



# **TAN CHONG MOTOR HOLDINGS BERHAD**

*Registration No. 197201001333 (12969-P)*

*(Incorporated in Malaysia)*

## **INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025**

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**TAN CHONG MOTOR HOLDINGS BERHAD**  
*Registration No. 197201001333 (12969-P)*  
*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2025**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2025 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.12.2024 RM'000	(Unaudited) Current Year To Date 31.12.2025 RM'000	(Audited) Preceding Year Corresponding Period 31.12.2024 RM'000
Revenue	487,271	511,214	2,109,514	2,082,655
Operating loss (Note 1)	(48,944)	(35,397)	(120,892)	(157,613)
Interest expense	(14,111)	(19,212)	(64,490)	(71,331)
Interest income	2,627	3,619	11,348	16,694
Share of profit/(loss) of equity-accounted investees	889	(1,087)	(1,331)	(2,027)
Loss before taxation	(59,539)	(52,077)	(175,365)	(214,277)
Tax expense	(18,394)	(16,945)	(25,151)	(6,528)
Loss for the year	(77,933)	(69,022)	(200,516)	(220,805)
(Loss)/profit attributable to:				
Equity holders of the Company	(81,089)	(68,054)	(195,344)	(214,166)
Non-controlling interests	3,156	(968)	(5,172)	(6,639)
	(77,933)	(69,022)	(200,516)	(220,805)
Loss per share (sen)				
(a) Basic	(12.44)	(10.44)	(29.98)	(32.86)
(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(a) 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**  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2025  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2025 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.12.2024 RM'000	(Unaudited) Current Year To Date 31.12.2025 RM'000	(Audited) Preceding Year Period 31.12.2024 RM'000
<b>Loss for the year</b>	(77,933)	(69,022)	(200,516)	(220,805)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of defined benefit liability	8,824	-	8,824	-
Revaluation of property, plant and equipment	321,848	-	321,848	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>330,672</b>	<b>-</b>	<b>330,672</b>	<b>-</b>
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	(8,139)	(306)	(18,264)	(4,097)
Foreign currency translation differences for an equity-accounted associate	(458)	(674)	(458)	(674)
Cash flow hedge	(739)	16,291	(2,815)	1,170
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<b>(9,336)</b>	<b>15,311</b>	<b>(21,537)</b>	<b>(3,601)</b>
<b>Other comprehensive income/(expense) for the year, net of tax</b>	<b>321,336</b>	<b>15,311</b>	<b>309,135</b>	<b>(3,601)</b>
<b>Total comprehensive income/(expense) for the year</b>	<b>243,403</b>	<b>(53,711)</b>	<b>108,619</b>	<b>(224,406)</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Equity holders of the Company	233,823	(50,291)	101,821	(222,321)
Non-controlling interests	9,580	(3,420)	6,798	(2,085)
	<b>243,403</b>	<b>(53,711)</b>	<b>108,619</b>	<b>(224,406)</b>

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**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	2,568,324	2,319,140
Investment properties	209,770	237,075
Intangible assets	94,554	99,678
Equity-accounted investees	45,928	54,941
Deferred tax assets	69,306	87,899
Hire purchase receivables	256,737	333,584
	3,244,619	3,132,317
<b><u>Current assets</u></b>		
Other investments	2,612	30,750
Inventories	682,442	842,136
Contract assets	17,202	24,070
Current tax assets	23,337	20,855
Hire purchase receivables	63,450	92,209
Receivables, deposits and prepayments	387,608	403,905
Derivative financial assets	-	871
Cash and cash equivalents	286,671	545,499
	1,463,322	1,960,295
Asset classified as held for sale (*)	128,706	-
	1,592,028	1,960,295
<b>TOTAL ASSETS</b>	<b>4,836,647</b>	<b>5,092,612</b>

\* Refer Part A, Note 12 of the Announcement.



**TAN CHONG MOTOR HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025 (continued)**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2025</b>	<b>31.12.2024</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	2,303,417	2,201,596
Treasury shares	(26,443)	(26,443)
<b>Total equity attributable to owners of the Company</b>	<b>2,612,974</b>	<b>2,511,153</b>
Non-controlling interests	9,539	4,585
<b>Total equity</b>	<b>2,622,513</b>	<b>2,515,738</b>
<b><u>Non-current liabilities</u></b>		
Lease liabilities	54,221	65,510
Borrowings	159,890	309,827
Employee benefits	98,556	100,798
Deferred tax liabilities	316,114	233,913
Contract liabilities	51,838	54,492
	<b>680,619</b>	<b>764,540</b>
<b><u>Current liabilities</u></b>		
Borrowings	1,068,347	1,406,417
Lease liabilities	44,385	39,895
Derivative financial liabilities	1,976	32
Current tax liabilities	1,065	4,301
Contract liabilities	29,956	45,795
Payables and accruals	387,786	315,894
	<b>1,533,515</b>	<b>1,812,334</b>
<b>Total liabilities</b>	<b>2,214,134</b>	<b>2,576,874</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,836,647</b>	<b>5,092,612</b>
Net assets per share attributable to owners of the Company (RM)	4.01	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 YEAR ENDED 31 DECEMBER 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
<b>At 01.01.2024</b>	336,000	(26,294)	(13,646)	922,173	(331)	100	1,522,138	2,740,140	1,658	2,741,798
Other comprehensive (expense)/ income for the year, net of tax	-	-	(9,325)	-	1,170	-	-	(8,155)	4,554	(3,601)
Transfer of revaluation surplus on properties	-	-	-	(17,609)	-	-	17,609	-	-	-
Loss for the year	-	-	-	-	-	-	(214,166)	(214,166)	(6,639)	(220,805)
Total comprehensive (expense)/ income for the year, net of tax	-	-	(9,325)	(17,609)	1,170	-	(196,557)	(222,321)	(2,085)	(224,406)
Purchase of treasury shares	-	(149)	-	-	-	-	-	(149)	-	(149)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(623)	(623)
Dividend - 2024 interim	-	-	-	-	-	-	(6,517)	(6,517)	-	(6,517)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	5,635	5,635
<b>At 31.12.2024 (Audited)</b>	<b>336,000</b>	<b>(26,443)</b>	<b>(22,971)</b>	<b>904,564</b>	<b>839</b>	<b>100</b>	<b>1,319,064</b>	<b>2,511,153</b>	<b>4,585</b>	<b>2,515,738</b>

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.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	-----Attributable to owners of the Company-----							Total	Non- controlling interests	Total equity
	-----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	RM'000	RM'000	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 year, net of tax	-	-	(26,041)	-	(2,815)	-	-	(28,856)	7,319	(21,537)
Remeasurement of defined benefit liability	-	-	-	-	-	-	8,960	8,960	(136)	8,824
Revaluation of property, plant and equipment	-	-	-	317,061	-	-	-	317,061	4,787	321,848
Transfer of revaluation surplus on properties	-	-	-	(17,609)	-	-	17,609	-	-	-
Loss for the year	-	-	-	-	-	-	(195,344)	(195,344)	(5,172)	(200,516)
Total comprehensive (expense)/ income for the year	-	-	(26,041)	299,452	(2,815)	-	(168,775)	101,821	6,798	108,619
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(2,065)	(2,065)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	221	221
<b>At 31.12.2025 (Unaudited)</b>	<b>336,000</b>	<b>(26,443)</b>	<b>(49,012)</b>	<b>1,204,016</b>	<b>(1,976)</b>	<b>100</b>	<b>1,150,289</b>	<b>2,612,974</b>	<b>9,539</b>	<b>2,622,513</b>

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 YEAR ENDED 31 DECEMBER 2025**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE QUARTER</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>For the 12 months ended 31.12.2025 RM'000</b>	<b>For the 12 months ended 31.12.2024 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(175,365)	(214,277)
Adjustments for:		
Non-cash and non-operating items	220,701	261,838
<b>Operating profit before working capital changes</b>	45,336	47,561
<b>Changes in working capital</b>		
Inventories	189,680	(16,959)
Hire purchase receivables	74,924	6,360
Receivables, deposits and prepayments	(1,605)	(23,458)
Payables and accruals	48,212	(16,209)
Contract assets	6,868	1,471
Contract liabilities	(18,493)	24,544
Cash generated from operations	344,922	23,310
Tax paid	(15,041)	(2,250)
Interest paid	(46,416)	(44,563)
Employee benefits paid	(1,337)	(948)
<b>Net cash generated from/(used in) operating activities</b>	282,128	(24,451)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(95,329)	(99,670)
Acquisition of intangible assets	(1,250)	(352)
Net proceed from disposal/(acquisition) of other investments	28,138	(4,878)
Net proceed of disposal of share in equity-accounted investees	5,732	-
Dividend received from equity-accounted investees	3,638	250
Proceeds from disposal of property, plant and equipment	29,599	18,019
<b>Net cash used in investing activities</b>	(29,472)	(86,631)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE QUARTER</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>For the 12 months ended</b>	<b>For the 12 months ended</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	-	(6,517)
Dividends paid to non-controlling interests	(2,065)	(623)
Purchase of own shares	-	(149)
Net (repayment of)/proceed from bankers' acceptance	(129,628)	104,668
Net (repayment of)/proceeds from medium term notes	(151,420)	59,827
Net (repayment of)/proceeds from term loans and revolving credit	(199,937)	8,007
Payment of lease liabilities	(14,983)	(16,378)
Share subscription in a subsidiary company by non-controlling interest shareholders	221	5,635
<b>Net cash (used in)/ from financing activities</b>	<b>(497,812)</b>	<b>154,470</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(245,156)</b>	<b>43,388</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>(13,672)</b>	<b>(9,468)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>545,499</b>	<b>511,579</b>
<b>Cash and cash equivalents at end of the year</b>	<b>286,671</b>	<b>545,499</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 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*
- Amendments to 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*

#### *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 (“MTNs”) 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 (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 December 2025.

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

**9. Segmental Reporting**

(a) Business segment reporting for current quarter:

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	471,231	492,461	13,651	17,754	2,389	999	487,271	511,214
Inter-segment revenue	31	140	-	-	14,290	18,444	14,321	18,584
Segment (LBITDA)/ EBITDA	(900)	(20,702)	(2,767)	(5,721)	(15,643)	30,400	(19,310)	3,977

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

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

	31.12.2025	31.12.2024
	RM'000	RM'000
Total (LBITDA)/EBITDA for reportable segments	(19,310)	3,977
Depreciation and amortisation	(30,430)	(33,537)
Interest expense	(14,111)	(19,212)
Interest income	2,627	3,619
Share of profit/(loss) of equity-accounted investees not included in reportable segments	889	(1,087)
Unallocated corporate expenses	796	(5,837)
Consolidated loss before taxation	(59,539)	(52,077)

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

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,031,830	1,990,867	61,990	70,705	15,694	21,083	2,109,514	2,082,655
Inter-segment revenue	1,179	3,620	-	-	73,860	79,382	75,039	83,002
Segment EBITDA/ (LBITDA)	40,934	(22,471)	(7,339)	5,466	(14,483)	9,656	19,112	(7,349)

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

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

	31.12.2025	31.12.2024
	RM'000	RM'000
Total EBITDA/(LBITDA) for reportable segments	19,112	(7,349)
Depreciation and amortisation	(131,801)	(138,704)
Interest expense	(64,490)	(71,331)
Interest income	11,348	16,694
Share of loss of equity-accounted investees not included in reportable segments	(1,331)	(2,027)
Unallocated corporate expenses	(8,203)	(11,560)
Consolidated loss before taxation	(175,365)	(214,277)

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

**9. Segmental Reporting (continued)**

(c) Geographical segment reporting for current quarter:

	Malaysia		Vietnam		Others		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	438,992	459,910	18,668	21,219	29,611	30,085	487,271	511,214
Segment (LBITDA)/ EBITDA	(17,371)	9,930	(4,674)	(12,679)	2,735	6,726	(19,310)	3,977

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

	Malaysia		Vietnam		Others		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,894,548	1,943,142	84,158	37,839	130,808	101,674	2,109,514	2,082,655
Segment EBITDA/ (LBITDA)	33,151	34,366	(27,420)	(42,064)	13,381	349	19,112	(7,349)

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

(a) The Group recorded a one-off fair value gain, net of deferred tax, of RM45.6 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 RM45.6 million has resulted in an increase in the net asset per share by RM0.07 as at 31 December 2025.

(b) Pursuant to the revaluation model applied to the Group's land and buildings classified under Property Plant and Equipment, those land and buildings are subsequently measured at fair value less accumulated depreciation and any accumulated impairment losses. A revaluation surplus (net of deferred tax) of RM321.85 million has been incorporated in the Group's other comprehensive income for the financial year ended 31 December 2025, of which RM317.06 million and RM4.79 million were recognised in the revaluation reserve and non-controlling interests respectively. In addition, an impairment loss (net of deferred tax) of RM1.24 million has been recognised in the current year's profit or loss.

In relation to land and buildings classified under Investment Properties, a fair value gain (net of deferred tax) of RM3.24 million has been recognised in the current year's profit or loss.

The recognition of the revaluation surplus and the fair value gain have resulted in an increase in the net assets per share by RM0.48 as at 31 December 2025.

The valuations were carried out by independent firms of professional valuers, LaurelCap Sdn Bhd, Hartamas Valuation & Consultancy Sdn Bhd, VAS Valuation Co. Ltd. and Agency for Real Estate Affairs (Thailand), using open market value with existing use basis.

**11. Other Investments**

	31.12.2025	31.12.2024
	RM'000	RM'000
<b>Current</b>		
Liquid investments in quoted unit trusts with licensed financial institutions	2,612	30,750
Total	2,612	30,750

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

**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 RM11.37 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 31 December 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.

The conditions precedent of the SPA have been fulfilled and the SPA has become unconditional on 2 January 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**

During the quarter, the Company had disposed of the following indirect subsidiaries at a cash consideration of USD1.00 for each indirect subsidiary.

No	Name of Subsidiaries	Country of Incorporation	Principal Activities	Net Assets (USD)	Date of Disposal
1	TC Manufacturing (C) Pte Ltd	Labuan, Malaysia	Dormant	-	08 October 2025
2	TC Manufacturing (L) Pte Ltd	Labuan, Malaysia	Dormant	-	08 October 2025
3	TC Manufacturing (MM) Pte Ltd	Labuan, Malaysia	Dormant	-	08 October 2025

Save for the above, 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 31 December 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

	31.12.2025 RM'000	31.12.2024 RM'000
<i>Property, plant and equipment</i>		
Authorised but not contracted for	38,375	32,474
Authorised and contracted for		
In Malaysia	1,767	27,485
Outside Malaysia	3,038	3,517
Total	<u>43,180</u>	<u>63,476</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:

	Individual Quarter		Cumulative Quarter	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
<b>With WTCH Group</b>				
Purchases	(22,123)	(26,208)	(123,455)	(68,461)
Sales	2,924	11,671	28,455	44,728
Travel agency and car rental services	(787)	(902)	(1,861)	(2,151)
Contract assembly services	2,506	5,529	10,818	13,125
<b>With APM Group</b>				
Purchases	(578)	(5,352)	(10,455)	(20,322)
Sales	525	1,007	933	2,863
<b>With TCIL Group</b>				
Sales	1,503	521	9,560	6,146

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	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Purchases	(61,686)	(186,951)	(349,364)	(597,590)

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 Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchases	(62,591)	(8,390)	(247,425)	(53,211)
Sales	2,824	2,252	5,970	12,174

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 December 2025, the Group recorded revenue of RM487.3 million, representing a decrease of 4.7% compared to RM511.2 million in the corresponding quarter of the preceding year. The Group registered a Loss Before Tax (“LBT”) of RM59.5 million, as compared to a LBT of RM52.1 million in the same quarter last year. The higher loss was mainly due to lower sales volume of vehicles, an increase in net foreign exchange losses and partially offset by lower operating cost and finance cost.

For the financial year ended (“FYE”) ended 31 December 2025, the Group achieved revenue of RM2.11 billion, an improvement of 1.3% compared to RM2.08 billion recorded in the corresponding period of the preceding year. The Group recorded a LBT of RM175.4 million for the current year-to-date period, compared to a LBT of RM214.3 million in the corresponding period of the previous year. The lower loss was primarily due to the recognition of a one-off fair value gain on investment properties amounting to RM50.6 million and partially offset by higher impairment losses on receivables and higher net foreign exchange losses.

As at 31 December 2025, the Group’s retained earnings stood at RM1.15 billion. The net assets per share as at 31 December 2025 was RM4.01, RM0.16 higher compared to RM3.85 as at 31 December 2024, mainly due to the recognition of property revaluation surplus of RM317.06 million, partially offset of 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”)**

For the quarter ended 31 December 2025, the Automotive Division recorded revenue of RM471.2 million, representing a decrease of 4.3% compared to the corresponding quarter of the preceding year. Despite the lower revenue, the Division registered a Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of RM0.9 million, which was lower by 95.7% year-on-year (YoY). The lower loss was mainly due to lower operating cost and finance cost during current quarter.

For the FYE 31 December 2025, the Division recorded revenue of RM2,031.8 million, an increase of 2.1% YoY, and an Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of RM40.9 million, compared to a LBITDA of RM22.5 million in the corresponding period of the previous year. The significant improvement was mainly due to the recognition of a one-off fair value gain on investment properties amounting to RM50.6 million, partially offset by net foreign exchange losses.

Excluding the one-off fair value gain on investment properties, the Division would have recorded an underlying LBITDA of RM9.7 million for the current year-to-date period, compared to a LBITDA of RM22.5 million in the corresponding period of the preceding year.

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

For the quarter ended 31 December 2025, the Financial Services Division recorded revenue of RM13.7 million, representing a decrease of 23.1% YoY. The Division registered a LBITDA of RM2.8 million, compared to a LBITDA of RM5.7 million in the corresponding quarter of the preceding year. The lower loss was mainly due to impairment loss on investment in equity-accounted investee incurred in corresponding quarter of the preceding year.

For the FYE 31 December 2025, the Division recorded revenue of RM62.0 million, a decline of 12.3% YoY, and a LBITDA of RM7.3 million, compared to an EBITDA of RM5.5 million in the corresponding period of the previous year. Despite the impairment loss on investment in equity-accounted investee incurred in the same period of the preceding year, the higher loss was primarily due to lower lending activities and higher impairment losses on receivables.

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

**1. Analysis of Performance of All Operating Segments (continued)**

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

For the quarter ended 31 December 2025, revenue from Other Operations increased to RM2.4 million, representing an improvement of 139.1% YoY. The segment recorded a LBITDA of RM15.6 million, compared to an EBITDA of RM30.4 million in the corresponding quarter of the preceding year. The higher loss was mainly attributable to a net foreign exchange loss recorded during the current quarter, compared to a net foreign exchange gain in the same period last year, arising from transactions and outstanding balances denominated in foreign currencies.

For the FYE 31 December 2025, revenue from Other Operations declined to RM15.7 million, a decrease of 25.6% YoY. The segment recorded a LBITDA of RM14.5 million, compared to an EBITDA of RM9.7 million in the corresponding period of the previous year. The higher loss was mainly due to lower revenue and higher net foreign exchange losses during the current year-to-date period.

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

	<b>Current Quarter 31.12.2025 RM'000</b>	<b>Immediate Preceding Quarter 30.09.2025 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	487,271	530,471	(43,200)	-8.1%
Loss before tax	<u>(59,539)</u>	<u>(59,879)</u>	340	0.6%
<b><u>External Revenue</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	471,231	511,402	(40,171)	-7.9%
Financial services	13,651	14,657	(1,006)	-6.9%
Other operations	2,389	4,412	(2,023)	-45.9%
	<u>487,271</u>	<u>530,471</u>	(43,200)	-8.1%
<b><u>Segment (LBITDA)/ EBITDA</u></b>				
Vehicles assembly, manufacturing, distribution and after-sales services	(900)	(14,984)	14,084	94.0%
Financial services	(2,767)	(1,654)	(1,113)	-67.3%
Other operations	(15,643)	9,216	(24,859)	> -100%
	<u>(19,310)</u>	<u>(7,422)</u>	(11,888)	> -100%

For the quarter ended 31 December 2025, the Group recorded revenue of RM487.3 million, a decrease of RM43.2 million or 8.1% compared to RM530.5 million in the preceding quarter. The Group registered a LBT of RM59.5 million, marginally lower than the LBT of RM59.9 million recorded in the previous quarter (0.6% improvement quarter-on-quarter).

## **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 (continued)**

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

For the quarter ended 31 December 2025, the Automotive Division recorded revenue of RM471.2 million, representing a decrease of 7.9% compared to the preceding quarter. The Division registered a LBITDA of RM0.9 million, compared to a LBITDA of RM15.0 million in the previous quarter (an improvement of 94% quarter-on-quarter). Despite the decrease in revenue, the lower loss was mainly due to lower operating cost and fair value loss on investment properties amounting to RM3.4 million incurred during the preceding quarter.

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

For the quarter ended 31 December 2025, the Financial Services Division recorded revenue of RM13.7 million, a decrease of 6.9% compared to the preceding quarter. The Division registered a LBITDA of RM2.8 million, a decrease of 67.3% quarter-on-quarter (QoQ). The higher loss was mainly attributable to higher other income recorded in the preceding quarter.

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

For the quarter ended 31 December 2025, the segment recorded revenue of RM2.4 million, a decrease of 45.9% compared to the preceding quarter. The segment registered a LBITDA of RM15.6 million, representing a decrease of >100% QoQ. The higher LBITDA was mainly due to lower revenue and net foreign exchange loss recorded during the current quarter compared with net foreign exchange gain in preceding quarter.

### **3. Future Prospects**

Malaysia's economy demonstrated notable resilience and momentum in 2025, with full-year GDP growth estimated at 5.2% <sup>#1</sup>, representing the fastest pace in three years. Growth was driven by strong domestic demand, investment activities and a recovery in exports. In Q4 2025 alone, GDP expanded by approximately 6.3% year-on-year <sup>#1</sup>, marking the highest quarterly growth in twelve quarters and underscoring broad-based economic strength. This performance surpassed earlier forecasts and highlighted Malaysia's solid macroeconomic fundamentals, characterized by low inflation and supportive monetary conditions.

Against this favourable backdrop, Malaysia's automotive sector maintained robust momentum throughout the year, with Total Industry Volume (TIV) reaching 820,752 units in 2025, marking the second consecutive year the industry has surpassed the 800,000-unit threshold and setting a new record for annual sales.

During the quarter, the Group's strategic initiatives continued to gain traction. The successful launch of the TQ-Wuling Bingo EV in Malaysia generated encouraging response, signalling positive market acceptance and validating the Group's multi-brand diversification strategy into affordable, practical electric vehicles. The favourable response underscores the Group's ability to respond to evolving consumer preferences and supports its long-term growth ambitions in electrified mobility.

Looking ahead, the upcoming launch of the All-New Nissan Serena e-POWER in March 2026 is expected to strengthen the Group's product line-up and competitiveness in the C-MPV segment, where demand remains resilient. With its innovative e-POWER technology offering enhanced fuel efficiency and driving refinement, the Serena is well positioned to stimulate sales momentum and reinforce the Group's market share in one of Malaysia's key passenger vehicle segments.

Regionally, the Group's operations in Myanmar turned profitable in 2025, supported by healthy demand across both passenger and commercial vehicle segments. This improvement reflects firmer market conditions and the effectiveness of tailored sales and distribution strategies, reinforcing the Group's regional diversification and earnings contributions.

In Vietnam, demand for selected passenger and commercial vehicle models remained stable amid improving economic conditions. The Group continues to strengthen its dealer network presence and brand positioning to capture medium-term growth opportunities in this dynamic market.

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

**3. Future Prospects (continued)**

Operations in Cambodia and Laos delivered steady contributions, supported by established distribution footprints, and strong customer relationships that provide recurring business opportunities. Management remains optimistic about the prospects for gradual expansion in these markets, underpinned by infrastructure development and growing cross-border trade activities.

Throughout the period, the Group maintained a disciplined and measured approach to cost management and revenue optimisation. Proactive sales activities were carefully balanced with tight inventory management, targeted marketing strategies and operational efficiency enhancements. Management's continued emphasis on disciplined execution enabled the Group to navigate external headwinds effectively while preserving margins, preserving capital efficiency and maintaining balance sheet strength.

Although competitive pressures and market volatility persist, the Group is encouraged by positive industry dynamics, resilient economic fundamentals and robust customer interest across its product portfolio. With a diversified brand strategy, key model launches on the horizon and continued operational focus, Management is confident in the Group's ability to drive sustainable growth and progressively restore profitability.

<sup>#1</sup> *Bank Negara Malaysia Quarterly Bulletin Q4 2025 dated 13 February 2026*

**4. Comparison with Profit Forecast**

This is not applicable to the Group.

**5. Taxation**

	Individual Quarter		Cumulative Quarter	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current year	(2,082)	1,372	(10,816)	(13,183)
- Prior year	271	(808)	96	(665)
	<u>(1,811)</u>	<u>564</u>	<u>(10,720)</u>	<u>(13,848)</u>
Deferred taxation				
- Current year	(15,430)	(16,848)	(13,759)	6,428
- Prior year	(1,153)	(661)	(672)	892
	<u>(16,583)</u>	<u>(17,509)</u>	<u>(14,431)</u>	<u>7,320</u>
	<u><u>(18,394)</u></u>	<u><u>(16,945)</u></u>	<u><u>(25,151)</u></u>	<u><u>(6,528)</u></u>

The Group recorded tax expense of RM18.4 million and RM25.2 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.

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

**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 RM11.37 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.

The conditions precedent of the SPA have been fulfilled and the SPA has become unconditional on 2 January 2026.

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

**7. Group Borrowings**

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

	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured :		
- Bankers' acceptances	180,610	310,238
- Revolving credit	705,000	840,000
- Short term loan	32,737	56,179
- Medium term notes	309,890	509,827
Total borrowings	<u>1,228,237</u>	<u>1,716,244</u>
Comprising :		
Amount repayable within one year	1,068,347	1,406,417
Amount repayable after one year	159,890	309,827
	<u>1,228,237</u>	<u>1,716,244</u>

Group borrowings breakdown by currencies:

		<b>31.12.2025</b>	<b>31.12.2024</b>
		<b>RM'000</b>	<b>RM'000</b>
Functional currency	Denominated in		
RM	RM	1,195,500	1,660,065
VND	VND	32,737	56,179
		<u>1,228,237</u>	<u>1,716,244</u>

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

**8. Financial Instruments**

**Derivatives**

As at 31 December 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	68,734	(1,976)	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. Changes in Material Litigations**

**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.

**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 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;
- (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.

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”).

The hearing of the Summary Judgement Application and Striking Out Applications before the High Court Judicial Commissioner is fixed on 15 April 2026.

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

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

**10. Dividend**

No dividend has been proposed for the fourth quarter ended 31 December 2025.

**11. 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	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Loss attributable to the owners of the Company (RM'000)	(81,089)	(68,054)	(195,344)	(214,166)
Weighted average number of ordinary shares ('000)	651,627	651,637	651,627	651,698
Basic loss per share (sen)	(12.44)	(10.44)	(29.98)	(32.86)

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Current Year To Date 31.12.2025 RM'000	Preceding Year Corresponding Period 31.12.2024 RM'000
Fair value gain on investment properties	3,595	405	54,223	405
Depreciation and amortisation	(30,430)	(33,537)	(131,801)	(138,704)
Unrealised foreign exchange (loss)/gain	(9,541)	23,203	(42,851)	(24,103)
Realised foreign exchange loss	(5,792)	(4,470)	(2,560)	(5,118)
(Loss)/Gain on derivatives	(739)	16,291	(2,815)	1,170
Gain/(loss) on disposal of property, plant and equipment	620	(2,476)	567	(507)
Net Provision for impairment/Write off of receivables	(12,995)	(12,692)	(34,545)	(20,177)
Property, plant and equipment written off	(3,232)	57	(3,452)	(26)
Gain on disposal of equity-accounted investees	-	-	2,146	-
Impairment loss on investment in equity-accounted investees	-	(8,564)	-	(8,564)
Impairment loss on property, plant and equipment	(1,591)	-	(1,591)	-
Provision for impairment of inventories/write off of inventories	(1,964)	(2,794)	(693)	(2,166)

**BY ORDER OF THE BOARD**

Ke Bee Kian  
Company Secretary  
Kuala Lumpur  
27 February 2026