



# **TAN CHONG MOTOR HOLDINGS BERHAD**

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

## **INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2026**

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**TAN CHONG MOTOR HOLDINGS BERHAD**  
*Registration No. 197201001333 (12969-P)*  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED 31 MARCH 2026**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**INDIVIDUAL/CUMULATIVE QUARTER**

	<b>Current Year Quarter 31.03.2026 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2025 RM'000</b>
Revenue	457,765	553,000
Operating profit	2,088	20,406
Interest expense	(13,750)	(18,764)
Interest income	2,457	3,098
Share of profit/(loss) of equity-accounted investees	911	(179)
(Loss)/Profit before taxation	(8,294)	4,561
Tax expense	(6,321)	(3,016)
(Loss)/Profit for the period	(14,615)	1,545
(Loss)/Profit attributable to:		
Equity holders of the Company	(12,184)	4,136
Non-controlling interests	(2,431)	(2,591)
	(14,615)	1,545
(Loss)/Profit per share (sen)		
(a) Basic	(1.87)	0.63
(b) Fully diluted	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 December 2025, together with the explanatory notes in this report.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2026  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>INDIVIDUAL/CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2026 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2025 RM'000</b>
<b>(Loss)/Profit for the period</b>	(14,615)	1,545
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences for foreign operations	(4,457)	(2,867)
Cash flow hedge	2,927	(257)
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	(1,530)	(3,124)
<b>Other comprehensive expense for the period, net of tax</b>	(1,530)	(3,124)
<b>Total comprehensive expense for the period</b>	(16,145)	(1,579)
<b>Total comprehensive (expense)/income attributable to:</b>		
Equity holders of the Company	(13,863)	55
Non-controlling interests	(2,282)	(1,634)
	(16,145)	(1,579)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025, together with the explanatory notes in this report.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
*Registration No. 197201001333 (12969-P)*  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2026**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	2,561,928	2,570,302
Investment properties	209,770	209,770
Intangible assets	92,963	94,554
Equity-accounted investees	45,410	45,928
Deferred tax assets	73,594	71,249
Hire purchase receivables	240,046	256,737
	3,223,711	3,248,540
<b><u>Current assets</u></b>		
Other investments	2,632	2,612
Inventories	647,233	667,269
Contract assets	24,674	22,070
Current tax assets	24,399	24,351
Hire purchase receivables	57,995	63,450
Receivables, deposits and prepayments	426,838	402,767
Derivative financial assets	1,114	-
Cash and cash equivalents	325,050	282,863
	1,509,935	1,465,382
Asset classified as held for sale	-	128,706
	1,509,935	1,594,088
<b>TOTAL ASSETS</b>	<b>4,733,646</b>	<b>4,842,628</b>



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2026 (continued)**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	336,000	336,000
Reserves	2,291,767	2,305,630
Treasury shares	(26,443)	(26,443)
<b>Total equity attributable to owners of the Company</b>	<b>2,601,324</b>	<b>2,615,187</b>
Non-controlling interests	6,809	9,091
<b>Total equity</b>	<b>2,608,133</b>	<b>2,624,278</b>
<b><u>Non-current liabilities</u></b>		
Lease liabilities	50,288	48,199
Borrowings	59,906	159,890
Employee benefits	101,835	98,295
Deferred tax liabilities	312,461	315,968
Contract liabilities	32,027	34,870
	<b>556,517</b>	<b>657,222</b>
<b><u>Current liabilities</u></b>		
Borrowings	1,134,114	1,072,732
Lease liabilities	48,181	51,854
Derivative financial liabilities	163	1,976
Current tax liabilities	7,596	2,395
Contract liabilities	51,065	64,112
Payables and accruals	327,877	368,059
	<b>1,568,996</b>	<b>1,561,128</b>
<b>Total liabilities</b>	<b>2,125,513</b>	<b>2,218,350</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,733,646</b>	<b>4,842,628</b>
Net assets per share attributable to owners of the Company (RM)	3.99	4.01

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025, together with the explanatory notes in this report.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
*Registration No. 197201001333 (12969-P)*  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2026**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	-----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 01.01.2025</b>	336,000	(26,443)	(22,971)	904,564	839	100	1,319,064	2,511,153	4,585	2,515,738
Other comprehensive (expense)/ income for the period, net of tax	-	-	(3,824)	-	(257)	-	-	(4,081)	957	(3,124)
Transfer of revaluation surplus on properties	-	-	-	(4,403)	-	-	4,403	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	-	4,136	4,136	(2,591)	1,545
Total comprehensive (expense)/ income for the period	-	-	(3,824)	(4,403)	(257)	-	8,539	55	(1,634)	(1,579)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	221	221
<b>At 31.03.2025</b>	336,000	(26,443)	(26,795)	900,161	582	100	1,327,603	2,511,208	3,172	2,514,380
<b>At 01.01.2026</b>	336,000	(26,443)	(49,012)	1,204,016	(1,976)	100	1,152,502	2,615,187	9,091	2,624,278
Other comprehensive (expense)/ income for the period, net of tax	-	-	(4,606)	-	2,927	-	-	(1,679)	149	(1,530)
Transfer of revaluation surplus on properties	-	-	-	(6,629)	-	-	6,629	-	-	-
Loss for the period	-	-	-	-	-	-	(12,184)	(12,184)	(2,431)	(14,615)
Total comprehensive (expense)/ income for the period	-	-	(4,606)	(6,629)	2,927	-	(5,555)	(13,863)	(2,282)	(16,145)
Transfer upon disposal of asset classified as held for sale	-	-	-	(7,829)	-	-	7,829	-	-	-
<b>At 31.03.2026</b>	336,000	(26,443)	(53,618)	1,189,558	951	100	1,154,776	2,601,324	6,809	2,608,133

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025, together with the explanatory notes in this report.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2026**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE QUARTER</b>	
	<b>For the 3 months</b>	<b>For the 3 months</b>
	<b>ended</b>	<b>ended</b>
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(8,294)	4,561
Adjustments for:		
Non-cash and non-operating items	26,083	20,608
<b>Operating profit before working capital changes</b>	17,789	25,169
<b>Changes in working capital</b>		
Inventories	22,447	(7,582)
Hire purchase receivables	15,619	18,289
Receivables, deposits and prepayments	(24,928)	(48,694)
Payables and accruals	(43,503)	(7,295)
Contract assets	(2,604)	6,752
Contract liabilities	(15,890)	(11,511)
Cash generated used in operations	(31,070)	(24,872)
Tax paid	(3,728)	(3,029)
Interest paid	(8,452)	(12,245)
Employee benefits paid	-	(531)
<b>Net cash used in operating activities</b>	(43,250)	(40,677)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(22,272)	(28,532)
Net (acquisition)/proceed from disposal of other investments	(20)	30,749
Dividend received from equity-accounted investees	166	-
Proceeds from disposal of property, plant and equipment	1,250	3,858
Proceeds from disposal of assets classified as held for sale	148,800	-
<b>Net cash from investing activities</b>	127,924	6,075



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2026 (continued)**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE QUARTER</b>	
	<b>For the 3 months ended 31.03.2026 RM'000</b>	<b>For the 3 months ended 31.03.2025 RM'000</b>
<b>Cash flows from financing activities</b>		
Net proceed from bankers' acceptance	6,321	65,333
Net repayment of term loans and revolving credit	(44,923)	(226,513)
Payment of lease liabilities	(3,530)	(5,043)
Share subscription in a subsidiary company by non-controlling interest shareholders	-	221
<b>Net cash used in financing activities</b>	<b>(42,132)</b>	<b>(166,002)</b>
<b>Net change in cash and cash equivalents</b>	<b>42,542</b>	<b>(200,604)</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>(355)</b>	<b>(1,751)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>282,863</b>	<b>545,499</b>
<b>Cash and cash equivalents at end of the period</b>	<b>325,050</b>	<b>343,144</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025, together with the explanatory notes in this report.

## A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

### 1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of Tan Chong Motor Holdings Berhad (“TCMH”) and its subsidiaries, associates and joint venture (“the Group”) as at and for the year ended 31 December 2025.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2025, except for the adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and Amendments to MFRSs:

#### ***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 - Contract Reference Nature-Dependent Electricity*

#### **MFRSs and Amendments to MFRSs issued but not yet effective**

The following MFRSs and Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted:

#### ***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*
- Amendment to MFRS 121, *The effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

#### ***Effective for 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.*

The initial application of the abovementioned accounting standards or amendments is not expected to have any material financial impacts to the financial statements of the Group.

### 3. Audit Qualifications

There were no audit qualifications in the annual financial statements for the financial year ended 31 December 2025.

### 4. Seasonal or Cyclical Factors

During the quarter, the business of the Group had not been affected by any significant seasonal or cyclical factors, apart from the general economic environment in which it operated.

### 5. Unusual Items

There were no unusual items that had a material effect on the assets, liabilities, equity, net income or cash flows for the period.

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**6. Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial year.

**7. Debt and Equity Securities**

There was no repurchase of issued ordinary shares from the open market during the quarter. Cumulative total number of shares repurchased at the end of the financial quarter was 20,373,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Under the Islamic Medium Term Notes (“Sukuk Murabahah”) Programme of RM1.5 billion, the outstanding nominal value of Islamic Medium Term Notes stood at RM310 million at the end of the financial quarter. Details of the respective MTN’s maturity dates are as follows:-

<u>Maturity date</u>	<u>Nominal value</u> <u>(RM’000)</u>
19 June 2026	150,000
16 March 2027	100,000
26 July 2027	10,000
20 September 2027	15,000
3 September 2029	35,000
	<u>310,000</u>

Save for the above, there were no other issuance and repayment of debt securities, share cancellation and resale of treasury shares during the period.

**8. Dividends Paid**

No dividends were paid during the quarter ended 31 March 2026.

**9. Segmental Reporting**

(a) Business segment reporting:

	<b>Vehicles assembly, manufacturing, distribution and after-sales services</b>		<b>Financial services</b>		<b>Other operations</b>		<b>Total</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
External revenue	439,426	530,542	14,767	18,061	3,572	4,397	457,765	553,000
Inter-segment revenue	62	971	-	-	19,770	21,056	19,832	22,027
Segment EBITDA/ (LBITDA)	4,511	56,887	527	(294)	31,818	813	36,856	57,406

*\*Segment earnings before interest, taxation, depreciation and amortisation*

**Reconciliation of reportable segment profit or loss:**

	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM’000</b>	<b>RM’000</b>
Total EBITDA for reportable segments	36,856	57,406
Depreciation and amortisation	(31,790)	(34,090)
Interest expense	(13,750)	(18,764)
Interest income	2,457	3,098
Share of profit/(loss) of equity-accounted investees not included in reportable segments	911	(179)
Unallocated corporate expenses	(2,978)	(2,910)
Consolidated (loss)/profit before taxation	<u>(8,294)</u>	<u>4,561</u>

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**9. Segmental Reporting (continued)**

(b) Geographical segment reporting:

	Malaysia		Vietnam		Others		Total	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	411,489	501,217	16,310	19,530	29,966	32,253	457,765	553,000
Segment EBITDA/ (LBITDA)	30,249	59,512	(934)	(6,977)	7,541	4,871	36,856	57,406

**10. Valuation of Property, Plant and Equipment and Investment Properties**

The valuation of property, plant and equipment and investment properties was brought forward without amendment from the audited financial statements for the financial year ended 31 December 2025.

**11. Other Investments**

	31.03.2026	31.12.2025
	RM'000	RM'000
<b>Current</b>		
Liquid investments in quoted unit trusts with licensed financial institutions	2,632	2,612
Total	2,632	2,612

**12. Material Events**

Further to the Company's announcement dated 10 July 2025 in relation to the disposal of nine (9) plots of freehold land located at Jalan Putra, Kuala Lumpur by Tanahku Holdings Sdn. Bhd., a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad, to Solid Interest Sdn. Bhd., a wholly-owned subsidiary of Avaland Holdings Berhad, for a total cash consideration of RM148.8 million ("Disposal"), the Board of Directors wishes to announce that the Disposal has been completed on 27 March 2026.

Following the completion of the Disposal, the Group recognised a gain on disposal of approximately RM20.1 million on 27 March 2026.

Save for the above, there were no items, transactions or events of a material and unusual nature that have arisen between the end of the reporting period and the date of this announcement which would substantially affect the results of the operations of the Group.

**13. Changes in Composition of the Group**

There were no other changes in the composition of the Group for the quarter under the review.

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**14. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 March 2026 except as disclosed in Part B, Note 9 of the Announcement.

**15. Commitments Outstanding not provided for in the Interim Financial Report**

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Property, plant and equipment</i>		
Authorised but not contracted for	40,265	38,375
Authorised and contracted for		
In Malaysia	1,298	1,767
Outside Malaysia	3,018	3,038
Total	<u>44,581</u>	<u>43,180</u>

**16. Significant Related Party Transactions**

- (a) Significant transactions with Warisan TC Holdings Berhad (“WTCH”), APM Automotive Holdings Berhad (“APM”) and Tan Chong International Limited (“TCIL”) Groups, companies in which a Director of the Company, namely Dato’ Tan Heng Chew, is deemed to have substantial financial interests, are as follows:

	<b>Individual/Cumulative Quarter</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>With WTCH Group</b>		
Purchases	(11,973)	(22,550)
Sales	8,386	5,147
Travel agency and car rental services	(1)	(379)
Contract assembly services	3,283	1,829
	<u>          </u>	<u>          </u>
<b>With APM Group</b>		
Purchases	(1,342)	(4,111)
Sales	627	121
	<u>          </u>	<u>          </u>
<b>With TCIL Group</b>		
Sales	1,398	-
	<u>          </u>	<u>          </u>

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

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

	<b>Individual/Cumulative Quarter</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchases	(42,745)	(162,188)
Sales	1,021	-
	<u>          </u>	<u>          </u>

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

**A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting (continued)**

**16. Significant Related Party Transactions (continued)**

- (c) Significant transactions with Auto Dunia Sdn. Bhd.:
- i. a company in which a Director of a subsidiary of the Company, namely Datuk Abdullah bin Abdul Wahab, has substantial financial interests; and
  - ii. a company connected with a Director of the Company, Dato' Tan Heng Chew, by virtue of Section 197 of the Companies Act, 2016, are as follows:

	<b>Individual/Cumulative Quarter</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchases	(22,326)	(85,156)
Sales	1,346	1,800

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

## **B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

### **1. Analysis of Performance of All Operating Segments**

For the quarter ended 31 March 2026, the Group recorded revenue of RM457.8 million, a reduction of 17.2% compared to the same period preceding year. The Group registered a Loss Before Tax (“LBT”) of RM8.3 million in the current quarter under review, compared to Profit Before Tax (“PBT”) of RM4.6 million in the same period preceding year. Despite the recognition of gain on disposal of asset classified as held for sale of RM20.1 million, net foreign exchange gain compared to the same period preceding year, lower interest expenses and depreciation during the current quarter, the higher loss was mainly due to one-off fair value gain on investment properties of RM54.0 million recognised in the same period preceding year.

As at 31 March 2026, the Group’s retained earnings stood at RM1.15 billion. The net assets per share as at 31 March 2026 was RM3.99, RM0.02 lower compared to RM4.01 as at 31 December 2025, mainly due to losses incurred during the current period under review. Further analysis of the performance of the business segments is as follows:

#### **(a) Vehicles Assembly, Manufacturing, Distribution & After-Sales Services (“Automotive”)**

The automotive division recorded lower revenue of RM439.4 million in the current quarter under review, representing a 17.2% reduction compared to the corresponding quarter of the preceding year (“YoY”). The Division registered Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of RM4.5 million, which was 92.1% lower YoY. The decline was mainly attributable to the recognition of a one-off fair value gain on investment properties amounting to RM54.0 million in the corresponding quarter of the preceding year, partly offset by higher net foreign exchange gain recorded in the current quarter. Excluding the fair value gain on investment properties, the Division’s underlying EBITDA in the corresponding quarter of the preceding year was RM2.9 million.

#### **(b) Financial Services (Hire Purchase and Insurance)**

The financial services division recorded revenue of RM14.8 million in the current quarter under review, representing a decrease of RM3.3 million YoY. The Division registered EBITDA of RM0.5 million, which was higher by RM0.8 million YoY. The improvement in EBITDA was mainly due to higher other income and lower impairment loss on hire purchase receivables recorded in the current quarter under review compared to the same period preceding year.

#### **(c) Other Operations (Investments and Properties)**

Revenue from Other Operations was lower at RM3.6 million in the current quarter under review, representing a decrease of RM0.8 million YoY. The segment recorded a significantly higher EBITDA of RM31.8 million in the current quarter, compared to RM0.8 million in the same period preceding year, an increase of RM31.0 million YoY. The improvement was mainly contributed by the gain on disposal of assets classified as held for sale amounting to RM20.1 million, as well as higher net foreign exchange gain recorded in the current quarter compared to the same period preceding year, arising from transactions and outstanding balances denominated in foreign currencies.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**2. Comparison with Preceding Quarter's Results**

	<b>Current Quarter 31.03.2026 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2025 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	457,765	492,216	(34,451)	-7.0%
Loss before tax	(8,294)	(59,507)	51,213	86.1%
<b><u>External Revenue</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	439,426	476,176	(36,750)	-7.7%
Financial services	14,767	13,651	1,116	8.2%
Other operations	3,572	2,389	1,183	49.5%
	<u>457,765</u>	<u>492,216</u>	(34,451)	-7.0%
<b><u>Segment EBITDA/ (LBITDA)</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	4,511	(596)	5,107	>100%
Financial services	527	(2,767)	3,294	>100%
Other operations	31,818	(19,378)	51,196	>100%
	<u>36,856</u>	<u>(22,741)</u>	59,597	>100%

The Group recorded revenue of RM457.8 million in the current quarter under review, lower by RM34.5 million or 7.0% compared to RM492.2 million in the preceding quarter (QoQ). The Group recorded LBT of RM8.3 million in the current quarter under review compared to LBT of RM59.5 million in the preceding quarter (improved by 86.1% QoQ), mainly due to recognition of gain on disposal of asset classified as held for sale of RM20.1 million, higher impairment loss on receivables and property, plant and equipment recorded in the preceding quarter and net foreign exchange gain in the current quarter compared to a net foreign exchange loss recorded in the preceding quarter under review.

**(a) Vehicles Assembly, Manufacturing, Distribution & After-Sales Services (Automotive)**

The automotive division recorded lower revenue of RM439.4 million in the current quarter under review, a decrease of 7.7% compared to the preceding quarter. The division registered EBITDA of RM4.5 million in the current quarter compared to Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of RM0.6 million in the preceding quarter, higher by RM5.1 million, mainly due to net foreign exchange gain in the current quarter compared to a net foreign exchange loss recorded in the preceding quarter under review.

**(b) Financial Services (Hire Purchase and Insurance)**

The financial services division recorded higher revenue of RM14.8 million (increased by 8.2% QoQ) with a EBITDA of RM0.5 million in the current quarter under review, higher by RM3.3 million compared to LBITDA of RMRM2.8 million in the preceding quarter. The improved EBITDA was mainly due to higher impairment loss on hire purchase receivable recorded in the preceding quarter.

**(c) Other Operations (Investments and Properties)**

The division recorded higher revenue of RM3.6 million (increased by 49.5% QoQ) with higher EBITDA of RM31.8 million in the current quarter under review. The higher EBITDA was mainly due to recognition of gain on disposal of asset classified as held for sale of RM20.1 million and net foreign exchange gain in the current quarter compared to a net foreign exchange loss recorded in the preceding quarter.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**3. Future Prospects**

While heightened geopolitical tensions in the Middle East contributed to higher fuel prices, inflationary pressures and increased market volatility, Malaysia's overall economic outlook remains supported by resilient domestic economic activity and ongoing infrastructure developments, with the first quarter of 2026's Gross Domestic Product ("GDP") expanding by 5.4% <sup>#1</sup>. During the same period, the Malaysian automotive industry recorded a Total Industry Volume ("TIV") of approximately 188,100 units, reflecting continued consumer demand despite a more competitive market environment. Looking ahead, the automotive industry is expected to remain competitive, although underlying demand should continue to be supported by stable financing conditions, replacement demand and continued mobility needs, alongside the gradual transition towards electrification and growing consumer awareness of fuel efficiency.

For the Group, strategic initiatives undertaken over the past year are anticipated to contribute more meaningfully in the coming quarters. The encouraging response towards the electric vehicle, TQ Wuling Bingo, supports the Group's broader multi-brand and electrification strategy, while the recent launch of the All-New Nissan Serena e-POWER will further strengthen the Group's product offering and support sales momentum for the Nissan brand. These products are geared for consumers seeking cost effective mobility solutions compared to conventional engines.

The commercial vehicle division continued to benefit from infrastructure activities, logistics expansion and fleet replacement demand, while the recovery in tourism activities under Visit Malaysia 2026 provided additional support to the bus segment. The Group's after-sales services and spare parts divisions are also positioned to continue providing stable recurring revenue contributions.

Regionally, the Group's IndoChina operations are anticipated to remain stable, with Vietnam continuing to be a strategic market supported by the presence of the GAC and TQ Wuling brands. Myanmar maintained operational stability and expanding dealership network following its return to profitability in 2025, while Laos and Cambodia continued contributing steadily.

Management will continue to focus on cost discipline, operational efficiency, prudent capital management and liquidity preservation. While challenges relating to competition, geopolitical developments and cost pressures remain, Management remains cautiously optimistic that the Group is better positioned to navigate the evolving market environment and progressively strengthen its performance in the remaining quarters of 2026.

<sup>#1</sup> Bank Negara Malaysia Quarterly Bulletin Q1 2026 dated 15 May 2026

**4. Comparison with Profit Forecast**

This is not applicable to the Group.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**5. Taxation**

	<b>Individual/ Cumulative Quarter</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Taxation		
- Current year	(7,190)	(5,577)
- Prior year	(23)	-
	<u>(7,213)</u>	<u>(5,577)</u>
Deferred taxation		
- Current year	4,206	2,406
- Prior year	346	155
	<u>4,552</u>	<u>2,561</u>
Real property gains tax	(3,660)	-
	<u>(6,321)</u>	<u>(3,016)</u>

The Group recorded a tax expense of RM6.3 million during the current quarter under review, mainly attributable to real property gains tax ("RPGT") amounting to RM3.7 million arising from disposal of property completed during the current quarter, tax charges from profitable subsidiaries, and the non-deductibility of certain expenses for tax purposes.

**6. Status of Corporate Proposals**

Further to the Company's announcement dated 10 July 2025 in relation to the disposal of nine (9) plots of freehold land located at Jalan Putra, Kuala Lumpur by Tanahku Holdings Sdn. Bhd., a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad, to Solid Interest Sdn. Bhd., a wholly-owned subsidiary of Avaland Holdings Berhad, for a total cash consideration of RM148.8 million ("Disposal"), the Board of Directors wishes to announce that the Disposal has been completed on 27 March 2026.

Following the completion of the Disposal, the Group recognised a gain on disposal of approximately RM20.1 million on 27 March 2026.

Save for the above, there were no other corporate proposals announced but not completed as at reporting date.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**7. Group Borrowings**

Group borrowings as at the end of the reporting period are as follows:

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured :		
- Bankers' acceptances	191,316	184,995
- Revolving credit	653,700	705,000
- Short term loan	39,098	32,737
- Medium term notes	309,906	309,890
Total borrowings	<u>1,194,020</u>	<u>1,232,622</u>
Comprising :		
Amount repayable within one year	1,134,114	1,072,732
Amount repayable after one year	59,906	159,890
	<u>1,194,020</u>	<u>1,232,622</u>

Group borrowings breakdown by currencies:

		<b>31.03.2026</b>	<b>31.12.2025</b>
		<b>RM'000</b>	<b>RM'000</b>
Functional currency	Denominated in		
RM	RM	1,154,922	1,199,885
VND	VND	39,098	32,737
		<u>1,194,020</u>	<u>1,232,622</u>

**8. Financial Instruments**

**Derivatives**

As at 31 March 2026, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

Type of Derivatives	Notional Amount RM'000	Net Fair Value Assets/ (Liabilities) RM'000	Maturity
Forward foreign exchange contracts	73,335	951	Less than 1 year

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. As the exchange rates are predetermined under such contracts, in the event of exchange rate movement, exposure to opportunity gain/ (loss) is expected. Given that the contracts are entered into with locally incorporated licensed banks, we are of the view that credit risk and the counterparty risk are minimal. 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 the expected commercial requirements for imports.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**9. Changes in Material Litigation**

**Writ of Summons and Statement of Claim served by Tan Chong Industrial Equipment Sdn Bhd (“TCIE”)**

On 4 July 2016, TCIE entered into a settlement agreement (“Settlement Agreement”) with (1) Transnasional Express Sdn. Bhd., (2) Plusliner Sdn. Bhd., (3) Syarikat Kenderaan Melayu Kelantan Berhad, (4) Syarikat Rembau Tampin Sdn. Bhd., (5) Kenderaan 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 Kenderaan Melayu Kelantan Berhad, Syarikat Rembau Tampin Sdn. Bhd. and Kenderaan 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.

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**9. Changes in Material Litigations (continued)**

**Writ of Summons and Statement of Claim served by 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 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 1<sup>st</sup> to 5<sup>th</sup> Defendants had jointly filed their defence and 6<sup>th</sup> 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 6<sup>th</sup> Defendant filed an application to strike out TCIE’s Claim against it. On 1 December 2025, the 1<sup>st</sup> to 5<sup>th</sup> Defendant filed an application to strike out TCIE’s Claim against them. (collectively known as “Striking Out Applications”).

On 15 April 2026, the High Court fixed 16 June 2026 for pre-trial case management in respect of the Summary Judgement Application and Striking Out Applications.

Save for the above, there were no other pending material litigations against the Group as at the date of this report.

**10. Dividend**

No dividend has been proposed for the first quarter ended 31 March 2026.

**11. (Loss)/Profit per Share**

The calculation of basic profit/(loss) per share for the periods is based on the net profit/(loss) attributable to ordinary shareholders of the periods and the weighted average numbers of ordinary shares outstanding during the periods as follows:

	<b>Individual/ Cumulative Quarter</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
(Loss)/Profit attributable to the owners of the Company (RM'000)	(12,184)	4,136
Weighted average number of ordinary shares ('000)	651,627	651,627
Basic (Loss)/Profit per share (sen)	<u>(1.87)</u>	<u>0.63</u>

**B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**12. Total Comprehensive (Expense)/Income**

Total comprehensive (expense)/income is arrived at after (charging)/crediting:

	<b>Individual/ Current Year Quarter 31.03.2026 RM'000</b>	<b>Cumulative Quarter Preceding Year Corresponding Quarter 31.03.2025 RM'000</b>
Fair value gain on investment properties	-	54,000
Depreciation and amortisation	(31,790)	(34,090)
Unrealised Foreign exchange gain/(loss)	3,803	(14,147)
Realised foreign exchange gain	268	9,922
Gain on derivatives	2,592	257
(Loss)/Gain on disposal of property, plant and equipment	(42)	107
Net Provision for impairment/Write off of receivables	(6,863)	(6,628)
Property, plant and equipment written off	(50)	(18)
Gain on disposal of asset classified as held for sale	20,094	-
Reversal of write-down/(write-down) of inventories	2,411	(921)

**BY ORDER OF THE BOARD**

**Ke Bee Kian**  
Company Secretary  
Kuala Lumpur  
28 May 2026