



TAN CHONG MOTOR HOLDINGS BERHAD

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

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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 30 JUNE 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2025 RM'000	Preceding Year Corresponding Quarter 30.06.2024 RM'000	Current Year To Date 30.06.2025 RM'000	Preceding Year Corresponding Period 30.06.2024 RM'000
Revenue	538,772	545,086	1,091,772	1,108,786
Operating loss (Note 1)	(46,712)	(28,610)	(26,306)	(32,936)
Interest expense	(16,530)	(17,166)	(35,294)	(33,806)
Interest income	2,658	3,956	5,756	8,895
Share of profit/(loss) of equity-accounted investees	76	(477)	(103)	(598)
Loss before taxation	(60,508)	(42,297)	(55,947)	(58,445)
Tax expense	(15)	(644)	(3,031)	(4,213)
Loss for the period	(60,523)	(42,941)	(58,978)	(62,658)
Loss attributable to:				
Equity holders of the Company	(58,141)	(40,109)	(54,005)	(55,828)
Non-controlling interests	(2,382)	(2,832)	(4,973)	(6,830)
	(60,523)	(42,941)	(58,978)	(62,658)
Loss per share (sen)				
(a) Basic	(8.92)	(6.15)	(8.29)	(8.57)
(b) Fully diluted	N/A	N/A	N/A	N/A

Note 1: Included a one-off fair value gain as disclosed in note A10 for valuation of Property, Plant and Equipment and Investment Properties.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 December 2024, 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 PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2025
(THE FIGURES HAVE NOT BEEN AUDITED)**

INDIVIDUAL QUARTER CUMULATIVE QUARTER

	Current Year Quarter 30.06.2025 RM'000	Preceding Year Corresponding Quarter 30.06.2024 RM'000	Current Year To Date 30.06.2025 RM'000	Preceding Year Corresponding Period 30.06.2024 RM'000
Loss for the period	(60,523)	(42,941)	(58,978)	(62,658)
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	(8,595)	(2,553)	(11,462)	(8,054)
Cash flow hedge	(2,231)	(1,779)	(2,488)	(2,586)
Total items that are or may be reclassified subsequently to profit or loss	(10,826)	(4,332)	(13,950)	(10,640)
Other comprehensive expense for the period, net of tax	(10,826)	(4,332)	(13,950)	(10,640)
Total comprehensive expense for the period	(71,349)	(47,273)	(72,928)	(73,298)
Total comprehensive (expense)/ income attributable to:				
Equity holders of the Company	(72,919)	(41,922)	(72,864)	(64,402)
Non-controlling interests	1,570	(5,351)	(64)	(8,896)
	(71,349)	(47,273)	(72,928)	(73,298)

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 2024, 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 30 JUNE 2025

	(Unaudited) As at 30.06.2025 RM'000	(Audited) As at 31.12.2024 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	2,240,140	2,319,140
Investment properties	209,275	237,075
Intangible assets	96,366	99,678
Equity-accounted investees	54,032	54,941
Deferred tax assets	82,953	87,899
Hire purchase receivables	294,503	333,584
	<u>2,977,269</u>	<u>3,132,317</u>
<u>Current assets</u>		
Other investments	8	30,750
Inventories	832,866	842,136
Contract assets	16,965	24,070
Current tax assets	20,891	20,855
Hire purchase receivables	81,655	92,209
Receivables, deposits and prepayments	427,279	403,905
Derivative financial assets	23	871
Cash and cash equivalents	330,888	545,499
	<u>1,710,575</u>	<u>1,960,295</u>
Asset classified as held for sale (*)	128,706	-
	<u>1,839,281</u>	<u>1,960,295</u>
TOTAL ASSETS	<u><u>4,816,550</u></u>	<u><u>5,092,612</u></u>

* Refer Part A, Note 12 of the Announcement.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025 (continued)

	(Unaudited) As at 30.06.2025 RM'000	(Audited) As at 31.12.2024 RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	336,000	336,000
Reserves	2,128,732	2,201,596
Treasury shares	(26,443)	(26,443)
Total equity attributable to owners of the Company	2,438,289	2,511,153
Non-controlling interests	4,742	4,585
Total equity	2,443,031	2,515,738
<u>Non-current liabilities</u>		
Lease liabilities	56,948	65,510
Borrowings	159,858	309,827
Employee benefits	105,966	100,798
Deferred tax liabilities	236,732	233,913
Contract liabilities	54,791	54,492
	614,295	764,540
<u>Current liabilities</u>		
Borrowings	1,291,070	1,406,417
Lease liabilities	49,691	39,895
Derivative financial liabilities	1,672	32
Current tax liabilities	6,089	4,301
Contract liabilities	37,656	45,795
Payables and accruals	373,046	315,894
	1,759,224	1,812,334
Total liabilities	2,373,519	2,576,874
TOTAL EQUITY AND LIABILITIES	4,816,550	5,092,612
Net assets per share attributable to owners of the Company (RM)	3.74	3.85

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, together with the explanatory notes in this report.



TAN CHONG MOTOR HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025
(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
At 01.01.2024	336,000	(26,294)	(13,646)	922,173	(331)	100	1,522,138	2,740,140	1,658	2,741,798
Other comprehensive expenses for the period, net of tax	-	-	(5,988)	-	(2,586)	-	-	(8,574)	(2,066)	(10,640)
Transfer of revaluation surplus on properties	-	-	-	(8,805)	-	-	8,805	-	-	-
Loss for the period	-	-	-	-	-	-	(55,828)	(55,828)	(6,830)	(62,658)
Total comprehensive expense for the period	-	-	(5,988)	(8,805)	(2,586)	-	(47,023)	(64,402)	(8,896)	(73,298)
Purchase of treasury shares	-	(100)	-	-	-	-	-	(100)	-	(100)
Dividend - 2024 interim	-	-	-	-	-	-	(6,517)	(6,517)	-	(6,517)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	5,635	5,635
At 30.06.2024	336,000	(26,394)	(19,634)	913,368	(2,917)	100	1,468,598	2,669,121	(1,603)	2,667,518
At 01.01.2025	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	-	-	(16,371)	-	(2,488)	-	-	(18,859)	4,909	(13,950)
Transfer of revaluation surplus on properties	-	-	-	(8,805)	-	-	8,805	-	-	-
Loss for the period	-	-	-	-	-	-	(54,005)	(54,005)	(4,973)	(58,978)
Total comprehensive expense for the period	-	-	(16,371)	(8,805)	(2,488)	-	(45,200)	(72,864)	(64)	(72,928)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	221	221
At 30.06.2025	336,000	(26,443)	(39,342)	895,759	(1,649)	100	1,273,864	2,438,289	4,742	2,443,031

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 2024, together with the explanatory notes in this report.



TAN CHONG MOTOR HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CUMULATIVE QUARTER

	For the 6 months ended 30.06.2025 RM'000	For the 6 months ended 30.06.2024 RM'000
Cash flows from operating activities		
Loss before taxation	(55,947)	(58,445)
Adjustments for:		
Non-cash and non-operating items	92,943	96,660
Operating profit before working capital changes	36,996	38,215
Changes in working capital		
Inventories	20,089	64,376
Hire purchase receivables	36,051	(7,643)
Receivables, deposits and prepayments	(42,553)	14,438
Payables and accruals	55,595	(98,661)
Contract assets	7,105	(6,052)
Contract liabilities	(7,840)	2,965
Cash generated from operations	105,443	7,638
Tax paid	(4,806)	(448)
Interest paid	(24,937)	(18,147)
Employee benefits paid	(913)	(455)
Net cash generated from/(used in) operating activities	74,787	(11,412)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(52,644)	(31,034)
Acquisition of intangible assets	-	(193)
Net proceed from disposal/(acquisition) of other investments	30,742	(50,078)
Dividend received from equity-accounted investees	500	250
Proceeds from disposal of property, plant and equipment	7,625	10,885
Net cash used in investing activities	(13,777)	(70,170)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025 (continued)
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE QUARTER	
	For the 6 months ended 30.06.2025 RM'000	For the 6 months ended 30.06.2024 RM'000
Cash flows from financing activities		
Dividends paid to shareholders of the Company	-	(6,517)
Purchase of own shares	-	(100)
Net (repayment of)/proceed from bankers' acceptance	(2,901)	35,528
Net repayment of term loans and revolving credit	(257,627)	(13,440)
Payment of lease liabilities	(6,149)	(8,840)
Share subscription in a subsidiary company by non-controlling interest shareholders	221	5,635
Net cash (used in)/ from financing activities	(266,456)	12,266
Net decrease in cash and cash equivalents	(205,446)	(69,316)
Effects of exchange rate fluctuations on cash and cash equivalents	(9,165)	(2,838)
Cash and cash equivalents at beginning of the period	545,499	511,579
Cash and cash equivalents at end of the period	330,888	439,425

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, 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 2024.

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 2024, 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 2025

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

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 2026

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures*)
- *Annual Improvements to MFRS Accounting standards – Volume 11:-*
 - 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*

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*

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 2024.

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.

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

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.

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.

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 30 June 2025.

9. Segmental Reporting

(a) Business segment reporting for current quarter:

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	518,655	521,138	15,621	16,783	4,496	7,165	538,772	545,086
Inter-segment revenue	153	161	-	-	19,349	20,579	19,502	20,740
Segment (LBITDA)/EBITDA	(68)	520	(2,624)	2,468	(8,869)	6,256	(11,561)	9,244

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

Reconciliation of reportable segment profit or loss:

	30.06.2025	30.06.2024
	RM'000	RM'000
Total (LBITDA)/EBITDA for reportable segments	(11,561)	9,244
Depreciation and amortisation	(32,029)	(35,218)
Interest expense	(16,530)	(17,166)
Interest income	2,658	3,956
Share of profit/(loss) of equity-accounted investees not included in reportable segments	76	(477)
Unallocated corporate expenses	(3,122)	(2,636)
Consolidated loss before taxation	(60,508)	(42,297)

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

9. Segmental Reporting (continued)

(b) Business segment reporting for current year-to-date period:

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,049,197	1,059,515	33,682	35,454	8,893	13,817	1,091,772	1,108,786
Inter-segment revenue	1,124	3,426	-	-	40,405	41,906	41,529	45,332
Segment EBITDA/(LBITDA)	56,818	5,774	(2,918)	6,837	(8,056)	28,765	45,844	41,376

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

Reconciliation of reportable segment profit or loss:

	30.06.2025	30.06.2024
	RM'000	RM'000
Total EBITDA for reportable segments	45,844	41,376
Depreciation and amortisation	(66,119)	(70,666)
Interest expense	(35,294)	(33,806)
Interest income	5,756	8,895
Share of loss of equity-accounted investees not included in reportable segments	(103)	(598)
Unallocated corporate expenses	(6,031)	(3,646)
Consolidated loss before taxation	(55,947)	(58,445)

(c) Geographical segment reporting for current quarter:

	Malaysia		Vietnam		Others		Total	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	480,598	518,999	22,439	6,794	35,735	19,293	538,772	545,086
Segment EBITDA/(LBITDA)	(3,682)	24,677	(9,525)	(12,853)	1,646	(2,580)	(11,561)	9,244

(d) Geographical segment reporting for current year-to-date period:

	Malaysia		Vietnam		Others		Total	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	981,815	1,054,059	41,969	8,982	67,988	45,745	1,091,772	1,108,786
Segment EBITDA/(LBITDA)	55,830	69,487	(16,502)	(24,905)	6,516	(3,206)	45,844	41,376

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

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

- (a) 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 2024 except for the valuation of the investment property mentioned in Note (b) below.
- (b) The Group recorded a one-off fair value gain, net of deferred tax, of RM48.6 million during the current year-to-date period after a legal dispute over a piece of land was resolved at the Federal Court in its favour. The valuation was carried out by an independent firm of professional valuer, LaurelCap Sdn Bhd, using open market value with existing use basis. The recognition of the one-off fair value gain, net of deferred tax, of RM48.6 million has resulted in an increase in the net asset per share by RM0.07 as at 30 June 2025.

11. Other Investments

	30.06.2025	31.12.2024
	RM'000	RM'000
Current		
Liquid investments in quoted unit trusts with licensed financial institutions	8	30,750
Total	8	30,750

12. Material Events

On 10 July 2025, Tanahku Holdings Sdn. Bhd. (“Vendor”), a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad, entered into a Sale and Purchase Agreement (“SPA”) with Solid Interest Sdn. Bhd. (“Purchaser”), a wholly-owned subsidiary of Avaland Holdings Berhad, for the disposal of nine (9) plots of freehold land located at Jalan Putra, Kuala Lumpur, for a total cash consideration of RM148.8 million (“Disposal”). The Disposal is expected to result in a gain of approximately RM14.74 million for the Group. The proceeds from the Disposal will be utilised to strengthen the Group’s working capital and invest in opportunities aligned with the Group’s long-term objectives.

In accordance with MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the properties concerned have been reclassified from non-current assets to assets held for sale under current assets in the statement of financial position as at 30 June 2025.

The Disposal is conditional upon the fulfilment of all conditions precedent including the Purchaser’s receipt of the requisite State Authority’s approval under Section 433B of the National Land Code, within six (6) months from the date of the SPA or such other further extended period mutually agreed between the Vendor and the Purchaser.

Subject to such conditions precedent as stipulated in the SPA being met, the Disposal is expected to be completed by the first quarter of the financial year ending 31 December 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.

14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2025 except as disclosed in Part B, Note 9 of the Announcement.

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

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

	30.06.2025	31.12.2024
	RM'000	RM'000
<i>Property, plant and equipment</i>		
Authorised but not contracted for	28,617	32,474
Authorised and contracted for		
In Malaysia	18,546	27,485
Outside Malaysia	3,308	3,517
Total	50,471	63,476

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:

	Individual Quarter		Cumulative Quarter	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
With WTCH Group				
Purchases	(73,550)	(15,103)	(96,100)	(28,963)
Sales	7,703	9,116	12,850	13,961
Travel agency and car rental services	(695)	(400)	(1,074)	(956)
Contract assembly services	4,076	3,029	5,905	5,929
With APM Group				
Purchases	(4,172)	(5,226)	(8,283)	(9,901)
Sales	80	769	201	1,121
With TCIL Group				
Sales	5,968	1,349	5,968	4,006

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:

	Individual Quarter		Cumulative Quarter	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Purchases	(99,130)	(140,866)	(261,318)	(260,147)

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:

	Individual Quarter		Cumulative Quarter	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Purchases	(42,145)	(184)	(127,301)	(44,685)
Sales	1,345	2,473	3,145	6,780

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 30 June 2025, the Group recorded revenue of RM538.8 million, representing a 1.2% decrease compared to the corresponding quarter of the preceding year. The decline was primarily attributable to softer consumer sentiment and intensified competition in both domestic and overseas markets. The Group posted a Loss Before Tax (“LBT”) of RM60.5 million in the current quarter under review, compared to a LBT of RM42.3 million in the corresponding quarter of the previous year. The higher loss was mainly driven by lower revenue and increased net foreign exchange losses.

For the six months ended 30 June 2025, the Group achieved revenue of RM1.1 billion, 1.5% lower than the same period in the preceding year. The Group recorded a LBT of RM55.9 million for the current year-to-date period, compared to a LBT of RM58.4 million in the same period last year. The lower loss was mainly due to the recognition of a one-off fair value gain on investment properties amounting to RM54.0 million, partially offset by lower sales, higher impairment losses on receivables, and increased net foreign exchange losses.

As at 30 June 2025, the Group’s retained earnings stood at RM1.27 billion. The net assets per share decreased to RM3.74 from RM3.85 as at 31 December 2024, primarily due to the losses incurred during the period.

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 RM518.7 million in the current quarter under review, a reduction of 0.5% compared to the same period preceding year (“YoY”). The decrease in sales was mainly due to stiffer competition in local and overseas markets. Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of RM0.1 million was lower by 113.3% YoY, mainly due to lower revenue and higher net foreign exchange loss and partly offset by lower other operating cost.

For the six months period ended 30 June 2025, the automotive division recorded revenue of RM1,049.2 million (-1.0% YoY) and EBITDA of RM56.8 million (884.0% YoY), mainly due to recognition of the one-off fair value gain on investment properties of RM54.0 million and partly offset by lower revenue. Excluding the fair value gain on investment properties, the division recorded an underlying EBITDA of RM2.8 million in the current quarter under review compared to EBITDA of RM5.8 million in the same period preceding year.

(b) Financial Services (Hire Purchase and Insurance)

The financial services division recorded revenue of RM15.6 million in the current quarter under review (-6.9% YoY) and Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of RM2.6 million (-206.3% YoY). LBITDA was higher mainly due to lower revenue and higher impairment loss on receivables in the current quarter under review compared to the same period preceding year.

For the six months ended 30 June 2025, the financial services division recorded higher revenue of RM33.7 million (-5.0% YoY) with higher LBITDA of RM2.9 million (-142.7% YoY). LBITDA was higher for the same reason explained in the paragraph above.

(c) Other Operations (Investments and Properties)

Revenue from Other Operations decreased to RM4.5 million in the current quarter under review, down 37.3% year-on-year (YoY). The segment recorded a Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of RM8.9 million, compared to an EBITDA of RM6.3 million in the corresponding quarter of the preceding year (-241.8% YoY). The weaker performance was mainly attributable to lower revenue and higher net foreign exchange losses arising from transactions and outstanding balances denominated in foreign currencies.

For the six months ended 30 June 2025, revenue from Other Operations declined to RM8.9 million (-35.6% YoY). The segment recorded LBITDA of RM8.1 million, compared to EBITDA of RM28.9 million in the same period last year (-128.0% YoY). The LBITDA was primarily due to lower revenue and increased net foreign exchange losses during the current year-to-date period, 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

	Current Quarter 30.06.2025 RM'000	Immediate Preceding Quarter 31.03.2025 RM'000	Changes RM'000 %	
Revenue	538,772	553,000	(14,228)	-2.6%
(Loss)/Profit before tax	(60,508)	4,561	(65,069)	-1426.6%

External Revenue

Vehicles assembly, manufacturing, distribution and after-sales services	518,655	530,542	(11,887)	-2.2%
Financial services	15,621	18,061	(2,440)	-13.5%
Other operations	4,496	4,397	99	2.3%
	<u>538,772</u>	<u>553,000</u>	<u>(14,228)</u>	<u>-2.6%</u>

Segment (LBITDA)/ EBITDA

Vehicles assembly, manufacturing, distribution and after-sales services	(68)	56,887	(56,955)	-100.1%
Financial services	(2,624)	(294)	(2,330)	-792.5%
Other operations	(8,869)	813	(9,682)	-1190.9%
	<u>(11,561)</u>	<u>57,406</u>	<u>(68,967)</u>	<u>-120.1%</u>

The Group recorded revenue of RM538.8 million in the current quarter under review, lower by RM14.2 million or 2.6% compared to RM553.0 million in the preceding quarter (QoQ). The Group recorded LBT of RM60.5 million in the current quarter under review compared to PBT of RM4.6 million in the preceding quarter (-1,426.6% QoQ), mainly due to non-recurring of one-off fair value gain on investment properties of RM54.0 million in preceding quarter, lower revenue and net foreign exchange loss in current quarter under review.

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

The automotive division recorded lower revenue of RM518.7 million in the current quarter under review, a decrease of 2.2% compared to the preceding quarter. The division registered LBITDA of RM0.1 million in the current quarter compared to EBITDA of RM56.9 million in the preceding quarter (-100.1% QoQ), mainly due to non-recurring of one-off fair value gain on investment properties in preceding quarter and lower revenue in the current quarter under review.

(b) Financial Services (Hire Purchase and Insurance)

The financial services division recorded lower revenue of RM15.6 million (-13.5% QoQ) with a LBITDA of RM2.6 million in the current quarter under review (-792.5% QoQ). The higher LBITDA was mainly due to lower revenue in the current quarter under review.

(c) Other Operations (Investments and Properties)

The division recorded higher revenue of RM4.5 million (+2.3% QoQ) with LBITDA of RM8.9 million in the current quarter under review (-1,190.9% QoQ). The higher LBITDA was mainly due to higher net foreign exchange loss in the current quarter under review.

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

3. Future Prospects

Malaysia's economy grew by 4.4% in the quarter under review, supported by resilient domestic demand and steady manufacturing and services sector growth, though external trade remained soft due to global uncertainties. Bank Negara Malaysia has revised full-year GDP growth to 4.0%–4.8%^{#1}, while the Malaysian Automotive Association maintained its 2025 total industry volume forecast at 780,000 units, underpinned by sustained demand.

The Nissan Kicks e-POWER, launched in December 2024, received encouraging sales in Quarter 2 2025, supporting Nissan's position in the electrified mobility segment. The commercial vehicle division recorded stable demand in Malaysia, with contributions from Vietnam and the preparatory efforts underway for the introduction of the TQ-Wuling N300P in Myanmar, which is expected to broaden the Group's regional market presence. In the electric vehicle ("EV") segment, preparations progressed for the local assembly of the TQ-Wuling Bingo EV, scheduled for launch in Quarter 4 2025 and aimed at urban, value-conscious buyers. Meanwhile, GAC passenger vehicles, particularly the GAC M8 luxury MPV, and commercial models such as the TQ-Wuling N300P and Euro 5 King Long buses continued to sustain market interest in Vietnam.

Operationally, the Group intensified cost optimisation, enhanced supply chain efficiency, upgraded customer touchpoints, and invested in data-driven marketing to improve engagement while maintaining cost discipline.

While operating in a challenging market environment, the Group is implementing targeted measures to reinforce revenue streams, maintain strict cost rationalisation, and position its diversified portfolio for improved performance and a strategic turnaround in the coming quarters.

^{#1} Bank Negara Malaysia Quarterly Bulletin Q2 2025 dated 15 August 2025

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

	Individual Quarter		Cumulative Quarter	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	(2,004)	(3,945)	(7,581)	(8,100)
- Prior year	119	4	119	4
	<u>(1,885)</u>	<u>(3,941)</u>	<u>(7,462)</u>	<u>(8,096)</u>
Deferred taxation				
- Current year	1,768	2,729	4,174	2,269
- Prior year	102	568	257	1,614
	<u>1,870</u>	<u>3,297</u>	<u>4,431</u>	<u>3,883</u>
	<u>(15)</u>	<u>(644)</u>	<u>(3,031)</u>	<u>(4,213)</u>

The Group recorded tax expense of RM0.02 million and RM3.0 million during the current quarter under review and cumulative quarter respectively, mainly due to tax charges from profitable subsidiaries and the disallowance of certain expenses for tax purposes.

6. Status of Corporate Proposals

On 10 July 2025, Tanahku Holdings Sdn. Bhd. (“Vendor”), a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad, entered into a Sale and Purchase Agreement (“SPA”) with Solid Interest Sdn. Bhd. (“Purchaser”), a wholly-owned subsidiary of Avaland Holdings Berhad, for the disposal of nine (9) plots of freehold land located at Jalan Putra, Kuala Lumpur, for a total cash consideration of RM148.8 million (“Disposal”). The Disposal is expected to result in a gain of approximately RM14.74 million for the Group. The proceeds from the Disposal will be utilised to strengthen the Group’s working capital and invest in opportunities aligned with the Group’s long-term objectives.

The Disposal is conditional upon the fulfilment of all conditions precedent including the Purchaser’s receipt of the requisite State Authority’s approval under Section 433B of the National Land Code, within six (6) months from the date of the SPA or such other further extended period mutually agreed between the Vendor and the Purchaser.

Subject to such conditions precedent as stipulated in the SPA being met, the Disposal is expected to be completed by the first quarter of the financial year ending 31 December 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:

	30.06.2025	31.12.2024
	RM'000	RM'000
Unsecured :		
- Bankers' acceptances	307,337	310,238
- Revolving credit	804,500	840,000
- Short term loan	29,233	56,179
- Medium term notes	309,858	509,827
Total borrowings	<u>1,450,928</u>	<u>1,716,244</u>
Comprising :		
Amount repayable within one year	1,291,070	1,406,417
Amount repayable after one year	<u>159,858</u>	<u>309,827</u>
	<u>1,450,928</u>	<u>1,716,244</u>

Group borrowings breakdown by currencies:

		30.06.2025	31.12.2024
		RM'000	RM'000
Functional currency	Denominated in		
RM	RM	1,421,695	1,660,065
VND	VND	29,233	56,179
		<u>1,450,928</u>	<u>1,716,244</u>

8. Financial Instruments

Derivatives

As at 30 June 2025, 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	80,912	(1,649)	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.

9. Dividend

No dividend has been proposed for the second quarter ended 30 June 2025.

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

10. Loss per Share

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

	Individual Quarter		Cumulative Quarter	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Loss attributable to the owners of the Company (RM'000)	(58,141)	(40,109)	(54,005)	(55,828)
Weighted average number of ordinary shares ('000)	651,627	651,712	651,627	651,748
Basic loss per share (sen)	(8.92)	(6.15)	(8.29)	(8.57)

11. Total Comprehensive (Expense)/ Income

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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Corresponding	Corresponding	To Date	Corresponding
	Quarter	Quarter	Period	Period
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Fair value gain on investment properties	-	-	54,000	-
Depreciation and amortisation	(32,029)	(35,218)	(66,119)	(70,666)
Unrealised foreign exchange (loss)/gain	(19,220)	(8,006)	(33,367)	4,700
Realised foreign exchange (loss)/gain	(6,382)	259	3,540	583
Loss on derivatives	(2,231)	(1,779)	(2,488)	(2,586)
(Loss)/Gain on disposal of property, plant and equipment	(50)	(489)	57	1,376
Net (Provision for impairment/Write off) /Reversal of impairment of receivables	(6,934)	(4,386)	(13,562)	(3,669)
Property, plant and equipment written off	(145)	(20)	(163)	(36)
Reversal of write-down of inventories/ (Provision for impairment of inventories)	899	(449)	1,820	368

BY ORDER OF THE BOARD

CHIN YOON LENG

Company Secretary

Kuala Lumpur

29 August 2025