Daniel Chow Wing Fai	Tan Keng Meng (Resigned on 23 February 2026)
Dato' Azmil Bin Mohd Zabidi	Tan Lian Chin
Dato' Tan Eng Hwa	Tan Poh Guan
Dato' Than Tai Hing	Tan Seng Huat
Dato' Yew Hock Tat (Resigned on 31 December 2025)	Tan Siew Hoong
Datuk Abdullah bin Abdul Wahab	Tan Soon Huat
Datuk Lim Juay Jin	Tan Su Kui @ Tan Su Leong
Datuk Saharudin bin Muhamad Toha	Tan Teow Chang
Foo Check Tuann	Tan Ying Xiu
Fung Chee Sheng (Appointed on 10 December 2025)	Tang Chin Fook
Han Yin Nee	Teh Kim Hwa (Resigned on 6 March 2026)
Hout Kimmeng	Teong Seng Kiang (Resigned on 23 February 2026)
Kay Fock Soon	Terence Lau Han Seong
Ke Bee Kian	Thambirajah A.Marimuthu
Khoo Cheng Pah	Tse Pei Chen (Resigned on 31 March 2026)
Khoo Peng Peng	Tyrel Sackett Fernandez
Kol. (B) Ho Wah Juan	U Khin Maung Lwin
Kong Kim Loong @ Robert Kong (Resigned on 30 June 2025)	Wan Chun Shong
Lau Wai Yoong	Wong Hoe Mun
Lee Jiunn Shyan	Wong King Yoon
Lee Kok Loon	Yap Boon Wah
Lee Long How	Yap Yoke Moi
Leong Moh Jyee	Yong Ye Yeen
Leong Wen Yew	Yuen Kok Leong

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

### 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 31.12.2025
	At 1.1.2025	Bought	Disposed/ Transferred	
<b>Interests in the Company</b>				
<b>Direct interests:</b>				
Dato' Tan Heng Chew	34,424,462	120,000	-	34,544,462
<b>Indirect/Deemed interests:</b>				
Dato' Tan Heng Chew	290,588,430 <sup>(1)</sup>	274,000	-	290,862,430 <sup>(1)</sup>
Dato' Ng Mann Cheong	150,000 <sup>(2)</sup>	-	-	150,000 <sup>(2)</sup>
Ho Wai Ming	20,000 <sup>(2)</sup>	10,000	-	30,000 <sup>(2)</sup>

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(1)(c) of the Act.

(2) Interest of spouse by virtue of Section 59(1)(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 36 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 2025 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 2025 are as follows:

	From the Company RM'000	From its subsidiary companies RM'000
Fees	660	16
Remuneration	4,796	3,801
Estimated money value of any other benefits	122	8
Legal fees paid to a firm in which a Director is a partner	-	453
	5,578	4,278

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 2025

### 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 17 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 2025 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 2025

### Significant events during the year

- i) On 10 July 2025, Tanahku Holdings Sdn. Bhd. ("Tanahku"), a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with a third party ("Purchaser") to dispose nine plots of freehold land, located in Wilayah Persekutuan Kuala Lumpur, measuring approximately a total of 12,923.74 square meters (139,109.98 square feet) in area to the Purchaser for a total cash consideration of RM148,800,000 subject to the terms and conditions stipulated in the SPA (hereinafter referred to as "Disposal"). On 27 March 2026, the Disposal was completed after all conditions precedent in the SPA have been fulfilled.
- ii) On 11 November 2025, Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA") a wholly-owned subsidiary of the Company entered into a Letter of Intent ("LOI") with Perodua Sales Sdn. Bhd. ("PSSB"). The LOI sets out the key agreed principles that both TCMA and PSSB ("Parties") have reached agreement thus far in moving towards the relevant definitive agreements between the Parties in relation to the appointment of TCMA to provide particular services to PSSB for the Perodua Battery Electric Vehicle project.

### 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 RM1,068,000 and RM170,000 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: 29 April 2026

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
Property, plant and equipment	3	2,570,302	2,319,140	149	343
Investment properties	4	209,770	237,075	-	-
Intangible assets	5	94,554	99,678	-	-
Investments in subsidiaries	6	-	-	2,964,345	2,818,996
Equity-accounted investees	7	45,928	54,941	26,896	26,896
Deferred tax assets	9	71,249	87,899	7,597	8,137
Hire purchase receivables	10	256,737	333,584	-	-
Receivables	11	-	-	2,990	215,107
<b>Total non-current assets</b>		<b>3,248,540</b>	<b>3,132,317</b>	<b>3,001,977</b>	<b>3,069,479</b>
Inventories	12	667,269	842,136	-	-
Contract assets	13	22,070	24,070	-	-
Current tax assets		24,351	20,855	-	-
Hire purchase receivables	10	63,450	92,209	-	-
Receivables	11	348,363	317,343	443	1,487
Deposits and prepayments	11	54,404	86,562	138	144
Derivative financial assets	14	-	871	-	-
Other investments	8	2,612	30,750	-	-
Cash and cash equivalents	15	282,863	545,499	30	126
Assets classified as held for sale	16	1,465,382 128,706	1,960,295 -	611 -	1,757 -
<b>Total current assets</b>		<b>1,594,088</b>	<b>1,960,295</b>	<b>611</b>	<b>1,757</b>
<b>Total assets</b>		<b>4,842,628</b>	<b>5,092,612</b>	<b>3,002,588</b>	<b>3,071,236</b>

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONTINUED)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Equity</b>					
Share capital	17	336,000	336,000	336,000	336,000
Reserves		2,305,630	2,201,596	2,335,084	2,209,914
Treasury shares		(26,443)	(26,443)	(26,443)	(26,443)
<b>Total equity attributable to owners of the Company</b>		<b>2,615,187</b>	<b>2,511,153</b>	<b>2,644,641</b>	<b>2,519,471</b>
Non-controlling interests		9,091	4,585	-	-
<b>Total equity</b>		<b>2,624,278</b>	<b>2,515,738</b>	<b>2,644,641</b>	<b>2,519,471</b>
<b>Liabilities</b>					
Borrowings	18	159,890	309,827	159,890	309,827
Lease liabilities		48,199	65,510	13	104
Employee benefits	19	98,295	100,798	30,584	32,406
Deferred tax liabilities	9	315,968	233,913	-	-
Contract liabilities	13	34,870	54,492	-	-
<b>Total non-current liabilities</b>		<b>657,222</b>	<b>764,540</b>	<b>190,487</b>	<b>342,337</b>
Borrowings	18	1,072,732	1,406,417	150,000	200,000
Lease liabilities		51,854	39,895	83	83
Derivative financial liabilities	14	1,976	32	-	-
Current tax liabilities		2,395	4,301	127	-
Contract liabilities	13	64,112	45,795	-	-
Payables and accruals	20	368,059	315,894	17,250	9,345
<b>Total current liabilities</b>		<b>1,561,128</b>	<b>1,812,334</b>	<b>167,460</b>	<b>209,428</b>
<b>Total liabilities</b>		<b>2,218,350</b>	<b>2,576,874</b>	<b>357,947</b>	<b>551,765</b>
<b>Total equity and liabilities</b>		<b>4,842,628</b>	<b>5,092,612</b>	<b>3,002,588</b>	<b>3,071,236</b>

The notes on pages 115 to 219 are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (IN USD EQUIVALENT)

	2025 USD'000	2024 USD'000
<b>Assets</b>		
<i>Property, plant and equipment</i>	632,923	518,186
<i>Investment properties</i>	51,655	52,972
<i>Intangible assets</i>	23,283	22,272
<i>Equity-accounted investees</i>	11,310	12,276
<i>Deferred tax assets</i>	17,545	19,640
<i>Hire purchase receivables</i>	63,220	74,536
<b>Total non-current assets</b>	799,936	699,882
<i>Inventories</i>	164,311	188,165
<i>Contract assets</i>	5,435	5,378
<i>Current tax assets</i>	5,996	4,660
<i>Hire purchase receivables</i>	15,624	20,603
<i>Receivables</i>	85,783	70,907
<i>Deposits and prepayments</i>	13,397	19,341
<i>Derivative financial assets</i>	-	195
<i>Other investments</i>	643	6,871
<i>Cash and cash equivalents</i>	69,654	121,885
<i>Assets classified as held for sale</i>	360,843	438,005
	31,693	-
<b>Total current assets</b>	392,536	438,005
<b>Total assets</b>	1,192,472	1,137,887

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 RM4.0610 = USD1.00 (2024 - RM4.4755 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (IN USD EQUIVALENT)  
(CONTINUED)

	2025 USD'000	2024 USD'000
<b>Equity</b>		
Share capital	82,738	75,075
Reserves	567,749	491,922
Treasury shares	(6,511)	(5,908)
<b>Total equity attributable to owners of the Company</b>	<b>643,976</b>	<b>561,089</b>
Non-controlling interests	2,239	1,024
<b>Total equity</b>	<b>646,215</b>	<b>562,113</b>
<b>Liabilities</b>		
Borrowings	39,372	69,227
Lease liabilities	11,869	14,637
Employee benefits	24,205	22,522
Deferred tax liabilities	77,805	52,265
Contract liabilities	8,587	12,176
<b>Total non-current liabilities</b>	<b>161,838</b>	<b>170,827</b>
Borrowings	264,155	314,249
Lease liabilities	12,768	8,914
Derivative financial liabilities	487	7
Current tax liabilities	590	961
Contract liabilities	15,787	10,232
Payables and accruals	90,632	70,584
<b>Total current liabilities</b>	<b>384,419</b>	<b>404,947</b>
<b>Total liabilities</b>	<b>546,257</b>	<b>575,774</b>
<b>Total equity and liabilities</b>	<b>1,192,472</b>	<b>1,137,887</b>

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 RM4.0610 = USD 1.00 (2024 - RM4.4755 = USD 1.00) 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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue</b>	21	2,114,459	2,082,655	264,117	344,447
Cost of sales		(1,662,871)	(1,649,021)	-	-
<b>Gross profit</b>		451,588	433,634	264,117	344,447
Other income		93,715	56,318	20	622
Distribution expenses		(196,504)	(188,460)	-	-
Administrative expenses		(324,322)	(344,890)	(8,982)	(12,511)
Net (loss)/reversal of impairment of financial instruments		(38,563)	(19,342)	753	(870)
Other expenses		(106,781)	(94,873)	(115,480)	(29,273)
<b>Results from operating activities</b>		(120,867)	(157,613)	140,428	302,415
Finance income	22	11,350	16,694	2,592	10,563
Finance costs	23	(64,485)	(71,331)	(20,713)	(25,862)
<b>Net finance cost</b>		(53,135)	(54,637)	(18,121)	(15,299)
Share of loss of equity-accounted investees, net of tax		(1,331)	(2,027)	-	-
<b>(Loss)/Profit before tax</b>	24	(175,333)	(214,277)	122,307	287,116
Tax (expense)/income	26	(23,315)	(6,528)	123	751
<b>(Loss)/Profit for the year</b>		(198,648)	(220,805)	122,430	287,867

STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Other comprehensive income/(expense) for the year, net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit liability		8,722	-	2,740	-
Revaluation of property, plant and equipments		321,848	-	-	-
		330,570	-	2,740	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(18,264)	(4,097)	-	-
Foreign currency translation differences for an equity-accounted associate		(458)	(674)	-	-
Cash flow hedge		(2,815)	1,170	-	-
		(21,537)	(3,601)	-	-
<b>Total other comprehensive income/(expense) for the year, net of tax</b>	27	309,033	(3,601)	2,740	-
<b>Total comprehensive income/(expense) for the year</b>		110,385	(224,406)	125,170	287,867
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(193,029)	(214,166)	122,430	287,867
Non-controlling interests		(5,619)	(6,639)	-	-
<b>(Loss)/Profit for the year</b>		(198,648)	(220,805)	122,430	287,867
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the Company		104,034	(222,321)	125,170	287,867
Non-controlling interests		6,351	(2,085)	-	-
<b>Total comprehensive income/(expense) for the year</b>		110,385	(224,406)	125,170	287,867
<b>Basic loss per ordinary share (sen)</b>	28	(29.62)	(32.86)		

The notes on pages 115 to 219 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (IN USD EQUIVALENT)

	<b>2025</b>	<b>2024</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Revenue</b>	520,674	465,346
Cost of sales	(409,473)	(368,455)
<b>Gross profit</b>	111,201	96,891
Other income	23,077	12,584
Distribution expenses	(48,388)	(42,109)
Administrative expenses	(79,863)	(77,062)
Net impairment loss on financial instruments	(9,496)	(4,322)
Other expenses	(26,294)	(21,198)
<b>Results from operating activities</b>	(29,763)	(35,216)
Finance income	2,795	3,730
Finance costs	(15,879)	(15,938)
<b>Net finance cost</b>	(13,084)	(12,208)
Share of loss of equity-accounted investees, net of tax	(328)	(453)
<b>Loss before tax</b>	(43,175)	(47,877)
Tax expense	(5,741)	(1,459)
<b>Loss for the year</b>	(48,916)	(49,336)

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 RM4.0610 = USD 1.00 (2024 - RM4.4755 = USD 1.00) being the exchange rate ruling at the date of statements of financial position.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025 (IN USD EQUIVALENT)

(CONTINUED)

	2025 USD'000	2024 USD'000
<b>Other comprehensive income/(expense) for the year, net of tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of defined benefit liability	2,148	-
Revaluation of property, plant and equipment	79,253	-
	81,401	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Foreign currency translation differences for foreign operations	(4,497)	(915)
Foreign currency translation differences for an equity-accounted associate	(113)	(151)
Cash flow hedge	(693)	261
	(5,303)	(805)
<b>Total other comprehensive income/(expense) for the year, net of tax</b>	76,098	(805)
<b>Total comprehensive income/(expense) for the year</b>	27,182	(50,141)
<b>Loss attributable to:</b>		
Owners of the Company	(47,532)	(47,853)
Non-controlling interests	(1,384)	(1,483)
<b>Loss for the year</b>	(48,916)	(49,336)
<b>Total comprehensive income/(expense) attributable to:</b>		
Owners of the Company	25,618	(49,675)
Non-controlling interests	1,564	(466)
<b>Total comprehensive income/(expense) for the year</b>	27,182	(50,141)
<b>Basic loss per ordinary share (sen)</b>	(7.29)	(7.34)

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 RM4.0610 = USD 1.00 (2024 - RM4.4755 = USD 1.00) 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 2025

Group	Note	Attributable to owners of the Company									
		Non-distributable					Distributable				
		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
<b>At 1 January 2024</b>		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)
<b>Total comprehensive (expense)/income for the year</b>		-	-	(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	29	-	-	-	-	-	-	(6,517)	(6,517)	-	(6,517)
Dividend paid to non-controlling interest		-	(149)	-	-	-	-	(6,517)	(6,666)	-	(6,666)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	(623)	(623)
		-	-	-	-	-	-	-	-	5,635	5,635
<b>Total transactions with owners of the Company</b>		-	(149)	-	-	-	-	(6,517)	(6,666)	5,012	(1,654)
<b>At 31 December 2024</b>		336,000	(26,443)	(22,971)	904,564	839	100	1,319,064	2,511,153	4,585	2,515,738

Note 17    Note 17

The notes on pages 115 to 219 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

Group	Note	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
		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
<b>At 1 January 2025</b>		336,000	(26,443)	(22,971)	904,564	839	100	1,319,064	2,511,153	4,585	2,515,738
Remeasurement of defined benefit liability		-	-	-	-	-	-	8,858	8,858	(136)	8,722
Revaluation of property, plant and equipment		-	-	-	317,061	-	-	-	317,061	4,787	321,848
Transfer of revaluation surplus on properties		-	-	-	(17,609)	-	-	17,609	-	-	-
Foreign currency translation differences for foreign operations		-	-	(25,583)	-	-	-	-	(25,583)	7,319	(18,264)
Foreign currency translation difference for an equity-accounted associate		-	-	(458)	-	-	-	-	(458)	-	(458)
Cash flow hedge		-	-	-	-	(2,815)	-	-	(2,815)	-	(2,815)
<b>Total other comprehensive (expense)/income for the year</b>		-	-	(26,041)	299,452	(2,815)	-	26,467	297,063	11,970	309,033
<b>Loss for the year</b>		-	-	-	-	-	-	(193,029)	(193,029)	(5,619)	(198,648)
<b>Total comprehensive (expense)/income for the year</b>		-	-	(26,041)	299,452	(2,815)	-	(166,562)	104,034	6,351	110,385
Dividend paid to non-controlling interest		-	-	-	-	-	-	-	-	(2,065)	(2,065)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	220	220
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	-	-	-	(1,845)	(1,845)
<b>At 31 December 2025</b>		336,000	(26,443)	(49,012)	1,204,016	(1,976)	100	1,152,502	2,615,187	9,091	2,624,278

Note 17    Note 17

**STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

	Note	← Attributable to owners of the Company →			Total equity RM'000
		Non-distributable	Treasury	Distributable	
		Share capital RM'000	shares RM'000	Retained earnings RM'000	
<b>Company</b>					
<b>At 1 January 2024</b>		336,000	(26,294)	1,928,564	2,238,270
Profit for the year		-	-	287,867	287,867
<b>Total comprehensive income for the year</b>		-	-	287,867	287,867
Purchase of treasury shares		-	(149)	-	(149)
Dividend paid - 2024 first interim	29	-	-	(6,517)	(6,517)
<b>Total transactions with owners of the Company</b>		-	(149)	(6,517)	(6,666)
<b>At 31 December 2024/ 1 January 2025</b>		336,000	(26,443)	2,209,914	2,519,471
Profit for the year		-	-	122,430	122,430
Other comprehensive income for the year, net of tax		-	-	2,740	2,740
<b>Total comprehensive income for the year</b>		-	-	125,170	125,170
<b>At 31 December 2025</b>		336,000	(26,443)	2,335,084	2,644,641
		Note 17	Note 17		

The notes on pages 115 to 219 are an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(175,333)	(214,277)	122,307	287,116
Adjustments for:					
Amortisation of intangible asset	5	5,965	5,972	-	-
Depreciation of property, plant and equipment	3	122,379	132,732	103	124
Dividend income		-	-	(264,117)	(344,447)
Loss on disposal of investment in subsidiaries		-	-	1,845	-
(Gain)/loss on disposal of property, plant and equipment	24	(574)	507	9	-
Gain on lease modification	24	(1,585)	-	-	-
Loss on unrealised foreign exchange - net	24	42,850	24,103	5	2
Gain on disposal of investment in equity-accounted investees	24	(2,146)	-	-	-
Finance costs	24	64,485	71,331	20,713	25,862
Finance income	22	(11,350)	(16,694)	(2,592)	(10,563)
Inventories written off	24	827	399	-	-
Write-down of inventories	12	6,121	7,148	-	-
Bad debts written off	24	328	835	-	-
Additional impairment loss on:	24				
- Amount due from subsidiaries		-	-	(753)	870
- Hire purchase receivables		32,976	19,029	-	-
- Property, plant and equipment		1,576	-	-	-
- Investment in subsidiaries		-	-	113,618	29,271
- Equity-accounted investees		-	8,564	-	-
- Trade receivables		5,587	313	-	-
Reversal of write-down of inventories	12	(5,388)	(5,381)	-	-
Property, plant and equipment written off	3	3,552	26	-	-
Retirement benefits charged	19	9,016	11,358	1,783	3,175
Fair value changes on investment properties	4	(54,223)	(405)	-	-
Fair value gain on other investments	24	(863)	(2,853)	-	-
Share of loss of equity-accounted investees		1,331	2,027	-	-
Fair value adjustment to derivatives		-	(26)	-	-
<b>Operating profit/(loss) before changes in working capital</b>		45,531	44,708	(7,079)	(8,590)
Changes in working capital:					
Inventories		191,831	(16,959)	-	-
Hire purchase receivables		72,630	6,360	-	-
Receivables		(37,493)	(19,915)	1,044	(1,034)
Deposits and prepayments		32,158	(3,543)	6	-
Payables and accruals		30,530	(16,209)	(6,116)	(5,599)
Contract assets		2,000	1,471	-	-
Contract liabilities		(16,331)	24,544	-	-
<b>Cash generated from/(used in) operations</b>		320,856	20,457	(12,145)	(15,223)
Tax paid		(16,717)	(3,314)	(75)	-
Tax refunded		1,676	1,064	-	-
Dividends received from unquoted subsidiaries		-	-	260,729	344,197
Interest paid		(61,544)	(61,257)	(17,762)	(20,447)
Interest received		11,350	16,694	2,592	10,563
Employee benefits paid		(1,337)	(948)	-	-
<b>Net from/(used in) operating activities</b>		254,284	(27,304)	233,339	319,090

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of investment property		(3,372)	-	-	-
Acquisition of intangible asset		(1,250)	(352)	-	-
Acquisition of property, plant and equipment		(66,033)	(99,670)	-	(6)
Net proceeds from disposal/ (acquisition) of other investments		29,001	(2,025)	-	-
Repayment from/(to) subsidiaries		-	-	223,943	(536)
Subscription to subsidiaries' share capital		-	-	(260,812)	(371,898)
Dividends received from:					
- Joint ventures		250	250	250	250
- Associates		3,388	-	3,138	-
Proceeds from disposal of property, plant and equipment		18,588	18,019	82	-
Proceeds from disposal of equity-accounted investees		5,732	-	-	-
<b>Net cash used in investing activities</b>		<b>(13,696)</b>	<b>(83,778)</b>	<b>(33,399)</b>	<b>(372,190)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the company	29	-	(6,517)	-	(6,517)
Dividend paid to non-controlling interests	6	(2,065)	(623)	-	-
Purchase of own shares		-	(149)	-	(149)
Net (repayment)/proceeds from bankers' acceptance		(125,243)	104,668	-	-
Net (repayment)/drawdown of term loans		(16,419)	56,179	-	-
Net (repayment) of revolving credit		(135,000)	(48,172)	-	-
Payment of lease liabilities		(11,108)	(16,378)	(99)	(99)
Net (repayment)/proceeds from medium term notes	18	(199,937)	59,827	(199,937)	59,827
Share subscription in a subsidiary by non-controlling interest shareholders		220	5,635	-	-
<b>Net cash (used in)/from financing activities</b>		<b>(489,552)</b>	<b>154,470</b>	<b>(200,036)</b>	<b>53,062</b>
Net change in cash and cash equivalents		(248,964)	43,388	(96)	(38)
Effects of exchange rate fluctuations on cash and cash equivalents		(13,672)	(9,468)	-	-
Cash and cash equivalents at 1 January		545,499	511,579	126	164
<b>Cash and cash equivalents at 31 December</b>	15	<b>282,863</b>	<b>545,499</b>	<b>30</b>	<b>126</b>

**Cash outflows for leases as a lessee**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Included in net cash used in operating activities</b>					
Payment relating to leases of short-term leases and low-value assets	24	6,794	6,062	56	56
Interest paid in relation to lease liabilities	23	3,820	4,201	8	11
<b>Included in net cash from financing activities</b>					
Payment of lease liabilities		11,108	16,378	99	99
<b>Total cash outflows for leases</b>		<b>21,722</b>	<b>26,641</b>	<b>163</b>	<b>166</b>

The notes on pages 115 to 219 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 2025 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 2025 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 36 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 29 April 2026.

## 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 MFRS Accounting Standards 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 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendment to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - 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*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

***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*

## NOTES TO THE FINANCIAL STATEMENTS

**1. Basis of preparation (continued)****(a) Statement of compliance (continued)**

The Group and the 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 the 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 34 - 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 19 - 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 19.

## 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Material accounting policies (continued)

#### (b) Foreign currency (continued)

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

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.

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Material accounting policies (continued)

#### (d) Property, plant and equipment (continued)

##### (i) Recognition and measurement (continued)

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Material accounting policies (continued)

#### (e) Leases (continued)

##### (ii) Recognition and 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

**2. Material accounting policies (continued)****(h) Inventories (continued)**

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Material accounting policies (continued)

### (m) Employee benefits (continued)

#### (iii) Defined benefit plans (continued)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

**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 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/ 1 January 2025	459,926	639,830	1,088,078	621,779	159,214	276,006	117,362	3,164	24,500	3,389,859
Additions	-	-	11,076	10,655	5,214	39,900	6,413	-	3,851	77,109
Disposals	-	-	(10,438)	(820)	(642)	(30,243)	(496)	-	-	(42,639)
Revaluation	60,116	149,494	196,799	-	-	-	-	-	-	406,409
Less: Elimination of accumulated depreciation	-	(63,286)	(48,454)	-	-	-	-	-	-	(111,740)
Transfer from assets under construction	-	668	-	7,972	1,808	-	775	-	(11,223)	-
Transfer from investment properties (Note 4)	2,440	660	-	-	-	-	-	-	-	3,100
Transfer to asset held for sale (Note 16)	(30,906)	-	-	-	-	-	-	-	-	(30,906)
Transfer to inventories	-	-	-	-	-	^(31,546)	-	-	-	(31,546)
Write-off	-	-	-	(2,010)	(3,770)	(196)	(8,794)	-	(240)	(15,010)
Effects of movement in exchange rates	-	(17,203)	(23,435)	(20,084)	(1,676)	(2,056)	(2,230)	(520)	(1,084)	(68,288)
At 31 December 2025	491,576	710,163	1,213,626	617,492	160,148	251,865	113,030	2,644	15,804	3,576,348

^ 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 RM18,524,000 (2024: RM5,286,000).

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	-	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
Representing items:										
- at cost	-	-	160,597	617,492	160,148	251,865	113,030	2,644	15,804	1,312,580
- at valuation	491,576	710,163	1,053,029	-	-	-	-	-	-	2,254,768
At 31 December 2025	491,576	710,163	1,213,626	617,492	160,148	251,865	113,030	2,644	15,804	3,576,348

## 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
<b>Depreciation and impairment loss</b>										
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
Depreciation for the year	4,230	32,249	117,923	518,504	135,162	136,991	91,724	549	-	1,037,332
Disposals	-	23,612	37,677	19,498	6,502	40,463	4,779	201	-	132,732
Transfer to inventories	-	-	(5,162)	(444)	(289)	(15,891)	(23)	-	-	(21,809)
Write-off	-	-	-	-	-	(58,403)	-	-	-	(58,403)
Effects of movement in exchange rates	-	-	-	(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
At 1 January 2025										
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
Depreciation for the year	-	23,206	34,391	15,837	8,409	35,078	5,398	60	-	122,379
Disposals	-	-	(8,185)	(799)	(569)	(12,535)	(284)	-	-	(22,372)
Transfer to inventories	-	-	-	-	-	(13,022)	-	-	-	(13,022)
Write-off	-	-	-	(1,975)	(3,340)	(196)	(5,947)	-	-	(11,458)
(Reversal of impairment loss) / Impairment loss	(15)	1,215	376	-	-	-	-	-	-	1,576
Elimination on revaluation	-	(63,286)	(48,454)	-	-	-	-	-	-	(111,740)
Effects of movement in exchange rates	-	(4,547)	(4,651)	(16,166)	(1,503)	(1,258)	(1,805)	(106)	-	(30,036)
At 31 December 2025										
Accumulated depreciation	-	-	118,696	505,093	141,140	110,765	92,881	686	-	969,261
Accumulated impairment loss	4,215	10,348	3,065	19,076	37	-	44	-	-	36,785
	4,215	10,348	121,761	524,169	141,177	110,765	92,925	686	-	1,006,046
<b>Carrying amounts</b>										
At 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 / 1 January 2025										
	455,696	586,070	939,794	94,507	21,034	173,308	21,799	2,432	24,500	2,319,140
At 31 December 2025										
	487,361	699,815	1,091,865	93,323	18,971	141,100	20,105	1,958	15,804	2,570,302

## 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
<b>Cost</b>					
At 1 January 2024	513	253	1,689	10	2,465
Additions	-	6	-	-	6
Write-off	-	(135)	-	-	(135)
At 31 December 2024 / 1 January 2025	513	124	1,689	10	2,336
Disposal	-	-	(316)	-	(316)
At 31 December 2025	513	124	1,373	10	2,020
<b>Depreciation</b>					
At 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 / 1 January 2025	342	102	1,546	3	1,993
Depreciation for the year	85	13	3	2	103
Disposal	-	-	(225)	-	(225)
At 31 December 2025	427	115	1,324	5	1,871
<b>Carrying amounts</b>					
At 1 January 2024	257	31	165	8	461
At 31 December 2024 / 1 January 2025	171	22	143	7	343
At 31 December 2025	86	9	49	5	149

The Company leases an office for 3 years, with an option to renew the lease after the expiry of the original lease period.

## 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
<b>Cost/Valuation</b>						
At 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 / 1 January 2025	929,096	154,611	1,099	2,770	502	1,088,078
Additions	729	10,197	25	-	125	11,076
Disposals	(4,564)	(5,716)	(58)	-	(100)	(10,438)
Revaluation	196,799	-	-	-	-	196,799
Less: Elimination of accumulated depreciation	(48,454)	-	-	-	-	(48,454)
Effects of movement in exchange rates	(20,577)	(2,858)	-	-	-	(23,435)
At 31 December 2025	1,053,029	156,234	1,066	2,770	527	1,213,626
<b>Cost/Valuation</b>						
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
Representing items:						
- at cost	-	156,234	1,066	2,770	527	160,597
- at valuation	1,053,029	-	-	-	-	1,053,029
At 31 December 2025	1,053,029	156,234	1,066	2,770	527	1,213,626

## 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
<b>Depreciation and impairment loss</b>						
At 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 / 1 January 2025						
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
Depreciation for the year	19,838	14,254	169	2	128	34,391
Disposals	(2,715)	(5,312)	(58)	-	(100)	(8,185)
Impairment loss	376	-	-	-	-	376
Elimination on revaluation	(48,454)	-	-	-	-	(48,454)
Effects of movement in exchange rates	(2,626)	(2,025)	-	-	-	(4,651)
At 31 December 2025						
Accumulated depreciation	-	114,698	962	2,764	272	118,696
Accumulated impairment loss	3,065	-	-	-	-	3,065
	3,065	114,698	962	2,764	272	121,761
<b>Carrying amounts</b>						
At 1 January 2024						
	917,695	43,529	38	12	385	961,659
At 31 December 2024 / 1 January 2025						
	892,450	46,830	248	8	258	939,794
At 31 December 2025						
	1,049,964	41,536	104	6	255	1,091,865

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 options to renew the leases after the expiry of the original lease period.

## 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 2025 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
<b>Group 2025</b>				
Cost	114,765	246,424	670,333	1,031,522
Accumulated depreciation	-	(80,268)	(208,268)	(288,536)
Accumulated impairment loss	(4,215)	(3,065)	(10,348)	(17,628)
	110,550	163,091	451,717	725,358
<b>2024</b>				
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

*Fair value information*

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group 2025</b>				
Freehold land	-	-	487,361	487,361
Long-term leasehold land	-	-	1,049,964	1,049,964
Buildings	-	-	699,815	699,815
	-	-	2,237,140	2,237,140
<b>2024</b>				
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

Note a: The long-term leasehold land is under right-of-use assets.

## NOTES TO THE FINANCIAL STATEMENTS

**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 RM27 to RM896 (2024: RM25 to RM878), properties in Vietnam range from RM52 to RM112 (2024: RM39 to RM115) per square foot and a property in Myanmar is RM115 per square foot (2024: RM98 per square foot).

**3.3 Titles**

The titles to certain properties with a total carrying amounts of RM1,350,000 (2024: 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
<b>Group</b>				
At 1 January 2024	168,755	23,430	46,405	238,590
Transfer to property, plant and equipment (Note 3)	-	(1,020)	(900)	(1,920)
Change in fair value recognised in profit or loss	315	90	-	405
At 31 December 2024 / 1 January 2025	169,070	22,500	45,505	237,075
Additions	-	19,372	-	19,372
Transfer to property, plant and equipment (Note 3)	(2,440)	-	(660)	(3,100)
Transfer to asset held for sale	(97,800)	-	-	(97,800)
Change in fair value recognised in profit or loss	1,215	51,138	1,870	54,223
At 31 December 2025	70,045	93,010	46,715	209,770

The operating lease payments to be received are as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one year	2,727	2,127
One to two years	1,630	1,074
Two to three years	528	467
Three to four years	102	46
Total undiscounted lease payments	4,987	3,714

## 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
<b>Group</b>				
<b>2025</b>				
Freehold land	-	-	70,045	70,045
Long-term leasehold land	-	-	93,010	93,010
Buildings	-	-	46,715	46,715
	-	-	209,770	209,770
<b>2024</b>				
Freehold land	-	-	169,070	169,070
Long-term leasehold land	-	-	22,500	22,500
Buildings	-	-	45,505	45,505
	-	-	237,075	237,075

## NOTES TO THE FINANCIAL STATEMENTS

**4. Investment properties (continued)****4.1 Fair value information (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 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 (2024: 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, shophouse and 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 RM14,550,000 (2024: 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 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 2024/1 January 2025	14,703	13,328	12,988	84,227	125,246
Additions	-	1,215	35	-	1,250
Effects of movement in exchange rates	-	(679)	-	-	(679)
At 31 December 2025	14,703	13,864	13,023	84,227	125,817

#### Amortisation and impairment losses

At 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 2024/1 January 2025	-	4,011	3,490	3,364	10,865
Accumulated amortisation	14,703	-	-	-	14,703
Accumulated impairment loss	14,703	4,011	3,490	3,364	25,568
Amortisation	-	1,178	1,403	3,384	5,965
Effects of movement in exchange rates	-	(270)	-	-	(270)
At 31 December 2025	-	4,919	4,893	6,748	16,560
Accumulated amortisation	14,703	-	-	-	14,703
Accumulated impairment loss	14,703	4,919	4,893	6,748	31,263

#### Carrying amounts

At 1 January 2024	-	11,292	5,721	83,875	100,888
At 31 December 2024/1 January 2025	-	9,317	9,498	80,863	99,678
At 31 December 2025	-	8,945	8,130	77,479	94,554

## 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	
	2025	2024
	RM'000	RM'000
(i) Vietnam vehicles distribution network	13,944	13,944
Others	759	759
	14,703	14,703
Less: Impairment loss	(14,703)	(14,703)
	-	-

- (i) 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 will sell and TNB will purchase 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	
	2025 RM'000	2024 RM'000
Investments at cost	3,152,302	2,893,335
Less: Impairment loss	(187,957)	(74,339)
	<b>2,964,345</b>	<b>2,818,996</b>

Details of the subsidiaries are in Note 36.

#### Impairment test on investment in subsidiaries

During the financial year, impairment indicators were identified in certain subsidiaries, primarily due to challenging business conditions in specific markets in which the Group operates. The Company performed an impairment assessment by comparing the carrying amounts of these subsidiaries with their respective recoverable amounts.

Management determined the recoverable amounts of the affected subsidiaries based on fair value less costs of disposal or value in use method. As the aggregate carrying amounts of these subsidiaries exceeded their recoverable amounts, an impairment loss of RM113,618,000 (2024: RM29,271,000) was recognised in other expenses in the profit or loss for the financial year.

#### 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")

	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<b>2025</b>						
NCI percentage of ownership interest and voting interest	30%	26%	51%	49%		
Carrying amount of NCI	30,844	(51,855)	(10,678)	41,857	(1,077)	9,091
Total comprehensive income/(expense) allocated to NCI	693	2,292	963	3,215	(812)	6,351
<b>2024</b>						
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)

## NOTES TO THE FINANCIAL STATEMENTS

## 6. Investments in subsidiaries (continued)

## Non-controlling interests in subsidiaries (continued)

## Summarised financial information before intra-group elimination

	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000
<b>2025</b>				
<b>As at 31 December</b>				
Non-current assets	142,719	48	-	83,084
Current assets	39,166	7,814	217	2,594
Non-current liabilities	(10,160)	-	-	(102)
Current liabilities	(68,913)	(207,303)	(21,155)	(153)
Net assets/(liabilities)	102,812	(199,441)	(20,938)	85,423
<b>Year ended 31 December</b>				
Revenue	44,397	7	-	7,375
(Loss)/Profit for the year	(13,253)	(18,542)	1,520	6,600
Total comprehensive income	2,310	8,816	1,888	6,561
Cash flows from/(used in) operating activities	902	(1,055)	1,893	1,341
Cash flows used in investing activities	(451)	-	-	(22)
Cash flows from financing activities	-	1,897	(1,793)	(4,214)
Net increase/(decrease) in cash and cash equivalents	451	842	100	(2,895)
Dividend paid to NCI	-	-	-	2,065
<b>2024</b>				
<b>As at 31 December</b>				
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
<b>Year ended 31 December</b>				
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

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Equity-accounted investees

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interests in associates	a	41,498	50,770	25,490	25,490
Interest in joint venture	b	4,430	4,171	1,406	1,406
		45,928	54,941	26,896	26,896

#### (a) Interests in associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost:				
In Malaysia	29,494	35,585	13,243	13,243
Outside Malaysia	12,247	12,247	12,247	12,247
Share of post-acquisition reserve	11,321	14,502	-	-
Less: Impairment loss	(11,564)	(11,564)	-	-
	41,498	50,770	25,490	25,490

During the financial year, the Group disposed of its 20% equity interest in THK Rhythm Malaysia Sdn. Bhd., an indirect associate for a cash consideration of RM5,732,000.

In the financial year 31 December 2024, the Group had made an impairment loss amounting to RM8,564,000 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	
			2025 %	2024 %
<b>Direct associates</b>				
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
<b>Indirect associates</b>				
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

## 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	
<b>Summarised financial information</b>						
<b>As at 31 December 2025</b>						
Non-current assets	-	62,377	10,457	-	-	492
Current assets	62,552	1,070	2,035	-	-	2,021
Non-current liabilities	-	-	(45)	-	-	(298)
Current liabilities	(20,356)	(1,657)	(145)	-	-	(38,127)
<b>Net assets</b>	<b>42,196</b>	<b>61,790</b>	<b>12,302</b>	<b>-</b>	<b>-</b>	<b>(35,912)</b>
<b>Year ended 31 December 2025</b>						
(Loss)/Profit for the year	(351)	(176)	1,104	(9,750)	-	-
Other comprehensive expense	-	(1,009)	-	-	-	-
<b>Total comprehensive (expense)/income</b>	<b>(351)</b>	<b>(1,185)</b>	<b>1,104</b>	<b>(9,750)</b>	<b>-</b>	<b>-</b>
	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
<b>Reconciliation of net assets to carrying amount as at 31 December 2025</b>						
Group's share of net assets	10,338	28,084	3,076	-	-	41,498
<b>Group's share of results for the year ended 31 December 2025</b>						
Group's share of (loss)/profit for the year	(86)	(80)	276	(1,950)	-	(1,840)
Group's share of other comprehensive expense	-	(458)	-	-	-	(458)
Group's share of total comprehensive (expense)/income	(86)	(538)	276	(1,950)	-	(2,298)
<b>Other information</b>						
Dividends received by the Group	3,138	-	250	-	-	3,388

## 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	
<b>Summarised financial information</b>						
<b>As at 31 December 2024</b>						
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)	
<b>Year ended 31 December 2024</b>						
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)	-	
	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
<b>Reconciliation of net assets to carrying amount as at 31 December 2024</b>						
Group's share of net assets	13,562	28,622	3,050	5,536	-	50,770
<b>Group's share of results for the year ended 31 December 2024</b>						
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)
<b>Other information</b>						
Dividends received by the Group	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

## 7. Equity-accounted investees (continued)

## (b) Interest in joint venture

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost	500	500	1,406	1,406
Share of post-acquisition reserve	3,930	3,671	-	-
	4,430	4,171	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	
	2025	2024
Percentage of ownership and voting interest	50%	50%
	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised financial information</b>		
<b>As at 31 December</b>		
Non-current assets	78	185
Current assets (including cash and cash equivalents)	10,435	9,603
Non-current liabilities	(153)	(147)
Current liabilities	(1,500)	(1,299)
Net assets	8,860	8,342
<b>Year ended 31 December</b>		
Profit and total comprehensive income	1,018	812
<b>Reconciliation of net assets to carrying amount as at 31 December</b>		
Group's share of net assets	4,430	4,171
<b>Group's share of results for year ended 31 December</b>		
Group's share of profit and total comprehensive income	509	406
<b>Other information</b>		
Dividend received by the Group	250	250

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Other investments

	Group	
	2025 RM'000	2024 RM'000
<b>Current</b>		
Fair value through profit or loss financial asset:		
Liquid investments in quoted unit trusts with licensed financial institutions	2,612	30,750
<hr/>		
Representing items:		
At fair value	2,612	30,750

### 9. Deferred tax assets/(liabilities)

#### Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Group</b>						
<b>Deferred tax assets/(liabilities)</b>						
Property, plant and equipment / investment properties						
- capital allowances/right-of-use assets	-	-	(59,770)	(44,011)	(59,770)	(44,011)
- revaluation	-	-	(313,622)	(229,419)	(313,622)	(229,419)
Provisions and contract liabilities	78,919	77,793	-	-	78,919	77,793
Unabsorbed capital allowances	12,985	8,822	-	-	12,985	8,822
Unabsorbed investment tax allowance	7,141	1,247	-	-	7,141	1,247
Tax losses carry-forwards	2,295	23,200	-	-	2,295	23,200
Lease liabilities	26,317	20,886	-	-	26,317	20,886
Net gain/(loss) on unrealised foreign exchange	1,120	-	-	(4,428)	1,120	(4,428)
Other items	-	-	(104)	(104)	(104)	(104)
Tax assets/(liabilities)	128,777	131,948	(373,496)	(277,962)	(244,719)	(146,014)
Set off tax	(57,528)	(44,049)	57,528	44,049	-	-
<hr/>						
Net tax assets/(liabilities)	71,249	87,899	(315,968)	(233,913)	(244,719)	(146,014)
<hr/>						
<b>Company</b>						
<b>Deferred tax assets/(liabilities)</b>						
Property, plant and equipment						
- capital allowances/right-of-use assets	7	-	-	(12)	7	(12)
Provisions	7,587	8,145	-	-	7,587	8,145
Lease liabilities	3	4	-	-	3	4
<hr/>						
Net tax assets/(liabilities)	7,597	8,149	-	(12)	7,597	8,137

## 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:

	At 11.2025 RM'000	Recognised in profit or loss (Note 26) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 27) RM'000	At 31.12.2025 RM'000
<b>Group</b>					
Property, plant and equipment/investment properties					
- capital allowances/right-of-use assets	(44,011)	(15,756)	(3)	-	(59,770)
- revaluation	(229,419)	358	-	(84,561)	(313,622)
Provisions and contract liabilities	77,793	2,588	(2)	(1,460)	78,919
Unabsorbed capital allowances	8,822	4,163	-	-	12,985
Unabsorbed investment tax allowances	1,247	5,894	-	-	7,141
Tax losses carry-forwards	23,200	(20,498)	(407)	-	2,295
Lease liabilities	20,886	5,431	-	-	26,317
Net (loss)/gain on unrealised foreign exchange	(4,428)	5,542	6	-	1,120
Other items	(104)	-	-	-	(104)
	(146,014)	(12,278)	(406)	(86,021)	(244,719)

	At 11.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 27) RM'000	At 31.12.2024 RM'000
<b>Group</b>					
Property, plant and equipment/investment properties					
- capital allowances/right-of-use assets	(47,967)	3,956	-	-	(44,011)
- revaluation	(234,826)	5,407	-	-	(229,419)
Provisions and contract liabilities	79,603	(1,810)	-	-	77,793
Unabsorbed capital allowances	17,924	(9,102)	-	-	8,822
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 (loss)/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)

## NOTES TO THE FINANCIAL STATEMENTS

## 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 1.1.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income (Note 27) RM'000	At 31.12.2025 RM'000
<b>Company</b>						
Property, plant and equipment - capital allowances/ right-of-use assets	(73)	61	(12)	19	-	7
Provisions	7,393	752	8,145	307	(865)	7,587
Lease liabilities	66	(62)	4	(1)	-	3
	7,386	751	8,137	325	(865)	7,597

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Unabsorbed capital allowances	178,958	163,376
Tax losses carry-forwards	559,563	482,285
Deductible temporary differences	(50,514)	(45,944)
Provisions	40,825	34,324
	728,832	634,041

## 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 RM141,957,000 (VND921,797,570,000) (2024: RM206,552,000 (VND1,173,589,190,000)) (stated at gross) which will be expiring in financial years 2026 to 2030 for subsidiaries in Vietnam, RM6,225,000 (THB47,522,000) (2024: RM6,243,000 (THB47,659,000)) (stated at gross) which will be expiring in financial years 2026 to 2030 for a subsidiary in Thailand and RM411,381,000 (2024: RM269,490,000) (stated at gross) which will be expiring in financial years 2028 to 2035 for subsidiaries in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS

## 10. Hire purchase receivables

	Group	
	2025 RM'000	2024 RM'000
Gross receivables	511,863	618,494
Less: Unearned interest receivables	(137,801)	(169,183)
	374,062	449,311
Less: Impairment loss	(53,875)	(23,518)
	320,187	425,793
<b>Current</b>		
Hire purchase receivables	87,009	105,651
Less: Impairment loss	(23,559)	(13,442)
	63,450	92,209
<b>Non-current</b>		
Hire purchase receivables	287,053	343,660
Less: Impairment loss	(30,316)	(10,076)
	256,737	333,584
	320,187	425,793

	Gross repayments receivables 2025 RM'000	Unearned interest receivables 2025 RM'000	Present value of minimum hire purchase receivables 2025 RM'000	Gross repayments receivables 2024 RM'000	Unearned interest receivables 2024 RM'000	Present value of minimum hire purchase receivables 2024 RM'000
<b>Group</b>						
<b>Current</b>						
Less than one year	134,885	(47,876)	87,009	158,743	(53,092)	105,651
<b>Non-current</b>						
Between one and five years	335,664	(86,835)	248,829	392,104	(109,871)	282,233
After five years	41,314	(3,090)	38,224	67,647	(6,220)	61,427
	376,978	(89,925)	287,053	459,751	(116,091)	343,660
	511,863	(137,801)	374,062	618,494	(169,183)	449,311

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Receivables, deposits and prepayments

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
Amount due from subsidiaries	a	-	-	13,698	226,568
Less: Impairment loss		-	-	(10,708)	(11,461)
		-	-	2,990	215,107
<b>Current</b>					
Trade receivables	b	341,328	287,291	-	-
Less: Impairment loss		(27,788)	(22,201)	-	-
		313,540	265,090	-	-
Other receivables	c	34,823	52,253	443	1,487
		348,363	317,343	443	1,487
<b>Current</b>					
Deposits		11,714	16,374	105	105
Prepayments	d	42,690	70,188	33	39
		54,404	86,562	138	144

#### Note a

The amount due from subsidiaries of RM1,525,770 (2024: RM215,107,000) are unsecured, not receivable within the next twelve months and subject to interest ranging from 1.80% to 2.00% (2024: 1.70% to 6.05%) per annum. The remaining balance are unsecured, not receivable within the next twelve months and not subject to interest.

#### Note b

Included in trade receivables are amounts due from related parties of RM119,186,000 (2024: RM101,699,000).

#### Note c

Included in other receivables are indirect taxes amounting to RM8,746,000 (2024: RM12,889,000).

#### Note d

As at 31 December 2025, the prepayments made for inventories was RM4,611,000 (2024: RM40,118,000) for the Group.

## NOTES TO THE FINANCIAL STATEMENTS

## 12. Inventories

	Group	
	2025 RM'000	2024 RM'000
Raw materials	17,284	16,570
Unassembled vehicle packs	176,134	302,392
Work-in-progress	6,812	15,779
Manufactured inventories and trading inventories	11,005	12,206
Used vehicles	12,961	26,285
New vehicles	278,009	290,821
Spare parts and others	165,064	178,083
	<b>667,269</b>	<b>842,136</b>
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,473,079	1,485,123
Write-down to net realisable value	6,121	7,148
Reversal of write-down	5,388	5,381

The write-down and reversal are included in cost of sales.

## 13. Contract assets/(liabilities)

## 13.1 Contract assets

	Group	
	2025 RM'000	2024 RM'000
Opening balance	24,070	25,541
Transfer to receivables from contract assets recognised at the beginning of the period	(14,291)	(18,337)
Addition by obligation performed but not billed during the year	12,291	16,866
<b>Ending balance</b>	<b>22,070</b>	<b>24,070</b>
Current	22,070	24,070

The contract assets primarily relate to the Group's rights to consideration for work completed on assembly contracts and accident repairs 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	
	2025 RM'000	2024 RM'000
Opening balance	(100,287)	(75,743)
Revenue recognised that was included in the contract liability balance at the beginning of the period	38,527	13,523
Increase due to cash received, excluding amounts recognised as revenue during the period	(37,222)	(38,067)
<b>Ending balance</b>	<b>(98,982)</b>	<b>(100,287)</b>
Current	(64,112)	(45,795)
Non-current	(34,870)	(54,492)
	<b>(98,982)</b>	<b>(100,287)</b>

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)

	2025			2024		
	Nominal value (Gross) 2025 RM'000	Assets 2025 RM'000	Liabilities 2025 RM'000	Nominal value (Gross) 2024 RM'000	Assets 2024 RM'000	Liabilities 2024 RM'000
<b>Group</b>						
Derivatives designated as hedging instruments – forward exchange contracts	68,734	-	(1,976)	19,890	871	(32)

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		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		205,869	209,283	30	126
Deposits with licensed banks		76,994	162,736	-	-
Liquid investments	a	-	173,480	-	-
		<b>282,863</b>	<b>545,499</b>	<b>30</b>	<b>126</b>

#### 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. Assets classified as held for sale**

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment (Note 3)	30,906	-
Investment properties (Note 4)	97,800	-
	128,706	-

On 10 July 2025, the Group entered into a Sale and Purchase Agreement with a third party to dispose nine plots of freehold land located in Wilayah Persekutuan Kuala Lumpur, which were previously recognised as property, plant and equipment and investment properties. The assets met the criteria to be classified as asset held for sale in accordance with MFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. (See Note 37)

**17. Share capital and reserves**

	Number of shares 2025 '000	Group and Company		Amount 2024 RM'000
		Amount 2025 RM'000	Number of shares 2024 '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 ordinary 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 30 May 2025 approved the Company's plan to purchase its own shares.

The Company did not purchase its issued shares during the year. In the previous year, the Company bought 180,000 of its issued shares from the open market at price ranging from RM0.48 to RM1.00 per ordinary share. The cumulative total number of shares bought back at the end of the year was 20,373,000 (2024: 20,373,000). These transactions were financed by internally generated funds.

As at 31 December 2025, the number of outstanding shares in issue after deducting treasury shares held was 651,627,000 (2024: 651,627,000) 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

### 18. Borrowings

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
Islamic Medium Term Notes (“Islamic MTNs”) – unsecured	159,890	309,827	159,890	309,827
<b>Current</b>				
Term loans - unsecured	32,737	56,179	-	-
Bankers’ acceptances - unsecured	184,995	310,238	-	-
Islamic Medium Term Notes (“Islamic MTNs”) - unsecured	150,000	200,000	150,000	200,000
Revolving credit – unsecured	705,000	840,000	-	-
	1,072,732	1,406,417	150,000	200,000
	1,232,622	1,716,244	309,890	509,827

In the previous year, the Company completed the issuance of RM60 million nominal value of Islamic Medium Term Notes Programme. The Islamic MTNs issued are as follows:

Tenure (years)	Interest rate (per annum)	Maturity date	Nominal value RM'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 year 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 34.5.

#### Reconciliation of movements of liabilities to cash flows arising from financing activities

	Net changes from					Net changes from					
	At 1 January 2024 RM'000	financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31 December 2024/ 1 January 2025 RM'000	financing cash flows RM'000	Acquisition of new lease RM'000	Lease modification RM'000	Foreign exchange movement RM'000	At 31 December 2025 RM'000
<b>Group</b>											
Islamic Medium Term Notes (“IMTNs”) - unsecured	450,000	59,827	-	-	-	509,827	(199,937)	-	-	-	309,890
Term loans - unsecured	-	56,179	-	-	-	56,179	(16,419)	-	-	(7,023)	32,737
Bankers’ acceptances - unsecured	205,570	104,668	-	-	-	310,238	(125,243)	-	-	-	184,995
Revolving credit - unsecured	887,044	(48,172)	-	1,128	-	840,000	(135,000)	-	-	-	705,000
Lease liabilities	97,516	(16,378)	24,490	(1,330)	1,107	105,405	(11,108)	11,076	(3,838)	(1,482)	100,053
Total liabilities from financing activities	1,640,130	156,124	24,490	(202)	1,107	1,821,649	(487,707)	11,076	(3,838)	(8,505)	1,332,675

## NOTES TO THE FINANCIAL STATEMENTS

## 18. Borrowings (continued)

## Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2024/ 1 January 2025 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2025 RM'000
<b>Company</b>							
Islamic Medium Term Notes ("IMTNs")							
- unsecured	450,000	59,827	-	509,827	(199,937)	-	309,890
Lease liabilities	275	(99)	11	187	(99)	8	96
Total liabilities from financing activities	450,275	59,728	11	510,014	(200,036)	8	309,986

## 19. Employee benefits

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised liability for employee benefits	98,295	100,798	30,584	32,406

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 reaching 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.

## 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance at 1 January	100,798	90,388	32,406	29,231
<b>Included in profit or loss</b>				
Current service cost	5,605	6,705	539	980
Interest cost	3,411	4,653	1,244	2,195
	9,016	11,358	1,783	3,175
<b>Included in other comprehensive income</b>				
Remeasurement:				
Actuarial loss/(gain) arising from:				
- Demographic assumptions	507	-	297	-
- Financial assumptions	6,247	-	1,800	-
- Experience adjustments	(16,936)	-	(5,702)	-
	(10,182)	-	(3,605)	-
<b>Others</b>				
Benefits paid	(1,337)	(948)	-	-
Balance at 31 December	98,295	100,798	30,584	32,406

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Employee benefits (continued)

#### Actuarial assumptions

Principal actuarial assumptions used at the end of the reporting period (expressed as weighted averages):

	Group and Company	
	2025	2024
	%	%
Discount rate	3.89 and 4.12	5.15 and 5.19
Future salary growth	5.50	5.50
Withdrawal rate	2.09 and 7.60	2.64 and 8.17

#### 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
<b>2025</b>				
Discount rate (1% movement)	(5,776)	6,460	(1,637)	1,782
Future salary growth (1% movement)	3,958	(3,705)	1,007	(963)
Withdrawal rate (1% movement)	(1,957)	1,734	(254)	57
<b>2024</b>				
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

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

## 20. Payables and accruals

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current Trade</b>					
Trade payables	a	169,749	145,590	-	-
<hr/>					
<b>Current Non-trade</b>					
Payables and accruals		198,310	170,304	5,309	8,477
Amount due to subsidiaries	b	-	-	11,941	868
		198,310	170,304	17,250	9,345
		368,059	315,894	17,250	9,345

**Note a**

Included in trade payables is amount due to related parties of RM4,801,000 (2024: RM2,595,000).

**Note b**

The amount due to subsidiaries of RM10,925,000 (2024: Nil) is unsecured, repayable on demand and subject to interest rates ranging from 4.16% to 4.57% per annum. The remaining balance is unsecured, repayable on demand and not subject to interest.

## 21. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue from contracts with customers</b>	2,066,132	2,026,947	-	-
<b>Other revenue</b>				
Financial services revenue	48,327	55,708	-	-
Dividend income	-	-	264,117	344,447
<b>Total revenue</b>	2,114,459	2,082,655	264,117	344,447

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Revenue (continued)

#### 21.1 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 30.

Group	Reportable Segments							
	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Primary geographical markets</b>								
Malaysia	1,821,955	1,853,138	61,990	70,705	* 15,548	* 19,299	1,899,493	1,943,142
Vietnam	84,158	37,839	-	-	-	-	84,158	37,839
Other countries	130,662	99,890	-	-	146	1,784	130,808	101,674
	2,036,775	1,990,867	61,990	70,705	15,694	21,083	2,114,459	2,082,655
<b>Major products/ service lines</b>								
Manufacturing, assembly and distribution of passenger and commercial vehicles	1,810,060	1,669,114	-	-	-	-	1,810,060	1,669,114
After-sales services	226,715	321,753	-	-	-	-	226,715	321,753
Hire purchase financing	-	-	48,327	55,708	-	-	48,327	55,708
Insurance agency	-	-	13,663	14,997	-	-	13,663	14,997
Other income	-	-	-	-	* 15,694	* 21,083	15,694	21,083
	2,036,775	1,990,867	61,990	70,705	15,694	21,083	2,114,459	2,082,655

\* Included in this amount is service concession revenue recognised in accordance with service concession arrangements (Note 5.2) amounting to RM7,375,000 (2024: RM7,879,000).

## NOTES TO THE FINANCIAL STATEMENTS

## 21. Revenue (continued)

## 21.1 Disaggregation of revenue (continued)

Group	Reportable Segments							
	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Timing and recognition</b>								
At a point in time	1,874,540	1,773,514	13,663	14,997	8,319	13,204	1,896,522	1,801,715
Over time	162,235	217,353	-	-	* 7,375	* 7,879	169,610	225,232
<b>Revenue from contracts with customers</b>	2,036,775	1,990,867	13,663	14,997	15,694	21,083	2,066,132	2,026,947
Other revenue	-	-	48,327	55,708	-	-	48,327	55,708
	2,036,775	1,990,867	61,990	70,705	15,694	21,083	2,114,459	2,082,655

\* This is service concession revenue recognised in accordance with service concession arrangements (Note 5.2).

## 21.2 Transaction price allocated to the remaining performance obligations

As at 31 December 2025, the aggregated amount of revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date was RM98,982,000 (2024: RM100,287,000). This amount mainly represents the remaining performance obligations relating to extended warranty services, free maintenance services and marketing services, where RM64,112,000 (2024: RM45,795,000) 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.

The Group applies practical expedient on the disclosure exemption of information on the remaining performance obligations that have original expected durations of one year or less.

## 22. Finance income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income of financial assets that are not at fair value through profit or loss	11,092	16,116	2,592	10,563
Other finance income	258	578	-	-
Recognised in profit or loss	11,350	16,694	2,592	10,563

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Finance costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss				
- Term loans	2,079	834	-	-
- Bankers' acceptances	10,978	10,698	-	-
- Revolving credit	27,724	29,999	-	-
- Islamic Medium Term Notes	19,688	25,441	20,705	25,851
- Other borrowings	196	158	-	-
	60,665	67,130	20,705	25,851
Interest expense on lease liabilities	3,820	4,201	8	11
Recognised in profit or loss	64,485	71,331	20,713	25,862

### 24. (Loss)/Profit before tax

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>(Loss)/Profit before tax is arrived at after crediting:</b>				
Bad debts recovered	3,010	3,188	-	-
Dividend income from:				
- Unquoted subsidiaries	-	-	260,729	344,197
- Joint ventures	250	250	250	250
- Associates	3,388	-	3,138	-
Fair value gain on investment properties	54,223	405	-	-
Fair value gain on other investments	863	2,853	-	-
Interest income	11,350	16,694	2,592	10,563
Gain on disposal of investment in equity-accounted investees	2,146	-	-	-
Gain on disposal of property, plant and equipment	574	-	-	-
Gain on lease modification	1,585	-	-	-
Net gain/(loss) on foreign exchange:				
- Unrealised	2,575	4,282	-	-
- Realised	3,429	7,148	-	623
Reversal of impairment on amount due from a subsidiary	-	-	753	-
Rental income on leased assets	330	237	-	-
Rental income on land and buildings	3,266	3,920	-	-
Reversal of write-down of inventories	5,388	5,381	-	-

## NOTES TO THE FINANCIAL STATEMENTS

## 24. (Loss)/Profit before tax (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>(Loss)/Profit before tax is arrived at after charging:</b>				
Audit fee				
Current year				
- KPMG Malaysia	620	520	170	68
- Overseas affiliates of KPMG Malaysia	51	53	-	-
- Other auditors	397	365	-	-
Non-audit fee				
Current year				
- KPMG Malaysia	15	15	15	15
- Overseas affiliates of KPMG Malaysia	56	91	-	-
- Other auditors	10	15	-	-
Amortisation of intangible assets	5,965	5,972	-	-
Bad debts written off	328	835	-	-
Depreciation of property, plant and equipment	122,379	132,732	103	124
Direct operating expenses of investment properties generating rental income	673	736	-	-
Expenses relating to short-term leases and leases of low-value assets (Note a)	6,794	6,062	56	56
Loss on disposal of investment in subsidiaries	-	-	1,845	-
Loss on disposal of property, plant and equipment	-	507	9	-
Interest expense	64,485	71,331	20,713	25,862
Inventories written off	827	399	-	-
Write-down of inventories	6,121	7,148	-	-
Impairment loss on:				
- Equity-accounted investees	-	8,564	-	-
- Property, plant and equipment	1,576	-	-	-
- Hire purchase receivables	32,976	19,029	-	-
- Investment in subsidiaries	-	-	113,618	29,271
- Amount due from subsidiaries	-	-	-	870
- Trade receivables	5,587	313	-	-
Property, plant and equipment written off	3,552	26	-	-
Net loss on foreign exchange:				
- Unrealised	45,425	28,385	5	2
- Realised	5,990	12,266	2	-
Non-executive directors:				
- Fees	676	676	660	660
- Allowances and benefits	197	242	197	242
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	29,496	33,587	133	91
- Expenses related to defined benefit plans	9,016	11,358	1,784	3,175
- Wages, salaries and others	293,294	333,298	3,895	6,278
Warranty claim	2,157	2,435	-	-

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Key management personnel compensations

The key management personnel compensations are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive directors:				
- Remunerations	8,404	12,068	4,605	6,966
- Other short-term benefits	69	69	59	59
- Post-employment benefits	56	3,204	56	3,204
	8,529	15,341	4,720	10,229
Other key management personnel:				
- Remuneration and other short-term employee benefits	8,472	12,289	-	603
- Post-employment benefits	291	230	-	-
	8,763	12,519	-	603
	17,292	27,860	4,720	10,832

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 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 reaching 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 26. Tax expense/(income)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Recognised in the profit or loss</b>				
<b>Income tax expense</b>				
Income tax expense	10,376	12,163	202	-
(Over)/Under provided in prior years	(96)	665	-	-
	10,280	12,828	202	-
-----				
Withholding taxes	757	1,020	-	-
<b>Deferred tax expense</b>				
Origination/(Reversal) of temporary differences	11,965	(1,021)	(324)	(755)
Crystallisation of deferred tax liabilities arising from revaluation surplus	(358)	(5,407)	-	-
Under/(Over) provided in prior years	671	(892)	(1)	4
	12,278	(7,320)	(325)	(751)
	23,315	6,528	(123)	(751)
-----				
<b>Reconciliation of tax expense</b>				
(Loss)/Profit before tax	(175,333)	(214,277)	122,307	287,116
-----				
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	(42,080)	(51,427)	29,354	68,908
Effect of tax rates in foreign jurisdictions	2,670	2,836	-	-
Double deduction	(202)	(195)	-	-
Non-deductible expenses	40,611	36,453	33,912	13,004
Income not subject to tax	(1,408)	(7,027)	(63,388)	(82,667)
Crystallisation of deferred tax liabilities arising from revaluation surplus	(358)	(5,407)	-	-
Withholding taxes	757	1,020	-	-
Unrecognised deferred tax assets	22,750	30,502	-	-
	22,740	6,755	(122)	(755)
Under/(Over) provided in prior years	575	(227)	(1)	4
	23,315	6,528	(123)	(751)
-----				

## NOTES TO THE FINANCIAL STATEMENTS

## 27. Other comprehensive (expense)/income

	Before tax RM'000	2025 Tax expense RM'000	Net of tax RM'000	Before tax RM'000	2024 Tax expense RM'000	Net of tax RM'000
<b>Group</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Remeasurement of defined benefit liabilities	10,182	(1,460)	8,722	-	-	-
Revaluation of property, plant and equipment	406,409	(84,561)	321,848	-	-	-
	416,591	(86,021)	330,570	-	-	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Foreign currency translation differences for foreign operations	(18,264)	-	(18,264)	(4,097)	-	(4,097)
Foreign currency translation differences for an equity-accounted associate	(458)	-	(458)	(674)	-	(674)
Cash flow hedge	(2,815)	-	(2,815)	1,275	(105)	1,170
	(21,537)	-	(21,537)	(3,496)	(105)	(3,601)
	395,054	(86,021)	309,033	(3,496)	(105)	(3,601)
<b>Company</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Remeasurement of defined benefit	3,605	(865)	2,740	-	-	-

## 28. Basic loss per ordinary share

**Group****Basic loss per ordinary share**

The calculation of basic loss per ordinary share as at 31 December 2025 was based on the loss attributable to ordinary shareholders of RM193,029,000 (2024: loss of RM214,166,000) and the weighted average number of ordinary shares outstanding during the year of 651,627,000 (2024: 651,698,000).

**Weighted average number of ordinary shares**

	Group	
	2025 '000	2024 '000
Issued ordinary shares at 1 January	651,627	651,807
Effect of treasury shares held	-	(109)
Weighted average number of ordinary shares at 31 December	651,627	651,698

The diluted loss per ordinary share is the same as basic loss per ordinary share as there were no dilutive instruments outstanding at the end of the financial year (2024: no outstanding instruments with potential dilutive effect).

## NOTES TO THE FINANCIAL STATEMENTS

**29. Dividends**

No dividend was recognised and paid in the current year. Dividends recognised and paid in the previous year by the Company was as follows:

	Dividend per share (sen)	Total RM'000	Date of payment
<b>2024</b>			
First interim 2024 ordinary	1.00	6,517	28 June 2024

**30. 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 on single customer which the single external revenue is 10 percent or more during the financial year 2025 and 2024.

**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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
External revenue	2,036,775	1,990,867	61,990	70,705	15,694	21,083	2,114,459	2,082,655
Inter-segment revenue	1,179	3,620	-	-	73,860	79,382	75,039	83,002
Segment EBITDA/ (LBITDA)	41,238	(22,471)	(7,339)	5,466	(18,218)	9,656	15,681	(7,349)

## NOTES TO THE FINANCIAL STATEMENTS

### 30. Operating segments (continued)

#### (a) Business segment

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(93,468)	(103,138)	(955)	(861)	(33,921)	(34,705)	(128,344)	(138,704)
Finance costs	(44,202)	(46,461)	-	-	(20,283)	(24,870)	(64,485)	(71,331)
Finance income	5,302	6,202	27	205	6,021	10,287	11,350	16,694
Share of (loss)/profit of equity-accounted investees, net of tax	(1,440)	(2,093)	(80)	41	189	25	(1,331)	(2,027)
Unallocated corporate expenses							(8,204)	(11,560)
Loss before tax							(175,333)	(214,277)
Tax expense							(23,315)	(6,528)
Loss for the year							(198,648)	(220,805)

#### (b) Geographical segment

	Malaysia		Vietnam		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,899,493	1,943,142	84,158	37,839	130,808	101,674	2,114,459	2,082,655
Segment EBITDA/ (LBITDA)	31,245	34,366	(27,420)	(42,064)	11,856	349	15,681	(7,349)

### 31. Commitments

#### Capital commitments

	Group	
	2025 RM'000	2024 RM'000
<i>Property, plant and equipment:</i>		
Authorised but not contracted for	38,375	32,474
Contracted but not provided for		
In Malaysia	1,767	27,485
Outside Malaysia	3,038	3,517
	43,180	63,476

## NOTES TO THE FINANCIAL STATEMENTS

**32. Contingencies****(a) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE")**

On 4 July 2016, TCIE, a wholly-owned subsidiary of the Company entered into a settlement agreement ("Settlement Agreement") with (1) Transnasional Express Sdn. Bhd., (2) Plusliner Sdn. Bhd., (3) Syarikat Kendaraan Melayu Kelantan Berhad, (4) Syarikat Rembau Tampin Sdn. Bhd., (5) Kendaraan Langkasuka Sdn. Bhd. and (6) Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (the "Defendants" or "Debtors") and MHSB Properties Sdn. Bhd. ("MHSB") for the settlement of the aggregate outstanding vehicle rental payments and vehicle maintenance service charges of RM32,920,575.06 ("Debt") under the terms therein, including among others:

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

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

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

- (i) an injunction to prevent TCIE from repossessing and disposing of its vehicles;
- (ii) an injunction to prevent TCIE from taking legal proceedings to enforce the Settlement Agreement;
- (iii) an injunction to prevent TCIE from dealing with the Land;
- (iv) a declaration that the value of the Land was RM55,600,000.00 which resulted in overpayment in the sum of RM22,679,424.94;
- (v) an order that TCIE shall return all the vehicles repossessed by TCIE ("Repossessed Vehicles") to the Debtors and MHSB; and
- (vi) costs.

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Contingencies (continued)

#### (a) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE") (continued)

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

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

On 27 November 2025, the 1st to 5th Defendants had jointly filed their defence and 6th Defendant had also filed its defence against TCIE's Claim. On 18 December 2025, TCIE filed its Reply to both defences.

On 14 November 2025, TCIE filed an application for summary judgement to be entered against the Defendants ("Summary Judgement Application").

On 28 November 2025, the 6th Defendant filed an application to strike out TCIE's claim against it. On 1 December 2025, the 1st to 5th Defendant filed an application to strike out TCIE's Claim against them (collectively known as "Striking Out Applications").

The hearing of the Summary Judgement Application and Striking Out Applications before the High Court Judicial Commissioner is fixed on 6 May 2026.

#### (b) Notices of Tax Assessments issued to TMC Services Sdn. Bhd. ("TMC")

On 31 October 2025, the Inland Revenue Board of Malaysia ("IRB") has issued tax assessments for the years of assessment 2020 and 2021 to TMC, a wholly-owned subsidiary of the Company, disallowing certain interest expenses purportedly attributable to tax-exempt income, resulting in an exposure of approximately RM11.9 million (including penalties). TMC disputes IRB's assessments. On 20 November 2025 and 12 November 2025 respectively, TMC has filed Notices of Appeal (Forms Q) before the Special Commissioners of Income Tax and commenced judicial review proceedings in the High Court of Malaya at Kuala Lumpur. Based on legal advice received, the management is of the view that TMC has reasonable grounds, having regard to the relevant statutory provisions and authorities from the superior courts, to challenge the assessments and, as the outcome is subject to uncertainty, no provision has been recognised in the financial statements as at the reporting date.

### 33. 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 36.
- (ii) The substantial shareholders of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

## 33. 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	
	2025 RM’000	2024 RM’000
<b>With WTCH Group</b>		
Purchases	(57,036)	(68,461)
Sales	27,463	44,728
Insurance agency, workshop services and administrative services	5,280	8,091
Travel agency and car rental services	(1,861)	(2,151)
Rental income	1,307	1,329
Rental expense	(781)	(1,882)
Contract assembly fee	10,818	13,125
<hr/>		
<b>With APM Group</b>		
Purchases	(10,455)	(20,322)
Sales	943	2,863
Insurance agency, workshop services and administrative services	1,533	1,951
Rental income	584	534
Rental expense	(2,119)	(1,895)
<hr/>		
<b>With TCIL Group</b>		
Sales	9,560	6,146
Travel agency and car rental services	(68)	-
<hr/>		

- (ii) Significant transactions with Nissan Motor Co., Ltd. Group, which is a substantial shareholder of the Company, are as follows:

	Group	
	2025 RM’000	2024 RM’000
Purchases	(349,364)	(597,590)
Sales	3,502	-
Technical assistance fee and royalty expense	(3,931)	(3,249)
<hr/>		

- (iii) Significant transactions with Renault s.a.s. Group, which is a substantial shareholder of Nissan Motor Co., Ltd., are as follows:

	Group	
	2025 RM’000	2024 RM’000
Purchases	(4,221)	(8,353)
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS

### 33. Related parties (continued)

#### Significant related party transactions (continued)

(iv) Significant transactions with Auto Dunia Sdn. Bhd.:

- (a) a company in which 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	
	2025 RM'000	2024 RM'000
Purchases	(247,425)	(53,211)
Sales	5,970	12,174
Insurance agency, workshop services and administrative services	17	4
Rental income receivable	281	280

(v) Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2025 RM'000	2024 RM'000
Subsidiaries		
Dividend income	260,729	344,197
Interest income	2,571	10,546
Management fees	(827)	(711)
Rental expense	(155)	(155)
Interest expense	(1,017)	(410)
Joint venture		
Dividend income	250	250

These transactions have been entered into in the normal course of business and have been established under negotiated terms. The gross balances outstanding with related parties are disclosed in Note 11 and Note 20.

There are no significant transactions with the key management personnel in the Group other than as disclosed in Note 25.

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments

## 34.1 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.

2025	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
<b>Financial assets</b>				
<b>Group</b>				
Trade and other receivables*	339,617	339,617	-	-
Hire purchase receivables	320,187	320,187	-	-
Deposits	11,714	11,714	-	-
Other investments	2,612	-	2,612	-
Cash and cash equivalents	282,863	282,863	-	-
	956,993	954,381	2,612	-
<b>Company</b>				
Amount due from subsidiaries and other receivables	3,433	3,433	-	-
Deposits	105	105	-	-
Cash and cash equivalents	30	30	-	-
	3,568	3,568	-	-
<b>Financial liabilities</b>				
<b>Group</b>				
Borrowings	(1,232,622)	(1,232,622)	-	-
Payables and accruals	(368,059)	(368,059)	-	-
Derivative financial liabilities	(1,976)	-	-	(1,976)
	(1,602,657)	(1,600,681)	-	(1,976)
<b>Company</b>				
Borrowings	(309,890)	(309,890)	-	-
Payables and accruals	(17,250)	(17,250)	-	-
	(327,140)	(327,140)	-	-

\* excludes non-financial instruments and indirect taxes.

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.1 Categories of financial instruments (continued)

2024	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
<b>Financial assets</b>				
<b>Group</b>				
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
<b>Company</b>				
Amount due from subsidiaries and other receivables	216,594	216,594	-	--
Deposits	105	105	-	-
Cash and cash equivalents	126	126	-	-
	216,825	216,825	-	-
<b>Financial liabilities</b>				
<b>Group</b>				
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)
<b>Company</b>				
Borrowings	(509,827)	(509,827)	-	-
Payables and accruals	(9,345)	(9,345)	-	-
	(519,172)	(519,172)	-	-

\* excludes non-financial instruments and indirect taxes.

## NOTES TO THE FINANCIAL STATEMENTS

**34. Financial instruments (continued)****34.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	1,121	3,431	-	-
Financial assets at amortised cost	23,538	58,030	3,345	9,693
Financial liabilities at amortised cost	(106,076)	(96,351)	(20,705)	(25,851)
Derivatives designated as hedging instruments	(2,815)	1,170	-	-
	(84,232)	(33,720)	(17,360)	(16,158)

**34.3 Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**34.4 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

### 34. Financial instruments (continued)

#### 34.4 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
<b>2025</b>			
Current (Not past due)	98,493	(685)	97,808
Past due 1 - 30 days	53,938	(758)	53,180
Past due 31 - 90 days	52,053	(1,548)	50,505
	204,484	(2,991)	201,493
<b>Credit impaired</b>			
Past due more than 90 days	127,851	(15,804)	112,047
Individually impaired	8,993	(8,993)	-
	341,328	(27,788)	313,540
Trade receivables	341,328	(27,788)	313,540
Contract assets	22,070	-	22,070
	363,398	(27,788)	335,610

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.4 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
<b>2024</b>			
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
<b>Credit impaired</b>			
Past due more than 90 days	97,425	(12,811)	84,614
Individually impaired	6,488	(6,488)	-
	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

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
<b>Balance as at 1 January 2024</b>	2,540	19,348	21,888
Net remeasurement of loss allowance	362	(49)	313
<b>Balance as at 31 December 2024 / 1 January 2025</b>	2,902	19,299	22,201
Net remeasurement of loss allowance	89	5,498	5,587
<b>Balance as at 31 December 2025</b>	2,991	24,797	27,788

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.4 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 2025 and 2024.

Trade receivables of RM259,000 were written off in the financial year ended 31 December 2025 (2024: RM37,000).

##### (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
<b>2025</b>			
Current (Not past due)	167,544	(569)	166,975
Past due 1 - 30 days	65,917	(224)	65,693
Past due 31 - 90 days	71,379	(2,084)	69,295
	304,840	(2,877)	301,963
<b>Credit impaired</b>			
Past due more than 90 days	24,887	(8,245)	16,642
Individually impaired	44,335	(42,753)	1,582
	374,062	(53,875)	320,187
Hire purchase receivables	374,062	(53,875)	320,187

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.4 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
<b>2024</b>			
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
<b>Credit impaired</b>			
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

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
<b>Balance as at 1 January 2024</b>	2,788	24,126	26,914
Amounts written off	-	(22,425)	(22,425)
Net remeasurement of loss allowance	355	18,674	19,029
<b>Balance as at 31 December 2024 / 1 January 2025</b>	3,143	20,375	23,518
Amounts written off	(266)	(2,353)	(2,619)
Net remeasurement of loss allowance	-	32,976	32,976
<b>Balance as at 31 December 2025</b>	2,877	50,998	53,875

Hire purchase receivables of RM69,000 were written off in the financial year ended 31 December 2025 (2024: RM798,000).

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.4 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 to 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 outstanding 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.4 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
<b>2025</b>			
Low credit risk	2,990	-	2,990
Credit impaired	10,708	(10,708)	-
	13,698	(10,708)	2,990
<b>2024</b>			
Low credit risk	211,275	-	211,275
Credit impaired	15,293	(11,461)	3,832
	226,568	(11,461)	215,107

The movement in the allowance for impairment in respect of subsidiaries' loans and advances is as follows:

Company	Lifetime ECL	
	2025 RM'000	2024 RM'000
<b>Balance as at 1 January</b>	11,461	11,031
Amount written off	-	(440)
Net remeasurement of loss allowance	(753)	870
<b>Balance as at 31 December</b>	10,708	11,461

## 34.5 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

### 34. Financial instruments (continued)

#### 34.5 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
<b>Group 2025</b>									
<i>Non-derivative financial liabilities</i>									
Islamic Medium Term Notes	5.00 - 5.80	309,890	274,890	35,000	-	333,437	163,218	170,219	-
Term loans	5.16 - 6.06	32,737	32,737	-	-	32,737	32,737	-	-
Bankers' acceptances	3.50 - 5.30	184,995	184,995	-	-	184,995	184,995	-	-
Revolving credit	3.73 - 5.01	705,000	705,000	-	-	705,000	705,000	-	-
Payables and accruals	-	368,059	368,059	-	-	368,059	368,059	-	-
Lease liabilities	5.00	100,053	32,471	20,490	47,092	134,262	21,314	33,539	79,409
		1,700,734	1,598,152	55,490	47,092	1,758,490	1,475,323	203,758	79,409
<i>Derivative financial liabilities</i>									
Forward exchange contracts (gross settled):									
Outflow		1,976	1,976	-	-	68,436	68,436	-	-
Inflow		-	-	-	-	(66,460)	(66,460)	-	-
		1,702,710	1,600,128	55,490	47,092	1,760,466	1,477,299	203,758	79,409

	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
<b>Group 2024</b>									
<i>Non-derivative financial liabilities</i>									
Islamic 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
<i>Derivative financial liabilities</i>									
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

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.5 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
<b>Company 2025</b>							
<i>Non-derivative financial liabilities</i>							
Islamic Medium Term Notes	5.50 - 5.80	309,890	274,890	35,000	333,437	163,218	170,219
Amount due to subsidiaries							
- interest bearing	4.16 - 4.57	10,925	10,925	-	10,925	10,925	-
- non-interest bearing	-	1,016	1,016	-	1,016	1,016	-
Payables and accruals	-	5,309	5,309	-	5,309	5,309	-
Lease liabilities	5.00	96	96	-	99	99	-
		327,236	292,236	35,000	350,786	180,567	170,219
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
Islamic Medium Term Notes	5.00 - 5.80	509,827	350,000	159,827	555,994	222,557	333,437
Amount due to subsidiaries							
- interest bearing	-	-	-	-	-	-	-
- non-interest bearing	-	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

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.6 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.

##### 34.6.1 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:

	2025		2024	
	Denominated in USD RM'000	JPY RM'000	Denominated in USD RM'000	JPY RM'000
<b>Group</b>				
Receivables	1,858	4,913	7,155	3,135
Intra-group balances	(60,119)	10,297	142,985	-
Cash and cash equivalents	51,370	-	102,500	6,360
Payables and accruals	(43)	-	(1,648)	-
Borrowings	-	-	-	-
Derivative financial assets	-	-	871	-
Derivative financial liabilities	(1,976)	-	(32)	-
Net exposure	(8,910)	15,210	251,831	9,495

*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.

	2025		2024	
	Equity RM'000	Profit or loss RM'000	Equity RM'000	Profit or loss RM'000
USD	(339)	(263)	9,570	9,538
JPY	578	578	361	361

A simulated 5% weakening of the 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.6 Market risk (continued)

## 34.6.2 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 the Islamic 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Fixed rate instruments</b>				
<b>Financial assets:</b>				
Hire purchase receivables	320,187	425,793	-	-
Amount due from subsidiaries	-	-	-	187,107
Deposits with licensed banks	76,994	162,736	-	-
<b>Financial liabilities:</b>				
Medium Term Notes	(309,890)	(509,827)	(309,890)	(509,827)
Lease liabilities	(100,053)	(105,405)	(96)	(187)
	(12,762)	(26,703)	(309,986)	(322,907)
<b>Floating rate instruments</b>				
<b>Financial assets:</b>				
Amount due from subsidiaries	-	-	1,526	28,000
<b>Financial liabilities:</b>				
Term loans	(32,737)	(56,179)	-	-
Bankers' acceptances	(184,995)	(310,238)	-	-
Revolving credit	(705,000)	(840,000)	-	-
Amount due to subsidiaries	-	-	(10,925)	-
	(922,732)	(1,206,417)	(9,399)	28,000

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.6 Market risk (continued)

##### 34.6.2 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 2025 RM'000	100 bp decrease 2025 RM'000	100 bp increase 2024 RM'000	100 bp decrease 2024 RM'000
<b>Group</b>				
Floating rate instruments	(7,013)	7,013	(9,169)	9,169
<b>Company</b>				
Floating rate instruments	(71)	71	213	(213)

##### 34.6.3 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.

## NOTES TO THE FINANCIAL STATEMENTS

**34. Financial instruments (continued)****34.6 Market risk (continued)****34.6.3 Other price risk (continued)***Sensitivity analysis*

At the reporting date, if the prices of instruments had been 1% (2024: 1%) higher/lower, with all other variables held constant, the Group profit or loss would have increased/(decreased) by RM20,000 (2024: RM234,000) arising as a result of changes in the fair value of the financial assets classified as fair value through profit or loss.

**34.7 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
<b>Group</b>			
<b>2025</b>			
Forward exchange contracts	(1,976)	(1,976)	(1,976)
<hr/>			
<b>2024</b>			
Forward exchange contracts	839	839	839
<hr/>			

During the financial year, a loss of RM2,815,000 (2024: gain of RM1,170,000) 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).

**34.8 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

### 34. Financial instruments (continued)

#### 34.8 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				Total fair value RM'000	Carrying amount RM'000
	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		
<b>2025</b>										
<b>Group</b>										
<b>Financial assets</b>										
Other investments										
- Liquid investments with licensed financial institutions	-	2,612	-	2,612	-	-	-	-	2,612	2,612
Hire purchase receivables	-	-	-	-	-	-	256,737	256,737	256,737	256,737
	-	2,612	-	2,612	-	-	256,737	256,737	259,349	259,349
<b>Financial liabilities</b>										
Borrowings	-	-	-	-	-	-	(159,890)	(159,890)	(159,890)	(159,890)
Derivative financial liabilities – forward exchange contracts	-	(1,976)	-	(1,976)	-	-	-	-	(1,976)	(1,976)
	-	(1,976)	-	(1,976)	-	-	(159,980)	(159,980)	(161,866)	(161,866)
<b>2025</b>										
<b>Company</b>										
<b>Financial assets</b>										
Amount due from subsidiaries	-	-	-	-	-	-	2,990	2,990	2,990	2,990
<b>Financial liabilities</b>										
Borrowings	-	-	-	-	-	-	(159,890)	(159,890)	(159,890)	(159,890)
<b>2024</b>										
<b>Group</b>										
<b>Financial assets</b>										
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
<b>Financial liabilities</b>										
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)

## NOTES TO THE FINANCIAL STATEMENTS

## 34. Financial instruments (continued)

## 34.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>2024</b>										
<b>Company</b>										
<b>Financial assets</b>										
Amount due from subsidiaries	-	-	-	-	-	-	215,107	215,107	215,107	215,107
<b>Financial liabilities</b>										
Borrowings	-	-	-	-	-	-	(309,827)	(309,827)	(309,827)	(309,827)

**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 (2024: no transfer in either direction).

**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.

## NOTES TO THE FINANCIAL STATEMENTS

### 34. Financial instruments (continued)

#### 34.8 Fair value information (continued)

##### 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.

### 35. 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 2025 and 31 December 2024 were as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Total borrowings	18	1,232,622	1,716,244
Lease liabilities		100,053	105,405
Less: Other investments	8	(2,612)	(30,750)
Less: Cash and cash equivalents	15	(282,863)	(545,499)
<b>Net debt</b>		<b>1,047,200</b>	<b>1,245,400</b>
<b>Total equity attributable to owners of the Company</b>		<b>2,615,187</b>	<b>2,511,153</b>
<b>Net debt-to-equity ratios</b>		<b>0.40</b>	<b>0.50</b>

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

## 36. 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	
		2025 %	2024 %
<b>Incorporated in Malaysia:</b>			
* Agensi Pekerjaan Bijak Sdn. Bhd. #	Provision of private employment agency services	49	49
# Auto Components Manufacturers Sdn. Bhd.	Property investment holding	100	100
# Autokita Sdn. Bhd.	Insurance agency	100	100
# Ceranamas Sdn. Bhd.	Property and investment holding	100	100
# Chauffeur Safe Travel Sdn. Bhd.	Travel agency and transportation services	100	100
# 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
# E-Garage Auto Services Sdn. Bhd.	Automotive workshop services	100	100
Extreme Market Place Sdn. Bhd.	Sales of motor vehicle parts and accessories	100	100
GoEV 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
# Julang Lumayan Sdn. Bhd.	Property investment holding	100	100
# 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

### 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Malaysia:</b>			
# Sungei Bintang Sdn. Bhd.	Property investment holding	100	100
Tan Chong & Sons Motor Company Sdn. Bhd.	Assembly and sales of motor vehicles	100	100
# Tan Chong Agency Sdn. Bhd.	Insurance agency	100	100
# Tan Chong Construction Sdn. Bhd.	Investment holding	100	100
# 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
# 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
# Tan Chong Inspire Sdn. Bhd.	Insurance agency	100	100
Tan Chong Motor Assemblies Sdn. Bhd.	Assembly of motor vehicles	70	70
# Tan Chong Premier Sdn. Bhd.	Insurance agency	100	100
# 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

## NOTES TO THE FINANCIAL STATEMENTS

## 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Malaysia:</b>			
# TC Commercial Assets Sdn. Bhd.	Property investment holding	100	100
TC Euro Cars Sdn. Bhd.	Distribution and leasing of motor vehicles	100	100
# TC Facilities Management Sdn. Bhd.	Provision of building facilities management services	100	100
# TC Hartanah Sdn. Bhd.	Property investment holding	100	100
# TC Heritage Sdn. Bhd.	Investment holding	100	100
# TC Insurservices Sdn. Bhd.	Insurance agency	100	100
# TC iTech Sdn. Bhd.	Provision of information technology services	100	100
# TC Maju Properties Sdn. Bhd.	Property investment holding	100	100
TC Management Services Corporation Sdn. Bhd.	Provision of management services	100	100
# TC Manufacturing Holdings Sdn. Bhd.	Investment holding	100	100
# 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
# TC Residence Sdn. Bhd.	Property investment holding	100	100
# TC Security Services Sdn. Bhd.	Provision of security services	51	51
# 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

### 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Malaysia:</b>			
TC Trucks Sales Sdn. Bhd.	Distribution and sales of commercial vehicles	100	100
# TC Utama Sdn. Bhd.	Property investment holding	100	100
# 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
# Vincus Holdings Sdn. Bhd.	Investment holding	100	100
WariTan Automobile Sdn. Bhd.	Sales and distribution of motor vehicles	100	100
# West Anchorage Sdn. Bhd.	Investment holding	100	100
# Agensi Pekerjaan Bijak (Sabah) Sdn. Bhd.	Dormant	100	100
# Auto Infiniti Sdn. Bhd.	Dormant	100	100
# Auto Trucks & Components Sdn. Bhd.	Dormant	100	100
# TQ Manufacturing Sdn. Bhd. (formerly known as Pemasaran Alat Ganti Sdn. Bhd.)	Assembly and sale of motor vehicles	100	100
# Rustcare Sdn. Bhd.	Dormant	100	100
# Tan Chong Development Sdn. Bhd.	Dormant	100	100
# TC Automotive Assembles Sdn. Bhd. (formerly known as TC Automotive Electronics Sdn. Bhd.)	Manufacture of passenger vehicles	100	100

## NOTES TO THE FINANCIAL STATEMENTS

## 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Malaysia:</b>			
# TC Commercial Insure Agency Sdn. Bhd.	Dormant	100	100
# TC Contact Centre Services Sdn. Bhd.	Dormant	100	100
# TC Manufacturing Company (Sabah) Sdn. Bhd.	Dormant	100	100
<b>Incorporated in Labuan:</b>			
# ETCM (C) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# ETCM (Labuan) Pty Ltd	Investment holding	100	100
# ETCM (L) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# ETCM (MM) Pte Ltd	Investment holding and trading of motor vehicles	100	100
# ETCM (V) Pte Ltd	Investment holding	100	100
# Tan Chong Motorcycles (Labuan) Pte Ltd	Investment holding	100	100
# TC Express Auto Services and Spare Parts (Labuan) Pty Ltd	Investment holding	100	100
# TC Overseas Assets Holdings Labuan Pte Ltd	Investment holding	100	100
# TC Services Holdings Labuan Pte Ltd	Investment holding	100	100
# TC Security Services (Labuan) Pte Ltd	Investment holding	100	100
# TC Services Labuan (V) Pte Ltd	Investment holding	100	100
# TC Trust Labuan Limited	Provision of Labuan trust company services	100	100
# TCIE (Labuan) Pty Ltd	Investment holding	100	100
# TCMSC (Labuan) Pte Ltd	Investment holding	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Labuan:</b>			
# Tan Chong Construction (Labuan) Pte Ltd	Dormant	100	100
# Tan Chong Motorcycles (MM) Pte Ltd	Dormant	100	100
# Tan Chong Trading (Labuan) Pty Ltd	Dormant	100	100
# TC Assets Labuan (V) Pte Ltd ~	Dormant	-	100
# TC Capital Resources (Labuan) Pty Ltd	Dormant	100	100
# TC Intellectual Investment Pte Ltd	Investment holding	100	100
# TC iTech (Labuan) Pte Ltd	Investment holding	100	100
# TC Manufacturing (C) Pte Ltd ~	Dormant	-	100
# TC Manufacturing (L) Pte Ltd ~	Dormant	-	100
# TC Manufacturing (MM) Pte Ltd ~	Dormant	-	100
# TC Manufacturing (V) Pte Ltd	Dormant	100	100
# TC Manufacturing (Labuan) Pte Ltd	Investment holding	100	100
# TC Overseas Assets Labuan ~ (C) Pte Ltd	Dormant	-	100
# TC Services Labuan (C) Pte Ltd ~	Dormant	-	100
# TC Services Labuan (L) Pte Ltd ~	Dormant	-	100
# TC Services Labuan (MM) Pte Ltd ~	Dormant	-	100
# TCIP Pte Ltd	Dormant	100	100

## NOTES TO THE FINANCIAL STATEMENTS

## 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Cambodia:</b>			
# 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
# Tan Chong Motor (Cambodia) Pty. Ltd.	Importation and distribution of motor vehicles	100	100
^ T C Motor Sales (Cambodia) Pty. Ltd.	Dormant	100	100
<b>Incorporated in Vietnam:</b>			
# TC Motor Vietnam Co., Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
@ TCIE Vietnam Pte. Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
# Nissan Vietnam Co., Ltd.	Importation and distribution of motor vehicles and spare parts	74	74
# TC Motorcycles (Vietnam) Co., Ltd.	Importation and distribution of motorcycles and motorcycle components	100	100
# TC Services Vietnam Co., Ltd.	Retail distribution of automobiles, automobile workshop services and trading of spare parts	100	100
# TC iTech (Vietnam) Co., Ltd.	Producing software products, providing IT solutions & services and integrating IT systems	100	100
<b>Incorporated in Laos:</b>			
^ Tan Chong Motor (Lao) Co., Ltd.	Importation and distribution of motor vehicles and spare parts including providing after-sales services	100	100
^ Tan Chong Motorcycles (Lao) Co., Ltd.	Property investment holding	100	100
<b>Incorporated in United States of America:</b>			
^ Tan Chong Warisan Resources Management LLC	Dormant	51	51

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest	
		2025 %	2024 %
<b>Incorporated in Myanmar:</b>			
ð 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 ETCM (Myanmar) Company Limited	Provision of services relating to vehicle distribution	100	100
ð Tan Chong Motor (Myanmar) Company Limited	Assembly, sales and distribution of motor vehicles, trading of spare parts and automotive workshop services	100	100
ð TC Express Auto Services & Spare Parts (Myanmar) Company Limited	Dormant	100	100
<b>Incorporated in Thailand:</b>			
# TC Express Auto Services and * Spare Parts (Thailand) Co., Ltd.	Automotive workshop services and trading of spare parts	49	49
# Tan Chong Mekong Regional Co., Ltd.	International business centre	100	100
# Tan Chong Mekong Trading (Thailand) Co., Ltd.	International trading centre	100	100
<b>Incorporated in Taiwan:</b>			
^ 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 2025 and 2024 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 2025 and 2024 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.

~ Company disposed off in 2025.

## NOTES TO THE FINANCIAL STATEMENTS

**37. Significant events during the year**

- (i) On 10 July 2025, Tanahku Holdings Sdn. Bhd. (“Tanahku”), a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement (“SPA”) with a third party (“Purchaser”) to dispose nine plots of freehold land, located in Wilayah Persekutuan Kuala Lumpur, measuring approximately a total of 12,923.74 square meters (139,109.98 square feet) in area to the Purchaser for a total cash consideration of RM148,800,000 subject to the terms and conditions stipulated in the SPA (hereinafter referred to as “Disposal”). On 27 March 2026, the Disposal was completed after all conditions precedent in the SPA have been fulfilled.
  
- (ii) On 11 November 2025, Tan Chong Motor Assemblies Sdn. Bhd. (“TCMA”) a wholly-owned subsidiary of the Company entered into a Letter of Intent (“LOI”) with Perodua Sales Sdn. Bhd. (“PSSB”). The LOI sets out the key agreed principles that both TCMA and PSSB (“Parties”) have reached agreement thus far in moving towards the relevant definitive agreements between the Parties in relation to the appointment of TCMA to provide particular services to PSSB for the Perodua Battery Electric Vehicle project.

## 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 115 to 219 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 2025 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: 29 April 2026

## 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 115 to 219 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 29 April 2026.

.....  
**Ho Wai Ming**

Before me:

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

(Registration No. 197201001333 (12969-P))

(Incorporated in Malaysia)

## 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 2025 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 115 to 219 (except for pages 117, 118, 121 and 122 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 2025, 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") as applicable to audits of financial statements of public interest entities, 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, market competition 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 of 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 the inventories;
- We tested the cost of inventories by model to supplier 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 basis. 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

(Registration No. 197201001333 (12969-P))

(Incorporated in Malaysia)

## 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 of financial assets 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 sales proceeds 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 comprise 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 assessments performed by the management to arrive at the individual and collective impairment allowances;
- For individual assessment, we assessed the appropriateness of the allowance made (i.e. the difference between the estimated sales proceeds of the repossessed vehicles and the outstanding balance of the HP receivables) by comparing the estimated sales proceeds of the repossessed vehicles against proceeds from post year end sales or the published market price; and
- We tested the inputs used in the collective impairment model which include the historical average delinquency rate, historical average loss and forward-looking adjustments.

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  
(Registration No. 197201001333 (12969-P))  
(Incorporated in Malaysia)

## 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

(Registration No. 197201001333 (12969-P))

(Incorporated in Malaysia)

## 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 36 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: 02700/12/2027 J

Chartered Accountant

Petaling Jaya, Selangor

Date: 29 April 2026

**TEN LARGEST PROPERTIES OF THE GROUP**

as at 31 December 2025

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	598.33	48	1974 to 1999	2025
2	Lot 29120 (P.T. 15014), Mukim Serendah, Daerah Hulu Selangor, Selangor, 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	340.60	17	1996 to 2013	2025
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	200.37	5	2016	2025
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	109.45	11	2010	2025
5	No. 2, Jalan Gerudi 15/4, Seksyen 15, 40200 Shah Alam, Selangor, Malaysia	Industrial plant	713,983	417,424	Leasehold 19.2.2066	103.00	55	30.12.2009	2025
6	Lot X5, X6, X7 and X8, Road No 5B, Expanded Hoa Khanh Industrial Zone, Lien Chieu District, Danang City, Vietnam	Assembly plant, office, vehicle storage yard & warehouse	1,645,850	135,463	Leasehold 25.3.2054	102.42	-	2013	2025
7	Lot 3, Jalan Perusahaan Satu, 68100 Batu Caves, Selangor, Malaysia	Spare parts & service centre, factory, warehouse/store, offices & showroom	425,619	204,856	Leasehold 5.9.2074	100.00	44	11.09.1981	2025

## TEN LARGEST PROPERTIES OF THE GROUP

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	79.30	5	2011	2025
9	No. 2, Jalan Indah 15/2, Taman Bukit Indah, 81200 Johor Bahru, Johor, Malaysia	Showroom, workshop & spare parts, office and car park	143,410	262,495	Freehold	61.50	3	01.03.2011	2025
10	No. 2, Jalan Johor Jaya, Taman Perindustrian Plentong, 81750 Johor Bahru, Johor, Malaysia	Showroom, service centre, office space and car park	93,830	-	Freehold	49.20	11	16.12.2010	2025

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 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 31 MARCH 2026

**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	299	4.12	4,614	- <sup>(1)</sup>
100 - 1,000	2,123	29.28	1,675,426	0.25
1,001 - 10,000	3,397	46.86	15,567,298	2.32
10,001 - 100,000	1,192	16.44	36,255,607	5.40
100,001 - 32,581,349 <sup>(2)</sup>	237	3.27	296,962,491	44.19
32,581,350 and above <sup>(3)</sup>	2	0.03	301,161,564	44.82
<b>Sub Total</b>	<b>7,250</b>	<b>100.00</b>	<b>651,627,000</b>	<b>96.97</b>
Treasury shares			20,373,000	3.03
<b>Total</b>			<b>672,000,000</b>	<b>100.00</b>

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		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1	Dato' Tan Heng Chew	34,544,462	5.30	290,862,430 <sup>(1)</sup>	44.64
2	Ho Wai Ming	-	-	30,000 <sup>(3)</sup>	- <sup>(2)</sup>
3	Dato' Chan Choun Sien	-	-	-	-
4	Ng Chee Hoong	-	-	-	-
5	Dato' Ng Mann Cheong	-	-	150,000 <sup>(3)</sup>	0.02
6	Dr. Nesadurai Kalanithi	-	-	-	-
7	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(1)(c) of the Act.  
(2) Less than 0.01%.  
(3) Interest of spouse by virtue of Section 59(1)(c) of the Act.

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

## SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

No.	Name	Direct		Indirect	
		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	290,862,430 <sup>(1)</sup>	44.64
4	Tan Eng Soon	-	-	263,828,240 <sup>(2)</sup>	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. <i>Exempt AN for Daiwa Securities Co. Ltd. Client Acc</i>	37,333,324	5.73
4	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Ching Ching</i>	24,098,200	3.70
5	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Tan Heng Chew (PB)</i>	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. <i>Maybank Private Wealth Management for Tan Hoe Pin (12024580) (449770)</i>	12,725,906	1.95
9	Tan Beng Keong	12,085,968	1.85
10	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Singular Value Fund</i>	10,883,700	1.67
11	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Heng Chew (E-KLC)</i>	10,003,500	1.54
12	Tan Boon Pun	10,000,006	1.53
13	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Tan Ban Leong (PB)</i>	9,212,329	1.41
14	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wealthmark Holdings Sdn. Bhd. (50003 PZDM)</i>	9,087,400	1.39
15	Tan Chong Consolidated Sdn. Bhd.	8,667,900	1.33

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

**THIRTY LARGEST SHAREHOLDERS**  
**(as per Record of Depositors)**

<b>No.</b>	<b>Name</b>	<b>No. of Shares Held</b>	<b>%</b>
16	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Khor Swee Wah @ Koh Bee Leng (PB)</i>	8,430,290	1.29
17	Tan Chee Keong	7,252,295	1.11
18	Key Development Sdn. Berhad	6,000,000	0.92
19	Tan Chee Keong	4,833,673	0.74
20	Chinchoo Investment Sdn. Berhad	4,704,900	0.72
21	Gan Teng Siew Realty Sdn. Berhad	4,679,000	0.72
22	UOB Kay Hian Nominees (Asing) Sdn. Bhd. <i>Exempt AN for UOB Kay Hian Pte Ltd ( A/C Clients )</i>	3,664,078	0.56
23	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN for Standard Chartered Bank Singapore (EFGBHK-ASING)</i>	3,648,300	0.56
24	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Heng Chew</i>	3,619,200	0.56
25	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Boon Pun</i>	3,604,845	0.55
26	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Bank of Singapore Limited (Local)</i>	3,380,058	0.52
27	Wang Shu Erh	2,177,000	0.33
28	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Oon Hooi Lin</i>	1,808,400	0.28
29	Tang Chi Hoong Darren	1,786,500	0.27
30	Rengo Malay Estate Sendirian Berhad	1,773,000	0.27
<b>TOTAL</b>		<b>519,499,870</b>	<b>79.72</b>

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 54<sup>th</sup> 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, 12 June 2026 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 2025 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’ Tan Heng Chew
  - (ii) Mr. Ho Wai Ming
  - (iii) Mr. Ng Chee Hoong**Ordinary Resolution 1  
Ordinary Resolution 2  
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 12 June 2026 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 12 June 2026 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 2026 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 RENEWAL OF 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 3.2.1 of the Company's Circular to Shareholders dated 30 April 2026 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 RENEWAL OF 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 3.2.2.1 of the Company's Circular to Shareholders dated 30 April 2026 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 NEW 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 3.2.2.2 of the Company's Circular to Shareholders dated 30 April 2026 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;

## NOTICE OF ANNUAL 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 NEW 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 3.2.2.3 of the Company's Circular to Shareholders dated 30 April 2026 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

**Ke Bee Kian (MAICSA 7039757) (SSM PC No. 202508000589)**  
Company Secretary

Kuala Lumpur  
30 April 2026

## NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

1. A depositor whose name appears in the Record of Depositors of the Company as at 4 June 2026 (“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 10 June 2026 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; or
  - (ii) By electronic means via email  
By email to Tricor’s email address at [is.enquiry@vistra.com](mailto: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 Vistra Share Registry and IPO (MY) Portal (“The Portal”)  
By electronic means via The Portal at <https://srmy.vistra.com>. 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 54th AGM via The Portal at <https://srmy.vistra.com> by selecting “e-Services” to pose questions and submit electronically not later than 10 June 2026 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 2025**

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' Tan Heng Chew, Mr. Ho Wai Ming and Mr. Ng Chee Hoong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 54th AGM.

The Board has, through the Nominating and Remuneration Committee ("NRC"), considered the assessment of the Dato' Tan Heng Chew, Mr. Ho Wai Ming and Mr. Ng Chee Hoong, 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 26 to 29 of the Annual Report 2025 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 approved 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 12 June 2026 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 12 June 2026 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 2026 ("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 54<sup>th</sup> 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.



<b>CDS Account No.</b>	
<b>Number of Shares Held</b>	
<b>Shareholder's Email Address</b>	

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 /or \_\_\_\_\_  
 (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 54<sup>th</sup> 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, 12 June 2026 at 10.30 a.m., and at any adjournment thereof, as indicated below:

No.	Resolutions	For	Against
<b>Ordinary Resolution 1</b>	Re-election of Dato' Tan Heng Chew as Director		
<b>Ordinary Resolution 2</b>	Re-election of Mr. Ho Wai Ming as Director		
<b>Ordinary Resolution 3</b>	Re-election of Mr. Ng Chee Hoong as Director		
<b>Ordinary Resolution 4</b>	Directors' fees		
<b>Ordinary Resolution 5</b>	Directors' benefits		
<b>Ordinary Resolution 6</b>	Re-appointment of KPMG PLT as Auditors		
<b>Ordinary Resolution 7</b>	Proposed renewal of authority for the Company to purchase its own shares		
<b>Ordinary Resolution 8</b>	Proposed renewal of shareholders' mandate for recurrent related party transactions with Auto Dunia Sdn. Bhd.		
<b>Ordinary Resolution 9</b>	Proposed renewal of shareholders' mandate for recurrent related party transactions with Tan Chong International Limited and its subsidiaries		
<b>Ordinary Resolution 10</b>	Proposed new shareholders' mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities		
<b>Ordinary Resolution 11</b>	Proposed new shareholders' mandate for recurrent related party transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures		

\*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:

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

No. of Shares	Percentage
Proxy 1 _____	_____ %
Proxy 2 _____	_____ %
Total _____	100 %

\_\_\_\_\_  
 Common Seal of Member, if applicable  
 (if the appointer is a corporation)



**Notes:**

1. A depositor whose name appears in the Record of Depositors of the Company as at 4 June 2026 ("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 10 June 2026 at 10.30 a.m.:

Fold Here

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 email to Tricor's email address at [is.enquiry@vistra.com](mailto: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 *Vistra Share Registry and IPO (MY) Portal ("The Portal")*  
By electronic means via The Portal at <https://srmyvistra.com>. 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 54<sup>th</sup> AGM via The Portal at <https://srmyvistra.com> by selecting "e-Services" to pose questions and submit electronically not later than 10 June 2026 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 54<sup>th</sup> 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 : Mr. Eric Low Kenn Loong, Assistant Manager  
Tel : +603-2783 9299  
Email : Kenn.Loong.Low@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 2026

## 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.

## NOTIS PERLINDUNGAN DATA PERIBADI

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

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 : Encik Eric Low Kenn Loong, Penolong Pengurus  
Tel : +603-2783 9299  
Emel : Kenn.Loong.Low@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 2026

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

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

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

### (B) Business Activities

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

### (C) Component of Financial Position

#### (i) Cash Component

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

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

#### (ii) Debt Component

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



[www.tanchonggroup.com](http://www.tanchonggroup.com)



**TAN CHONG MOTOR HOLDINGS BERHAD**

Registration No.: 197201001333 (12969-P)

62-68 Jalan Sultan Azlan Shah  
51200 Kuala Lumpur, Malaysia  
Telephone : +603 4047 8888  
E-mail : [tcmh@tanchonggroup.com](mailto:tcmh@tanchonggroup.com)