TAN CHONG MOTOR HOLDINGS BERHAD

Registration No.: 197201001333 (12969-P)

DRIVING RESILIENCE

ANNUAL REPORT 2023

52ND ANNUAL GENERAL MEETING

Date :
Wednesday, 29 May 2024

Time :
2.30 p.m.

Broadcast Venue :
Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia

OUR CORE VALUES

TRUSTWORTHINESS AND INTEGRITY
MY WORD, MY BOND
The ability to be relied upon by others as being honest, truthful, dependable, reliable and deserving of trust and confidence in actions and behaviours.

COURAGE
SAY IT OUT
Willing to take or seek out risks, bold and willing to explore new ways of doing things.

FRUGALITY
DO MORE WITH LESS
The quality of being economical or prudent in savings and lack of wastefulness and being thrifty in spending Company's money.

INNOVATION AND CREATIVITY
WHAT'S NEXT
The capability or act of designing or developing something original or unusual and the application of ideas or implementation of something new for the Company.

24/7 MINDSET
ALWAYS ONLINE
Prioritising the Company's interests.

PERSEVERANCE
NEVER GIVE UP
Determination and steadfast in continuing with projects, assignments or work despite the challenges, difficulties or obstacles in achieving success.

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

As part of our sustainability initiatives, please scan the QR code to download the digital copy of Annual Report 2023

INSIDE THIS REPORT

COVER RATIONALE

DRIVING RESILIENCE

Our resilience stems from our solid foundation which is strengthened by our roots grounded by the years of industry experience. Like the impressive tree on the cover, we are standing tall as we rise above all challenges. Indeed, we are actively branching out to capitalise on new and visionary opportunities for growth while our roots remain firmly grounded in Malaysia.

Further information can also be found on our website:

www.tanchonggroup.com

THE STORY OF TAN CHONG

1957

The beginning of Tan Chong Motor

1972

Incorporation of Tan Chong Motor Holdings Berhad ("TCMH") in Malaysia

1974

TCMH listed on the then Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)

1976

Segambut assembly plant in Selangor, Malaysia commenced operations

1993

Segambut assembly plant, the first motor assembly plant in Southeast Asia to be accredited with ISO 9002:1987 (Quality Systems) certification

2003

Signing of a master agreement with Renault s.a.s. for the manufacturing, marketing and servicing of Renault cars in Malaysia

2006

- E-Garage, the first overseas after-sales service centre was launched in Cambodia
- Ground breaking ceremony for the new plant at Serendah, Selangor, Malaysia

2007

Serendah assembly plant started production and rolled out its first model, Nissan Latio

2009

Serendah assembly plant received ISO 14001:2008 (Environmental Management Systems) and ISO 9001:2008 (Quality Management System) certifications

2010

- Ground breaking ceremony for the Group's first overseas vehicle assembly plant, TCIE Vietnam Pte. Ltd. ("TCIEV") in Da Nang, Vietnam
- Appointed as the sole and exclusive distributor for Nissan vehicles in Cambodia and Laos

2013

- Opening of TCIEV assembly plant in Da Nang, Vietnam
- Appointed as the sole and exclusive distributor for Nissan Completely Built-Up ("CBU") vehicles in Myanmar
- Opening of Nissan showrooms in Myanmar and Laos
- Established the first 3S Centre in Yangon, Myanmar

2015

- Establishment of Regional Office and International Procurement Centre in Thailand
- Appointed as the sole and exclusive distributor for the locally assembled Nissan vehicles in Myanmar
- Both Truckquip Sdn. Bhd. ("TQ") and TCIEV received ISO 9001:2015 (Quality Management Systems) certification

THE STORY OF TAN CHONG

2016

Signing of Land Lease Agreement with Bago Regional Government of Myanmar

2017

60 YEARS & BEYOND
TAN CHONG GROUP

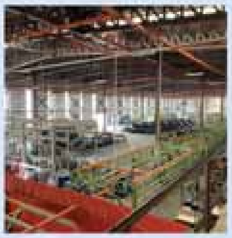
- The Group celebrated its 60th Anniversary
- Tan Chong Motor Assemblies Sdn. Bhd. achieved its first 1,000,000 production milestone for Nissan vehicles from 1976 to 2016
- Assembly plant in Yangon, Myanmar commenced operations

2018

- Sole and exclusive rights to distribute King Long coaches and buses in Malaysia
- Sole and exclusive rights to distribute King Long coaches in Vietnam
- TCIEV received ISO 14001:2015 (Environmental Management Systems) certification

2019

Full-fledged assembly plant in Bago, Myanmar commenced operation



2020

Renault launched Malaysia's first E-Store by offering a holistic digital car buying and subscription experience

2021

Appointed to develop a 20-Megawatt solar plant under the Large-Scale Solar Photovoltaic ("LSSPV") Cycle 4 in Serendah, Malaysia

2022


- GoInsuran won the General Insurance Category (Digital) in Malaysia Technology Excellence Awards 2022
- Extreme Market Place Sdn. Bhd. officially launched AUTOPLUS, offering a wide range of high-quality aftermarket automotive parts
- TQ received ISO 14001:2015 (Environmental Management Systems) certification
- TC Motor Vietnam Co., Ltd. received ISO 9001:2014 (Quality Management Systems) certification

2023

- The Group received the Energy Transition Forerunner Enterprises Award at the Energy Box Second Solar Energy Storage Future Malaysia 2023 Forum
- Upgraded the 3S Flagship Store in Petaling Jaya, Malaysia with the latest Nissan Retail Concept
- Tan Chong & Sons Motor Company Sdn. Bhd. received recognition for the Outstanding Performance in the Nissan Global Award 2023 Program



2024

First floating LSSPV plant in Serendah, Selangor commenced operations

ABOUT TAN CHONG MOTOR HOLDINGS BERHAD

Tan Chong Motor Holdings Berhad ("TCMH" or "Group") has a rich heritage spanning over 65 years, tracing its roots to the visionary founder, the late Tan Sri Tan Yuet Foh. His aspiration was to establish an automotive empire in Malaysia, laying the foundation for the Group's enduring legacy.

Today, we have evolved into one of Malaysia's largest conglomerates with extensive operations across the globe. Having served the country from sole distributor of small motor vehicles until incorporation of TCMH in 1972, we offer a broad products portfolio - ranging from commercial vehicles, after-sales service and spare parts, education, trading and motor related financial services; both locally and abroad.

Through long-term strategic business partnerships with leading domestic and foreign brands over the decades, TCMH is now recognised as one of the leading commercial vehicle distributors in Malaysia with passenger vehicles, heavy commercial vehicles, light commercial vehicles and buses in our product line-up.

As the automotive industry is evolving fast, TCMH intends to play a major role in actively shaping that change. We strive to continue playing a leading role in the development of innovative products and services for the future of mobility.

With such determination, we have also made significant inroads into the overseas markets such as Vietnam, Cambodia, Laos, Myanmar, Thailand and Taiwan. Through its wide network of development, production and sales touchpoints, TCMH has a competitive edge in enlarging its reach in the global market and discovering further avenues for growth.

OUR GLOBAL PRESENCE

OUR BUSINESSES

Assembly and Manufacturing

- Motor Vehicles

Sales and Distribution

- Passenger Cars
- Light Commercial Vehicles
- Trucks
- Buses

After-Sales Services

- Spare Parts
- Servicing & Maintenance
- Repair
- Body & Paint

Financial Services

- Hire Purchase
- Leasing
- Insurance Product & Services
- Financing
- Subscription

Property

- Investment

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Tan Heng Chew
President

Ho Wai Ming
Group Chief Executive Officer

Lee Min On
Senior Independent Non-Executive Director

Ng Chee Hoong
Independent Non-Executive Director

Dato' Ng Mann Cheong
Non-Independent Non-Executive Director

Dato' Chan Choun Sien
Independent Non-Executive Director

Dr. Nesadurai Kalanithi
Independent Non-Executive Director

Chia Tuang Mooi
Executive Vice President

AUDIT COMMITTEE

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

NOMINATING AND REMUNERATION COMMITTEE

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

BOARD RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

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

COMPANY SECRETARIES

Chong Choon Yeng (MIA 26002)
(SSM Practicing Cert. 202208000039)

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

REGISTERED OFFICE

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51200 Kuala Lumpur
Wilayah Persekutuan
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Fax : +60 3 4047 8636
Web : https://www.tanchonggroup.com
Email : tcmh@tanchonggroup.com

SHARE REGISTRAR

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59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +60 3 2783 9299
Fax : +60 3 2783 9222
Email : is.enquiry@vistra.com

AUDITORS

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8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +60 3 7721 3388
Fax : +60 3 7721 3399

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

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

REPORT OF THE BOARD OF DIRECTORS

Dear Valued Shareholders,

On behalf of the Board of Directors and the Management, I am pleased to present the Annual Report of Tan Chong Motor Holdings Berhad ("TCMH") and its subsidiaries ("Group") for the financial year ended 31 December 2023 ("FYE2023").

While the global economy showed signs of recovery and started to emerge from the impact of the COVID-19 pandemic in 2023, we encountered new global challenges, such as the escalating geopolitical conflicts in Europe and the Middle East, surge in inflation rate, and continuous economic volatility that disrupted global supply chains and trade dynamics.

As the Group continued to face some dynamic challenges, TCMH remained steadfast in its commitment to deliver sustainable growth, innovation and shareholder value creation. While our overall performance in FYE2023 fell short of expectations, the Group persevered. In response, TCMH has actively reviewed our business strategy and is exploring new opportunities to generate consistent income streams.

FINANCIAL PERFORMANCE REVIEW

Due to continued challenges arising from supply chain constraints and stiffer competition faced in the local and overseas markets, the Group recorded a lower revenue of RM2,532.7 million in FYE2023 compared to RM3,052.2 million in the financial year ended 31 December 2022 ("FYE2022").

Corresponding to the reduced revenue, the Group recorded a lower Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") of RM65.5 million in FYE2023 compared to RM174.8 million in FYE2022. As a result, the Group recorded a Loss Before Tax ("LBT") of RM121.1 million compared to a LBT of RM14.2 million in FYE2022.

The Group's net assets stood at RM2,740.1 million at the end of FYE2023, with a net assets per share value of RM4.20 compared to RM4.40 at the end of FYE2022.

DIVIDENDS

For FYE2023, an interim dividend of 1.0 sen per ordinary share amounted to approximately RM6.5 million was declared on 24 May 2023 and paid on 30 June 2023 (FYE2022: interim single tier dividend of 3.0 sen per ordinary share).

The opening of Nissan 3S Flagship Store in Petaling Jaya, Selangor with the latest Nissan Retail Concept.

The Board is not recommending any final dividend for FYE2023 (FYE2022: none) but will continue to assess the financial performance of the Group in the new financial year and will endeavour to reward the shareholders where it deems appropriate.

BUSINESS PERFORMANCE REVIEW

OVERVIEW OF MALAYSIA'S BUSINESS PERFORMANCE

The Malaysian economy remained resilient in 2023 with a Gross Domestic Product ("GDP") growth of 3.7% in spite of the volatile global economic conditions. Backed by the strong domestic consumer spending sentiment and partially contributed by the extended deadline to fulfill delivery of the backlog of sales tax-exempted passenger vehicles until 31 March 2023, the automotive industry in the country recorded an 11.0% year-on-year increase in Total Industry Volume ("TIV") of 799,731 units in 2023 as published by the Malaysian Automotive Association ("MAA").

The Automotive Division of TCMH in Malaysia continued to face headwinds in Malaysia's highly competitive automotive market, including supply chain challenges, adverse foreign exchange rates and rising inflation rate. To stay resilient, we introduced the Black Edition for Nissan's three popular models (Almera, Navara and X-Trail) and a face-lifted electric vehicle ("EV") Nissan LEAF to reignite our customers' interests in the Nissan brand, a trusted name that has served Malaysians for nearly 70 years.

On the commercial vehicle front, we launched the new UD Euro 5 heavy-duty Quester and medium-duty Croner in Malaysia in Quarter 4 of 2023, meeting the market's needs for cleaner fuel engines. We anticipate that these launches will drive the performance of this segment forward in the upcoming financial year.

After-sales service is part of the Group's "Brand Promise" and a sound and consistent after-sales service contributes to a sustainable competitive advantage for the Group. We continued to fulfill customers' needs by introducing the Nissan Retail Concept ("NRC"), with

REPORT OF THE BOARD OF DIRECTORS

upgraded showrooms and after-sales service centres to give our customers a more premium and comfortable experience to build brand loyalty and satisfaction. We have also implemented best practices to improve our operational efficiency and cost competitiveness while at the same time continue to invest in expanding our Body & Paint network, facilities upgrades and human capital skills development. All these are part of our drive to serve our customers better.

We continued to push for digitalisation, particularly in the Financial Service Division as we saw healthy growth in our online insurance service portal, GoInsuran.com. This enabled us to have greater customer outreach as we work on building more innovative channels and expanding to new customer segments in motor financing.

A notable milestone for the Group in FYE2023 was the successful completion of the floating Large-Scale Solar Photovoltaic ("LSSPV") plant in Serendah, Selangor, Malaysia. This new business endeavour aligns with TCMH's strategic approach to venture into the renewable energy segment, in support of the government's commitment to fostering a more environmentally sustainable nation for our future generations. The LSSPV plant commenced operation on 5 January 2024 and is anticipated to contribute positively to our revenue stream.

OVERVIEW OF OVERSEAS' BUSINESS PERFORMANCE

Vietnam has placed itself among the fastest growing economies globally. In spite of the economic growth, the country experienced a drop in vehicle sales in 2023. After the cessation of the distribution of MG vehicles in Vietnam in June 2023, the Group continued to focus on expanding our sales and distribution channels across the country through our commercial vehicle offerings of King Long buses and Truckquip ("TQ") trucks. TQ is the locally assembled Completely-Knocked-Down ("CKD") version of the Wuling N300P light truck and was successfully launched in November 2023. Additionally, we successfully secured a new passenger vehicles distributorship with GAC Motor International Co., Ltd. ("GAC") in February 2024 to import, distribute and sell GAC vehicles, spare parts and provide after-sales service in

UD Trucks unveiled the new Euro 5 range for the well-established Quester (heavy-duty) and Croner (medium-duty) trucks in Malaysia which features the Selective Catalytic Reduction technology in October 2023.

Nissan LEAF voted Best City Electric Vehicle for the StarCarSifu Editors' Choice Awards 2023.

Vietnam commencing in the second half of 2024. With the above, the Group is expected to strengthen its foothold in the automotive industry in Vietnam.

In Laos, the Group added the all-new Nissan X-Trail e-POWER in February 2024 to the existing line-up to excite the market. Separately, the Group launched the new Nissan Almera Turbo in November 2023 and the all-new Nissan X-Trail e-POWER in March 2024 in the Cambodian market to continue building the sales momentum. The responses for the new models have been promising and are expected to be the catalysts for sales growth in the said markets.

The sales performance of our Myanmar business segment in FYE2023 was restricted by the limited inventory and import restrictions imposed by the authorities in Myanmar on the automotive industry since October 2021. Despite the challenging operating environment, the operations in Myanmar achieved a breakthrough in delivering a breakeven on EBITDA performance in 2023. The Group is working on further improving the situation with additional stock supply. The Management will continue to closely monitor the developments in this market and will review and adjust our plans accordingly to minimise the impacts to the Group.

PROSPECTS AND STRATEGIC DIRECTIONS

The global economy has been resilient in its recovery from the COVID-19 pandemic, projected to grow by 3.0% in 2024 amid escalation of geopolitical tension and inflationary pressures. On the domestic front, the economy is expected to expand further by 4.0% to 5.0% in 2024, supported by a recovery in exports and domestic consumption. In spite of a record high TIV in 2023, MAA projected the TIV to contract by 7.5% in 2024 due to sales demand normalising and the uncertainty in the global economy including concerns on a reduction in consumer spending due to rising cost of living and lower discretionary spending on big ticket items such as motor vehicles.

In January 2024, the Group's first floating LSSPV plant in Serendah, Selangor successfully commenced operation.

With the new business strategies in place as outlined in the Management Discussion and Analysis section of this Annual Report, the Group is cautiously optimistic of delivering better sales performance in the domestic market moving forward. We will strive to improve our performance, underpinned by our investments into enhancing customer service and experience, expansion of sales and service network and introduction of new vehicle models which are already in the pipeline.

TCMH is deeply committed to our sustainability journey across all facets of our operations. We recognise the importance of environmental stewardship, ethical business practices and community engagement in creating a sustainable future. Through innovation, responsible governance and active participation in social and environmental initiatives, we strive to minimise our ecological footprint, promote social welfare and drive positive change in the society and environment that we operate in. Our dedication to sustainability is not only a reflection of our values but also a testament to our commitment to building a better world for current and future generations.

A more comprehensive coverage of all our Economic, Environmental, Social and Governance ("EESG") initiatives has been included in the Sustainability Statement of this Annual Report.

Amid the global uncertainties and challenges, the Group remains steadfast in our commitment to fulfill our EESG responsibilities and at the same time, strive to drive better operational efficiencies and productivity. We will also continue to focus on efficient cost and cash flow management, positioning the Group for long-term operational and financial sustainability.

A typical NRC showroom fitted with modern interior and a spacious premium lounge area for our customers' comfort.

ACKNOWLEDGEMENT

On behalf of the Board of Directors ("Board"), we wish to express our gratitude to all the stakeholders which include our valued principals, customers and business partners and look forward to your continued support. Our sincere appreciation also goes to our shareholders, financiers, suppliers, government authorities and all other stakeholders who have supported the Group over the years as we strive to strengthen our business operations and provide sustainable returns for your investments in the Group.

To my fellow Board members, I wish to convey my heartfelt gratitude for your invaluable advices and contributions to the Group as we journey to establish a long-term sustainable business, contributing to the economic growth of the countries we operate in.

We also wish to thank Dato' (Dr.) Khor Swee Wah @ Koh Bee Leng, who retired as the Group's Deputy President after many years of diligent service and we wish her well on her retirement. At the same time, we would like to extend a warm welcome to Dr. Nesadurai Kalanithi and Ms. Chia Tuang Mooi as new additions to the Board, whose skills and experiences will contribute greatly to the future success of the Group.

The Board is also grateful to the management and employees of TCMH who have been working diligently to weather through these challenging times and we look forward to your continued commitment and resilience in charting a new growth path for the Group in the years ahead.

On behalf of the Board,

Dato' Tan Heng Chew
President

18 April 2024

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Malaysia's Gross Domestic Product ("GDP") normalised to a 3.7% growth in 2023 following the strong growth of 8.7% in 2022. This moderation was not unexpected given the current global scene with slower global trade, geopolitical tensions and tighter monetary policies. Malaysian economy remains resilient supported by strong consumer purchasing power, resulting from continued recovery in economic activities and labour market conditions.

Nissan Navara PRO-4X is equipped with Nissan Intelligent Mobility, a suite of advanced technology that creates a whole new way of driving experience.

The automotive sector in Malaysia recorded Total Industry Volume ("TIV") of 799,731 units in 2023. The all-time high of TIV was achieved mainly due to the extended deadline for the registration of sale tax-exempted vehicles until 31 March 2023, a strong domestic economy and consumer demand.

However, the Group's domestic sales declined due to supply chain constraints during the first half of 2023. As a result, Tan Chong Motor Holdings Berhad ("TCMH" or "Group") recorded a 27.5% decline in total vehicle sales in financial year ended 31 December 2023 ("FYE2023") compared to financial year ended 31 December 2022 ("FYE2022").

Nevertheless, we remain positive on the Group's ability to achieve a turnaround once the strategic initiatives begin to yield results. The financial strength and business fundamentals of the Group will continue to be the pillars to support the Group's business units in navigating the headwinds and challenges ahead.

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

The Group recorded a revenue of RM2,532.7 million in FYE2023 compared to RM3,052.2 million in FYE2022. Consequently, Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA") declined to RM65.5 million in FYE2023, down from RM174.8 million in FYE2022. This led to a Loss Before Tax ("LBT") of RM121.1 million compared to a LBT of RM14.2 million in FYE2022.

The Group's net assets declined to RM2,740.1 million in FYE2023, with a net assets per share value of RM4.20 compared to RM4.40 in FYE2022.

During the year, the Group issued an additional RM150.0 million worth of Islamic Medium-Term Notes ("MTN") pursuant to an Islamic MTN Programme of RM1,500.0 million in Nominal Value based on the Shariah Principle of Murabahah ("Sukuk Murabahah") with an annual profit rate of 5.76% for a tenure of 3 years. The proceeds of this programme were utilised for Shariah-compliant general corporate purposes, including capital expenditure, working capital and refinancing requirements of the Group.

As the Group continued to work towards sustaining a healthy cash position, it implemented a prudent approach on inventory management and enforced a tighter control on capital expenditure during the year under review. The Group's inventory level rose to RM822.1 million at the end of FYE2023 (FYE2022: RM748.4 million) to ensure sufficient stocks in meeting the forecasted sales demand in 2024.

The Group recorded a decrease in cash and cash equivalents to RM511.6 million in FYE2023 (FYE2022: RM558.2 million) and net debt position increased to RM1,102.7 million (FYE2022: RM805.2 million), resulting in a net gearing ratio of 40.2% as at 31 December 2023 (FYE2022: 28.0%).

STRATEGIC INITIATIVES

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

STRATEGIC INITIATIVES

Enhance Competitiveness in the Domestic Market

The Malaysian market is a key contributor to TCMH's financial performance. In order to remain competitive within the automotive ecosystem, the Group intensified its efforts by enhancing value-added offerings and services to improve customer satisfaction and loyalty.

In 2023, the Automotive Division continued to sustain market interest through the release of face-lifted and new models. The year saw the launch of face-lifted Nissan LEAF and all-new Renault Zoe for the electric vehicle segment in the first half of 2023 and the introduction of the Nissan X-Trail Black Edition, Nissan Navara Black Edition and Nissan Serena J IMPUL. We also launched the new commercial vehicle models, Euro 5 UD Quester and Croner, which operate on low carbon emission engines.

The Group initiated activities aimed at enhancing customer experience at all its touchpoints. In 2023, the Group started to upgrade its sales and distribution outlets through the adoption of the newly introduced Nissan Retail Concept ("NRC") to provide better customer experience. Simultaneously, the Group leveraged on the existing digital technology to enhance and elevate its mobility solutions, for the convenience of our customers, connecting with them seamlessly via digital platform.

Strengthen Our Foothold within ASEAN Region

TCMH continued to maintain our investments in Vietnam, Cambodia, Laos and Myanmar. These overseas investments serve as the extension of TCMH's vision in building an automotive stronghold in the region.

Despite the headwinds and challenges, TCMH persevered and continued to strengthen our foothold in this region. TCMH is committed in our ventures into these countries, an integral part of our long-term investment strategy to build a sustainable future for the Group.

In 2023, new touchpoints and vehicle models were introduced to drive the sales and after-sales service business segments.

The all-new Nissan X-Trail e-POWER was launched in Laos and Cambodia in the first quarter of 2024, leveraging on the growing trend towards energy efficient vehicles to drive our performance in these countries forward. For Vietnam, the signing of agreement for the distributorship of GAC Motor International Co., Ltd. ("GAC") vehicles will be one of the main catalysts to drive a turnaround of the performance of Passenger Vehicle Division in the country.

On the commercial vehicle front, the Group will further expand its sales and distribution channels through its commercial vehicle brands, namely King Long buses and Truckquip ("TQ") light commercial trucks.

Efficiency in Financial Management

The Group's performance during the year under review was affected by inflationary pressure, rising interest rate and weakening of the Ringgit against major currencies. The Group continued with its business rationalisation programme and implemented various cost saving initiatives to counter the impact from margin compression. The Group's net gearing remained relatively strong and healthy at 40.2% in FYE2023, with cash and bank balances of RM511.6 million. Moving forward, the Group will continue to exercise prudence in managing cash flow and drive further cost optimisation whilst continuing to rationalise the operations to ease the pressure of margin compression arising from inflationary factors and a weakened Ringgit. The Group is committed to foster a strong fiscal discipline and responsibility throughout the organisation, ensuring that every financial decision aligns with the Group's strategic objectives.

REVIEW OF BUSINESS SEGMENTS

AUTOMOTIVE DIVISION (PASSENGER VEHICLES)

Nissan Business Performance and Outlook

The Nissan brand holds significant importance for TCMH as the Group has a longstanding partnership with Nissan, which dates back to the 1950s. This partnership has allowed TCMH to establish itself as a key player in the automotive industry, particularly in Malaysia.

For the year under review, this division faced intense competition in the market which led to modest new vehicle sales, a decrease of 27.5% year-on-year and a lower market share of 1.3% in 2023 compared to 1.9% in 2022. Nissan's top three best-selling models in FYE2023 were Serena (a multi-purpose vehicle or MPV which won the Carlist Editor's Choice Awards 2023 - Best Large MPV), Navara and Almera Turbo. To remain competitive in the market, the division launched a series of Black Editions with enhanced aesthetics appearance, which have received positive responses from customers.

The new Nissan launches in 2023:

X-Trail Black Edition in February

Serena J IMPUL in July

Navara Black Edition in September

In the pursuit of advancing electrification for a sustainable ecosystem, Nissan introduced the face-lifted Nissan LEAF model in March 2023. To further the market accessibility of this Electric Vehicle ("EV"), the Group leveraged on our car subscription programme to expand the EV experience for our customers, offering them the opportunity to experience Nissan's "Discover Excitement" alongside "100% Electric, 0% Worry" Programme. Despite the intense competition in the EV market, the Nissan LEAF was recognised as the Best City Electric Vehicle (with a range of less than 300km) in the Editors' Choice Awards 2023, StarCarSifu.

Other accolades bagged by the division's vehicles included the Nissan Serena S-Hybrid, which continued to maintain its first position in the mid-size MPV Segment, the Nissan NV200 emerged first in the light commercial vehicle ("LCV") Compact Panel Van segment, and the Nissan Almera Turbo captured the third position in the B-Sedan segment for Non-National makes.

We did not rest on our laurels, we continued to organise roadshows and sales campaigns to reach our customers, including active presence on the social media platforms.

To sustain its strategy in enhancing customer satisfaction, the Group continued with the implementation of the new NRC to provide a refreshed look for its outlets. These NRC outlets will offer our customers a premium and comfortable experience, aiming to enhance brand loyalty and customer satisfaction.

Despite Malaysia Automotive Association's modest TIV forecast of 740,000 units in 2024, the Nissan Business Division maintains its goal of improving the market share in 2024. This aligns with the division's business strategy of boosting sales through competitive promotions and model improvements. To kick-start this effort, we introduced the Nissan Almera KURO (Black) Edition in January 2024.

The Nissan brand remains a well-established and accepted car brand in the Malaysian market, renowned for its reliable engineering quality, safety and innovative technology, offering quality value to its customers.

Renault Business Performance and Outlook

Retailing Renault vehicles provides TCMH the opportunity to tap into different segments of the automotive market, serving customers who seek alternative brands, distinct models and features. The Renault vehicles are also marketed via a unique business model, through subscription programme, while quality used vehicles are sold through our used vehicle retail centres.

In FYE2023, the division continued to grow and achieved a commendable increase in sales compared to FYE2022. This surge was attributed to the establishment of three new used vehicle retail centres in Selangor, Johor and Pulau Pinang respectively. These used car retail centres were strategically set up to streamline the disposal process of our fleet under the subscription programme, ensuring maximum value extraction upon fleet retirement.

Moving forward, the sales of used vehicles (Renault and non-Renault) will remain the primary revenue generator for this division.

On the car subscription front, the Group saw a modest registration of new subscribers in FYE2023. On the positive side, the Renault Subscription Programme remains at the forefront of the industry, earning the prestigious Frost & Sullivan Car Subscription Company of the Year Award for the third time since 2020 (in 2020, 2022 and 2024).

As the subscription programme enters into its fifth year in 2024, we anticipate the sales for the subscription programme to remain strong.

AUTOMOTIVE DIVISION (COMMERICAL VEHICLES AND ASSEMBLY PLANTS)

Business Performance and Outlook

In 2023, Malaysia's commercial vehicle industry witnessed encouraging growth, supported by the country's overall economic progress. However, the demand for new trucks was affected in the second half of the year due to the softening economy. Conversely, the bus sector experienced a notable recovery in new bus registrations largely fuelled by the gradual revival of the tourism and public transportation sectors, which had been adversely impacted by the pandemic in previous years.

Compared to the preceding year, the adverse conditions such as global supply chain disruptions and semiconductor shortages had eased in 2023. Nevertheless, the commercial vehicle segment still faced challenges arising from the weakening Ringgit against major foreign currencies, rising operating costs and ongoing supply chain disruption from our principals. Consequently, vehicle and component part prices were affected.

In October 2023, the Truck Division successfully launched the low carbon emission Euro 5 engines for UD Quester and Croner, part of our eco-friendly automotive initiatives. Throughout the year 2023, the division actively sought new customers and successfully garnered substantial fleet orders scheduled for delivery in 2024. The Spare Parts and After-Sales Service Division experienced notable revenue growth. Additionally, the Group's Bus Division received positive sales leads and secured significant bookings for its diverse range of bus products, driven by renewed customer interest in new buses, stimulated by the gradual recovery of the tourism and public transportation sectors.

In November 2023, TQ Wuling N300P light truck was officially launched in Vietnam.

In early 2024, a series of roadshows for the new King Long Nova Euro 5 bus were carried out in Vietnam in preparation of its launch in the year.

The division also experienced strong customer demand for its double-decker bus offerings in 2023, attributed to the recovery of the express bus sector. With a robust pipeline of confirmed bookings, our manufacturing arm of the Group's Truck and Bus Division in Malaysia is poised to operate at full capacity to meet these customer orders in 2024.

In 2024, the business environment is expected to improve further and demand for our truck and bus products is expected to increase, supported by strong growth in the logistics and manufacturing industries.

This positive momentum is backed by the recent implementation of 30-day visa-free entry for China and Indian tourists to Malaysia and has incentivised the bus and coach operators who rely heavily on international tourists to invest in replacing or expanding their fleet to meet industry demand.

The Truck Division remains committed to providing customers with an extensive array of products and services, to satisfy our customers' comprehensive requirements. As the automotive sector increasingly shifts towards electrification across various vehicle categories, we are also committed to proactively exploring the opportunities presented by this evolving global EV landscape.

Our goal, moving forward, will be to focus on the development of lighter weight and more environmentally friendly options for our customers. Concurrently, we will continue to tap into new avenues for growth through strategic partnerships within Malaysia and international markets, specifically in the Southeast Asia and South Asia regions.

AUTOMOTIVE DIVISION – OVERSEAS OPERATIONS

Vietnam

Bus Segment

The bus segment in Vietnam experienced an impressive recovery that achieved pre-pandemic levels by the end of 2023. About 13.0 million tourists visited Vietnam and this number is expected to rise significantly in 2024. The surge in foreign visitors, especially from South Korea and increasingly from China, will contribute significantly to a stronger performance in the tourism industry in 2024.

The Bus Manufacturing Division in Vietnam has consistently been improving its manufacturing process, quality and talent development within the bus industry in the country. This strategic focus has yielded significant results, especially with the King Long brand that has garnered momentum through the widespread acceptance of its existing Nova Euro 4 buses by the tour and transport companies in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2023, our dealership network expanded further to cover major cities in the northern, central and southern Vietnam. Looking ahead into 2024, we will continue to broaden the dealership network, aligning with the goal of increasing our current market share in the bus segment.

As the bus retail market leaders continue to push forward with the launching of new luxurious bus variants fuelled by Euro 5 engines, the division will officially launch its King Long Nova Euro 5 buses in 2024 to capture this growing market segment. A series of roadshows had already been carried out in early 2024 to introduce the new King Long Nova Euro 5 to the market which features enhanced driving performance, improved safety features and superior travel comfort as well as a greener fuel solution.

Other Commercial Vehicle (Pick-Up Truck) Segment

In 2023, the division introduced the Completely-Knocked-Down (“CKD”) version of the Wuling N300P light truck, branded under the Group's own TQ brand in Vietnam. The TQ Wuling N300P was officially launched and started retailing in Vietnam in November 2023.

Following this launch, the division has set its sights on expanding the TQ brand, by introducing more commercial vehicles in Vietnam. The division is exploring opportunities for more product offerings under the TQ brand.

Passenger Vehicle Segment

On 2 February 2024, we entered into an agreement of Distribution and Service with GAC Motor International Co., Ltd. ("GAC"), a subsidiary of Guangzhou Automobile Group Co., Ltd. to import, distribute and sell GAC vehicles and spare parts, and provide after-sales service for the GAC vehicles in Vietnam.

This will be one of the main catalysts for the Group’s turnaround plans in Vietnam as we capitalise on the vast market opportunities in this passenger vehicle segment.

In March 2024, the all-new Nissan X-Trail e-POWER was introduced in Cambodia.

Cambodia

In spite of the external and domestic headwinds, the business division in Cambodia persevered and introduced the new Nissan Almera Turbo in November 2023. This introduction received positive feedback from the market due to its competitive price structure and modern features that meet customers’ expectations and budget.

Throughout 2023, we conducted numerous roadshows and sales campaigns to reach out to prospective customers. This was complemented by our outreach efforts and active presence in the social media to promote and create awareness.

In addition, the division had also introduced the all-new Nissan X-Trail e-POWER in March 2024 to generate excitement in the market with Nissan’s new e-Power technology. These new Nissan models will add to the robust products line-up which includes Nissan Terra Sports Utility Vehicle ("SUV") and Nissan Navara pick-up.

Laos

Due to the hyperinflation rate and a sluggish consumer spending in 2023, the business division in Laos faced many challenges, including heightened competition.

Nevertheless, the division remains optimistic and had recently introduced the all-new Nissan X-Trail e-POWER in February 2024 to stimulate the market. This latest model will leverage on the increasing trend towards EV in Laos, positioning the Nissan X-Trail e-POWER at the forefront of the sustainable mobility landscape. The division will intensify its sales and marketing efforts to help boost sales momentum while leveraging on the local economic recovery and a more stable currency exchange rate.

Myanmar

Monetary controls and stricter government approval processes have led to the curtailment of production of Nissan Sunny in Myanmar.

The automotive industry's TIV in Myanmar suffered significantly in 2023 due to the introduction of new policies. Consequently, the sales performance of the business division in Myanmar was impacted by the limited stock availability and import restrictions. Nonetheless, the division achieved commendable sales in 2023 with strong demand from the market.

Despite the challenging operating environment, the operations in Myanmar managed to achieve a breakthrough of breakeven in EBITDA in FYE2023 and has set its sights on delivering an improved performance in 2024, barring any unforeseen circumstances. We will continue to maintain our business presence in Myanmar to serve our customers and over 4,700 Nissan car owners.

E-Garage offers an extensive range of professional motoring solutions in Myanmar.

Thailand

Procurement and Trading of Automotive After-Sales Accessories and Parts

Thailand and ASEAN economies have generally slowed down during the year due to high inflation, increase in cost of living followed by tightening of loans by commercial banks. The Procurement Division's growth in 2023 was dampened by a contraction in the export of goods caused by lower external demand for automotive parts from the replacement market segment.

A long-term growth strategy was initiated to distribute these auto parts and related products into the Thailand domestic market to improve our sales revenue. Our plan is to continuously develop strong dealers' channel and support the dealers with new products development to penetrate the domestic replacement parts market.

Thailand's economic growth is projected to strengthen to 3.2% in 2024 versus 2.5% in 2023, on the back of the anticipated recovery in tourism, exports and sustained domestic private consumption.

In line with the division's business growth strategies, targeted at 23.0% sales growth in 2024, this division will continue to be driven by the expansion of its sales and distribution of replacement parts in the domestic market as well as export market.

ASSEMBLY AND MANUFACTURING DIVISION

Business Performance and Market Outlook

The Assembly and Manufacturing Division plays a central role in producing high-quality vehicles, managing the supply chain efficiently, complying with regulations and ensuring customer satisfaction for the Group's entire automotive ecosystem.

To ensure the final products are of the highest quality and meeting regulatory requirements, our Assembly and Manufacturing Division has implemented strict quality management systems which are ISO 9001:2015 compliant to maintain continuous improvement and meeting customers' satisfaction.

In 2023, the performance of the Assembly and Manufacturing Division of the Group was dampened by reduced production volume for passenger vehicles as certain models reached the end of production life cycle. This was aggravated by the escalating prices of raw material, higher electricity charges with a higher Imbalance Cost Pass-Through ("ICPT"), and higher crude oil and natural gas prices. Additionally, the impact from implementation of minimum wages and rising foreign exchange rates compounded the challenges faced.

In order to remain resilient, the division focused on cost optimisation in FYE2023. Our plants in Serendah and Segambut underwent a manpower optimisation exercise to streamline our workforce, restructuring it to be more efficient. Simultaneously, we implemented strategies for both direct and indirect material optimisation, focusing on effective waste management to recover materials in alignment with the principles of a circular economy.

Our assembly plant in Serendah produces high-quality vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

AFTER-SALES SERVICE DIVISION

The After-Sales Service Division within TCMH plays a crucial role in supporting the Group's entire business ecosystem. Its role in providing excellent after-sales service, including consistent spare parts availability and efficient repair services, is vital towards enhancing customer satisfaction and loyalty. Satisfied customers are most likely to remain loyal to our brands and recommend our products and services to others.

Malaysian After-Sales Service Business Operations

This division remains a dedicated after-sales service provider for all Nissan, Renault and INFINITI vehicles in Malaysia.

Despite persistent challenges in 2023, the After-Sales Service Division demonstrated resilience, achieving a marginal growth in revenue in FYE2023 compared to FYE2022. This is in spite of the moderation of the sales of Nissan models in the country.

As the division continues to persevere, it implemented a range of business recovery measures, including organisational right-sizing, rigorous controls on new investments, and enhancements to improve efficiency and productivity in 2023. Our after-sales service centre in Petaling Jaya, Selangor had also been upgraded in August 2023, in line with the NRC's requirements to provide ultimate customer comfort.

For the year under review, our After-Sales Service Division garnered the following awards as testament to their high level of technical competency and achievement of outstanding customer satisfaction:

1. Global Nissan Aftersales Award 2022, Winner;
2. Nissan Service Technician Excellence Competency, 1st Runner Up; and
3. Nissan Service Advisor Excellence Competency Skills, 1st Runner Up.

The division maintains a positive outlook for 2024, leveraging on our well-established strong fundamentals and solid business operations. As we move forward, we are steadfast in our commitment to enhance our after-sales service network and the overall customer's experience, leading towards building a strong brand loyalty.

Overseas After-Sales Service Business Operations (E-Garage)

E-Garage is the registered brand name for a chain of vehicle service centres developed and managed by TCMH. E-Garage offers an extensive range of professional motoring solutions by providing fast, efficient, convenient and hassle-free quality services to meet customers' satisfaction for all vehicle makes. To-date, we have over six service outlets in Cambodia and Myanmar. Last year, we had seen a strong growth in the business and we expect to see continuing strong demand for quality after-sales service in the market. There are plans to further expand the E-Garage service networks in Cambodia and Myanmar, followed by the setting-up of new Body & Paint hub in Cambodia in 2024.

NISSAN MALAYSIA SPARE PARTS DIVISION ("SPD")

The availability of genuine spare parts and competitive service packages plays a pivotal role in improving customer satisfaction and loyalty, thus generating a consistent stream of revenue for the Group.

Nissan Malaysia SPD, a dedicated parts distribution centre, supplies Nissan genuine spare parts to all the Nissan authorised workshops and spare parts stockists. The main warehouse located in Selangor is supported by three regional depots in Sarawak, Sabah and Johor to ensure timely delivery and fulfilment of orders.

FYE2023 proved to be a challenging year for the division, marked by market volatility, a weakened Ringgit, higher prices, a softening demand and lower customer purchasing power. Facing these obstacles, the division conducted a comprehensive reassessment of our marketing and distribution strategies to better align our business model to effectively meet the evolving customers' requirements, as well as reviewing our spare parts pricing structure to ensure we remain competitive in the market.

Moving into 2024, the market outlook remains volatile, necessitating ongoing adaptability and strategic foresight. In response, the division has set up a new northern depot in Butterworth in 2024, strategically positioned to bolster our network coverage in Malaysia's northern region guaranteeing proximity to our customer base in the region.

FINANCIAL SERVICE DIVISION

Insurance Service Division

In spite of 2023 being a year of unprecedented disruptions for the Malaysian insurance agencies, the Group's Insurance Division persevered, demonstrating resilience and adaptability in the face of adversity.

Our digital insurance service platform, GoInsuran.com, achieved strong performance in FYE2023 with a threefold growth compared to the previous year. This is a significant achievement for GoInsuran.com in the digital space, signalling trust and loyalty from our customers. This achievement is attributable to the reinforced business relationships with insurance partners and customers, emphasising collaboration and excellent service delivery.

In 2024, in view of the moderation in consumer spending, we expect the year to be challenging with customers moving towards a more economical offering from self-serve options. Given this lacklustre market condition, our key priorities in 2024 include educating customers about market realities and making wise purchases. Internally, in order to enhance operational efficiency and optimise agency performance, we will be upgrading our IT system and provide comprehensive employee training to ensure that the Group attains operational excellence.

Hire Purchase Financing Division

In FYE2023, there was a slight increase in revenue growth for the Hire Purchase Financing Division. With a tighter credit policy implemented to enhance asset quality, the division maintained a vigilant stance on loan disbursements contributing to a robust profitability position.

Moving into 2024, we anticipate a possible prolonged period of higher global interest rates and inflationary pressure. However, domestically, there are still optimistic indicators such as manageable inflation rate and Bank Negara Malaysia's assertion of resilient domestic growth prospects as well as maintaining the Overnight Policy Rate ("OPR") augur well for business prospects in 2024. A key initiative for the coming year will be focusing on key accounts and leveraging on used car dealers to grow the hire purchasing financing.

GoInsuran.com participated at the Malaysia Auto Show 2023.

OTHER BUSINESSES

Renewable Energy Division

Floating Large-Scale Solar Photovoltaic ("LSSPV") Plant

We are pleased to announce that our inaugural floating LSSPV plant in Serendah, Selangor had on 5 January 2024 commenced operations to provide green and renewable energy to Tenaga Nasional Berhad ("TNB").

This floating LSSPV plant is the outcome of the Group's successful bid for the 20-Megawatt solar photovoltaic project under the LSSPV Cycle 4 (also known as LSS@MEnTARI) in 2020. The successful bid marked the Group's first step of diversifying its businesses into renewable energy.

Built on the Serendah Lake, the floating solar plant is expected to supply a total of 1,043,114 Megawatt-hours ("MWh") of green electricity to TNB under a 25-year Power Purchase Agreement, contributing to a reduction of 610,221 tonnes of Carbon Dioxide ("CO_2") emissions to the environment; equivalent to removing 132,656 units of cars from the roads; or planting of 29,058,175 trees.

Rooftop Solar Panel System

The rooftop solar panel system is part of the Group's continuous efforts in reducing the country's carbon footprints. The energy harnessed from the rooftop solar panels installed at our plants amounted to 1,092 MWh or an estimated reduction of over 800 tonnes of CO_2 emissions in 2023.

DRIVING THE SUSTAINABILITY AGENDA

TCMH is committed to drive the agenda of sustainability throughout the Group in delivering the long-term value for our businesses. We will continue to improve our operational practices through innovation and digitalisation, and investment in human capital to support our goal in creating a sustainable future for all.

SUSTAINABILITY FRAMEWORK

In 2022, the Group established a Sustainability Framework which covered all the strategic initiatives under the Economic, Environmental, Social and Governance ("EESG") agenda to drive long-term sustainability. Based on this framework, TCMH has charted its 5-Year Sustainability Roadmap to detail the priority and targets of its material matters.

The Sustainability Working Committee, guided by the Board Risk Management and Sustainability Committee, is entrusted to oversee the implementation of the sustainability initiatives in accordance with the Sustainability Framework.

A detailed coverage of the Group's sustainability initiatives is found in the Sustainability Statement of this Annual Report from pages 28 to 73.

Upholding Good Corporate Governance

In terms of Corporate Governance, the Group prioritises the implementation of effective corporate governance practices to guide our employees and stakeholders in upholding the good conduct, aligned with TCMH's core values. We adhere to principles of transparency, accountability, integrity and corporate performance. The Group has established comprehensive policies and guidelines to regulate the day-to-day operations of the Group, including Code of Business Conducts and Ethics, Fraud Prevention Policy, Anti-Bribery and Anti-Corruption Policy, Special Complaints (Whistleblowing) Policy, and Gifts, Entertainment and Hospitality Policy, among others.

Investing in Talent for Sustainable Success

The Group charted a significant improvement in employee retention with an overall reduction in voluntary resignation rate from 21.0% in FYE2022 to 15.7% in FYE2023. This improvement in retention rate demonstrated the Group's commendable efforts in addressing this issue through enhanced employee engagement activities, communications and employee welfare.

Development and Training

In terms of development and training, the Group maintains a steadfast focus on enhancing fundamental personal and managerial competencies to navigate the evolving landscape of change and transformation. Our commitment lies in ensuring that all staff members have access to comprehensive learning, development and training opportunities, enabling them to confidently fulfil their roles in alignment with the Group's strategic objectives.

TCMH is committed to provide development and training opportunities to help employees in constantly developing new skills.

Prioritising Health and Safety at Workplace

The Group is committed to protecting our people and the communities in which we operate in by promoting excellence in environmental, health and safety practices. Through ongoing improvement initiatives and vigilant monitoring, the Group successfully maintained a zero record of legal infraction in 2023, demonstrating good adherence to the Environmental, Health and Safety Policy.

Employee Engagement Programmes

The Group continued its commitment to foster a vibrant and supportive work environment by prioritising employee engagement and well-being. The Group has a wide array of initiatives aimed at fostering teamwork and enhancing collaboration across business units and functions, ultimately strengthening the sense of unity within the Group.

MOVING FORWARD

The World Bank in January 2024 reported that the world economy is projected to continue experiencing a tumultuous phase with a slower growth rate of 2.4% in 2024. Forecasts suggested that global growth will stay muted in 2024 due to tight monetary policies and stricter credit conditions, with various risks looming such as escalating conflicts in the Middle East and Europe, a softening Chinese economy and climate-related crises. Nonetheless, there are silver lining amid these challenges with indications of a gradually decreasing inflation and lower interest rates, providing an optimistic outlook as many analysts predict a stronger global economic expansion in 2025 when the major economies start to ease their monetary policies.

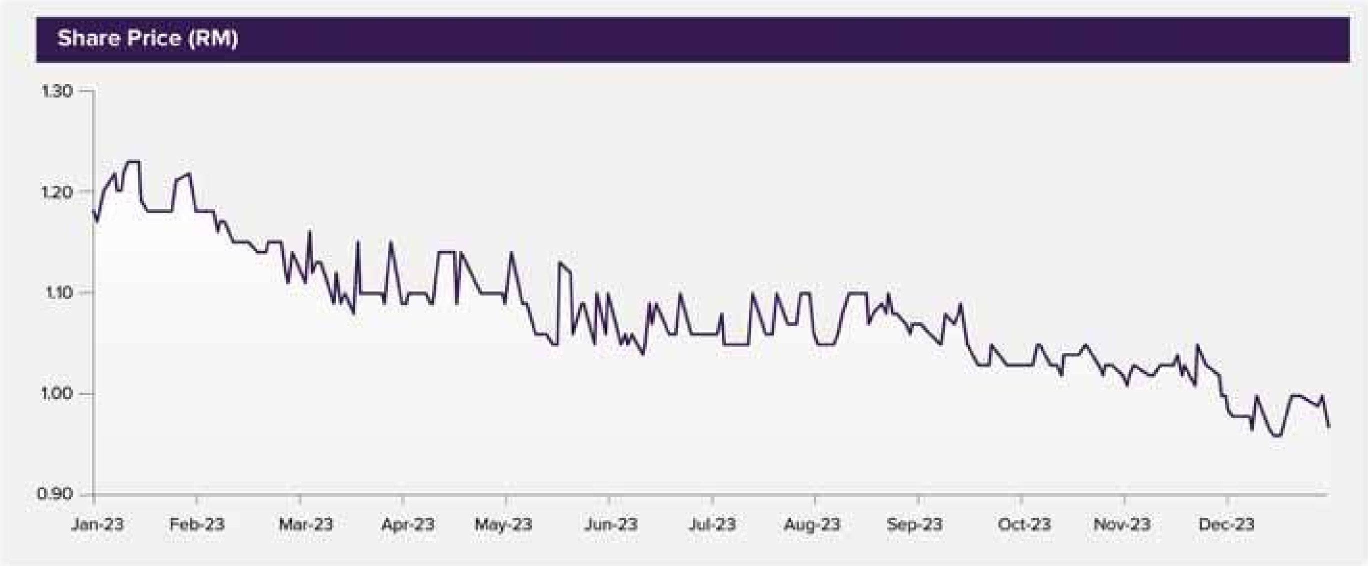
For Malaysia and our investments in Indochina, the economic front remains resilient and is steadily navigating through the challenges with the implementation of trade, financial and economic policies aimed at driving growth momentum. On the automotive landscape, the Malaysian Government has forecasted the regional EV market to record a compounded annual growth rate of 33.0%, escalating from approximately USD500.0 million in 2021 to USD2.7 billion by 2027.

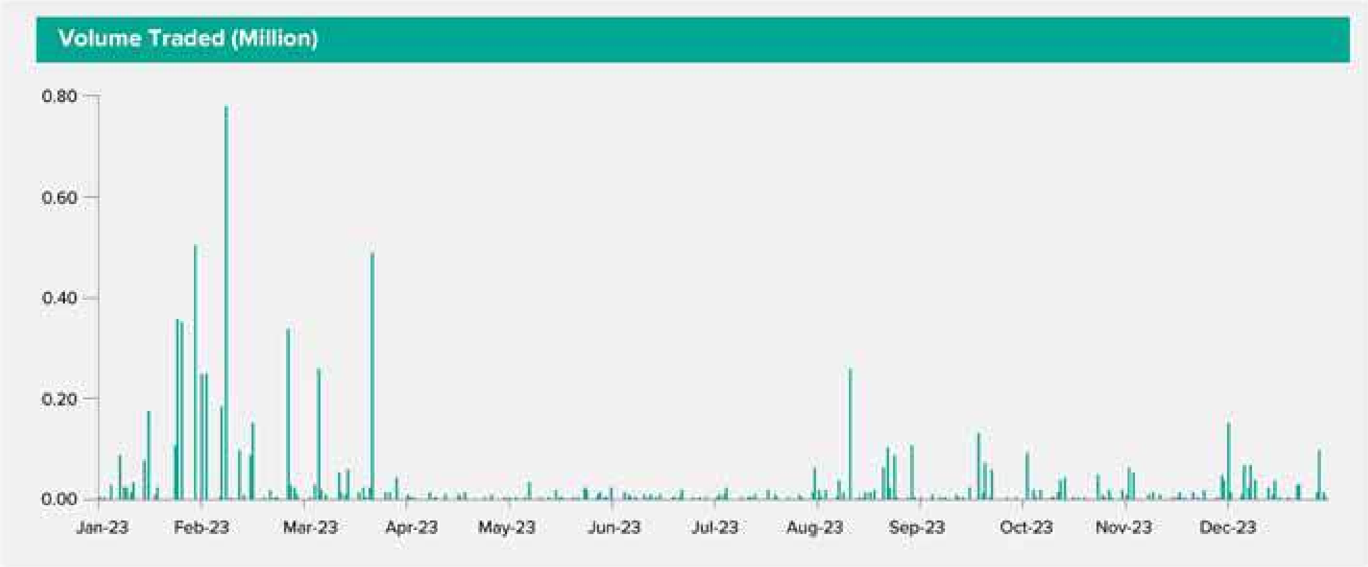
Looking ahead, TCMH maintains a positive outlook for 2024, despite the challenges and headwinds ahead. The Group has an extensive line-up of initiatives and events, strengthened by the full operation of its new Renewable Energy Business Division, fresh business collaborations with strategic partners, the introduction of new models and technology for both its passenger and commercial vehicles, and expansion and strengthening of its footprints regionally. In addition, the Group will continue to rationalise its operations to drive down the cost of doing business and focus on prudent management of its resources to navigate the challenging times ahead and deliver long-term operational and financial sustainability.

EIGHT-YEAR FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
RESULTS								
Revenue	2,532,726	3,052,235	2,537,307	2,959,619	4,172,447	4,858,206	4,341,228	5,460,757
(Loss)/Profit before tax	(121,143)	(14,165)	19,134	(161,298)	114,327	178,586	(72,811)	(43,080)
Tax expense	(12,708)	(40,696)	(39,350)	(15,455)	(67,635)	(76,049)	(23,578)	(15,954)
(Loss)/Profit for the year	(133,851)	(54,861)	(20,216)	(176,753)	46,692	102,537	(96,389)	(59,034)
(Loss)/Profit attributable to:								
Owners of the Company	(128,742)	(51,110)	(15,417)	(165,580)	43,645	105,932	(88,597)	(54,943)
Non-controlling interests	(5,109)	(3,751)	(4,799)	(11,173)	3,047	(3,395)	(7,792)	(4,091)
STATEMENT OF FINANCIAL POSITION								
Assets								
Property, plant and equipment	2,371,155	2,414,470	2,317,945	2,311,657	2,250,999	1,773,114	1,825,620	1,863,022
Investment properties	238,590	238,990	229,500	230,495	216,725	207,376	202,000	198,766
Prepaid lease payments	-	-	-	-	-	43,436	45,609	51,343
Intangible assets	100,888	13,006	14,546	759	759	759	14,592	14,592
Equity-accounted investees	66,456	70,480	72,374	75,969	61,811	57,914	45,797	42,891
Other investments	-	-	-	-	-	1	1	1
Deferred tax assets	90,966	93,005	107,809	120,384	95,741	96,075	67,098	62,761
Hire purchase receivables	343,799	359,406	406,161	489,860	551,779	655,383	745,066	460,399
Finance lease receivables	-	-	-	-	-	-	585	162
Total non-current assets	3,211,854	3,189,357	3,148,335	3,229,124	3,177,814	2,834,058	2,946,368	2,693,937
Current assets	1,902,461	1,849,003	1,847,592	2,091,368	2,655,401	2,640,647	2,449,274	2,882,708
Total Assets	**5,114,315**	**5,038,360**	**4,995,927**	**5,320,492**	**5,833,215**	**5,474,705**	**5,395,642**	**5,576,645**
Equity and Liabilities								
Share capital	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000
Reserves	2,430,434	2,562,229	2,481,423	2,531,552	2,708,944	2,525,874	2,485,161	2,562,520
Treasury shares	(26,294)	(25,953)	(25,901)	(25,866)	(25,364)	(25,283)	(25,282)	(25,278)
Total equity attributable to owners of the Company	2,740,140	2,872,276	2,791,522	2,841,686	3,019,580	2,836,591	2,795,879	2,873,242
Non-controlling interests	1,658	(22,598)	(21,850)	(16,995)	(11,548)	(17,733)	(14,511)	(8,952)
Total equity	2,741,798	2,849,678	2,769,672	2,824,691	3,008,032	2,818,858	2,781,368	2,864,290
Non-current liabilities	903,479	742,791	416,988	432,381	926,798	804,718	986,104	975,021
Current liabilities	1,469,038	1,445,891	1,809,267	2,063,420	1,898,385	1,851,129	1,628,170	1,737,334
Total Equity and Liabilities	**5,114,315**	**5,038,360**	**4,995,927**	**5,320,492**	**5,833,215**	**5,474,705**	**5,395,642**	**5,576,645**
FINANCIAL STATISTICS								
Basic (loss)/earnings per share (sen)	(19.75)	(7.84)	(2.36)	(25.38)	6.69	16.23	(13.57)	(8.42)
Gross dividend per share (sen)	1.00	3.00	1.50	1.50	4.00	3.00	2.00	4.00
Net assets per share (RM)	4.20	4.40	4.28	4.36	4.63	4.35	4.28	4.40
Return on invested capital	-2.30%	-1.61%	-2.61%	-4.92%	2.15%	4.63%	-0.44%	0.36%
Return on shareholders equity	-4.59%	-1.80%	-0.55%	-5.65%	1.49%	3.76%	-3.13%	-1.94%
Net Debt/Equity	40.24%	28.03%	30.31%	29.81%	42.44%	30.82%	47.06%	54.88%

DAILY SHARE PRICES AND VOLUME TRADED ON BURSA MALAYSIA SECURITIES BERHAD





PROFILE OF DIRECTORS

DATO' TAN HENG CHEW

Age	Gender	Nationality	Date of Appointment
77	Male	Malaysian	19 October 1985

Dato' Tan Heng Chew, JP, DJMK, 77, a Malaysian, Male, was appointed to the Board on 19 October 1985 and was subsequently appointed as the Executive Deputy Chairman on 1 January 1999. He was re-designated as the Executive Deputy Chairman and Group Managing Director on 1 July 2012. His corporate title was changed to President on 1 January 2015. He is a member of the Board Risk Management and Sustainability Committee.

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

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

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

Dato' Tan attended all the seven (7) Board meetings held in 2023.

HO WAI MING

(ALSO KNOWN AS DANIEL HO)

Age	Gender	Nationality	Date of Appointment
53	Male	Malaysian	22 March 2013

Ho Wai Ming, also known as Daniel Ho, 53, a Malaysian, Male, was appointed to the Board as Executive Director and Group Financial Controller on 22 March 2013 and 1 April 2013 respectively. His corporate title was subsequently changed to Chief Financial Officer on 1 January 2015. He was appointed as the Group Chief Executive Officer on 1 January 2020.

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

Mr. Ho has over 30 years' experience in business strategy and management, corporate laws and governance, taxation, accounting and finance. He joined the Group as Senior Manager (Taxation) in September 2005 and rose to the position of Executive Director and Group Financial Controller on 22 March 2013 and 1 April 2013 respectively. He was appointed as a Company Secretary on 28 August 2015 and relinquished this position on 16 March 2022. He is also the Chairman of the Group's Risk Management and Sustainability Committee ("RMSC") and is the key executive responsible for the Group's Sustainability agenda. During his 19 years' stint in the Group, he has been involved in various financial and corporate management functions within the Group including assembly plant management. In the automotive trade and industry, he was involved with the Malaysian Automotive Association ("MAA") as a Vice-President (Alternate) (Policy & Regulations) from 2012 to 2013 and was a member of the Organising Committee for the Kuala Lumpur International Motor Show ("KLIMS") 2013.

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

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

Mr. Ho attended all the seven (7) Board meetings held in 2023.

LEE MIN ON

Age	Gender	Nationality	Date of Appointment
64	Male	Malaysian	28 November 2016

Lee Min On, 64, a Malaysian, Male, was appointed to the Board on 28 November 2016. He was re-designated on 31 December 2022 as the Senior Independent Non-Executive Director to whom concerns of fellow Directors, shareholders and other stakeholders may be conveyed. He is the Chairman of the Nominating and Remuneration Committee, and the Board Risk Management and Sustainability Committee, and a member of the Audit Committee.

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

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

Mr. Lee co-wrote the "Corporate Governance Guide - Towards Boardroom Excellence" 1st and 2nd Editions which were published by Bursa Malaysia Berhad ("Bursa Malaysia"). He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia in 2012. As a strong advocate of good governance and integrity in the marketplace, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

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

Mr. Lee attended all the seven (7) Board meetings held in 2023.

NG CHEE HOONG

Age	Gender	Nationality	Date of Appointment
57	Male	Malaysian	3 November 2020

Ng Chee Hoong, 57, a Malaysian, Male, was appointed to the Board on 3 November 2020. He is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

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

Mr. Ng is the sole partner of an accounting firm which provides auditing, taxation and advisory services. He has more than 31 years of experience in the provision of audit and assurance services. Prior to joining the Group, Mr. Ng was a partner in various accounting firms from June 1990 to April 2020 except for the period from March 2017 to February 2019 where he joined an oil palm and rubber plantation company as the Chief Financial Officer.

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

Mr. Ng attended all the seven (7) Board meetings held in 2023.

DATO' NG MANN CHEONG

Age	Gender	Nationality	Date of Appointment
79	Male	Malaysian	31 July 1998

Dato' Ng Mann Cheong, DSSA, SMP, JP, 79, a Malaysian, Male, was appointed to the Board on 31 July 1998. He was re-designated as a Non-Independent Non-Executive Director on 31 December 2022. He is a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

Dato' Ng is a Barrister-at-Law (Middle Temple), Advocate and Solicitor, High Court of Malaya and has been admitted to practice in the jurisdictions of Singapore, Victoria and Western Australia. He has been in legal practice for more than 52 years and is a Senior Partner of Syed Alwi, Ng & Co. He is also a past Legal Advisor of Malaysian Crime Prevention Foundation.

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

Dato' Ng attended all the seven (7) Board meetings held in 2023.

DATO' CHAN CHOUN SIEN

(ALSO KNOWN AS DATO' CHRISTOPHER CHAN)

Age	Gender	Nationality	Date of Appointment
53	Male	Malaysian	1 April 2021

Dato' Chan Choun Sien, also known as Dato' Christopher Chan, DIMP, 53, a Malaysian, Male, was appointed to the Board on 1 April 2021. He is an Independent Non-Executive Director, and a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

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

Dato' Christopher Chan was a former Managing Director of Investment Banking at CIMB Investment Bank Berhad. He has over 24 years of experience in some of the then largest mergers and acquisitions in Malaysia, IPOs, equity and debt fund raisings, and corporate restructuring exercises, as well as regional private banking in Southeast Asia. He was named as one of the top 10 investment bankers in Asia (ex-Japan) by Brendan Wood International Journal in 2006.

In addition, he is the Deputy Chairman of the Finance and Capital Market Committee of the Associated Chinese Chambers of Commerce and Industry Malaysia.

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

Dato' Christopher Chan attended all the seven (7) Board Meetings held in 2023.

DR. NESADURAI KALANITHI

Age	Gender	Nationality	Date of Appointment
67	Female	Malaysian	1 July 2023

Dr. Nesadurai Kalanithi, 67, a Malaysian, Female, was appointed to the Board on 1 July 2023. She is an Independent Non-Executive Director, and a member of the Audit Committee, the Board Risk Management and Sustainability Committee and the Nominating and Remuneration Committee.

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

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

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

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

Dr. Nesadurai attended all the two (2) Board Meetings held since her appointment in 2023.

CHIA TUANG MOOI

(ALSO KNOWN AS CAROL CHIA)

Age	Gender	Nationality	Date of Appointment
60	Female	Malaysian	1 February 2024

Chia Tuang Mooi, also known as Carol Chia, 60, a Malaysian, Female, was appointed to the Board as an Executive Director and Executive Vice President on 1 February 2024. She joined the Group as a Deputy General Manager in 2014 and was promoted to Head of Group Tax/ Deputy Financial Controller (Senior General Manager grade) in 2020. She acts as a focal point for all group tax matters both in Malaysia and overseas. She has more than 20 years of experience in taxation and is responsible for providing direct and indirect taxes support to all entities in the Group to ensure compliance and to take charge of internal tax policies and provide suggestions to the Group on the tax implications of various corporate decisions. She is also a GST Licensed Tax Agent registered with Ministry of Finance, Malaysia.

Ms. Chia manages the overall tax strategy, vision, and objectives for Group Tax that align with overall business objectives; works closely with the Group's stakeholders on strategic tax planning, audit and compliance matters with respect to taxation; and communicates effectively with the tax authorities to ensure greater levels of effectiveness and engagement.

She was also involved in the Group's annual budgeting exercise and quarterly reporting in the capacity as Deputy Financial Controller.

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

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

Ms. Chia did not attend any Board meetings held in 2023 as she was appointed to the Board on 1 February 2024.

Save as disclosed above, none of the Directors has:

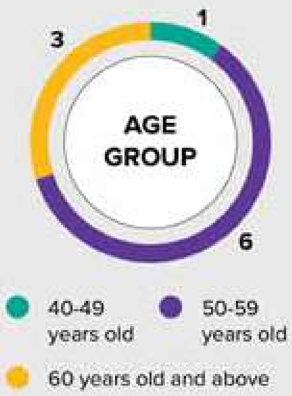
(i) any family relationship with any Director and/or major shareholder of the Company; and
(ii) any conflict of interest in any business arrangement involving the Company.

The above Directors have not been convicted of any offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

PROFILE OF KEY SENIOR MANAGEMENT

Key Senior Management of Tan Chong Motor Holdings Berhad ("TCMH") comprises Dato' Tan Heng Chew – President, Mr. Ho Wai Ming – Group Chief Executive Officer, Ms. Chia Tuang Mooi – Executive Vice President, whose profiles are included in the Profile of Directors on pages 21 and 24 in the Annual Report 2023, and the following Senior Management Personnel:

DIVERSITY



CHONG CHOON YENG

Chief Financial Officer
(w.e.f. 14 May 2020)

Age	Gender	Nationality
52	Male	Malaysian

Qualification:
- The Chartered Institute of Management Accountants
- Malaysian Institute of Accountants

Working Experience:
- Has more than 29 years of experience in the field of financial management practices covering all aspects of accounting and finance, treasury management, tax planning and compliance, corporate restructuring, strategic planning as well as investor relations in various industries with multinational corporations and local public listed companies such as Carlsberg in Malaysia, Hong Leong Industries Berhad, Tropicana Corporation Berhad among others prior to joining the Group.
- Joined as the Chief Financial Officer of the Group on 14 May 2020.
- Appointed as joint Company Secretary of the Company on 16 March 2022.

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

TAN SOON HUAT

also known as James Tan
Head of Financial Services Division
(w.e.f. 1 January 2024)

Age	Gender	Nationality
53	Male	Malaysian

Qualification:
- Bachelor of Science in Economics
- Chartered Financial Analyst

Working Experience:
- Has more than 20 years' experience in financial services having worked in Kuala Lumpur and Singapore at Credit Suisse Securities, J.P. Morgan and Arab Malaysian Securities.
- Joined the Group in May 2016 as Senior General Manager in the President's Office managing Investor Relations and Corporate Planning activities. Assigned additional role as the Head of Financing Services Department in year 2018.
- Promoted to Executive Vice President and Head of Insurance Division in year 2020.
- Current responsibilities include the business operations of the Financial Services and Insurance Divisions, Corporate Planning and Investor Relations.

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

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

PROFILE OF KEY SENIOR MANAGEMENT

CHRISTOPHER TAN KOK LEONG

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

Age	Gender	Nationality
47	Male	Malaysian

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

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

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

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

SAY TECK MING

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

Age	Gender	Nationality
53	Male	Malaysian

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

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

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

YAP BOON WAH

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

Age	Gender	Nationality
53	Male	Malaysian

Qualification:
- Diploma in Technology (Materials Engineering)

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

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

PROFILE OF KEY SENIOR MANAGEMENT

KAY FOCK SOON

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

Age	Gender	Nationality
57	Male	Malaysian

Qualification:
- Executive Master in Business Administration

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

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

TEONG SENG KIANG

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

Age	Gender	Nationality
65	Male	Malaysian

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

Working Experience:
- Has over 41 years of working experience in automotive, manufacturing and audit fields. Last position held prior to joining the Group was General Manager covering Finance, Admin and Procurement of an automotive company.
- Joined the Group in 2006 as General Manager in the Chairman's Office and was transferred to Group Procurement in 2007. Promoted to the position of Director of Group Procurement in 2012. Assigned with additional role in overseeing Group Supply Chain Management and re-designated as Head of Group Procurement and Supply Chain Management Division effective 1 January 2017 and he relinquished this position on 31 December 2019. In the interim period, he was also assigned additional role to oversee Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA") effective 1 January 2018. From 1 January 2020, he was appointed as Chief Operating Officer of TCMA.

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

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

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

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Tan Chong Motor Holdings Berhad ("TCMH" or "Group") is pleased to present our Annual Sustainability Statement for 2023 ("Sustainability Statement" or "Statement"). The purpose of this Sustainability Statement is to communicate TCMH's sustainability initiatives and activities, in particular their progress towards achieving our targets and goals in fostering sustainability within our organisation and outwardly, towards the environment and society.

This Statement provides an overview of the Group's sustainability performance, significant activities, events and changes that took place during the financial year ended 31 December 2023.

The Board of Directors is mindful of its responsibility to ensure transparency and accuracy in reporting and communicating information to our valued stakeholders.

Reporting Period

1 January 2023 to 31 December 2023 ("FYE2023").

Reporting Scope

This Statement includes information covering Economic, Environmental, Social and Governance ("EESG") data from our Malaysian and regional operations (Vietnam, Cambodia, Laos, Myanmar and Thailand).

This Statement excludes reporting on:

1) the Group's dormant and associate companies, and
2) FYE2021 and FYE2022 EESG data

Reporting Framework

This Sustainability Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Sustainability Reporting Guide (3rd Edition) with reference to the Global Reporting Initiatives ("GRI"), where applicable.

TCMH is committed to supporting the goals and initiatives adopted by the United Nations Sustainable Development Goals ("UNSDGs"). In the upcoming years, the Group will be working towards setting performance targets in relation to our common sustainability indicators and a net zero roadmap in addressing climate change-related disclosures that are aligned with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

Feedback

We welcome feedback from our stakeholders on this Sustainability Statement as the comments will help us to improve our sustainability efforts and reporting journey. Please reach out to us at corpcomm@tanchonggroup.com.

A Message From Group Chief Executive Officer

Dear Stakeholders,

We are pleased to present the TCMH's 2023 Sustainability Statement. This Statement aims to provide a comprehensive overview of our commitment to sustainability and its journey within the communities and environment we serve. Therefore, we have adopted the newly introduced Illustrative Sustainability Reporting format issued by Bursa Malaysia in providing an informative statement of TCMH's EESG initiatives to our stakeholders.

In today's rapidly evolving global landscape and pressing climate changes impacting everyone, the significance of sustainable business practices cannot be emphasised enough. At TCMH, we recognise that our actions and decisions made today will shape the society and the world which we will leave for our future generations. Hence, we are dedicated to fostering a sustainable future for generations to come.

As we remain dedicated to our overarching theme of "Driving Resilience", TCMH is steadfast in its commitment to providing long-term value creation to our shareholders. Through innovative technologies, responsible business practices and community engagement initiatives, we aim to inspire positive changes within our industry and community.

In early 2024, we successfully launched the operations of our floating Large-Scale Solar Photovoltaic ("LSSPV") plant in Serendah, Selangor. This initiative aims to significantly propel TCMH's continuous efforts in net zero emissions from its operations. When operating at its full capacity, this solar plant is expected to contribute to a total reduction of 610,221 tonnes of Carbon Dioxide (CO_2) emissions to the atmosphere, which is comparable to removing 132,656 units of cars from the road, or planting of 29,058,175 trees.

TCMH is sustaining our efforts in greening the automotive ecosystem through the retailing of new line-up of electric and energy efficient passenger vehicles. Concurrently, the Group also launched the low carbon emission Euro 5 engines for UD Trucks Quester and Croner in our Commercial Vehicle Division. This is aimed at providing products that meet industry demands, thus bolstering the momentum of eco-friendly automotive initiatives in Malaysia and the region.

On the social front, TCMH continued with its long-term support towards the underprivileged families by providing childcare and education assistance to the children of these families after school hours. This is to promote sound mental and physical health development for these children while reducing the burden of their families on having to deal with the rising cost of living.

This year, TCMH's scholarship and education programme resulted in 71 students graduating from Tan Chong Technical Institute, the educational arm of Tan Chong Education Services Sdn. Bhd.

In 2023, the Group promoted the involvement of our employees in social activities through voluntary participation in community activities and adopting the philosophy of "giving back" to society. Through volunteering, employees interacted with members of the community, fostering relationships and networking helping companies build stronger ties with local organisations and communities. Furthermore, this virtue resonates closely with TCMH's core values that emphasise a positive workplace culture centred on empathy, social consciousness and integrity.

As we look back, it is clear that TCMH's legacy relies on the dedication and perseverance of its employees who faithfully strive to reach new heights and set new milestones for the Group. Hence, in 2023, TCMH revisited its human capital strategy, dedicated its resources in talent development and retention through enhanced employee engagement initiatives aimed at nurturing our employees and fostering teamwork, thus enabling us to deliver superior products and services to our customers.

Moving forward, we shall remain steadfast in our pursuit of sustainability excellence through the implementation of good governance and conducting our business with integrity. We understand that our stakeholders, including shareholders, customers, investors, authorities, regulators, business partners, employees and communities, expect nothing less than the highest standards of ethical conduct and environmental stewardship from us. Therefore, we are committed to transparency, accountability and continuous improvement in all our sustainability endeavours.

With this, we invite you to join us on our journey of "Driving Resilience" towards a more sustainable future. Together, let us drive a meaningful difference and create shared values for all stakeholders.

On behalf of the Board,

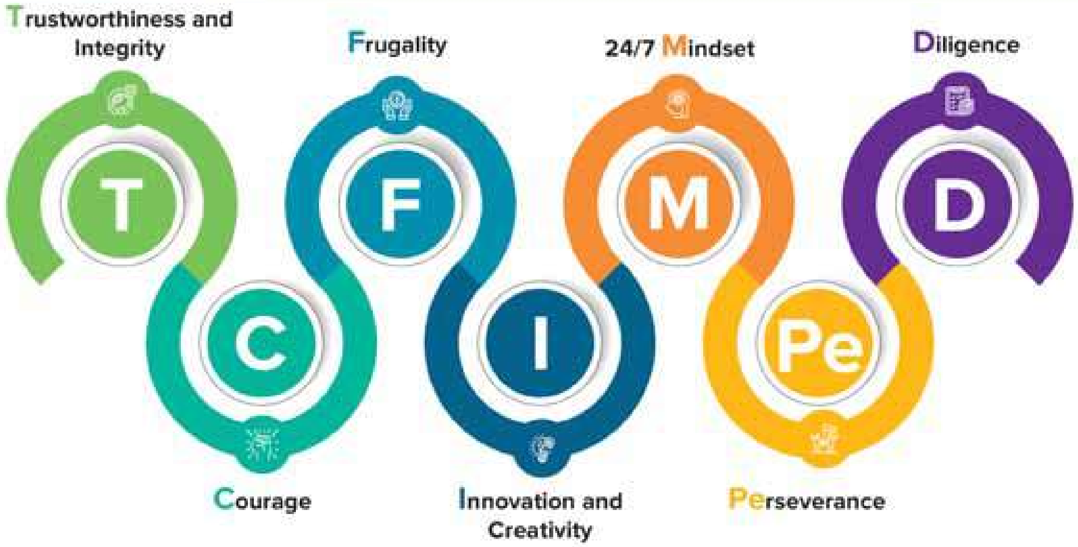
Daniel Ho Wai Ming
Group Chief Executive Officer

OUR APPROACH TO SUSTAINABILITY

The Group regards sustainability as fundamental towards creating long-term value to shareholders and other stakeholders. Ultimately, we accentuate on embracing robust EESG practices, which are aligned to the UNSDGs.

TCMH's Core Values ("TCFIMPeD"), which span across seven (7) focal areas, serve as the foundation of the Group's Sustainability Framework. We remain vigilant in supporting our stakeholders' interests in the greater community we serve.

TCMH's 7 Core Values (TCFIMPeD)



TCMH's 6 Sustainability Material Themes (Driving Resilience)

Long-Term Value Creation
Mapping out Long-Term Strategic Directions in ensuring the long term sustainability of the Group and maximising return on assets through optimal resource allocation.

Innovation and Digitalisation
Technology adoption to improve efficiency, speed and quality in service and product delivery; innovation in enhancing connection with customers.

Governance Responsibilities
To achieve business objectives while maintaining ethical standing and comply with best practices in corporate governance in the eyes of shareholders, regulators and the wider community.

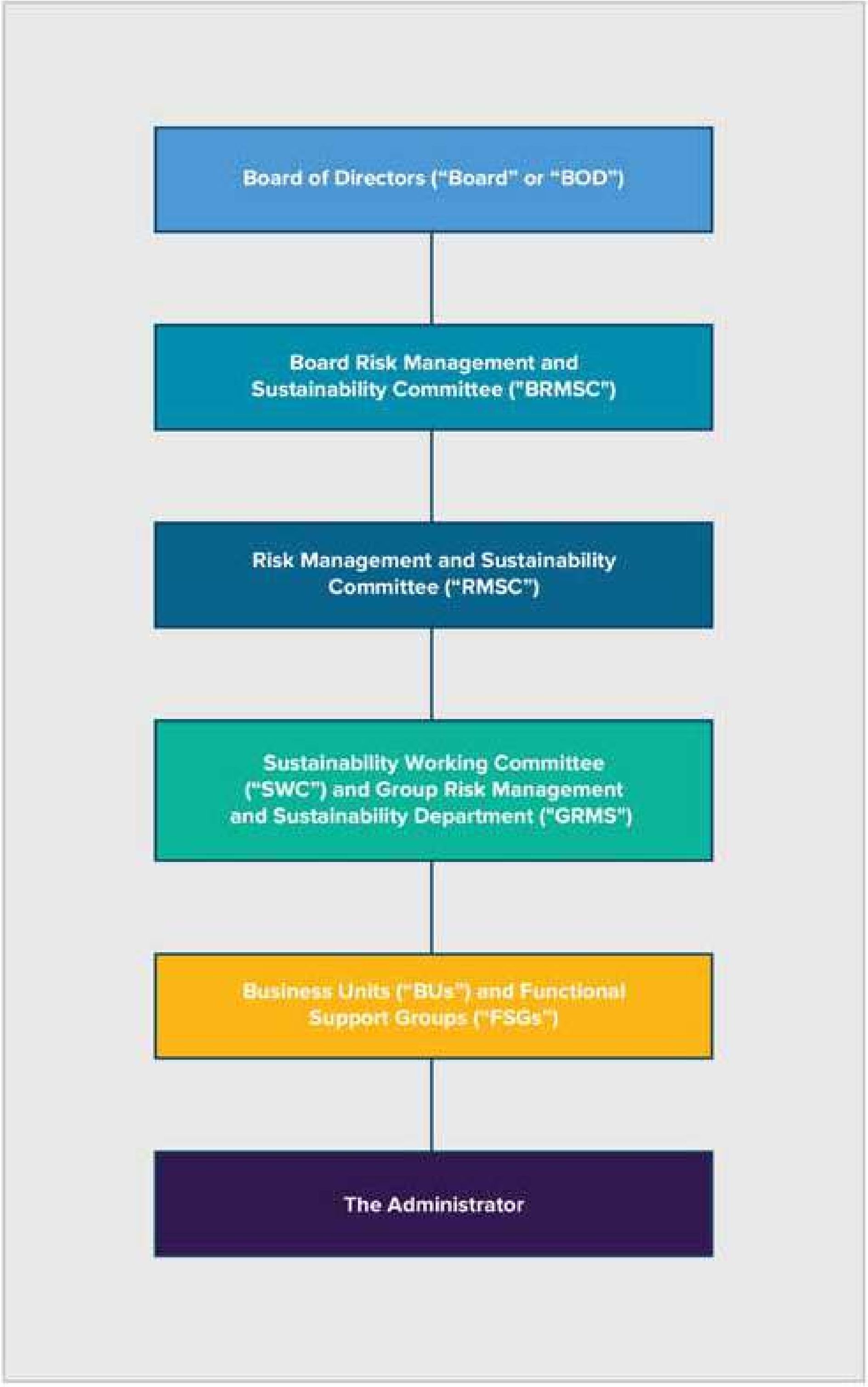
A Green Future
Committed to environmental sustainability matters in every market we operate in.

The Human Connection
Engage with employees and communities for growth and development.

Employees' Safety and Well-Being
To ensure the safety and well-being (physical and mental) of all employees.

The Group's 5-Year Sustainability Framework (FYE2022 to FYE2026) "Driving Resilience" emphasises the integration of sustainable practices at every level of our organisation. Sustainability-related Key Performance Targets and Indicators ("KPIs") have been defined and incorporated according to the directives of the Board and Senior Management to ensure all business units are aligned in achieving the Group's EESG goals.

SUSTAINABILITY GOVERNANCE STRUCTURE



At TCMH, we manage sustainability responsibly with dedication, precise guidance and strategic influence under the Group's leadership, all underpinned by our robust sustainability governance structure. The sustainability governance guides us in the implementation of our sustainability strategy across business operations, goal-setting and reporting processes, thus strengthening our relationship with external stakeholders and upholding overall accountability.

As we progress, we remain agile in making adjustment and modification on the sustainability approaches throughout our business units across all regions to ensure adaptability within the Group.

With this in mind, and in accordance with Bursa Malaysia's Main Market Listing Requirements, we have adopted a progressive approach to our sustainability governance by reviewing and strengthening our governance structure from time to time.

Roles and Responsibilities

Board of Directors

- Ultimately responsible for the oversight of the Group's sustainability journey, including EESG integration and its execution, ensuring accountability and transparency of the Group's ethical and social responsibility footprints.
- Reviews updates on material issues, developments and progress reports on a quarterly basis, so as to monitor achievement of the Group's sustainability targets.

Board Risk Management and Sustainability Committee

- Comprises six (6) Board members entrusted by the Board of Directors with specific terms of reference to assist the latter in overseeing the EESG agenda, including making recommendations of action plans for the Board's consideration.

Risk Management and Sustainability Committee

- Provides strategic direction and support in the development and execution of the Group's sustainability strategies, targets and initiatives as well as regularly reviews the actions and outcomes.
- Drives the Group's sustainability focus areas to ensure alignment with Group's sustainability efforts, review of sustainability policies, issues and monitoring the effectiveness of sustainability plans and Key Performance Indicators ("KPIs").
- Oversight of the implementation of sustainability strategies, coordinates and communicates sustainability initiatives to promote awareness of such initiatives, both internally and externally.
- Drives performance through target setting and measurement of KPIs and engaging with internal and external stakeholders in ensuring effective execution of planned initiatives.
- Reports to the BRMSC, discusses sustainability matters and monitors emerging sustainability trends.

Sustainability Working Committee and Group Risk Management and Sustainability Department

- SWC and GRMS jointly work together as an active taskforce delegated by the Chairman of RMSC to perform the materiality assessment and submit to RMSC and BRMSC for review and BOD for approval.
- Implement sustainability strategies, coordinate and communicate sustainability initiatives to promote awareness of such initiatives, both internally and externally.
- Review the sustainability matters yearly, propose to RMSC for consideration and decision for any changes and need for reassessment of materiality matters.
- Facilitate and guide business units on the directives given by the Chairman of RMSC in relation to sustainability strategies and plans.
- Monthly monitoring of sustainability KPIs and BURSA's common indicators with quarterly reporting to RMSC and BRMSC.

Business Units and Functional Support Groups

- Owners of sustainability initiatives and their implementations.
- Determine and track performance metrics and targets by identifying, assessing and implementing sustainability initiatives and programmes planned.
- Review the effectiveness of relevant policies based on their materiality, including initiatives undertaken.

The Administrator

- Active involvement with BUs and FSGs in gathering and analysing key performance data to ensure meaningful disclosure.
- Entrusted to engage with internal and external stakeholders to elicit feedback to determine sustainability matters that are material to TCMH.

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of its stakeholders and values their feedback in helping TCMH formulate pertinent action plans to address the EESG challenges faced by the Group. These matters can significantly influence stakeholders' decisions regarding the Group. To ensure a meaningful engagement with our stakeholders, TCMH's sustainability-focused stakeholder engagement guidelines help to define the goals of the dialogues, set criteria for identifying and prioritising stakeholders' key concerns and provide an effective framework in carrying out these stakeholder engagement activities.

The following table presents the Group's stakeholders, the most common engagement channels and the frequency of engagement.

Frequency of Engagement Annual Half-yearly Quarterly Continuous As Needed

Key Stakeholder Groups (Internal and External)	Engagement Mechanism			
	Channels of Engagement	Frequency	Stakeholders' Key Interests and Concerns	Our Responses
Investors and Analysts	• Quarterly analysts and fund managers' briefing • Annually and quarterly financial results announcements • Other announcements made to Bursa Malaysia • Investor relations channel • Corporate website • Press release and coverage		• Financial and operational performance • Market and industry insights • Corporate governance approach • Business strategy • Risk management	• Regular updates via communication channels • Ensuring transparent and timely dissemination of information to all
Customers/ Dealers	• Customer satisfaction survey • Customer feedback channel • Customer Care Centre and Customer Service Hotline • Social media and corporate website • Marketing events, roadshows and both physical and virtual showrooms		• Customer satisfaction • Product safety and quality • Service quality • Ethical business practices • Environmental impact	• Ensuring customer satisfaction through high-quality products and services • Sales and marketing campaigns to attract and retain customers • Digitalisation efforts, mobile applications, virtual showroom
Employees	• Trade unions • Staff engagement events and functions • Training programmes • Intranet • Email circular updates • Mid-year and annual performance appraisal		• Career development • Health, safety and well-being • Diversity and inclusivity • Talent development • Employee welfare • Emergency preparedness • Remuneration, benefits and compensation	• Implementing a robust learning and development plan across all areas of the business • Hiring and promotions are based entirely on merit • Occupational Safety and Health Act ("OSHA") policies and procedures
Local Communities and Non-Governmental Organisations	• Social enhancement and environmental conservation programmes • Events/Roadshows • Strategic partnerships		• Enhancing the community's standard of living • Environmental impact • Support for vulnerable groups	• Charitable activities for the needy community • Long-term social partnership with relevant institutions/organisations in driving positive changes in the targeted communities

SUSTAINABILITY STATEMENT

Frequency of Engagement Annual Half-yearly Quarterly Continuous As Needed

Key Stakeholder Groups (Internal and External)	Engagement Mechanism			
	Channels of Engagement	**Frequency**	**Stakeholders' Key Interests and Concerns**	**Our Responses**
Media	• Events and press conferences • Press releases • Corporate advertisements		• Business performance, strategy and direction • New products and services • Strategic business partnership with others	• Timely dissemination of information via various channels such as email circular updates, corporate website, social media platform • Short response time to media enquiries
Principal Partners	• Scheduled engagements such as meetings and teleconferencing • Summit and conference		• Operational and business performance • Supply chain management • Environmental, health and safety • Quality and compliance	• Conduct regular meetings for review of decision-making and updates • Comply with quality standards and environmental, health and safety requirements
Suppliers/ Vendors/ Contractors	• Meetings/Briefings • Pre-qualification assessment • Screening and due diligence • Performance evaluation • Trade exhibitions • Factory/Site visits		• Efficient procurement processes • Transparency in procurement processes • Supplier's Code of Conducts ("SCoC") • Quality and performance management	• Emphasis on provision of transparent procurement processes • Briefing for the suppliers/vendors on the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy • Obtain acknowledgement from suppliers/vendors on their commitment to comply with SCoC and the Group's ABAC Policy • Annual evaluation process
Regulators and Government Bodies	• Meetings • Audits • Association periodical meeting		• License to operate • Automotive industrial related issues • Industry compliance requirements	• Constant engagement with the authorities to share and exchange ideas
Financiers	• Meetings • Annual review • Product launches		• Financial performance • Future outlook	• Timely disclosure of audited financial statements • Forward-looking statements

MATERIALITY ASSESSMENT

The Group is cognisant of the fact that our material issues can directly or indirectly impact our ability to create long-term value for our stakeholders and at the same time, define our business strategy and decision making process. A full scale materiality assessment was conducted in 2022 for both our key internal and external stakeholders to ensure that their interests and concerns were addressed in our business strategies.

While we aim to conduct a comprehensive materiality assessment once every 3 years, we undertake an annual review of the relevance of our previously prioritised economic, environmental, social and governance impacts arising from our day-to-day activities.

FYE2021

- Established a taskforce (which later known as SWC) with guidance from the Group Chief Executive Officer ("GCEO") to undertake the materiality assessment process.
- Developed an in-depth understanding of our operating context through identification of key stakeholder groups (senior level personnel with vast experiences and knowledge) to determine our needs and expectations pertaining to sustainability related matters.
- Derived a list of sustainability matters through 3 phases i.e. identification of sustainability matters; prioritisation of material sustainability matters; and review and validation of materiality assessment processes and outcomes.

FYE2022

- Conducted a full materiality assessment with internal stakeholder (i.e. Board of Directors and Senior Management) and selected key external stakeholder groups (i.e. key customers, suppliers, contractors, bankers, insurers and analysts).
- Aligned material assessment process to Bursa Malaysia's Toolkit on Materiality Assessment Guide.
- Identified 5 key stakeholders and 18 relevant material matters to be prioritsed. The outcome of the process was reviewed by our SWC, RMSC, BRMSC and endorsed by the Board.

FYE2023

- Reviewed 2022 materiality matrix and revisited the list of key stakeholders. This review was conducted through SWC quarterly meeting and discussion sessions with external stakeholders.
- In addition to Bursa Malaysia's Sustainability Reporting Guide and GRI standards, this assessment also look into sustainability data disclosure in accordance with the Illustrative Sustainability Reporting format.

This year, through our limited-scale materiality review, we aligned all 18 material matters with TCMH's strategic priorities and stakeholders' expectations. These were also benchmarked against our local and regional peers, as well as mapped against emerging risks and relevant frameworks which were mentioned in the Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), in particular referring to GRI standards.

Whilst the material matters remained the same, the Group has heightened its focus on addressing "Climate Change" and "Human Rights" to ensure adequate emphasis is placed on these matters, which are significant to the Group, the environment and society as a whole.

The material matters were derived at after series of engagement sessions with external stakeholders on these topics and through the materiality review exercise which reflected an increased interest in our environmental footprint and carbon management strategy as well as the protection of human rights throughout the value chain. A taskforce has been established to jointly evaluate and analyse the Greenhouse Gas ("GHG") emissions on Scope 1, 2 and 3 in order to address TCMH's carbon footprint in 2023.

Our Materiality Assessment Approach

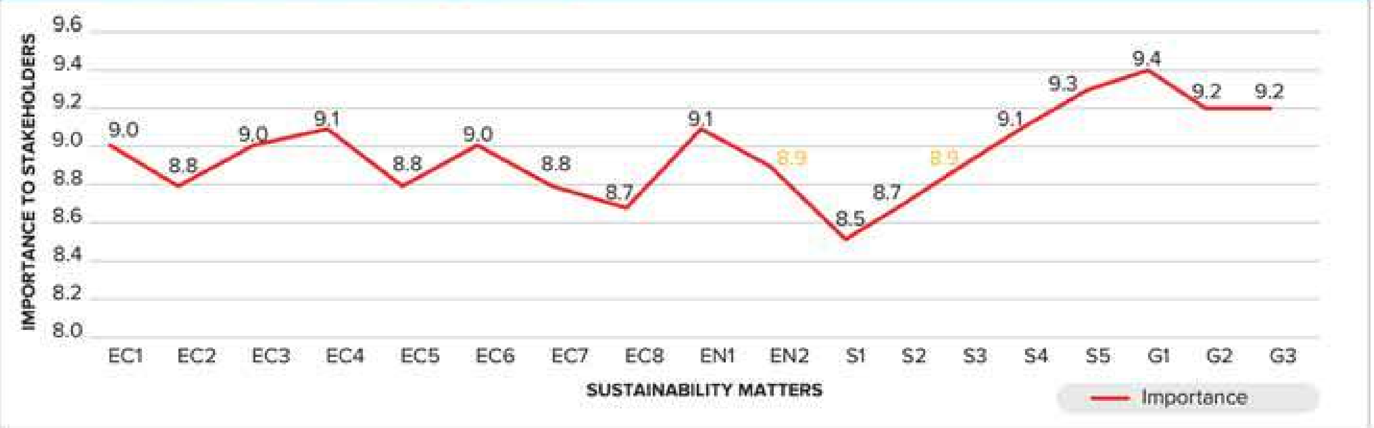
Phase 1
Evaluating the current business environment and reporting landscape. Identifying current EESG issues that we can help to manage and mitigate.

Phase 2
Prioritisation of the material issues via materiality assessment (engaging internal and external stakeholders).

Phase 3
Validation, review and endorsement of the identified issues by RMSC, BRMSC and the Board of Directors.

Our revised Materiality Matrix determined the material matters which form the basis of this Statement, while the respective indicators facilitate the measurement of our sustainability performance. This is further discussed in the Risks and Opportunities section in this Statement from pages 38 to 40.

TCMH's Materiality Matrix - FYE2022 to FYE2024



ECONOMIC

- **EC1** - Financial Stability and Revenue Growth
- **EC2** - Optimum Assets Utilisation and Capital Allocation
- **EC3** - Sustainable Productivity
- **EC4** - Succession Planning and Bench Strength
- **EC5** - Convenient After-Sales Service
- **EC6** - Customer Outreach
- **EC7** - Automation and Digitalisation
- **EC8** - Innovation and Value-Added Services

ENVIRONMENTAL

- **EN1** - Environmental Compliance and Regulation
- **EN2** - Emissions, Waste and Effluent Management

SOCIAL

- **S1** - Community Engagement and Empowerment
- **S2** - Diversity and Inclusiveness
- **S3** - Human Rights
- **S4** - Talent Development and Retention
- **S5** - Employees' Safety and Well-Being

GOVERNANCE

- **G1** - Information Security
- **G2** - Good Corporate Governance
- **G3** - Supply Chain Management

Our focus on importance of sustainability matters is based on the weighted average of ratings obtained from the internal and external stakeholder engagements, ranging from 8.5 (least important) to 9.4 (most important) covering all four (4) pillars of EESG. Based on feedback gathered from stakeholders, the Group has categorised the priority into 3 levels, which are elaborated below:

LEVEL 1

Strong emphasis and focus on the materiality approach to closely align with the Group's Enterprise Risk Management and business strategy, aiming to attain desired outcomes for all stakeholders.

LEVEL 2

Close monitoring and continuous efforts are deployed to drive process improvement towards achieving the desired results. Demonstrate a proactive approach to risk management, climate action, social and governance issues and long-term strategy.

LEVEL 3

Develop a long-term plan and prioritise to address every conceivable EESG issue and managing the impacts through risk mitigation and maximising opportunities.

Level	Ranking by Importance	Material Matters	Description
1	**G1 (9.4)**	Information Security	Protection of all data, information and intellectual property against cybersecurity breaches.
1	**S5 (9.3)**	Employees' Safety and Well-Being	Providing for the health, safety and well-being of our employees in ways that address key challenges and bring positive development to their livelihood in the workplace. It covers all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work and their workplace environment.
1	**G2 (9.2)**	Good Corporate Governance	Upholding good corporate governance practices.
1	**G3 (9.2)**	Supply Chain Management	Consideration of EESG factors across supply chain management and processes.
1	**EN2* (8.9)**	Emissions, Waste and Effluent Management	Aspiring towards the circular economy within our operations, supply chain waste management and reducing CO_2 footprint.
1	**S3* (8.9)**	Human Rights	Adherence to human rights standards across all operations.
2	**EN1 (9.1)**	Environmental Compliance and Regulation	Manage of evolving changes in the regulatory landscape and ensure compliance with all environmental laws and regulations.
2	**EC4 (9.1)**	Succession Planning and Bench Strength	Building a robust workforce by strategically developing the next generation of managers. Building talent pool to drive business sustainability.
2	**S4 (9.1)**	Talent Development and Retention	Promote the development of employees' competencies to respond to the rapidly changing and complex business environment.
2	**EC1 (9.0)**	Financial Stability and Revenue Growth	Continuously map out long-term strategic directions of the Group in ensuring its financial sustainability and navigate the highly disruptive era.
2	**EC3 (9.0)**	Sustainable Productivity	Driving productivity improvement while creating new job opportunities.
2	**EC6 (9.0)**	Customer Outreach	Fostering good relationships with customers by delivering high standards of interaction.

Level	Ranking by Importance	Material Matters	Description
3	EC5 (8.8)	Convenient After-Sales Service	Prioritising convenience and ease of after-sales service provided to customers.
3	EC2 (8.8)	Optimum Assets Utilisation and Capital Allocation	Optimising assets utilisation and capital allocation to ensure a better Return On Assets ("ROA") employed.
3	EC7 (8.8)	Automation and Digitalisation	Technological innovation to enhance key internal business functions, improve process efficiency and effectiveness, and promote innovation and business continuity.
3	S2 (8.7)	Diversity and Inclusiveness	Zero tolerance on all forms of discrimination, championing a diverse and inclusive working culture.
3	EC8 (8.7)	Innovation and Value-Added Services	Responding to the need to innovate to meet market needs and provide value-added services to the customers.
3	S1 (8.5)	Community Engagement and Empowerment	Financial and non-financial contributions to support local communities, underprivileged and underserved groups.

Note:

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

RISKS AND OPPORTUNITIES

TCMH aligns our risk management process with the ISO 31000:2018 Risk Management Guidelines to build readiness and resilience through the identification and management of actual and potential risks encountered by our organisation. Our Enterprise Risk Management ("ERM") framework streamlines sustainability and environmental risks, such as climate-related risks, alongside with the Group's risk appetite. This integration occurs through regular reviews and monitoring by the designated risk owners, the GRMS department and SWC. The outcome is further deliberated by RMSC and BRMSC.

This section represents a comprehensive alignment of our material matters with the identified risks and opportunities, as well as our strategic initiatives in value creation for our stakeholders.

Material Matters	Risks	Opportunities
Economic – Long-Term Value Creation		
Financial Stability and Revenue Growth	Under-performing financial results may lead to disruptions in achieving and sustaining the Group's business goals, challenges in securing new financing and perceived lack of optimum investment return to attract interest from stakeholders.	Continuously map out the long-term strategic directions of the Group in ensuring its financial sustainability and navigating through these challenges, enabling the Group to attract investors and drive long-term return growth for all stakeholders.
Optimum Assets Utilisation and Capital Allocation	Non-optimum assets utilisation and capital allocation can result in a lower return on equity, loss of business opportunities and stagnation in growth.	Optimisation of assets utilisation and capital allocation can achieve a better ROA and maximise shareholders' values.
Sustainable Productivity	Unsustainable productivity may cause inefficient workflow and loss of talents.	Fostering sustainable productivity increases employee ownership and accountability, thus creating a more productive and competitive organisation. This can also promote employee engagement and retention.
Succession Planning and Bench Strength	Lack of succession planning may cause business disruption in the event of departure of key personnel from the company without suitable replacements.	Succession planning drives business sustainability by building internal talent pool through various leadership development programmes. Protect the Group by ensuring smooth operation and minimising interruption.

Material Matters	Risks	Opportunities
Economic – Innovation and Digitalisation		
Convenient After-Sales Service	Failure to satisfy customers may result in negative impacts on revenue and reputation.	The digitalisation of after-sales service minimise the hassle in process requirements and boost customers' satisfaction.
Customer Outreach	Ineffective method/approach of customer outreach may result in limited sales coverage and loss of business opportunities.	Excellent customer outreach may generate more revenue as the business grows by engaging potential, active and passive customers.
Automation and Digitalisation	Delay in automation and digitalisation will result in operational inefficiency, higher operation costs, loss of opportunities to grow, and difficulties in attracting new and younger talents.	Implementing automation and digitalisation has the potential to boost operational efficiency, minimise manual labour, and elevate the quality of products and services while managing overall operating costs to an optimal level.
Innovation and Value-Added Services	Lack of innovation in business can cause loss of productivity, poor customer engagement and decline in profits.	Implementing innovation and value-added services can enhance the Group's competitive advantage and brand image. In return, it will boost customers' and stakeholders' experiences and satisfaction.
Environmental – A Green Future		
Environmental Compliance and Regulation	Any violation to environmental regulations will result in penalties, financial loss, reputational damage, and loss of confidence from stakeholders.	Environmental compliance enables business to embrace more sustainable practices that lead to improved operational efficiency, lower costs, minimal waste and enhance corporate image.
Emissions, Waste and Effluent Management	Failure in emissions, waste and effluent management may result in adverse impacts to the environment and society.	Effective emissions, waste and effluent management can reduce operating expenses related to waste disposal, treating effluents and penalties, and reduce environmental impacts.
Social – The Human Connection		
Community Engagement and Empowerment	Negative impacts from our business operations on local communities will affect the Group's reputation.	Effective community engagement programmes nurture our relationship with local communities and enhance the Group's reputation.
Diversity and Inclusiveness	Discriminatory employment practices may incur complaints from stakeholders (e.g. employees, authorities, trade unions) and tarnish the Group's image.	A diverse and inclusive work culture attracts talents and cultivates fresh perspectives that improves decision-making. A diverse and inclusive workplace can create good value and drive sustainable growth.
Human Rights	Non-compliance to human rights requirements leads to regulatory penalties, reputational damage and financial loss.	Upholding human rights commitments can strengthen the Group's reputation and improve employee retention rate.
Talent Development and Retention	Lack of talent development restricts employees' capability to achieve business goals and market demands. Inadequate professional development programmes may result in employees' poor performance and productivity.	Talent development can enhance talent retention and growth. Employees who receive professional development can strengthen the Group's ability to adapt to future challenges and market fluctuations.

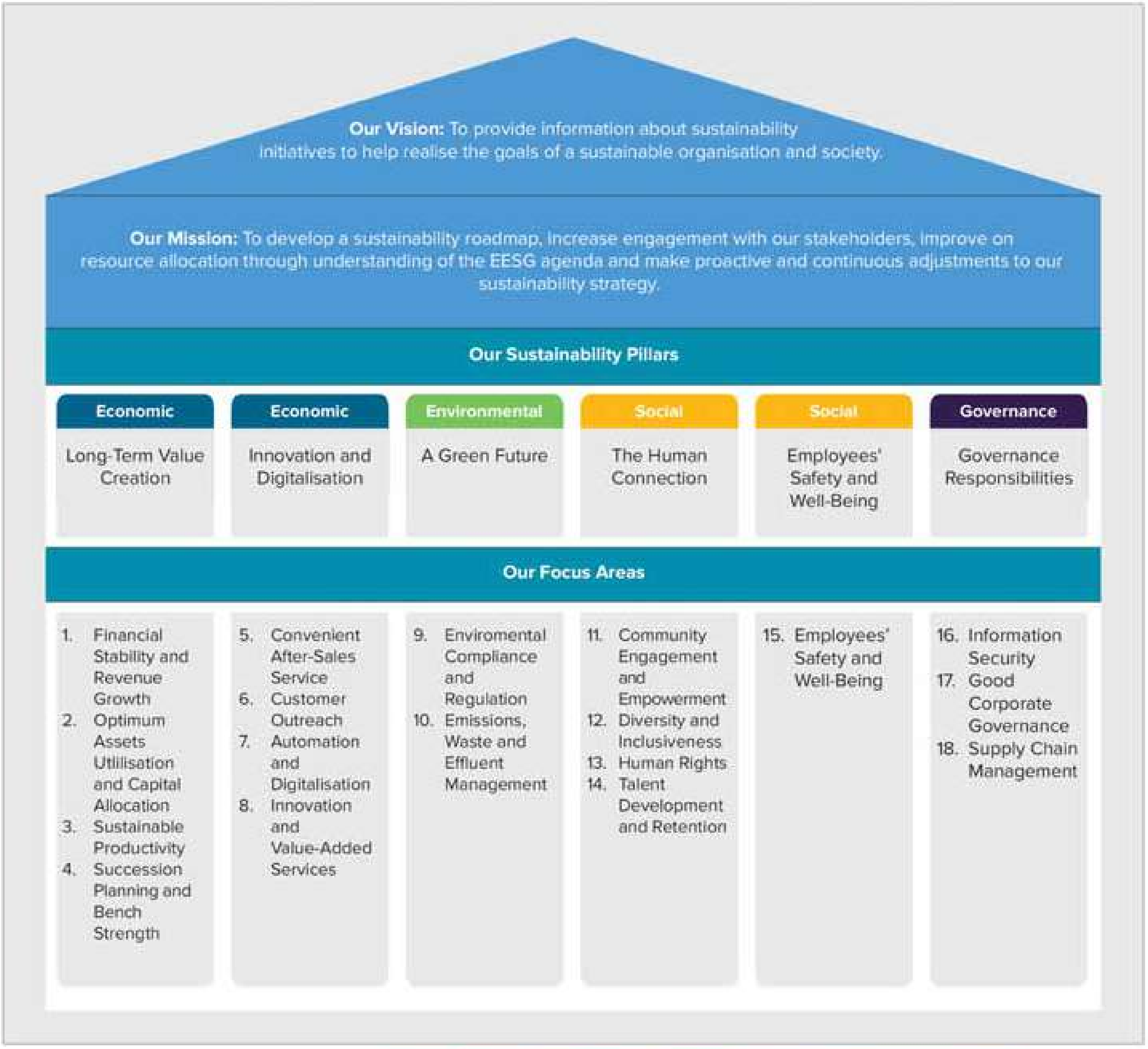
Material Matters	Risks	Opportunities
Social – Employees' Safety and Well-Being		
Employees' Safety and Well-Being	Poor health and safety practices lead to potential health hazards at workplace, employee inefficiencies and lower productivity of the Group.	Cultivating employees' awareness towards safety and well-being can boost workforce productivity and performance.
Governance – Governance Responsibilities		
Information Security	Inadequate implementation of IT governance procedures may cause the business to be vulnerable to cybersecurity breaches, loss of customer trust and reputational harm.	Robust and effective IT governance system and procedures can minimise cybersecurity threats, better data protection and business continuity.
Good Corporate Governance	Weak corporate governance practices may result in regulatory non-compliance and loss of confidence from stakeholders.	Uphold transparency, accountability and sound governance practices within the Group to ensure successful management of the businesses in achieving long-term business value and driving growth.
Supply Chain Management	Irresponsible practices throughout the supply chain can increase operational costs and cause operational disruptions.	Sustainable procurement can leverage on cost reduction, comply with environmental regulations, as well as being socially responsible. Sustainable supply chain practices ensure sustainable business growth.

SUSTAINABILITY FRAMEWORK

Our Purpose Statement

We strive to create long-term value for our stakeholders and hence, embarking on a journey to create long-term financial and operational sustainability, based on the theme of "Driving Resilience".

”Driving Resilience” is aligned with our business strategy and guided by the Group’s core values where we defined our sustainability vision and mission. Through this framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively towards the local communities where we operate in. Our focus areas in these six (6) EESG robust thematic pillars are:



In alignment to these UNSDGs:

We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have established targets to empower us to accelerate and monitor our sustainability performance and continuously improve towards achieving these targets.

OUR PERFORMANCE SCORECARD

Legend: Progress Tracking

Targets achievement: > 90%	Target achievement: 50% to 90%	Target achievement: < 50%

Material Matters	Indicator/ Target	Target	Current progress against targets
G1 Information Security	Cybersecurity awareness	100% of employees (identified as computer users)	100% (5,466 employees attended the cybersecurity awareness training)
	Incident management on successful cyber-attack	Zero successful attack impacting the business	1 case reported on a successful attack with no impact
S5 Employees' Safety and Well-Being	Training programmes on health awareness	At least 12 programmes	Conducted 14 health awareness programmes
	Training programmes on financial literacy	At least 6 programmes	Conducted 7 financial literacy programmes
	Severity Rate	15% reduction in severity rate from previous year	Achieved 20% reduction in severity rate in 2023
G2 Good Corporate Governance	Code of Business Conduct and Ethics ("CBCE")	100% acknowledgement by staff	Achieved 100% acknowledgement by staff
	Briefing to 3rd Party on Anti-Bribery Anti-Corruption ("ABAC") Policy requirements and endorsement on the Vendor Integrity Undertaking ("VIU")	100% attendance and endorsement by 3rd Party/Vendors	93% of 3rd Party/Vendors have attended the ABAC briefing and acknowledged the VIU
G3 Supply Chain Management	Supplier Performance Evaluation	100% completion of performance evaluation of at least 20 key suppliers	Evaluated more than 20 key suppliers
EN2 Emissions, Waste and Effluent Management	Solar energy harnessed	Solar power generation of 1,141,380 kWh	Total of 1,091,668 kWh solar energy harnessed
	Total waste generated and recycled	Total waste diverted from disposal ≥ 95%	Total waste diverted from disposal: 95% Total waste directed to disposal: 5%
S3 Human Rights	Number of substantiated complaints concerning human rights violations	Zero case	Zero case substantiated complaints concerning human rights violations

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ANTI-CORRUPTION

Related UNSDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Why is this important

The Group is aligned with stakeholders to contribute and achieve defined strategic goals and objectives through ethical business conduct and quality management system. This is crucial for TCMH to protect the interest of our businesses and stakeholders while upholding integrity and reinforcing their confidence in us. Therefore, we strive to meet objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness in risk management and governance processes administered by Management. We uphold the responsibility to prevent corruption and bribery in all forms.

OUR APPROACH/STRATEGY

Anti-Corruption Awareness Programme on Policies and Procedures

The Group adopts Principle V of the Guidelines on Adequate Procedures enunciated by the Government pursuant to Section 17A(5) of the MACC Act 2009, which focuses on Training and Communication. This Principle entails, amongst others, dissemination of the Anti-Corruption Policy, relevant codes, policies and regulations through training and other forms of communication. Henceforth, as part of our continuous efforts and commitment to uphold and maintain a zero tolerance towards bribery and corruption, training sessions to all employees have been carried out mandatorily so as to communicate and create awareness on the Group's ABAC Policy, Special Complaint Policy ("SCP") which is our whistleblowing policy, as well as Fraud Prevention Policy ("FPP"). The Group has also provided a secured platform for reporting.

The frequency of training sessions is set on an annual basis or on such frequency as shall be determined by the Group Integrity Officer (in consultation with the Governing Committee). Our communications are conducted through e-Learning (videos and recordings) with required post assessment test, e-poster on computers and scheduled email circular updates. Additionally, ABAC clauses are incorporated in our legal documents as part of communication and request for conformance prior to engagement.

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

Our CBCE emphasises acceptable ethical standards which the Group upholds in all its decision making for all its business units, both locally and internationally.

In 2023, 100% of our workforce completed and acknowledged the annual mandatory CBCE refresher training. The training materials are available on the Group's in-house Learning Management System ("LMS").

Assessment on Corruption-Related Risks

In August 2020, the Group established a Corruption Risk Assessment Framework to provide guidance to all business units in evaluating their existing processes for potential and significant corruption risks. Operational business units have since implemented the framework, conducted assessments to identify corruption risks and taken steps to address any potential corruption risks. Each risk is evaluated in terms of its impact on organisational performance, goals and reputation, with an analysis of its underlying causes to implement corrective actions aimed at minimising or eliminating these risks.

In 2023, the GRMS team has conducted training on this framework to enable the business units and risk champions to review and receive updates on the corruption risk assessment process, enabling sound understanding and effective execution. Apart from this training, all business units were required to conduct mandatory annual reassessments of their risks, considering any changes in their organisation's processes or new developments. A written assurance is required from the respective business units to confirm compliance with corruption risk management and to closely monitor any potential risks exposure.

To ensure continuous monitoring and review of risk exposures, a Key Risk Indicator ("KRI") was set with predefined thresholds to monitor movements in risk exposure. This enables prompt attention and action to be taken to address the risk and escalate to the top management for immediate attention and action.

In 2023, all the 68 active business units performed their corruption risk assessment, with monthly monitoring of their KRI(s). The status of the KRIs was reported to RMSC and BRMSC on a quarterly basis.

There was no incident reported (substantiated and investigated) on corruption in 2023.

Anti-Bribery Awareness Programme and Risk-Based Due Diligence on Corruption Risk for Key Suppliers and Contractors

The Group is committed to winning business awards based on merit, capability and fairness. We strive to be a responsible and relevant driver of positive change within the communities and societies where we operate in. As part of this commitment, combating and preventing corruption is a high priority to ensure credibility and avoid leakages at all levels within the Group.

In 2023, the GIO carried out awareness programme for our key suppliers and vendors with regard to our ABAC Policy as well as our whistleblowing mechanism. The main objective of this programme was to raise awareness and build partnership with our vendors to fight against corruption and bribery in all forms. This year, we have achieved 93% participation from our key suppliers and contractors. Moving forward, we will continue with this programme to encourage more participation from our business partners to jointly fight against corruption and bribery.

Additionally, the Group had also formalised the Risk-Based Anti-Corruption Due Diligence Guidelines in December 2020. The guidelines were designed to help our business units conduct risk-based due diligence on both existing and newly on-boarded business partners within their supply chain. The guidelines provide a process for information to be collected, analysed and stored, including ownership of the operational processes, integrity, anti-corruption standards and any significant bribery and corruption risks. This exercise empowers business units to determine the risk treatment and take appropriate actions to mitigate those risks as to acceptable levels.

OUR PERFORMANCE/VALUE CREATED

In 2023, all employees have participated in the anti-corruption e-training and taken the assessment test at the end of the training session to ensure the content of the training was well understood. This training is mandated and required to be completed by all employees annually.

BURSA's Common Indicator C1(a)		
Measurement Metric	**2023**	**Target for 2023**
Percentage of employees who have received training on anti-corruption by employee category		100% of employees attended the training on anti-corruption
Management	100%	100%
Executive	99.99%	100%
Non-Executive/Technical Staff	100%	100%
General Workers	100%	100%

All existing and new joiners of the Group are required to complete the awareness e-training of CBCE and the assessment test to ensure the content of the training was well understood. This training is mandated and required to be completed by all employees annually.

Indicator: Yearly Training on CBCE		
Measurement Metric	**2023**	**Target for 2023**
Yearly training on CBCE attended by employees	100%	100% attendance by all employees

In 2023, GRMS team facilitated assessments or reassessments of corruption risk profiles for a total of 68 active business units. They ensured that all identified risks were diligently monitored on a monthly basis and reported quarterly to RMSC and BRMSC.

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

This year there was no case reported on incident of corruption across all business units of the Group.

BURSA's Common Indicator C1(c)		
Measurement Metric	**2023**	**Target for 2023**
Number of confirmed incidents of corruption and action taken (substantiated and investigated)	Zero	Zero incident

The inaugural awareness programme by GIO in 2023 recorded a 93% participation from our vendors.

Indicator: 3rd Party Awareness on ABAC		
Measurement Metric	**2023**	**Target for 2023**
Percentage of 3rd party participated in ABAC briefing and acknowledgement on VIU	93%	100% of 3rd Party (Vendors/Contractors) attended briefing and endorsement on VIU

COMMUNITY/SOCIETY

Related UNSDGs:

Why is this important

Community and society work has always been an integral part of TCMH. The Group's active engagement in community and societal initiatives has demonstrated a commitment to broader social responsibility.

Through community projects, charitable initiatives and sustainable development programmes, TCMH strongly believes that the Group can make a tangible impact on issues ranging from education and well-being of the community to environmental conservation and economic empowerment.

Additionally, community and societal work which involves employee participations enhances employee morale, attracts top talent and differentiates the organisation as a socially conscious entity in the marketplace.

OUR APPROACH/STRATEGY

The Group places emphasis on nurturing the next generation and enhancing the quality of life for surrounding communities by ensuring equitable access to education and empowering disadvantaged individuals. This is carried out via various corporate social responsibility ("CSR") projects such as childcare centre programme, scholarship and other philanthropic initiatives.

Providing Education Needs

TCMH's Childcare Centre Programme

The welfare of children has always been the focus for the Group and 2023 marked the 10th, 12th and 15th consecutive year of our childcare centre programme at Persatuan Kebajikan Kanak-Kanak Kajang, SJK (C) Sungai Way and SJK (C) Sungai Chua respectively, signifying the Group's longest-running CSR projects.

This programme aims to provide a safe after-school sanctuary for children of single parent/guardian or those from B40 families (the bottom 40% of national households with the lowest income), specifically catering to those with working parent(s). It offers meals, tuition, and counselling.

The centres serve as a platform for these children to have the opportunities to improve their academic performance and additionally, participate in enrichment classes curated for their mental and physical well-being such as drawing, dancing, music, badminton and more.

Scholarships and Job Opportunities

In alignment with the UNSDGs for Goals 4 and 8, which advocates for Quality Education and Decent Work and Economic Growth respectively, the Group launched its scholarship initiative at the end of 2022. This programme was aimed at assisting teenagers from B40 households to advance their skills in automotive mechanics through courses offered by Tan Chong Education Services Sdn. Bhd. ("Tan Chong Education").

In 2023, the Group provided five scholarships specifically for the Sijil Kemahiran Malaysia ("SKM") Curriculum of Competency Unit ("CoCU") Level 2 automotive certification. These scholarships were awarded to students who have recently completed their studies in early 2024. These students now have the option to either pursue employment within the Group or to continue their education towards SKM CoCU Level 3 and Diploma Kemahiran Malaysia ("DKM") Level 4, which is on par with a Diploma qualification.

Tan Chong Education, serving as an educational service provider, delivers extensive training programmes in the automotive sector, designed particularly for school leavers. In 2023, a total of 60 students achieved their SKM CoCU Level 2 certification, with 40% being absorbed into the workforce by the Group, and 22% chose to advance their studies. In addition, 17 students sponsored by the Majlis Agama Islam Wilayah Persekutuan ("MAIWP") completed their Level 3 automotive certification. Within the various business divisions of TCMH, 34% of the graduates from Tan Chong Education's 2023 class have found employment, exemplifying the Group's commitment to fostering job opportunities and contributing to society's progress.

Indicator: Conversion Of Graduates From TC Education To Full Time Employment		
Measurement Metric	**2023**	**Target for 2023**
Conversion of graduates from Tan Chong Education to full-time employment in TCMH	34%	40% absorbed into Tan Chong Group of Companies yearly

Empowerment of B40 Women

Collaboration with Komuniti Tukang Jahit ("KTJ") in Sustainable Gifting Ideas

In 2023, the Group collaborated with KTJ, a charitable establishment that empowers B40 women of Malaysia to achieve financial independence, to produce a mooncake packaging for the Mid Autumn Festival. Employees who purchased the mooncakes gift from Tan Chong Trading (Malaysia) Sdn. Bhd. ("TCT") were presented with this limited edition 100% hand-sewn jute bags with a batek twill.

This initiative was mooted by the Group to support the vulnerable group, especially low income families by providing them an opportunity to generate income while utilising eco-friendly resources for the production of the bags. A total of 400 orders were received from our employees, who were also inspired by the idea of giving back to society. This initiative benefitted 10 women, including some who are single mothers.

Promoting Employee Volunteerism

Supporting Selangor and Federal Territory Association for The Mentally Handicapped ("SAMH") Food & Fun Fair

To further cultivate the virtue of caring for others, TCMH promoted employee volunteerism in its CSR programmes. This serves to educate and encourage employees to volunteer their time and energy for the betterment of the environment and society.

In 2023, the Group extended support to the Food & Fun Fair organised by SAMH. Apart from offering financial assistance, our employees collaborated with the organiser in overseeing activity stalls, contributing daily necessities for the Jumble Sale and purchasing tickets for the carnival. This partnership showcased our commitment to fostering a positive community impact and reinforced our belief in the transformative potential of collective endeavours to breathe significant changes in the community.

Road Safety Awareness Programme

In December 2023, employees of UD Trucks Corporation's hub in Malaysia and Tan Chong Industrial Equipment Sdn. Bhd. ("TCIE") have recently held a year-end CSR event for the children of Shelter Home For Children ("SHFC") Petaling Jaya, Selangor. The half-day event was filled with a variety of experiential activities including a 'get-to-know-a-truck' road safety awareness, a live virtual tour of Singapore Zoo and a pen-pal programme with children from orphanages in the Philippines and Japan, where similar CSR events were also simultaneously held by UD Trucks' staff in the region. The CSR initiative reflects UD Trucks' corporate purpose of creating better life for the people.

At this event, an actual UD Quester heavy-duty truck was brought in by TCIE to provide these children a hands-on experience and to help them understand the risks and safety precautions when dealing with trucks. The children's interests were piqued throughout the activity which began with basic explanations about the truck's chassis anatomy and the features inside the driver's cab. The children were brought around the truck so that they could experience blind spot education at the rear, front and side of the vehicle.

Giving Back to the Society

Care for Rumah Warga Emas National Council of Senior Citizens Organisations Malaysia ("RWEN")

TCMH contributed essential groceries to RWEN, a welfare organisation located at Program Perumahan Rakyat Semarak, Setapak. RWEN Setapak is a self-managed home for senior citizens set up by the National Council of Senior Citizens Organisations Malaysia ("NACSCOM") and managed by a committee with a resident supervisor appointed by NACSCOM. The home currently houses 15 residents with most of them physically challenged.

During the visit, the employees spent time chatting with the elderly and listening to their sharing of life experiences. The visit was part of the Group's ongoing efforts to give back to the community and make a positive impact on the lives of those in need.

Collaboration with GR Natural Enterprise (Jammy Tummy) in Christmas Cookies for Tan Chong Group's Employees

TCT collaborated with Jammy Tummy in producing a range of affordable and naturally delightful baked cookies for the Group's employees during the Christmas season of 2023. The cookies were opened for sale to all employees who were looking for a gift set for their families, or simply craving for some delicious treats in the festive season.

Jammy Tummy works together with individuals who have received specialised training in autism to produce a wide range of baked goods for the community. This distinctive partnership contributes to the empowerment and inclusion of individuals with autism in a meaningful endeavour, fostering a more inclusive and supportive society.

Blood Donation Drive at Edaran Tan Chong Motor – Vehicle Distribution Centre ("VDC") in Serendah

TCMH's VDC at Serendah, Malaysia continued with its annual Blood Donation Programme and completed two rounds of blood donation event in 2023. In June 2023, 85% of participants who signed up for the blood donation successfully donated blood, and in November 2023, an exceptional record of 93% successful donors was attained.

This initiative began in 2019, and up to now, VDC has conducted a total of 8 blood donation campaigns at its premises. Over the past three years, VDC has also extended this campaign to its neighbouring factories and plants.

OUR PERFORMANCE/VALUE CREATED

2023 CSR Activities at a Glance

ITEM/ACTIVITY	AMOUNT (RM)	BENEFICIARIES
TCMH Childcare Programme 2023 - providing a safe and supervised environment for children after school hours	169,937	72
Tan Chong Education offered scholarship to B40 students in pursuing automotive skills training programme	78,025	5
UD Trucks Hub Malaysia and TCIE carried out a CSR event for SHFC on road safety awareness programme and other activities	NIL (volunteerism)	35
TCMH supported SAMH Food & Fun Fair 2023 through staff volunteering, coupons purchases and donations	8,200	194
TCT collaborated with Jammy Tummy in selling Christmas cookies to Tan Chong's employees	1,266	5
TCMH contributed essential groceries to Rumah Warga Emas NACSCOM	1,312	15
Tan Chong Group collaborated with KTJ in introducing a limited edition of environmentally friendly mooncake packaging, demonstrating shared dedication towards sustainability and community development	3,663	10
Blood donation at VDC	NIL (Volunteerism)	1 (National Blood Centre)

BURSA's Common Indicator C2(a)		
Measurement Metric	**2023**	**Target for 2023**
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM262,403	Nil

BURSA's Common Indicator C2(b)		
Measurement Metric	**2023**	**Target for 2023**
Total number of beneficiaries of the investment in communities	337	Nil

SUSTAINABILITY STATEMENT

2023 marked the 15th consecutive year of the Group's childcare centre programme at SJK (C) Sungai Chua.

Tan Chong Education offers hands-on automotive learning experience.

A collaboration with KTJ to produce a limited edition sustainable mooncake packaging.

Volunteers supported SAMH's games and gift booths to attract the children's participations.

UD Trucks and TCIE hosted the road safety awareness event for SHFC.

The residents from Rumah Warga Emas NACSCOM gratefully received the contribution from TCMH.

DIVERSITY

Related UNSDGs:

Why is this important

Diversity and inclusion can bring many benefits to the Group such as higher performance, greater innovation, and a more positive environment for both employees and customers. It is important to maintain a diverse and inclusive working environment as this impacts upon employees well-being and improves job retention within the organisation.

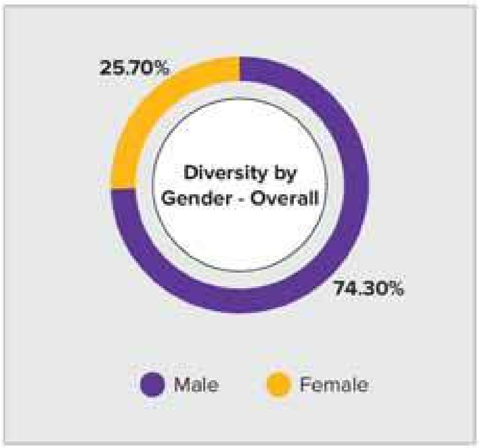
OUR APPROACH/STRATEGY

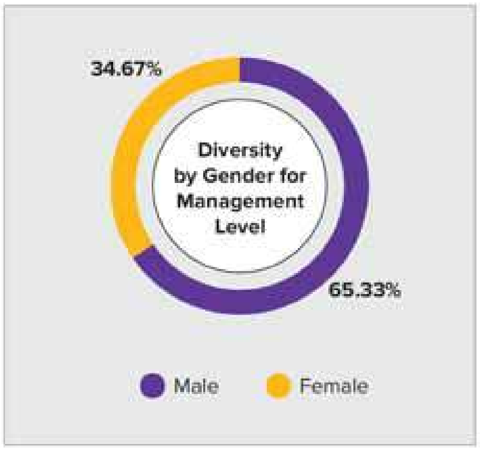
TCMH upholds fair and equitable employment practices, fostering a diverse workforce inclusive of gender, ethnicity, age and other factors. The organisation is committed to achieving full and productive employment, providing decent work opportunities for all individuals, including young people and those with disabilities, and ensuring equal pay for work of equal value.

Diversity and Inclusiveness

At TCMH, we embrace diversity and inclusivity as our strength. Our strong regional presence enables us to hire diverse talents around the globe. The Group provides fair and equitable treatment and opportunities for all of our employees, where we hire and promote talents based on their merit and capabilities, regardless of ethnic background, religion, gender, age, physical abilities and other aspects. The Group also practises zero tolerance against any form of workplace discrimination or harassment.

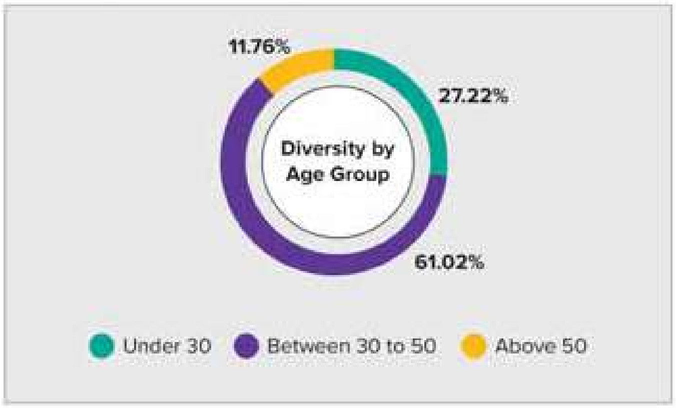
We strive to create a culture that promotes gender balance in all parts of the organisation, particularly at management levels. In 2023, the Group employed a total workforce of 6,300 individuals, with women comprising 25.70% of the workforce. In managerial positions (Assistant Manager and above), women accounted for a higher proportion, standing at 34.67%. The Group remains committed to cultivating a diverse pool of potential future leaders by bolstering balance within the internal succession pipeline and supplementing capabilities through our recruitment practices, all aimed at ensuring the Group's sustainability.

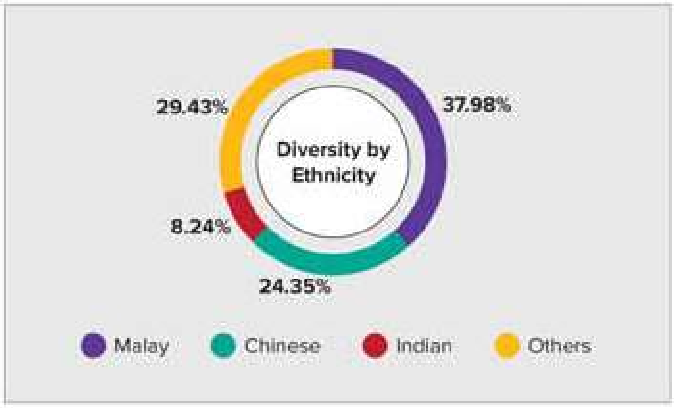




SUSTAINABILITY STATEMENT

We endeavour to promote diversity in terms of age and ethnicity. We generally have a young workforce with 88.24% of the workforce below 50 years of age. The breakdown by the different age groups can be seen in the diagram below, with 27.22% (below 30 years old), 61.02% (between 30 to 50 years old) and 11.76% (above 50 years old). The three major ethnicities namely Malay, Chinese and Indian made up 70.57% of the workforce, the remaining were from other nationalities such as Nepalese and the nationalities from the countries we operate in, namely Vietnam, Cambodia, Laos, Myanmar and Thailand.





Our Performance/Value Created

BURSA's Common Indicator C3(a)				
Measurement Metric: Percentage of Employees by Gender and Age for Each Employee Category	**Management**	**Executive**	**Non-Executive/ Technical Staff**	**General Workers**
Age Group				
Under 30	1.90%	24.93%	37.86%	31.31%
Between 30 to 50	71.04%	66.07%	56.38%	58.08%
Above 50	27.06%	9.00%	5.76%	10.61%
Gender				
Male	65.33%	56.14%	73.06%	84.38%
Female	34.67%	43.86%	26.94%	15.62%

BURSA's Common Indicator C3(b)		
Measurement Metric: Percentage of Directors by Gender and Age Group	**2023**	**Target for 2023**
Gender		
Male	86%	No target set
Female	14%	At least one (1) female director
Percentage of Directors by Age Group		
Under 30	0%	No target set
Between 30 to 50	0%	No target set
Above 50	100%	No target set

CLIMATE CHANGE

Related UNSDG:

13 CLIMATE ACTION

Why is this important

Climate change has become an increasingly urgent global issue.

As a prominent player in the automotive industry, TCMH faces regulatory pressures and consumer demands for cleaner and more sustainable transportation solutions. Governments are implementing stricter emissions standards, incentivising the adoption of Electric Vehicles ("EVs"), and promoting renewable energy sources. In response, we have put in place various eco-friendly technologies to meet these evolving regulations and consumer preferences.

Moreover, climate change poses risks to the Group's operations and supply chain. Extreme weather events, resource scarcity, and disruptions in raw material supply could impact production processes and increase costs. By addressing climate-related risks, we can enhance the Group's resilience and long-term sustainability.

Furthermore, the Group recognises the importance of CSR and sustainable business practices. Embracing environmentally friendly initiatives not only aligns with global efforts to combat climate change but also enhances the Group's reputation and competitiveness in the market.

At such, climate change is of utmost importance to TCMH, driving the need for innovation, regulatory compliance, risk management and sustainable business practices. By proactively addressing climate-related challenges, the Group can position itself as a leader in the transition towards a greener and more sustainable organisation.

OUR APPROACH/STRATEGY

As energy consumption is our primary GHG contributor, the Group prioritises energy conservation to reduce our carbon footprint by efficiently utilising resources in our production processes. By improving energy efficiency throughout all aspects of our operations and addressing climate change simultaneously, we have identified opportunities to strengthen and expand our competitive edge.

This involves our initiative to introduce energy efficient vehicles such as hybrids and electric vehicles to the market meeting the rising demand driven by society's concern on climate change.

The Group also ventured into the renewable energy business as part of its strategy to promote environmental sustainability, in line with the emergence of global transition towards a low carbon economy.

TCMH is one of the pioneers in promoting electric vehicles in Malaysia, through both Nissan LEAF and Renault Zoe marques.

Energy Consumption and Conservation

TCMH's operations require a significant amount of energy to operate, typically at our plants. Hence, proactive steps were taken and systematic monitoring, control and optimisation of our energy consumption to conserve its usage and reduce energy costs. In our efforts to manage energy consumption, we practise Total Preventative Maintenance where we focus on maintaining the machineries used in our plants, showrooms, factories and workshops for optimal efficiency and reduction with energy usage, and by extension operation cost.

We also optimise energy usage at our workplace by insulating our buildings to reduce the demand for cooling energy and installing energy-efficient lighting solutions. Additionally, we educate our employees on ways to minimise energy usage by adjusting operational processes, human behaviours and habits to reduce unnecessary energy consumption.

In 2023, we began tracking the energy usage in our operations in Malaysia and Indochina which included our plants, factories and offices. We have since established a few taskforce committees on energy and emission management. Moving forward, we will be focusing on the reduction of purchased electricity under Scope 2 through initiatives such as the installation of rooftop solar panels to further reduce our carbon footprint and cost of electricity consumption.

Electrification of Our Operations

TCMH has embarked on an ambitious journey towards electrification of our workshop, factories and assembly plant by converting fuel-based machineries to rechargeable battery-operated equipment. This aims to reduce the Group's environmental footprint and enhance operational efficiency.

At TCMH's warehouse facilities, electrification entails the adoption of electric-powered machinery and equipment for material handling, storage, and logistics operations. This includes electric Material Handling Equipment which replaces traditional fuel-powered equipment. By transitioning to electric-powered equipment, TCMH reduces emissions of GHG and harmful pollutants, contributing to cleaner air and a healthier environment for its employees and surrounding communities. Moreover, electric machinery typically requires less maintenance and operates quieter than conventional diesel or gasoline-powered equipment, leading to cost savings and improved working conditions.

At our assembly plants, we have integrated electric-powered machinery and automation technologies. This includes electric assembly robots, conveyor systems and robotic arms, as well as automated guided vehicles. These technologies streamline production processes, increase throughput, and ensure precision and consistency in manufacturing operations. By leveraging on electric-driven machineries and automation, TCMH is able to accelerate its production cycles, reduces labour costs, and enhances overall manufacturing efficiency. Furthermore, electric-driven machinery enables TCMH to adapt quickly to changing production demands, optimise resource utilisation, and maintain a competitive edge in the automotive industry.

TCMH is also committed to reducing the Group's energy consumption via an array of initiatives in view of the extensive amount of energy required in its daily operations. The initiatives include regular and timely maintenance of equipment at its plants and adoption of "Kaizen" to eliminate waste, improve productivity and achieve continual improvement in targeted activities and processes. The Group continues to identify any opportunities within its economical means to reduce carbon emissions.

Electric Vehicles ("EVs")

EVs are one example of avoided emissions. While the production process does emit GHG, EVs ultimately yield lower emissions throughout their lifespan compared to vehicles powered by traditional internal combustion engines.

TCMH is one of the pioneers in promoting EVs in Malaysia, through both Nissan LEAF and Renault Zoe marques. Other energy efficient vehicles include the hybrid cars like Nissan Serena and Nissan X-Trail.

In 2023, the Group introduced the 2023 new Nissan LEAF EV, an upgraded version of the second generation, which was launched in 2019. The new upgraded LEAF comes with new features that increase the driving excitement and pleasure in the age of electrification. The 100% Nissan LEAF is among the pioneers of Zero Emissions Vehicles ("ZEV") in Malaysia and produces no tailpipe emissions, reducing GHG emissions and improving air quality.

Equipped with a revolutionary motor, Renault Zoe offers our customers with greater performance in power and driving experience. The Renault Zoe features improved energy management with features such as ECO mode and air conditioning optimisation that will further optimise energy consumption or improve mileage per full-charge.

From our efforts in promoting EVs, the Group plays a vital role in Malaysia's climate transition roadmap by reducing GHG emissions, improving air quality, enhancing energy security, promoting renewable energy integration, stimulating economic growth and meeting international climate commitments. By embracing EVs, Malaysia can accelerate its transition to a sustainable and low-carbon transportation system, benefiting both the environment and society as a whole.

Renewable Energy Business Ventures

Climate change has been one of the most pressing issues globally. "Now or never to limit global warming to 1.5°C", as quoted from the United Nation's report on climate change in April 2022, perfectly depicts the urgency of the matter. Swift actions are required to mitigate the impact of global warming, including reassessing the energy policies, reducing fossil fuel usage substantially and promoting the adoption of alternative energy sources.

As climate change issues surge, Malaysia steps up its efforts in the implementation of nationwide adoption of renewable energy. The country included alternative energy such as biomass, biogas, municipal waste, small hydropower and solar in the energy mix since 2000. This use of renewable energy was accelerated vide the 2010 National Renewable Energy Policy, which set a target of 20% renewable energy in the power generation mix by 2025. By March 2023, Malaysia has achieved 25% of renewables, surpassing the 2010 target, largely attributed to solar energy. In August 2023, the government has revised its target of renewable energy installed capacity from 40% by 2040 to 70% by 2050, aiming to achieve this target predominantly by increasing the number of solar panel installations.

LSSPV – Serendah is an important milestone signifying the Group's first venture into the renewable and sustainable energy sector.

By venturing into the renewable energy sector, TCMH is embracing the principles of sustainability and also actively participating in the fight against climate change. Through strategic investments in renewable energy projects, such as rooftop solar panel system and floating Large-Scale Solar Photovoltaic ("LSSPV") plants, we are poised to revolutionise Malaysia's renewable energy landscape and drive positive environmental impact.

Tan Chong Group's First Floating Large-Scale Solar Photovoltaic Plant Offers Green And Renewable Energy For 25 Years

TCMH takes pride in its participation in the national climate agenda through its first floating solar photovoltaic plant in Serendah, Selangor. This is a significant milestone for the Group, imprinting its efforts toward environmental conservation, ensuring a clear world for future generations.

This initiative was realised through the Group's participation in the LSS@MEnTARI 2020 bidding by the Energy Commission, with the aim of further increasing the capacity of renewable energy in Malaysia. The LSSPV plant commenced operation on 5 January 2024.

Built on Serendah Lake, the floating solar plant is expected to supply 1,043,114 Megawatt-hours ("MWh") of green energy to Tenaga Nasional Berhad under a 25-year Power Purchase Agreement, contributing to a reduction of 610,221 tonnes of CO_2 emissions to the environment; equivalent to removing 132,656 units of cars from the roads, or planting 29,058,175 trees.

SUSTAINABILITY STATEMENT

Rooftop solar panel system is the Group's continuous efforts in reducing carbon footprints.

In efforts to preserve the ecosystem of the lake and its surrounding environment, the floating solar plant used up only 60% of the water surface for installation of the Floating Photovoltaic System, apart from preserving the water quality. The project complies with guidelines of the environmental management plans provided by Lembaga Urus Air Selangor and the Department of Environment.

The construction of this floating LSSPV plant took 16 months from the Notice to Proceed to the Commercial Operation Date.

Renewable Energy with Rooftop Solar Panel System

The rooftop solar panel system is the Group's continuous efforts in reducing carbon footprints. The energy harnessed from the rooftop solar panel amounting to over 1,000 MWh has contributed an estimated reduction of over 800 tonnes of CO_2 emissions in FYE2023. Moving forward, TCMH and its subsidiaries, domestically and globally, will continue to install more solar panels on the rooftop of their premises to further enhance energy efficiency.

As at 31 December 2023, total energy harnessed was recorded at 1,091,669 kWh. However, we were 4% lower than our target set at 1,141,380 kWh in 2023. It was mainly due to low performance of the solar panels, inverter units and climate factor as we experienced more rainy days during the last quarter of 2023. Swift actions were taken to rectify the issues, and we strengthened our preventative measures to ensure the panels are functioning efficiently.

OUR PERFORMANCE/VALUE CREATED

BURSA's Common Indicator C4(a)		
Measurement Metric	**2023**	**Target for 2023**
Total energy consumption	54,809.78 Megawatts* (197,315 Gigajoules)	No target set

**The total energy consumed data for 2023 was calculated based on the total electricity purchased, non-renewable fuel consumed for the products and services (petrol, diesel, liquefied petroleum gas and natural gas) subtracting the energy sold which was generated by our solar roof panels.*

HEALTH AND SAFETY

Related UNSDGs:

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

Why is this important

The Group strongly believes that our employees are valuable assets to the organisation. The safety and well-being (physical and mental) of our employees are of utmost importance to the Group. TCMH strives to create and maintain a safe working culture and nurture a healthy lifestyle for our employees.

OUR APPROACH/STRATEGY

Continuous efforts were taken to increase awareness on medical and health issues. Frequent engagements with employees were held to increase their awareness in relation to critical diseases, workplace safety Standard Operating Procedures ("SOPs") and Occupational Safety and Health ("OSH") requirements. The Group strives to preventing illnesses, accidents and injuries that may occur in the workplace by providing training on basic occupational first aids, conducting workplace emergency drills and improving incidents/accidents reporting mechanism. Scheduled routine inspections are taken on workplace safety and ergonomic risk assessment with the mission to reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Environmental, Health and Safety ("EHS") Compliance

The Group acknowledges that EHS compliance is adherence to all the laws, rules, regulations, procedures, programmes, roles, policies and efforts to help protect the safety and health of our employees, the public and the environment from workplace-related hazards and dangers. It is imperative to minimise environmental impact, promote responsible resource usage and maintain safe working conditions.

The Group's EHS team has deployed a combination of actions, activities, prohibitions and directives to prevent workplace injuries or illnesses, contamination in the facility and pollution to the environment. In 2023, the indicators on EHS compliance were established to monitor and track any potential non-conformance and violation to environmental regulations at the business unit level.

Scheduled site visits and close follow-up on actions were carried out by the Group EHS team at the business unit premises to assess EHS compliance status. Continuous trainings and awareness programmes were conducted to raise awareness and enhance EHS management amongst employees. In the year under review, an external EHS speaker was engaged to help employees understand the latest EHS regulatory requirements as well as to improve the level of EHS compliance within the Group.

Environmental, Health and Safety Training

In 2023, Group EHS organised a total of 128 training sessions for all TCMH employees, covering pertinent topics such as Fire Safety, Safe Operation of Equipment, General Safety Awareness, EHS Management, Environmental Compliance and Occupational Health. This initiative aims to develop awareness and knowledge at all levels of employees, ensuring they understand and execute the EHS Policy at their workplace. Our overall strategy is to inculcate a safe working environment as an integral part of the culture across all our business operations.

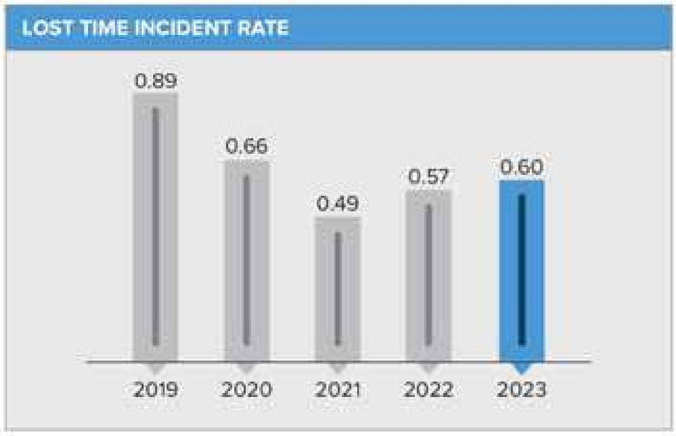
Staff were trained in the correct way to use fire extinguishers.

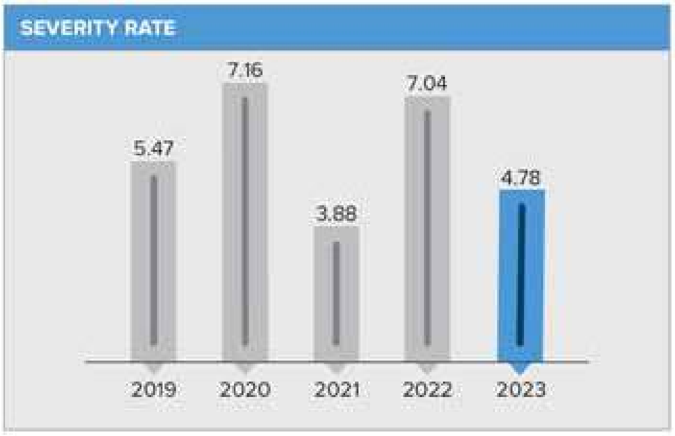
In collaboration with the Environment Institute of Malaysia, the Group took the lead as the first batch in the automotive industry to attend competency course on scheduled waste management where 71 workshop personnel participated in the training.

At the Group's workshops, in addition to upgrading and refurbishing scheduled waste storage facilities, we have enhanced the workshop oil interceptors and emergency response equipment to comply with the local authority requirements and industrial standards.

OUR PERFORMANCE/VALUE CREATED

TCMH closely monitors workplace incidents and takes corrective and preventive actions progressively to ensure the safety of employees. However, the lost time incident rate ("LTIR") increased by 5.2% in FYE2023. For 2023, LTIR was recorded at 0.60 compared to 0.57 in 2022 whereas the severity rate ("SR") reduced by 32% to 4.78 in 2023 compared to 7.04 in 2022. Thorough investigation was carried out and the main contributing factors causing the incidences were due to trip-and-fall accidents and mishandling of hand tools. Corrective and preventive actions were identified and implemented to prevent recurrence of the same incident.





Indicator: Total Number of Severity Rate		
Measurement Metric	**2023**	**Target for 2023**
Severity rate	4.78	Achieving Severity Rate of ≤ 5.98

BURSA's Common Indicator C5(a)		
Measurement Metric	**2023**	**Target for 2023**
Number of work-related fatalities	Zero	Zero case reported

BURSA's Common Indicator C5(b)		
Measurement Metric	**2023**	**Target for 2023**
Lost time incident rate ("LTIR")	0.60	A reduction of 15% from 2022

BURSA's Common Indicator C5(c)		
Measurement Metric	**2023**	**Target for 2023**
Number of employees trained on health and safety standards	8,985	No target set

LABOUR PRACTICES AND STANDARDS

Related UNSDGs:

Why is this important

TCMH is committed as a responsible organisation to promote human rights, including advocating fair labour practices and standards. Recognising its potential to foster equality in workplaces and communities, TCMH strives to offer employment opportunities that contribute to the progress of social and economic rights. Upholding human and labour rights and standards across all our activities remains paramount to our values and principles.

OUR APPROACH/STRATEGY

We are committed to eradicating forced labour, ending modern slavery and human trafficking, and ensuring the prohibition and elimination of the worst forms of child labour throughout our supply chain. We uphold the rights of all individuals, including children's rights and communities to assemble freely and engage in meaningful collective bargaining with unions.

TCMH promotes the realisation of human rights in our operations and ensures that business activities do not abuse people's rights. We strive to protecting labour rights and promoting safe and secure working environments for all workers by supporting equality of opportunity, fair treatment and positive outcomes related to benefits and compensation. We have formalised and enforced policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality within the Group and throughout our supply chain.

Human Rights Guidelines and Labour Practices

TCMH is committed to embedding human rights into every function of our business. We comply with all applicable laws and regulations pertaining to the hiring and treatment of employees in all the countries that we operate in. The approach to human rights is embedded in our Core Values, CBCE, SCoC and all other underlying policies. All parties are expected to exemplify the highest standards of ethical business conduct at all times, and are obliged to familiarise themselves with the CBCE from time to time.

Our management approach to embedding human rights within our organisation is as follows:

1. A safe and healthy workplace – Ensuring a safe and healthy workplace that complies with applicable OSH national laws and regulations for all employees.
2. A respectful workplace – Prohibiting all forms of discrimination and/or harassment and ensuring that all stakeholders are treated fairly, with dignity and respect.
3. No forced or child labour – Prohibiting all forms of child, forced or compulsory labour. We expect our suppliers or business partners to adhere to these same principles.
4. Work hours and wages – Complying with all local applicable laws and regulations relating to wages, work hours, overtime, holidays and benefits.
5. Freedom of association and the right to collective bargaining – Encouraging constructive and effective dialogue between employees and management. All employees, regardless of rank or job grade, have the right to form and join associations freely and to bargain collectively, as permitted by applicable laws, rules in the countries we operate in.

Grievance Mechanisms

The Group has established both the grievance procedure and the Special Complaint channel for all employees and other stakeholders to raise concerns, complaints, or grievances related to their employment, working conditions, or treatment within the Group. A thorough and impartial investigation into allegations of violations and abuses is conducted by Group Human Resources ("GHR") and Group Investigation and Forensic Services. TCMH is pleased to announce that there have been no reports of any incidents involving human rights violations, discrimination, child labour, forced or compulsory labour during the financial year under review.

Employee Management

At TCMH, we recognise that investing in employee engagement is more than just a business strategy, it is a reflection of our commitment to our people, their well-being and our collective success. We believe that engaged employees are active contributors who demonstrate commitment, passion and dedication to our shared goals and values. An employee who is engaged, will drive innovation, productivity and superior customer service. They are also more likely to exhibit loyalty, reducing turnover rates and fostering a positive workplace culture that attracts top talent. As such, the Group has put in place key initiatives to improve our employee turnover and talent attraction in 2023.

Training and Development

From the people development perspective, the focus of the Group remains on building fundamental personal and managerial capabilities to navigate future challenges effectively in this era of rapid change and transformation. The Group is committed to ensure that all employees have access to learning, development and training opportunities which will enable them to be better equipped and upskilled to effectively fulfill their roles within the Group in meeting its strategic objectives. We continue to leverage on our in-house capabilities to ensure that the training programmes and content are well-crafted and aligned with the Group's businesses and core values, as well as to utilise our own in-house developed Learning Management System ("LMS").

For the Personal Excellence and Managerial Framework, 1,451 participants or 49% of management staff (Officer and above) participated in the training programmes and we utilised 60% of total levy contribution of our Human Resource Development Corporation ("HRDC") for training. In 2023, we conducted a series of team building programmes with the objective of improving relationships and breaking silos within a department and/or function.

The List of training conducted for the employee category is tabulated below:

Category	Programme Title
Officer/Executive	• Personal Excellence Towards Being Extraordinary • Basic Business Writing Skills • Supervisory Skills • Critical Thinking and Problem Solving • Team Leadership and Developing Others • Design Thinking
Senior Executive/Assistant Manager	• Supervisory Skills • Critical Thinking and Problem Solving • Team Leadership and Developing Others • Design Thinking
Manager/Senior Manager/Deputy General Manager	• Managing Performance • The Art of Questioning • Situational Leadership and Decision Making • High Impact Presentation Skills • Strategic Business Planning

Category	Total Programmes	Total Participants
Officer/Executive	35	808
Senior Executive/Assistant Manager	26	360
Manager/Senior Manager/Deputy General Manager	24	283
Total	**85**	**1,451**

Development Programme Title	Total Programmes	Total Participants
Sales Advisor Development Programme	14	163
Sales Manager Development Programme	3	36
Service Advisor Development Programme	4	53
Service Manager Development Programme	16	281
Contact Centre Agent Development Programme	10	97
Mechanic Development Programme	2	9
Total	**49**	**639**

The Group is committed to ensuring that all employees have access to learning, development and training opportunities.

Employee Performance Management and Compensation

Employee performance management and compensation are integral components of TCMH's employee management strategy. Efficient performance management ensures that our workforce is aligned with the Group's goals and values, driving productivity, innovation and excellence across all departments. By setting clear expectations, providing regular feedback, and offering opportunities for growth and development, we empower our employees to perform at their best and contribute to the Group's success. As such, the Group places great emphasis on our annual mid-year and year-end appraisal to review employees' performance and offer compensation fairly to drive sustainable growth, thereby maintaining our position as a leader in the automotive industry.

TCMH is committed to creating a conducive workplace by providing financial reward for our employees' efforts with compensation that reflects the value and contributions they provided to the Group. We review our remuneration and benefit packages to align with the market in order to retain top talents and ensure that the Group remains as the preferred employer in the industry.

Employee Engagement Initiatives

The Group continues its commitment to foster a vibrant and supportive work environment by prioritising employee engagement and well-being. Our diverse range of initiatives are aimed at engendering teamwork and improving collaboration between businesses and functions to reinforce a sense of unity within the Tan Chong Group.

From Foodie Wednesdays, featuring affordable and diverse food truck options, to Movie Nights, we also started some volunteerism activities with Spring Cleaning at the HQ office and team-based Deepavali TikTok Dance Challenge. We organised Plant Tours for new hires as this initiative not only acquaints them with our operations but also instils a sense of pride and belonging as they become an integral part of our dynamic organisation.

Team-based Deepavali TikTok Dance Challenge.

We promote a culture of health and well-being within our organisation through a variety of ways such as webinars on various topics of having a healthy lifestyle to organising health screening events and tele-medicine services. In partnership with MiCare and Alpro Pharmacy, the Group has introduced a new e-approach to managing employees' medical requirements incorporating technology into our daily lives for our convenience and efficiency.

TCMH's Succession Planning

The Group takes a structured approach and process to ensure leadership continuity in key positions by identifying key talents to develop. In our succession planning framework and process, key positions for the sustainability of the organisation are identified and individuals with potential to take on these positions are then nominated. Annual talent reviews are conducted to ensure development plans and engagement with the identified successors.

The Group also employs contract or temporary staff to address various operational needs and challenges. These flexible staffing arrangements enable TCMH's business units to adapt quickly to fluctuations in workload, seasonal demands, or project-based requirements without the long-term commitments associated with permanent hires. By hiring contract or temporary staff, the Group can access specialised skills and expertise on an as-needed basis, filling specific gaps in knowledge or manpower without the expense and time investment of permanent recruitment.

Furthermore, temporary staff can offer fresh perspectives and insights, injecting new energy and creativity into projects and teams. Additionally, employing contract or temporary staff can help companies manage costs more effectively by reducing overhead expenses associated with benefits, training and retention. Overall, leveraging on contract or temporary staff provides the Group with the agility and resources necessary to remain competitive and responsive in a dynamic business environment.

OUR PERFORMANCE/VALUE CREATED

BURSA's Common Indicator C6(a)		
Measurement Metric	**2023**	**Target for 2023**
Total hours of training by employee category		
Management	13,598	No target set
Executive	16,728	
Non-Executive/Technical Staff	8,220	
General Workers	7,499	

BURSA's Common Indicator C6(b)		
Measurement Metric	**2023**	**Target for 2023**
Percentage of employees that are contractors or temporary staff (Malaysia only inclusive of Senior Manager)	17%	No target set

BURSA's Common Indicator C6(c)		
Measurement Metric	**2023**	**Target for 2023**
Total number of employee turnover by employee category		
Management	133	No target set
Executive	217	
Non-Executive/Technical Staff	246	
General Workers	457	

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

SUPPLY CHAIN MANAGEMENT

Related UNSDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Why is this important

The Group recognises the importance of supply chain management as it sets the foundation for economic growth and helps to streamline the process of the delivery of our products and services to the market and ultimately to our customers.

OUR APPROACH/STRATEGY

The Group constantly engages effectively with external stakeholders and employees through communication, training, auditing on effectiveness of internal controls and adherence to policies, procedures and regulatory requirements. We aspire to incorporate sustainability into our supply chain practices with the aim reducing our environmental footprint, and conformance with related regulatory requirements will enable the Group to gain competitive edge in the market. We continue to promote public procurement practices that are sustainable, in accordance with national policies and priorities with our business partners throughout our supply chain.

Supporting Local Suppliers

The Group continuously supports local small businesses especially the Small and Midsize Enterprises ("SME") and the local community with the aim to stimulate local economy and keep businesses flourishing within our local region. We trust our support will help create more jobs, attract new businesses and improve public services jobs for the community that will further contribute to improved public infrastructure.

Supplier Performance Evaluation

Suppliers are vital to our product lifecycle and product quality. Our operations are dependent on them and any switching of suppliers will be diligently considered to ensure stability in pricing and consistency in supply volume and schedule. Hence, conducting performance reviews enable our business units to regularly assess the quality of our suppliers' performance to get the most out of our investment whilst adopting a proactive approach to maintaining and enhancing supplier relationships.

We acknowledge the importance of ensuring a sustainable supply chain as our business units follow environmentally and socially sustainable practices at every stage to protect the people and environments across the entire value chain. While the Group upholds sustainable environmental and social standards in our own operations, we also impose similar standards upon our suppliers in their operations.

Indicator: Supplier Performance Evaluation		
Measurement Metric	**2023**	**Target for 2023**
Conduct of supplier performance evaluation (for top 20 suppliers)	100%	100% of the top 20 suppliers completed the performance evaluation

OUR PERFORMANCE/VALUE CREATED

In 2023, we spent 63% which was equivalent to RM1.24 billion on our local suppliers to support our business operations. The engagement of local suppliers has benefited our operations where we gained more reliable deliveries in shorter lead time, more flexibility and better controls on cost effectiveness. This allows our business operations to have better competitive advantages.

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

DATA PRIVACY AND SECURITY

Related UNSDGs:

Why is this important

Data privacy and security are important for TCMH as we recognise the critical importance of safeguarding sensitive information related to our customers, employees and business operations. With the automotive industry increasingly reliant on digital technologies and data-driven processes, protecting the confidentiality, integrity and availability of data is fundamental to maintaining trust and compliance with regulatory requirements.

Our commitment to robust data privacy and security measures ensures that personal and confidential data is handled responsibly, preventing unauthorised access, disclosure, or misuse. By implementing stringent security protocols, encryption techniques and access controls, we mitigate the risk of data breaches and cyber threats that could compromise our reputation and undermine customer confidence. Moreover, prioritising data privacy and security reflects our dedication to ethical business practices and demonstrates our respect for individuals' rights to privacy and data protection.

At TCMH, we understand that safeguarding data is not just a legal obligation but an essential component of our commitment to integrity, transparency and customer satisfaction. The Group is responsible to protect critical data and information systems which include implementing measures necessary to detect, assess, respond and report on cybersecurity threats.

OUR APPROACH/STRATEGY

Securing the Group's technological assets against cyber-attacks and ensuring well maintained information integrity is our priority. This is achieved by implementing a robust cybersecurity framework to mitigate risks inherent in a digital landscape, thereby fortifying the Group's businesses. Additionally, facilitating a transparent flow of information to the Board enhances decision-making processes, fostering accountability and openness to both external stakeholders and employees across the Group.

Controls and Security to Address Cybersecurity Threats

Various Information Technology ("IT") controls and security processes, such as firewalls, endpoint threat detection systems and external network monitoring, implemented to protect our business systems from the threat of cybercrime. In addition, all employees in the Group with access to computers and IT systems are required to undergo and pass a mandatory cybersecurity awareness training and assessment annually. All active staff have completed this training in 2023. However, cyber attacks can be persistent and innovative, constantly findings ways to breach even well-built cyber defences.

In May 2023, one of our websites was infected with malware which rendered it inaccessible. Within 24 hours, our team managed to successfully contain the threat, carried out relevant mitigation actions and cleaned out the infection before any further damage ensued. There was no loss of company or customer data, and no disruption to the business operations. Customers were still able to continue accessing the website through other alternate web browsers. We have subsequently strengthened and updated the relevant security protocols, and continued maintaining vigilance over our network to ensure our data is secured and business operations are not adversely impacted.

Cybersecurity Awareness Training

All employees in TCMH with access to computers and IT systems are required to undergo and pass a mandatory cybersecurity awareness training and assessment. As of 31 December 2023, more than 5,400 active staff completed this training, which was aimed at improving staff awareness and maintaining constant vigilance on cyber threats, while carrying out their daily activities. Employees are required to undertake the in-house developed e-training annually. The syllabus is constantly revised and updated to reflect current cybersecurity trends and issues.

Indicator: Cybersecurity Awareness for Employees		
Measurement Metric	**2023**	**Target for 2023**
Total number of employees' participation in cybersecurity awareness training	5,466	No target set

OUR PERFORMANCE/VALUE CREATED

BURSA's Common Indicator C8(a)		
Measurement Metric	**2023**	**Target for 2023**
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero	Zero substantiated complaints

WATER

Related UNSDG:

Why is this important

Water management is vital in the automotive industry due to its role in various manufacturing processes, including cooling, cleaning, painting and metal treatment. Efficient management ensures reduced water consumption, compliance with environmental regulations and alignment with sustainability goals, thereby enhancing brand reputation and minimising operational costs.

Additionally, effective water management mitigates supply chain risks associated with water scarcity and quality issues, fosters resilience against disruptions, and contributes to long-term business viability. By implementing water-saving measures, recycling initiatives and proactive risk management strategies, the Group is able to achieve both environmental stewardship and economic efficiency in operations.

OUR APPROACH/STRATEGY

Water Consumption and Conservation

We adopt a comprehensive approach towards water consumption and conservation which includes the following strategies:

1. **Water Recycling and Reuse:** At our plant, used water for waterproofing assessment will be redirected to the water storage for reuse.
2. **Process Optimisation:** Conduct assessment to identify opportunities for optimising water usage within the manufacturing processes. This may involve implementing water-efficient equipment, optimising production schedules to minimise water usage, and ensuring that water-intensive processes are as efficient as possible.
3. **Rainwater Harvesting:** Installing rainwater harvesting systems to capture and store rainwater for non-potable uses such as irrigation, shower tester and facility cleaning. This reduces reliance on freshwater sources for non-critical applications, conserving water resources and reducing operational costs.
4. **Water Leak Detection and Repair:** Implement proactive water leak detection programmes to identify and repair leaks promptly within the facilities. Even small leaks can result in significant water wastage over time, so addressing them quickly is crucial for conservation efforts.
5. **Employee Education and Training:** Educate employees about the importance of water conservation to foster a culture of conservation within the organisation. Employees play a significant role in identifying opportunities for improvement and implementing water-saving measures in their daily operations.

OUR PERFORMANCE/VALUE CREATED

In 2023, we started to record water usage in our operations. The Group recorded a water consumption of 422.22 Megalitres in 2023. We will continue to monitor the usage of water and promote efficient utilisation in the interest of conservation. Our plants will continue to harvest rainwater for general cleaning purposes as one of the initiatives to reduce water consumption.

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

SUSTAINABILITY STATEMENT

WASTE MANAGEMENT

Related UNSDG:

Why is this important

The Group established policies on waste management system to guide and streamline the process for our operations in dealing with material usage, disposal, reduction and reuse. The main objective is to focus on the prevention of waste and its disposal. It is important to promote and enforce the recovery and recycling of solid waste. Where recycling is not possible, these non-recoverable residues are disposed responsibly. By reducing waste, we aim not only to safeguard the environment but also to minimise expenses associated with waste disposal, thereby saving costs.

OUR APPROACH/STRATEGY

It is imperative for the Group to observe and comply with related regulations in the disposal of waste which is considered hazardous to the environment. The respective business operations track, record, monitor and report the disposal of scheduled waste including e-waste to the authorities.

On e-waste management, we appointed a certified e-waste disposal partner to dispose all our electronic and IT-related waste responsibly in meeting the Group's recycling goals in accordance with the relevant regulatory and compliance standards.

The Group embarked on a journey of digitalisation in our daily operations to reduce paper waste. Through digitalisation, such as electronic documentation, digital signatures and online forms, we have significantly reduced the need for paper, thus reducing printing and paper waste.

OUR PERFORMANCE/VALUE CREATED

The Group began consolidating and reporting on the total waste directed to disposal and diverted from disposal in 2023.

Indicator: Waste Management		
Measurement Metric	**2023**	**Target for 2023**
Total waste diverted from disposal (tonnes)	3,862 (95%)	Total waste diverted from disposal is ≥ 95% of total waste generated
Total waste directed to disposal (tonnes)	185 (5%)	
Total waste generated (tonnes)	4,047	

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”) – ALIGNED DISCLOSURES

Recognising the heightened interest and expectations of our stakeholders, TCMH is committed to playing a role in contributing towards the transition to low carbon economy. We will initiate a study and analysis of integrating the TCFD Disclosure Recommendations within our sustainability statement in the coming years in line with Bursa Malaysia’s Main Market Listing Requirements. In positioning TCMH for long-term success and climate resilience in a rapidly changing business environment, we strive to manage the climate-related risks and capture opportunities which may impact our business, strategy and financial planning.

Governance

The Board has the ultimate oversight of TCMH’s initiatives to identify, assess and integrate climate-related risks and opportunities in the Group's business plan and strategies, as well as monitoring the progress against goals and related targets throughout the organisation. Supporting the Board is the BRMSC which works together with Management in embedding climate change efforts, including ensuring the integration of climate-related risks and opportunities within the Group’s enterprise risk management. Agenda of the quarterly BRMSC include an item on how climate-related issues and other sustainability matters are being managed.

The RMSC, chaired by the GCEO shares the responsibility of managing our climate-related risks and opportunities by identifying, assessing and ultimately integrating them into our business. The RMSC is also responsible for formulating TCMH’s sustainability strategy to transition the organisation towards a low carbon economy, specifically the Climate Transition Strategy, with the support from SWC.

Strategy

TCMH has conducted several focus group discussions with our internal stakeholders across our operations to identify the localised climate risks relevant to the Group. In addition to that, GCEO and GRMS department have set up taskforce teams to study and analyse the Group's GHG emissions understand carbon emission by business units and develop strategies to address the climate issues. These taskforce teams will engage the relevant business units to deliberate on matters related to climate impact and to derive action plan to address them.

The Group’s climate-related risks and opportunities will be modelled and assessed in 2024.

Resilience of the Organisation's Strategy

The resilience of an organisation’s strategy depends on its ability to adapt and thrive in the face of changing circumstances and emerging risks. One key factor in achieving this is aligning the organisation’s strategy with climate-related scenarios. Moving forward, TCMH will conduct qualitative scenario analysis to identify potential risks and opportunities, when crafting our business and climate strategies. This includes leveraging our expertise to create low-carbon building solutions, and innovating products and services that can address climate-related challenges. Our goal is to develop a resilient strategy that can effectively tackle the risks and capitalise on opportunities associated with climate change.

Note: For further information on our Climate Transition Strategy, please refer to Management Approach to Material Matters: Energy Management section (pages 52 to 54)

Risk Management

All our identified risks, including climate-related risks are strategically assessed and managed through our risk management process, which is integrated into our Enterprise Risk Management ("ERM") framework. This framework is in accordance with the ISO 31000:2018 Risk Management Guideline.

The risks are identified, assessed and managed through the following process:

TCFD 3a

Identification of risks

- Each business and function is responsible to identify and document relevant risks, including climate-related risks that might hinder their progress towards contributing to the Group's business objectives.
- All business units and functions are required to conduct annual review of their risk profiles.

Assessment and prioritisation of risks

- GRMS will assess and rank these risks according to its likelihood of occurrence and impact to the Group.
- All risks will be categorised into 3 ratings which are: Low, Moderate and High, which are subsequently mapped to our Business Risk Profile ("BRP").

TCFD 3b

Strategic response and control measures

- Based on the BRP, the GRMS department will formulate control measures to either:
  - Mitigate the risks with control plans.
  - Transfer the risks to insurance providers where appropriate.
  - Accept the risk.
  - Avoid activities that increase the risk.

Deliberation of risks

- The Board is responsible for the overall governance of risks across the Group, while ensuring that the GRMS department maintains a sound system of risks management and internal control.
- The BRP is presented on a quarterly basis to RMSC and BRMSC for their deliberation and revision.

Note:
For further information on our risk management, please refer to our Statement on Risk Management and Internal Control ("SORMIC") in the Annual Report 2023 and Our Approach to Sustainability: Sustainability Governance section (pages 31 to 32)

Metrics and Targets

At TCMH, we track our climate-related performance using the following metrics:
- Energy consumption (Megawatts)
- Waste generated (Metric Tonnes)
- Water used (Megalitres)

Note:
For further information on our metrics and targets, please refer to our Performance Data Table (pages 69 to 70), Management Approach to Material Matters: Energy section (pages 52 to 54), Waste Management section (page 66) and Water section (page 65).

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	99.99
Non-Executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	262,403.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	337
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Below 30	Percentage	1.90
Management Between 30 to 50	Percentage	71.04
Management Above 50	Percentage	27.06
Executive Below 30	Percentage	24.93
Executive Between 30 to 50	Percentage	66.07
Executive Above 50	Percentage	9.00
Non-Executive/Technical Staff Below 30	Percentage	37.86
Non-Executive/Technical Staff Between 30 to 50	Percentage	56.38
Non-Executive/Technical Staff Above 50	Percentage	5.76
General Workers Below 30	Percentage	31.31
General Workers Between 30 to 50	Percentage	58.08
General Workers Above 50	Percentage	10.61
Gender Group by Employee Category		
Management Male	Percentage	65.33
Management Female	Percentage	34.67
Executive Male	Percentage	56.14
Executive Female	Percentage	43.86
Non-Executive/Technical Staff Male	Percentage	73.06
Non-Executive/Technical Staff Female	Percentage	26.94
General Workers Male	Percentage	84.38
General Workers Female	Percentage	15.62
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Below 30	Percentage	0.00
Between 30 to 50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	54,809.78
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	8,985

Internal assurance | External assurance | No assurance | (*)Restated

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	13,598
Executive	Hours	16,728
Non-Executive/Technical Staff	Hours	8,220
General Workers	Hours	7,499
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	133
Executive	Number	217
Non-Executive/Technical Staff	Number	246
General Workers	Number	457
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	63.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	422.220000

Internal assurance | External assurance | No assurance | (*)Restated

ASSURANCE STATEMENT

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

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

Material Matters	Indicators	Scope
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	Operations assessed: 1. Malaysia 2. Indochina excluding Health and Safety
	Percentage of operations assessed for corruption-related risks	
	Confirmed incidents of corruption and action taken	
Health and Safety	Number of work-related fatalities	
	Lost time incident rate ("LTIR")	
	Number of employees trained on health and safety standards	
Data Privacy	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	

GRI CONTEXT INDEX

GRI Standard	Disclosure		Page Number
General Disclosures			
GRI 2: General Disclosures 2021	2-1	• Organisational details	Annual Report 2023
	2-2	• Entities included in the organisation's sustainability reporting	28
	2-3	• Reporting period, frequency and contact point	28
	2-5	• Internal assurance	71
	2-6	• Activities, value chain and other business relationships	2 - 6
	2-7	• Employees	49 - 50
	2-9	• Governance structure and composition	Annual Report 2023
	2-10	• Nomination and selection of the highest governance body	Annual Report 2023
	2-11	• Chair of the highest governance body	Annual Report 2023
	2-12	• Role of the highest governance body in overseeing the management of impacts	31
	2-13	• Delegation of responsibility for managing impacts	31 - 32
	2-14	• Role of the highest governance body in sustainability reporting	31 - 32
	2-15	• Conflicts of interest	Annual Report 2023
	2-16	• Communication of critical concern	Annual Report 2023
	2-17	• Collective knowledge of the highest governance body	31 - 32
	2-18	• Evaluation of the performance of the highest governance body	79
	2-19	• Remuneration policies	80
	2-20	• Process to determine remuneration	80
	2-22	• Statement on sustainable development strategy	40 - 41
	2-23	• Policy commitments	43 - 66
	2-24	• Embedding policy commitments	43 - 66
	2-25	• Processes to remediate negative impacts	43 - 66
	2-26	• Mechanisms for seeking advice and raising concerns	11, 87 - 93
	2-27	• Compliance with laws and regulations	43 - 66
	2-28	• Membership associations	Annual Report 2023
	2-29	• Approach to stakeholder engagement	33 - 34
	2-30	• Collective bargaining agreements	33, 57
Material Topics			
GRI 3: Material Topics 2021	3-1	• Process to determine material topics	35 - 38
	3-2	• List of material topics	35 - 38
Anti-Corruption			
GRI 3: Material Topics 2021	3-1	• Management of material topics	43 - 44
GRI 205: Operations Assessed for Risk Related to Corruption	205-1	• Percentage of operations assessed for corruption-related risks	44
GRI 205: Communication and Training About Anti-corruption Policies and Procedures	205-2	• Percentage of employees who have received training on anti-corruption by employee category	44
GRI 205: Confirmed Incidents of Corruption and Actions Taken	205-3	• Confirmed incidents of corruption and actions taken	44

GRI CONTEXT INDEX

GRI Standard	Disclosure		Page Number
Community and Society			
GRI 3: Material Topics 2021	3-1	• Management of material topics	45 - 47
GRI 201: Direct Economic Value Generated And Distributed	201-1	• Total amount invested in the community where the target beneficiaries are external to the listed issuer • Total number of beneficiaries of the investment in communities	47
Diversity			
GRI 3: Material Topics 2021	3-1	• Management of material topics	49 - 50
GRI 405: Diversity of governance bodies and employees	405-1	• Percentage of employees by gender and age group by employee category • Percentage of directors by gender and age group	50
Energy Management			
GRI 3: Material Topics 2021	3-1	• Management of material topics	51 - 54
GRI 302: Energy Consumption within The Organisation	302-1	• Total energy consumption	54
Health and Safety			
GRI 3: Material Topics 2021	3-1	• Management of material topics	55 - 56
GRI 403: Work-Related Injuries	403-9	• Number of work-related fatalities • Lost Time Incident Rate ("LTIR")	56
GRI 403: Worker Training on Occupational Health and Safety	403-5	• Number of employees trained on health and safety standards	56
Labour Practices and Standards			
GRI 3: Material Topics 2021	3-1	• Management of material topics	57 - 59
Ref: FTSE SHR	-	• Number of substantiated complaints concerning human rights violations	60
GRI 401: Employment	401	• Percentage of employees that are contractors or temporary staff	60
GRI 401: New Employee Hires and Employee Turnover	401-1	• Total number of employee turnover by employee category	60
GRI 404: Training and Education	404	• Total hours of training by employee category	60
Supply Chain Management			
GRI 3: Material Topics 2021	3-1	• Management of material topics	61
GRI 204: Proportion of Spending on Local Suppliers	204-1	• Proportion of spending on local suppliers	62
Data Privacy and Security			
GRI 3: Material Topics 2021	3-1	• Management of material topics	63 - 64
GRI 418: Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	418-1	• Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	64
Water			
GRI 3: Material Topics 2021	3-1	• Management of material topics	65
GRI 303: Water Consumption	303-5	• Total volume of water used	65
Waste Management			
GRI 3: Material Topics 2021	3-1	• Management of material topics	66

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Tan Chong Motor Holdings Berhad ("Company") recognises the importance of having high standards of corporate governance in the Company in order to safeguard the interest of its stakeholders as well as enhance shareholder value. The Directors consider corporate governance to be synonymous with four (4) key concepts, namely transparency, accountability, integrity and corporate performance.

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

This Statement provides an overview of the Company's application of the Principles and Practices set out in the Malaysian Code on Corporate Governance ("MCCG") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year ended 31 December 2023. Details on how the Company has applied each of the Practices during the financial year under review are disclosed in the Corporate Governance Report, which is available for viewing on the Company's website at https://www.tanchonggroup.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

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

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

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

In managing conflict of interest situations, including potential conflict of interest, between any Director and the Company and/or any of its subsidiaries, the Board has formalised a Conflict of Interest Policy to be observed by Directors of the Company and its subsidiaries. This is to ensure that they act in the best interest of the companies they serve, and they must not place themselves in a position where there is conflict between their duties to the companies and personal interest.

The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies to support long-term value creation through sound economic, environmental, social and governance ("EESG") practices underpinning sustainability; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate internal controls to manage those risks; maintaining effective communication with the stakeholders; and reviewing and approving key matters such as financial results, investments and divestitures, acquisitions and disposals, and major capital expenditure. To assist the Board in its oversight role on EESG, Management has formed a Sustainability Working Committee ("SWC") to develop a sustainability framework encompassing EESG considerations in business, materiality assessment initiatives and key performance indicators. The SWC reports progress of sustainability initiatives implemented to the Risk Management and Sustainability Committee ("RMSC"), which is helmed by the Group CEO. The Board had in 2023 undertaken various stakeholder engagements to ensure that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to the Group's internal and external stakeholders.

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

To enhance accountability, the Board has established clear functions reserved for itself and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budgets and audited financial statements, quarterly and annual financial results for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter.

The Executive Team (as defined in the Board Charter), comprising the President (leader), Deputy President (resigned on 30 June 2023), Group Chief Executive Officer ("Group CEO"), Chief Financial Officer ("CFO"), and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, inter-alia, the achievement of Group's goals and observance of management authorities delegated by the Board, developing business plans which are aligned to the Group's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

As leader of the Executive Team, the President, who is supported by the Deputy President (resigned on 30 June 2023), Group CEO, CFO and other Senior Management Personnel in the Executive Team, implements the Group's strategies, policies and decisions adopted by the Board and oversees the Group's operations and business development.

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

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

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

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

In discharging their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. The dates of meetings of the Board, Board Committees and AGM for each financial year are fixed in advance to ensure all Directors and Board Committee members are able to attend the respective meetings. During the year, the Board deliberated on matters relating to business strategies and issues concerning the Group, including business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to convening each meeting of the Board and Board Committees in a timely manner. For the financial year under review, the Board convened seven (7) Board meetings, with the Company Secretaries in attendance at every meeting. Senior Management, Internal Auditors and External Auditors attended the Board and Board Committee meetings upon invitation. The Company leveraged on technology by conducting Board and Board Committee meetings online, which made it more convenient for meeting participation and support robust discussion.

The attendance record of the Directors at the Board meetings is as follows:

Name	No. of Board Meetings attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	7/7	100
Dato' (Dr.) Khor Swee Wah @ Koh Bee Leng *(Resigned on 30 June 2023)*	4/5	80
Ho Wai Ming	7/7	100
Lee Min On	7/7	100
Ng Chee Hoong	7/7	100
Dato' Ng Mann Cheong	7/7	100
Dato' Chan Choun Sien	7/7	100
Dr. Nesadurai Kalanithi *(Appointed on 1 July 2023)*	2/2	100

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

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

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

Name	Details of Programme
Dato' Tan Heng Chew	• Tan Chong Motor Holdings Berhad: 2023 Code of Business Conduct & Ethics ("CBCE") – Refresher Course • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training & Assessment • Warisan TC Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board ("ISSB") Standard
Ho Wai Ming	• Tan Chong Motor Holdings Berhad (Group Human Resources): New Employment Act (Amendment 2022) • Tricor Taxand: 2023 Budget Webinar • KPMG PLT: ESG Briefing for Tan Chong Motor Holdings Berhad Group, APM Automotive Holdings Berhad Group and Warisan TC Holdings Berhad Group • Tan Chong Motor Holdings Berhad: National Budget Briefing • Ernst & Young Tax Consultants Sdn. Bhd.: EY C-suite Forum 2023 • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • International Fiscal Association Malaysia Branch: International Tax Cases - Update • Association of Chartered Certified Accountants: LinkedUp Webinar Series - Leadership without a Title • Association of Chartered Certified Accountants: Putting People, Profit and Planet on Par - Shifting Business Priorities for a Better World • Bursa Malaysia Berhad: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training & Assessment • Tricor: Malaysia Budget 2024 with Dr Veerinderjeet Singh • Association of Chartered Certified Accountants ("ACCA") UK: ACCA Conference – Accounting for the Future • Association of Chartered Certified Accountants: The Young Accountants Tool Kit – Navigating The Future with CHATGPT & Data Analytics

Name	Details of Programme
Ho Wai Ming (Cont'd)	• Tan Chong Motor Holdings Berhad: 2024 National Budget Briefing • International Fiscal Association Malaysia Branch: Global Minimum Tax and Digitalisation - Navigating the Future Fiscal Landscape Confirmation • Association of Chartered Certified Accountants: Preparation and Implementation of e-invoice in Malaysia • Institute of Corporate Directors Malaysia: Powertalk - Climate Change and Carbon Footprint – Getting the Right Financial Risk and Reporting Perspectives • International Tax Review / KPMG PLT: Hong Kong's Foreign-sourced Income Exemption Regime - Refinements and Updates
Lee Min On	• Tan Chong Motor Holdings Berhad (Group Human Resources): New Employment Act (Amendment 2022) • Malaysian Institute of Corporate Governance: Enterprise Risk Management ("ERM") – Developing a holistic ERM Framework • The Institute of Internal Auditors Malaysia: East Malaysia Conference 2023 - Unlocking Success: Empowering Internal Auditors for Tomorrow's Challenges • Malaysian Institute of Corporate Governance: Duties and Responsibilities of Company Directors – Demystifying the stewardship and fiduciary roles of Directors • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training for Independent Directors • Bursa Malaysia Berhad: Conflict of Interest – for Directors of listed issuers • Malaysian Institute of Accountants: Corporate disclosures – What are the 'landmines' to avoid and the value derived? • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board ("ISSB") Standard • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Malaysian Institute of Corporate Governance: Assessment of the Board, Board Committees and Individual Directors: Are such assessments useful, let alone necessary, for listed issuers? • Country View Berhad: Sustainability Governance, Management and Reporting – Implications of the Environmental, Social and Governance ("ESG") agenda to the Board and Management of listed issuers • Warisan TC Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Tan Chong Motor Holdings Berhad: 2024 National Budget Briefing
Ng Chee Hoong	• Tan Chong Motor Holdings Berhad (Group Human Resources): New Employment Act (Amendment 2022) • Bursa Malaysia Berhad and Malayan Banking Berhad: Invest Malaysia 2023 Series 1 – Strengthening Resilience and Sustaining Growth • KPMG PLT: ESG Briefing for Tan Chong Motor Holdings Berhad Group, APM Automotive Holdings Berhad Group and Warisan TC Holdings Berhad Group • Malaysian Institute of Accountants and Persatuan Akauntan Percukaian Malaysia: 2023 Budget Seminar • Malaysian Institute of Accountants: Sustainability Assurance - Current Landscape and Factors to be considered in relation of Assurance on Sustainability Related Information • Malaysian Institute of Accountants: Understanding Tax Deductibility of Expenses • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Chartered Tax Institute of Malaysia: National Tax Conference 2023 • Malaysian Institute of Accountants: Complimentary Webinar on ISQM 1 - Challenges Faced, Obstacles Overcame and Lessons Learnt • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training for Independent Directors • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board ("ISSB") Standard • Malaysian Institute of Accountants: Practical Auditing Methodology for SMPs • Chartered Tax Institute of Malaysia: Budget 2024 Seminar • Tan Chong Motor Holdings Berhad: 2024 National Budget Briefing

Name	Details of Programme
Dato' Ng Mann Cheong	• Tan Chong Motor Holdings Berhad (Group Human Resources): New Employment Act (Amendment 2022) • KPMG PLT: ESG Briefing for Tan Chong Motor Holdings Berhad Group, APM Automotive Holdings Berhad Group and Warisan TC Holdings Berhad Group • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training for Independent Directors
Dato' Chan Choun Sien	• Tan Chong Motor Holdings Berhad (Group Human Resources): New Employment Act (Amendment 2022) • Deutsche Bank: CIO Market Outlook • Selangor Dredging Berhad: Enhanced Practices and Disclosures of Sustainability Statement • Leaderonomics and Global Leadership Network: Malaysian Leadership Summit • Deutsche Bank: CIO View - Where do we go from here? • Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • Associated Chinese Chambers of Commerce and Industry Malaysia: ACCCIM Tech Conference - AI Unplugged • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training for Independent Directors • Lee Hishammuddin Allen & Gledhill: LHAG Legal Innovation Summit 2023 • Associated Chinese Chambers of Commerce and Industry Malaysia: Hitting the Gong: IPO and Listing Your Company at Bursa Malaysia • Institute of Corporate Directors Malaysia: Managing Turnaround Situations for PLCs • Institute of Corporate Directors Malaysia: Mandatory Accreditation Programme Part II: Leading for Impact • Tan Chong Motor Holdings Berhad: 2024 National Budget Briefing • WWF and CEO Action Network: CAN Nature Retreat 2023
Dr. Nesadurai Kalanithi	• Tan Chong Motor Holdings Berhad: 2023 Anti-Bribery and Anti-Corruption ("ABAC") Refresher Course • CIMB: CIMB Cooler Earth Summit • TC iTech Sdn. Bhd.: 2023 Cybersecurity Awareness Training for Independent Directors • Impact Circle: Creating a Greener Plate; Fortifying Food Systems for Malaysia's Future • Institute of Corporate Directors Malaysia: Strategic Leadership - From a Corporate Perspective • Institute of Internal Auditors Philippines: Navigating the ESG Maze - Internal Auditors Conference • Women in Tech: Green Innovation - Empowering Women • Institute of Corporate Directors Malaysia: Mandatory Accreditation Programme Part II: Leading for Impact • IOI Corporation Berhad: Tax Budget Seminar 2024 by BDO

II. BOARD COMPOSITION

The Company is led by an experienced Board which is vital for the continuing progress and success of the Group. As of 31 December 2023, the Board consisted of seven (7) members, comprising two (2) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This Board composition fulfills the requirements as set out in the MMLR of Bursa Securities which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. In line with Practice 5.2 of the Malaysian Code on Corporate Governance ("MCCG"), at least half of the Board comprises independent directors.

The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, marketing, operations, entrepreneurship, finance, taxation, accounting, audit, legal, economics, investment banking, as well as corporate governance, risk management and internal audit. The profiles of the Directors are set out on pages 21 to 24 of the Annual Report.

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

The annual assessment of the Board, Board Committees and individual Directors for the financial year ended 31 December 2023 was conducted by the NRC on 17 January 2024 using a self and peer assessment approach based on pre-set questionnaire, adapted from the Corporate Governance Guide 4th Edition, approved by the Board. The performance of Directors and Senior Management in relation to overseeing sustainability management was also assessed. Following the assessment, the NRC concluded that the Board, Board Committees and individual Directors have the relevant skill sets and have effectively discharged their respective stewardship responsibilities to meet the needs of the Company. The assessment also indicated that the retiring Directors, Dr. Nesadurai Kalanithi, Mr. Ng Chee Hoong and Dato’ Chan Choun Sien, who had completed their Declaration of Fit and Propriety in line with the Directors’ Fit and Proper Policy adopted by the Company, are in a position to be re-elected Directors of the Company at the forthcoming Annual General Meeting (“AGM”). An additional 360° assessment of the Board and Board Committees by personnel who were not members of the Board or Board Committees but who attended the full meetings of these bodies was also conducted. The assessments conducted by the NRC were duly documented. In line with Practice 5.7 of the MCCG, the Board has provided a statement to support the re-appointment of the retiring directors in the Notice of Annual General Meeting.

The NRC has also assessed the independence of all Independent Non-Executive Directors for the financial year ended 31 December 2023 based on criteria set out in paragraph 1.01 of the MMLR and Practice Note 13 of Bursa Securities and concluded that all the Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of the Company.

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

Dato’ Ng Mann Cheong who had served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, was re-designated as a Non-Independent Non-Executive Director with effect from 31 December 2022 to align with the amended MMLR in relation to the tenure of Independent Director.

Salient areas of priority noted from the annual assessment of the Board, Board Committees and individual Directors that require the Board’s focus in 2024 in its quest to create long term-value for stakeholders are:

(i) The continued implementation of, and improvement to, the Group’s the Anti-Bribery & Anti-Corruption Framework to safeguard the interest of the Group, Directors and shareholders;

(ii) Building risk resilience by further strengthening controls on certain core areas; and

(iii) Digital transformation and cybersecurity.

Having considered the Directors’ Skill Set Matrix and Evaluation, the NRC recognised the following strength areas (in no specific order) of the Board and Board Committees, and a key area for improvement is in human capital leadership development:

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

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

- Reviewed the Policies and Procedures for the Remuneration of Directors and Senior Management;
- Reviewed and recommended the appointment of Dr. Nesadurai Kalanithi as an Independent Non-Executive Director of the Company, and a member of the Audit Committee, NRC and Board Risk Management and Sustainability Committee;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation for shareholders' approval;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- Assessed the Directors' training needs;
- Reviewed the performance of the Chief Financial Officer and the Company Secretary;
- Reviewed the remuneration of Executive Directors and Senior Management Personnel of the Group;
- Reviewed the proposed renewal of the Service Contracts of Executive Director and Senior Management;
- Reviewed retirement and recognition proposal; and
- Noted the re-election of subsidiaries directors for the forthcoming subsidiaries' AGM.

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

As of 31 December 2023, there were seven (7) Directors in the Board, comprising six (6) male Directors and one (1) woman Director fulfilling the Board Policy on gender diversity.The Company also met the requirements of the amended MMLR by Bursa Securities, which requires all listed issuers to have at least one (1) woman director on its Board, effective 1 June 2023. On 1 February 2024, the Board has appointed an additional woman Director.

III. REMUNERATION

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

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

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

The remuneration received by Directors of the Company from the Group and Company for the financial year ended 31 December 2023 amounted to RM21,349,804 and RM15,891,314 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the Corporate Governance Report uploaded on the Company's website at https://www.tanchonggroup.com.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

To assist its discharge of duties on financial reporting, the Board has established an Audit Committee which comprises five (5) members, four (4) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, with Mr. Ng Chee Hoong as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its work and activities conducted in year 2023, are set out in the Audit Committee Report of this Annual Report.

One of the key responsibilities of the Audit Committee in its Terms of Reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and the provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements. In line with Practice 9.2 of the MCCG, the Terms of Reference of Audit Committee also include a requirement for a former partner to observe a cooling-off period of at least three (3) years before being appointed a member of the Audit Committee. Partner refers to all former partners of the External Audit Firm and/or its affiliates, including those providing advisory services, tax consulting, etc. There was no appointment of any former key audit partner to the Audit Committee during financial year 2023.

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

Chairman
Lee Min On (Senior Independent Non-Executive Director)

Members
Dato' Tan Heng Chew (Executive Director)
Ng Chee Hoong (Independent Non-Executive Director)
Dato' Ng Mann Cheong (Non-Independent Non-Executive Director)
Dato' Chan Choun Sien (Independent Non-Executive Director)
Dr. Nesadurai Kalanithi (Independent Non-Executive Director)

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

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

During the financial year under review, four (4) BRMSC meetings were held to review the principal business risks faced by the Group and the remedial measures to address the risks within the risk appetite of the Group. The Chairman of RMSC, Head of Group Risk Management and Sustainability, representative from Group Integrity Office, Group Internal Audit and major business units attended the BRMSC meeting as invitees. More details of the risk management framework and its associated initiatives undertaken by the BRMSC and RMSC during the financial year under review are set out in the Statement on Risk Management and Internal Control on pages 87 to 93 of this Annual Report.

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

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

I. COMMUNICATION WITH STAKEHOLDERS

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

II. CONDUCT OF GENERAL MEETINGS

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

In line with the MCCG, the Company despatched the notice of the 51st AGM to its shareholders at least 28 days before the AGM.

At the last AGM, which was held virtually at the broadcast venue at Tricor Business Centre, Kuala Lumpur, Malaysia, all the Directors and the external auditors were available to engage with, and to be accountable to, the shareholders for their stewardship of the Company. The members of Senior Management of the Company were also available to respond to any enquiries from the shareholders.

During the AGM, the Chairman of the meeting ensured that the meeting was conducted in an orderly manner. The Group's strategic business direction, its financial performance and key initiatives, including an overview of market outlook and the Group's strategies and actions going forward were presented at the meeting. Shareholders were given the opportunity to submit their questions prior to, and during the AGM via e-query box. All questions received prior to the day of the AGM were addressed during the AGM. For questions received on the day of the AGM and those not dealt with during the AGM, the Company had responded to them by posting the questions and answers on the Company's website after the AGM. The minutes of AGM together with a summary of key matters discussed at the AGM were made available on the Company's website within 30 days after the AGM.

All resolutions set out in the notice of the 51st AGM were voted on by poll in accordance with the MMLR of Bursa Securities. The Board adopted electronic voting at the AGM to facilitate the voting process in a more efficient manner, as well as ensuring transparency and accuracy of the voting results.

This Statement is dated 18 April 2024.

AUDIT COMMITTEE REPORT

The Board of Directors of Tan Chong Motor Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2023.

COMPOSITION AND MEETINGS

The Audit Committee was established on 1 August 1994 and the current composition, including the attendance of its members at the six (6) meetings held during the financial year, is as follows:

Name	Designation	Attendance
Ng Chee Hoong *Independent Non-Executive Director*	Chairman	6/6
Lee Min On *Senior Independent Non-Executive Director*	Member	6/6
Dato' Ng Mann Cheong *Non-Independent Non-Executive Director*	Member	6/6
Dato' Christopher Chan Choun Sien *Independent Non-Executive Director*	Member	6/6
Dr. Nesadurai Kalanithi (Appointed on 1 July 2023) *Independent Non-Executive Director*	Member	3/3

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE

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

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

(1) Financial Reporting

(a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on significant matters, which included the going concern assumption, and ensured the disclosures complied with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Listing Requirements before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities;

(b) Reviewed the annual audited financial statements of the Company and the Group together with the external auditors before recommending the same to the Board for approval; and

(c) Reviewed the impact of changes in accounting policies and adoption of new accounting standards, together with significant matters highlighted in the financial statements.

(2) External Audit

(a) Reviewed the external auditors' Audit Plan for the Group, which outlined the auditors' responsibilities and the scope of work, anticipated key audit matters, and reporting timelines for the financial year ended 31 December 2023, including the external auditors' fees;

(b) Discussed and reviewed with the external auditors, the results of their examination and their reports in relation to the audit and accounting issues, including weaknesses noted in internal controls pertaining to financial reporting, arising from the audit;

(c) Discussed and reviewed the areas for improvements in the internal control system of certain subsidiaries as highlighted by the external auditors and steps needed to be taken to address the issues;

(d) Reviewed and pre-approved/approved the nature of, and fees for, non-assurance/non-audit services before they were provided by the external auditors and/or their affiliates, both local and overseas in accordance with the Group's external auditors' assessment policy to ensure that such non-assurance/non-audit services did not compromise the objectivity and independence of the external auditors. Details of non-assurance/non-audit fees incurred by the Company and Group for the financial year ended 31 December 2023 are stated in the Additional Compliance Information on page 95 of this Annual Report;

(e) Assessed the suitability, objectivity and independence of the external auditors by evaluating, among others, the adequacy of their technical knowledge, experience, skills, independence and objectivity, their audit engagement and the supervisory ability and competency of the engagement team assigned to the engagement. Moreover, the external auditors had confirmed their professional independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants via their presentation deck to the Audit Committee as well as their engagement letter. In line with the Malaysian Code on Corporate Governance, the Committee also reviewed the Annual Transparency Report of the external audit firm which set out, inter-alia, the governance and leadership structure of the firm, as well as measures undertaken by the firm to uphold audit quality and manage risks. Following the outcome of such assessment, the Audit Committee was satisfied that the external auditors were able to meet the audit requirements and statutory obligations of the Company and their professional independence and objectivity as external auditors of the Company. Accordingly, the Audit Committee recommended, and the Board accepted the Audit Committee's recommendation, for KPMG PLT to be re-appointed as the Company's external auditors at the forthcoming Annual General Meeting ("AGM") in May 2024, subject to shareholders' approval; and

(f) Held two (2) private sessions with the external auditors, following the presentation of their Audit Plan for the financial year ended 31 December 2023 on 24 November 2023, and following their presentation of results and findings from their audit on 28 February 2024, in the absence of Executive Directors, Management and Committee Secretaries. These sessions enabled the external auditors to discuss with the Audit Committee on any other matters noted by the external auditors during their audit of the financial statements for the financial year under review without being beholden to Management's presence.

(3) Internal Audit

(a) Reviewed and approved the Annual Internal Audit Plan ("Plan") to ensure adequacy of scope, resources, competencies and coverage of auditable entities in the Group with significant and high risks, including the progress of completion of the Plan;

(b) Reviewed the scope and results of internal audits addressing the assessment of risk management and internal controls over operations, financial and compliance relating to the Group based on the approved Plan;

(c) Reviewed and discussed the major findings, areas requiring improvements and significant internal audit matters raised by the internal auditors and Management's response, including follow-up actions. Management of the business units concerned was requested to rectify and improve the risk management and internal control procedures and workflow process deficiencies based on the internal auditors' recommendations; and

(d) Reviewed the performance, competencies, training requirements and effectiveness of the internal audit function.

(4) Related Party Transaction

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

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

(5) Others

(a) Reviewed the Circular to Shareholders in relation to Shareholders' Mandate on RRPTs, the review procedures of RRPTs, the RRPT estimates and methods for determination of RRPT transaction price and threshold of authority, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval;

(b) Reviewed valuation of non-current assets of the Group;

(c) Reviewed the report on irregularities and serious misconduct issued by the Group Integrity Office (as presented by the Head of Group Investigation and Forensic Services Department) and ensured that remedial action plans were appropriate; and

(d) Monitored, together with the Group Integrity Officer's Office, and Group Risk Management and Sustainability function, the implementation of the Anti-Bribery and Anti-Corruption Policy ("ABAC") for the Group, effective from 19 May 2020, and reviewed the effectiveness of the ABAC and the Adequate Procedures that were implemented to help prevent the occurrence of corrupt practices and to comply with Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

AUDIT COMMITTEE REPORT

SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

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

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

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

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

(a) Formulated and agreed with the Audit Committee the annual Internal Audit Plan, strategy and scope of work;

(b) Reviewed compliance with policies, procedures and relevant rules and regulations;

(c) Reviewed the Group's risk management policies and procedures, including assessing the adequacy and operating effectiveness of the policies and procedures in achieving their intended purpose;

(d) Reviewed and tested the adequacy and operating effectiveness of internal controls associated with key business units and support functions within the Group. The significant areas and processes, including their underlying risks, of the Group covered by GIA comprised the following:

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

(e) Performed special review and investigation, as required;

(f) Reported audit findings, including follow-up audits, and made recommendations to improve the internal control system at the various business units; and

(g) Reviewed the RRPTs and RPTs of the Group to determine if they were undertaken at "arm's length", on normal commercial terms of the Group and on terms which were not more favourable to the related parties than those generally available to the public and complied with the Listing Requirements of Bursa Securities as well as the guidelines and procedures in relation to the Shareholders' Mandate for RRPTs which was obtained at the last Annual General Meeting.

This Report is dated 18 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURPOSE OF STATEMENT

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

Accordingly, the Board of Directors (“Board”) of Tan Chong Motor Holdings Berhad (“Company”) furnishes this Statement, which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2023 and up to the date of approval of this Statement for inclusion in the Company’s Annual Report. For disclosure purpose, this Statement has considered and, where required, included the mandatory contents outlined in the “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers”, a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

BOARD’S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

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

- Practice 1.1 and Guidance 1.1

  The Board should:

  - ensure a sound framework for internal controls and risk management;
  - understand the principal risks of the Company’s businesses and recognise that business decisions involve the taking of appropriate risks;
  - set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

- Practice 10.1

  The Board should establish an effective risk management and internal control framework; and

- Practice 10.2

  The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

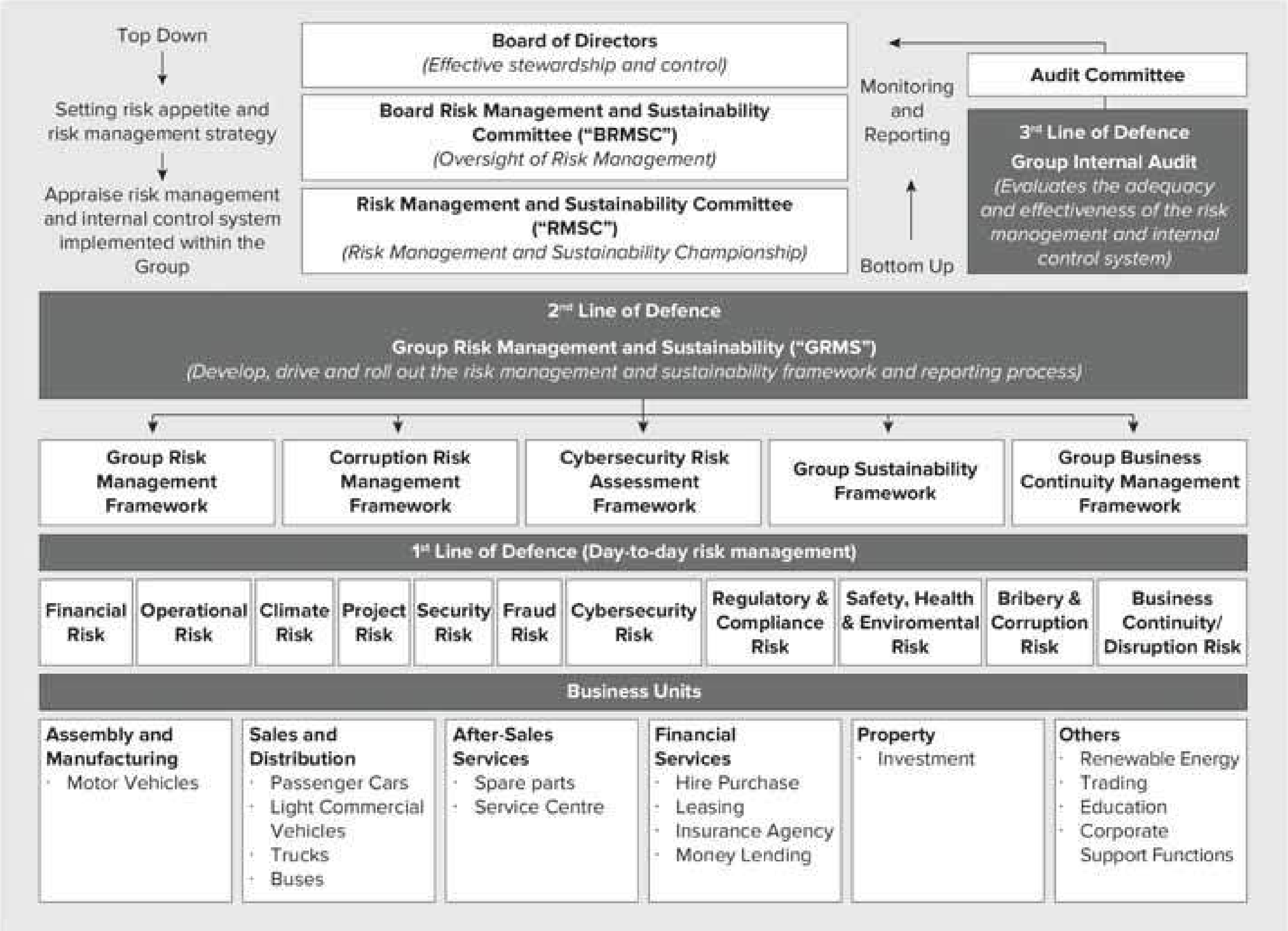
- Risk appetite and risk management strategy;
- Risk profiles of the Group, which were developed in line with the risk management framework;
- Management's actions required in response to changes in the risk profiles and emerging or potential risks;
- The adequacy and effectiveness of risk management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

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

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

RISK MANAGEMENT GOVERNANCE STRUCTURE

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



RISK MANAGEMENT FRAMEWORK

The Risk Management Framework ("RMF") established by the Company is recognised by BRMSC and RMSC as an imperative part of the business with the aim to facilitate implementation of the risk management processes across the Company and its subsidiaries. The Group continually seeks to improve the risk management processes, enabling risks to be proactively managed and minimise any adverse impact on the Group's business strategies and achieving of its objectives.

How the Group Manages Risk

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

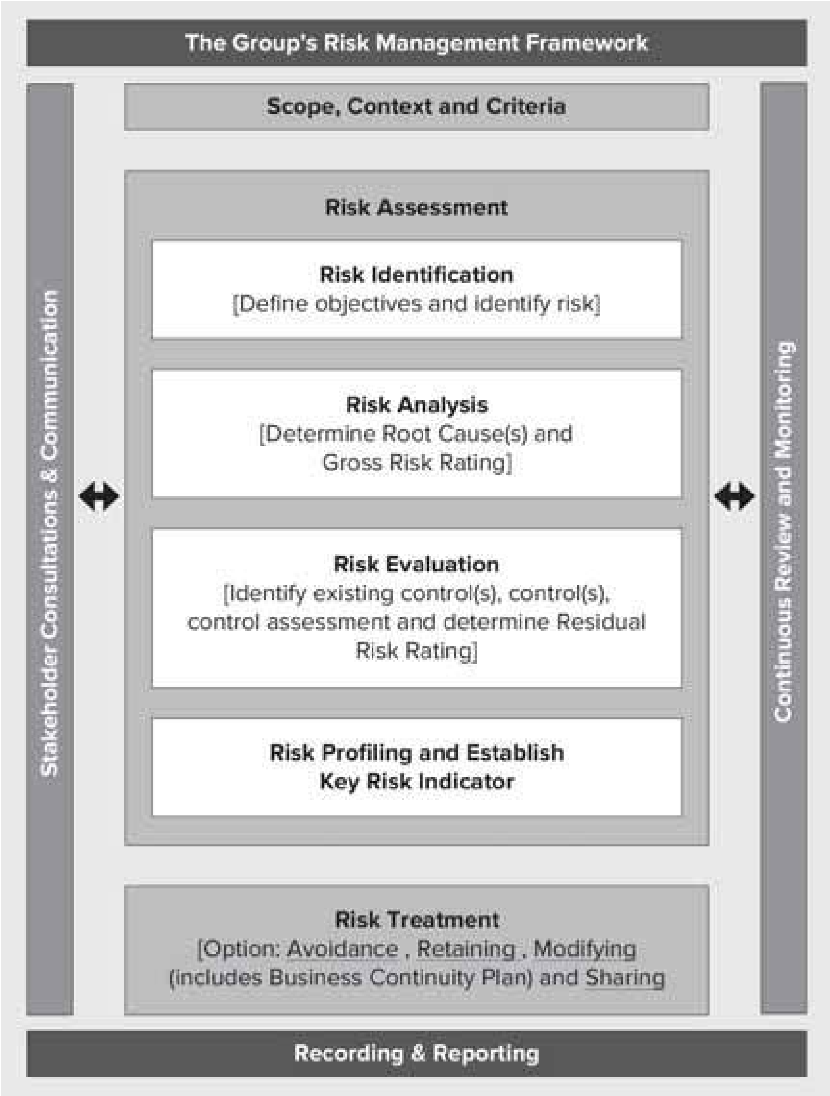
The risk assessment process which comprises key elements of risk identification, likelihood/impact analysis, risk evaluation and risk treatment (as illustrated in the risk management framework on the right).

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

Risks are scored for their likelihood of occurrence and the impact based on the risk parameters established for the business. The parameters deployed reflect the organisation's risk appetite, which is defined as the level of risk the Group is prepared to accept to achieve its objectives.

The Group's risk parameters comprise quantitative (financial) and qualitative (non-financial, e.g., reputation and image, business interruption, operational efficiency, governance and regulatory, people, business model sustainability, environmental, health and safety) matrices.

The risks identified are rated either "High, Moderate or Low" based on the evaluation of the likelihood of their occurrence and impact thereof, considering the adequacy and effectiveness of existing controls. Risk treatment or risk mitigating plans are formulated to address the risks and align with the risk appetite.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

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

Framework

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

Risk Assessment & Monitoring

- Quarterly review performed by business units to identify and assess the existing or any emerging risks affecting their business;
- GRMS reviewed and analysed the risk rating against the root causes, existing controls and progress of mitigation plans reported by business units. Thereafter, conduct deliberation session with business units to confirm the risk rating;
- The Key Risk Indicator ("KRI") were established to provide an early signal of increasing risk exposures, covering business risk and corruption risk, were updated by business units and monitored by GRMS monthly. When the indicators were triggered to an unacceptable level, remedial actions were taken by business units to address the areas of concern and the implementation of the action plan was monitored closely by GRMS;
- Group Information Technology ("Group IT") monitored and engaged GRMS in discussions (if needed) on the KRIs and Cybersecurity Incident Management reported;
- In compliance with the requirements stipulated in the Group's Anti-Bribery and Anti-Corruption Policy, GRMS guided business units in corruption risk assessment and performing third party's due diligence on corruption risks;
- In compliance with Anti Money Laundering/Counter Financing of Terrorism requirements, GRMS facilitated the trust fund company to perform risk assessment and customer due diligence;
- Performed Cyber Security Assessment and reporting to Bank Negara Malaysia for financial services business unit; and
- Performed physical security, environment, health and safety assessment for Large Scale Solar 4 to assess the risk and preventive measures to mitigate the project and compliance risk.

Reporting

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

Training & Communication

Subject	Key Objectives
Risk awareness briefing	Create awareness of risks (business and corruption risk management and frameworks) to embed a corporate risk culture and instil good governance within the Group.
Risk-based Due Diligence for Corruption Risks Workshop	To guide business units to perform due diligence on corruption risks.
Environmental, Social & Governance and Sustainability framework awareness briefing	To inculcate the importance of sustainability and facilitate business units to identify the sustainability risks and opportunities.

Internal controls and risk related matters which warranted the attention of the Board, together with the recommended remedial measures, were highlighted by the RMSC and BRMSC to the Board; and matters or decisions made within the RMSC's and BRMSC's purview were also updated to the Board for notation or further action, as the case might be.

THE GROUP'S KEY RISKS FOR 2023

Type of Risk	Concern	Mitigating Actions/Strategy
Regulatory Risk	Changes to local regulatory requirements and/or government policies may cause the operating efficiency not at the optimum level. Failing to observe or comply with latest regulations may also trigger penalties being imposed by the authorities.	The Group kept abreast on the latest changes to the regulatory requirements by engaging with various government agencies and/or business associations to gain forefront knowledge of new regulations and/or policies requirement; and Changes to the regulatory requirements were incorporated into the policies/ standard operating procedures and communicated to the staff for compliance.
Country Risk	The Group has investment abroad in the ASEAN region and is exposed to country risk where the possible changes in the business environment (due to economic, political, etc.) may adversely affect operating profits or the value of assets in the country.	The control measures in place to minimise the impact of the country risk to the Group's long-term business strategy include:- • Conducting detailed study and due diligence being performed prior to the investment; • Evaluation of investment proposal by the Investment Committee prior to seeking endorsement from the Board; • Keeping abreast with the latest rules and regulations imposed by the local governments; • Engaging with local expertise/consultants for advisory services on legal and tax related matters; and • Maintaining close monitoring on the business environment in the countries where the Group's business resided with appropriate business strategy adopted to mitigate the emerging risks.
Cybersecurity Risk	The Group is potentially exposed to the risks of malware, ransomware, phishing attacks, unauthorised access, corruption and/or loss of its information assets.	To mitigate these risks, processes have been deployed to manage and protect the confidentiality, integrity and availability of data and critical infrastructure, which include: • Continuous monitoring of network activities and firewalls to prevent malicious or unnecessary network traffic; • Advanced Persistent Threat and Endpoint Protection Systems are installed in all servers and endpoints to protect critical and confidential data; • Regular preventive maintenance of the Group's systems is carried out and action taken to close any identified gaps; • Incident Management process is established to facilitate the immediate response and resolution plan to cybersecurity attack incident; and • Multiple sessions of Cybersecurity awareness briefing are conducted to instil the knowledge of risks associated with cyber-attacks and to cultivate an organisation that is always aware of cyber threats.
Foreign Exchange Risk	The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Japanese Yen ("JPY").	The mitigating strategies in place to manage the impact of the foreign exchange risk to the Group include: • Group Treasury is closely monitoring foreign exchange movement and hedges Group's foreign currency denominated trade payables and overseas subsidiaries loan with forward contracts; • Continuous negotiation with the suppliers by the business units to transact using suppliers' home country currency i.e Reminbi, Thai Baht and etc; and • Business units located in Indochina diligently managed the cash flow position i.e. maintaining optimum level of local currencies and exercising vigilance to monitor the movement of foreign exchange rates.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

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

a. Communication of Company's Core Values i.e. Trustworthiness & Integrity, Courage, Frugality, Innovation & Creativity, 24/7 Mindset, Perseverance and Diligence, to all employees;
b. A code of conduct which requires employees to maintain the highest standards of professionalism and integrity in all that the employees do, including communications with colleagues, customers, clients, suppliers and the public;
c. An organisational structure of the Group with formally defined lines of responsibility and delegation of authority for the respective business units. Matters beyond the formalised limits of authority for Management are referred upward to the Board for approval. Group support functions such as Finance and Administration, Taxation, Treasury, Risk Management and Sustainability, Internal Audit, Secretarial, Legal, Human Resources, Insurance and Information System play a vital role in the overall risk management and internal control system of the Group. Various Management committees have been established to manage and control the Group's business;
d. The Board and Audit Committee review the Group's financial reporting process, financial and operational performance, internal controls, risk management and governance structure;
e. Active participation and involvement from the President, Group Chief Executive Officer and Chief Financial Officer in the day-to-day running of the major businesses and discussions with the Management of smaller Business Units on operational issues;
f. Review and approval of annual business plan and budget of all major business units by the Board;
g. Variance analysis, comparing actual performance against budget/forecast results is carried out, monitored, and reported to the President, Group Chief Executive Officer and Chief Financial Officer. Relevant remedial action plans are formulated to address the significant variance or gaps. On a quarterly basis, the Chief Financial Officer briefs the Audit Committee on the performance of the Group in relation to previous quarters as well as the budget;
h. Human Resource policies and procedures have been formalised to cover hiring, orientation, training, evaluating, counselling, promotion and compensation and benefits;
i. IT preventive maintenance exercise is carried out nationwide where IT related assessment activities are performed e.g. computer inventory stock count to verify the quantities and condition of the laptop and desktop computers, software inventory checks to verify that only authorised software are installed, review of the network rack and condition of the server room wiring, and review and test on the network connectivity such as internet speed and WIFI connectivity;
j. A fraud prevention policy has been adopted by the Group - this policy provides guidance in preventing fraud and to promote transparency and integrity;
k. In line with the provisions of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Group has adopted a culture of zero tolerance towards all forms of bribery and corruption as already enunciated in our Group's policies, codes of conduct, and core values. This culture is restated in our Anti-Bribery and Anti-Corruption Policy ("ABAC") which can be viewed in our Intranet and public website at: https://www.tanchonggroup.com/corporate-integrity/;
l. Since the beginning of 2021, our GIO has conducted ABAC awareness and training for all employees and stakeholders via our E-Learning platform. All employees are also required to sit for an awareness test to gauge their understanding of the ABAC;
m. Individual project task forces have been formed to assess and evaluate the feasibility and risk impact that prospective investments have on the Group. The feasibility study, risk impact and assessment on new investments or projects are then evaluated and approved by an Investment Committee for the Board's deliberation and approval;
n. Policies and procedures, which address the major aspects of activities throughout the Group, have been established to enable necessary management directives to be carried out with actions taken on risks to achieve the Group's objectives. The policies and procedures include a range of control activities as diverse as approval, authorisation, verification, reconciliation, review of performance, safeguarding of assets and segregation of key conflicting functions;
o. Periodic management and Board meetings are carried out to discuss pertinent business matters whilst relevant information and data is collated and reported at the Management and Board meetings to facilitate decision making. Such information includes financial and non-financial, internal and external reporting;
p. Heads of department are entrusted to conduct management and supervisory reviews ensuring that personnel reporting to them discharge the duties and tasks as entrusted;
q. Group Internal Audit ("GIA") carries out separate and independent evaluations on the effectiveness of the internal control system, risk management and corporate governance. Internal control deficiencies as well as material risk issues and governance breaches are reported to the Audit Committee, the Board, President, Group Chief Executive Officer and Chief Financial Officer;
r. The regional internal audit office is established in our Bangkok office and has commenced operations to conduct internal audits on the Indochina business units. The regional audits performed and completed in the year covered Cambodia and Laos units; and
s. The Environment, Health, & Safety ("EHS") Policy for the Group has been reviewed and revised based on the current corporate directive for compliance with the Occupational Safety and Health Act 1994, and the local authorities and ESG requirements. Every reasonable effort is taken to minimise our carbon footprint and address climate change issues through conserving and optimising the utilisation of earth's resources, and reducing emissions and waste in a responsible manner. The policy is now available on TCMH's corporate website and intranet (HR Portal).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

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

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

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

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

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

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2023 amounted to approximately RM1.51 million (2022: approximately RM1.28 million).

WEAKNESSES IN INTERNAL CONTROLS THAT RESULTED IN MATERIAL LOSSES

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 December 2023 as a result of weaknesses in internal controls that would require disclosure in the annual report. Nonetheless, the Board continues to take measures to strengthen the risk management processes and internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Company's Annual Report for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

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

CONCLUSION

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

This Statement is dated 18 April 2024.

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

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

In preparing the financial statements for the financial year ended 31 December 2023, the Directors have:

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

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

ADDITIONAL COMPLIANCE INFORMATION

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

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the Directors' and major shareholders' interests either still subsisting at the end of financial year ended 31 December 2023 or entered into since the previous financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by the Auditors of the Company, KPMG PLT and their overseas affiliates, to the Company and the Group respectively for the financial year ended 31 December 2023 were as follows:

	Company 2023 (RM)	**Group 2023 (RM)**
Statutory audit fees	67,600	608,925
Non-audit fees *	15,000	192,600

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

FINANCIAL
STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

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

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year attributable to:		
Owners of the Company	(128,742)	45,848
Non-controlling interests	(5,109)	-
	(133,851)	45,848

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company declared an interim single tier dividend of 1.0 sen per ordinary share totalling approximately RM6,519,000 on 24 May 2023 in respect of the financial year ended 31 December 2023 and paid on 30 June 2023.

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

Directors of the Company

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

Dato' Tan Heng Chew
Dato' (Dr.) Khor Swee Wah @ Koh Bee Leng (Resigned on 30 June 2023)
Ho Wai Ming
Lee Min On
Ng Chee Hoong
Dato' Ng Mann Cheong
Dato' Chan Choun Sien
Dr. Nesadurai Kalanithi (Appointed on 1 July 2023)
Chia Tuang Mooi (Appointed on 1 February 2024)

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

List of Directors of Subsidiaries

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Abdul Rahman Bin Mohamed
Adrian Low Kok Kiang
Alagasan a/l Gadigaselam
Allan Chong Phang Ngee
Chan Mei-Lynn
Chen Wen-Chun
Cheng Mun Kean
Cheong Kim Seong
Cheong Yoke Yean
Chia Tuang Mooi
Chin Ten Hoy
Chin Yoon Leng
Chiou Wi-Guo
Chong Choon Yeng
Chong Meow Fong
Chong Moon Fen (Appointed on 29 November 2023)
Choo Chee Seong
Chow Kai Ming
Christopher Tan Kok Leong
Daniel Chow Wing Fai
Dato' Azmil Bin Mohd Zabidi (Appointed on 30 January 2023)
Dato' Tan Eng Hwa
Dato' Than Tai Hing
Dato' Yew Hock Tat
Datuk Abdullah bin Abdul Wahab
Datuk Saharudin bin Muhamad Toha
Datuk Tan Kok Liang (Demised on 29 November 2023)
Datuk Yaacob bin Wan Ibrahim (Resigned on 25 July 2023)
Foo Check Tuann
Han Yin Nee
Hout Kimmeng
Kay Fock Soon
Ke Bee Kian
Khoo Cheng Pah
Khoo Peng Peng
Kol. (B) Ho Wah Juan
Kong Foo Weng (Resigned on 25 July 2023)
Kong Kim Loong @ Robert Kong
Lau Wai Yoong
Law Ah Tiong (Appointed on 7 March 2023 and resigned on 27 March 2024)
Lee Jiunn Shyan
Lee Kok Loon
Lee Long How
Leong Moh Jyee
Leong Wen Yew
Leong Yee Voon
Lew Jiun Shang
Lim Chee Khoon
Ling Koon Kiong
Loh Ling Howe (Appointed on 18 May 2023)
Loh Thim Choy
Loke Kwong Cheong
Looi Kok Eu
Martin Leow @ Liew Hun Vean
Mohd Yusop bin Saidin
Narasak Woraphun

DIRECTORS' REPORT
for the year ended 31 December 2023

List of Directors of Subsidiaries (continued)

Ng Eng Soon (Resigned on 18 May 2023)
Ng Kiat Seng (Resigned on 8 March 2023)
Nicholas Tan Chye Seng
Ong Siew Luan
Ong Teck Seong
Ong Wee Teck
Ong Yin Ee
Phang Mun Kuee (Appointed on 16 November 2023)
Roslan Bin Ahmad (Appointed on 7 March 2023)
Say Teck Ming
Soh Peng Hui (Appointed on 18 May 2023)
Song Choon Beng
Sunida Thaisom
Tan Cheng Fu (Resigned on 30 June 2023)
Tan Keng Meng
Tan Lian Chin
Tan Poh Guan
Tan Seng Huat
Tan Siew Hoong
Tan Soon Huat
Tan Su Kui @ Tan Su Leong
Tan Teow Chang
Tan Ying Xiu
Tang Chin Fook
Teh Kim Hwa
Teong Seng Kiang
Terence Lau Han Seong
Thambirajah A.Marimuthu (Appointed on 1 March 2024)
Tse Pei Chen
Tyrel Sackett Fernandez
U Khin Maung Lwin
Wan Chun Shong
Wong Hoe Mun
Wong King Yoon
Yap Boon Wah
Yap Yoke Moi
Yeap Ling Weng (Resigned on 2 June 2023)
Yeoh Hee Huat (Resigned on 31 May 2023)
Yong Ye Yeen
Yuen Kok Leong

Directors' interests in shares

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

	Number of ordinary shares			
	At 1.1.2023	**Bought**	**Disposed/ Transferred**	**At 31.12.2023**
Interests in the Company				
Direct interests:				
Dato' Tan Heng Chew	32,585,362	216,600	-	32,801,962
Indirect/Deemed interests:				
Dato' Tan Heng Chew	290,363,430 (1)	-	-	290,363,430 (1)
Dato' Ng Mann Cheong	150,000 (2)	-	-	150,000 (2)
Ho Wai Ming	20,000 (2)	-	-	20,000 (2)

Notes:

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

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

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

Save for the above, the other Directors holding office at 31 December 2023 did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the professional fees received by a Director of the Company and a legal firm in which a Director of the Company is a partner; rental income receivable and/or rental expense payable by the Company and/or related corporations from/to companies in which the Directors and/or their connected persons have significant financial interests, and the relevant related party transactions as disclosed in Note 32 to the financial statements.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	**From its subsidiary companies RM'000**
Directors of the Company:		
Fees	570	16
Remuneration	12,906	5,160
Estimated money value of any other benefits	2,415	-
Legal fees paid to a firm in which a Director is a partner	-	282
	15,891	5,458

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

DIRECTORS' REPORT

for the year ended 31 December 2023

Issue of shares and debentures

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

Options granted over unissued shares

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

Share buy-back

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

Indemnity and insurance costs

During the financial year, total indemnity coverage of RM40,000,000 was effected with insurance premium of RM67,310 paid for the Directors and the officers of the Group and of the Company.

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

Other statutory information

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the Directors, except for those disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

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

Subsequent event

Subsequent event is disclosed in Note 37 to the financial statements.

Auditors

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

The auditors' remuneration of the Group and of the Company during the year are RM1,006,000 and RM68,000 respectively.

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

....
Ho Wai Ming
Director

....
Chia Tuang Mooi
Director

Kuala Lumpur,

Date: 18 April 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	2,371,155	2,414,470	461	567
Investment properties	4	238,590	238,990	-	-
Intangible assets	5	100,888	13,006	-	-
Investments in subsidiaries	6	-	-	2,476,369	2,284,339
Equity-accounted investees	7	66,456	70,480	26,896	26,896
Deferred tax assets	9	90,966	93,005	7,386	6,591
Hire purchase receivables	10	343,799	359,406	-	-
Receivables	11	-	-	214,611	217,082
Total non-current assets		3,211,854	3,189,357	2,725,723	2,535,475
Other investments	8	25,872	454	-	-
Inventories	12	822,057	748,401	-	-
Contract assets	13	25,541	26,349	-	-
Current tax assets		29,497	19,292	-	-
Hire purchase receivables	10	108,181	104,817	-	-
Receivables	11	296,370	295,509	453	624
Deposits and prepayments	11	83,019	92,781	144	148
Derivative financial assets	14	345	3,240	-	-
Cash and cash equivalents	15	511,579	558,160	164	678
Total current assets		1,902,461	1,849,003	761	1,450
Total assets		5,114,315	5,038,360	2,726,484	2,536,925

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Equity					
Share capital	16	336,000	336,000	336,000	336,000
Reserves		2,430,434	2,562,229	1,928,564	1,889,235
Treasury shares		(26,294)	(25,953)	(26,294)	(25,953)
Total equity attributable to owners of the Company		2,740,140	2,872,276	2,238,270	2,199,282
Non-controlling interests		1,658	(22,598)	-	-
Total equity		2,741,798	2,849,678	2,238,270	2,199,282
Liabilities					
Borrowings	17	450,000	300,000	450,000	300,000
Lease liabilities		67,929	71,109	192	275
Employee benefits	18	90,388	80,902	29,231	26,294
Deferred tax liabilities	9	243,850	244,806	-	-
Contract liabilities	13	51,312	45,974	-	-
Total non-current liabilities		903,479	742,791	479,423	326,569
Borrowings	17	1,092,614	974,027	-	-
Lease liabilities		29,587	18,702	83	83
Derivative financial liabilities	14	807	7,312	-	-
Taxation		2,424	3,070	-	-
Contract liabilities	13	24,431	27,643	-	-
Payables and accruals	19	319,175	415,137	8,708	10,991
Total current liabilities		1,469,038	1,445,891	8,791	11,074
Total liabilities		2,372,517	2,188,682	488,214	337,643
Total equity and liabilities		5,114,315	5,038,360	2,726,484	2,536,925

The notes on pages 117 to 211 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023 (in USD equivalent)

	2023 USD'000	2022 USD'000
Assets		
Property, plant and equipment	516,423	547,127
Investment properties	51,963	54,156
Intangible assets	21,973	2,947
Equity-accounted investees	14,474	15,971
Deferred tax assets	19,812	21,075
Hire purchase receivables	74,877	81,443
Total non-current assets	699,522	722,719
Other investments	5,635	103
Inventories	179,039	169,590
Contract assets	5,563	5,971
Current tax assets	6,424	4,372
Hire purchase receivables	23,561	23,752
Receivables	64,548	66,963
Deposits and prepayments	18,081	21,024
Derivative financial assets	75	734
Cash and cash equivalents	111,419	126,481
Total current assets	414,345	418,990
Total assets	1,113,867	1,141,709

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

The audited figures are converted into USD equivalent using the exchange rate of RM4.5915 = USD1.00

(2022: RM4.4130 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023 (in USD equivalent)

	2023 USD'000	2022 USD'000
Equity		
Share capital	*73,179*	*76,139*
Reserves	*529,333*	*580,609*
Treasury shares	*(5,727)*	*(5,881)*
Total equity attributable to owners of the Company	*596,785*	*650,867*
Non-controlling interests	*361*	*(5,121)*
Total equity	*597,146*	*645,746*
Liabilities		
Borrowings	*98,007*	*67,981*
Lease liabilities	*14,795*	*16,114*
Employee benefits	*19,686*	*18,333*
Deferred tax liabilities	*53,110*	*55,475*
Contract liabilities	*11,175*	*10,418*
Total non-current liabilities	*196,773*	*168,321*
Borrowings	*237,964*	*220,718*
Lease liabilities	*6,444*	*4,238*
Derivative financial liabilities	*176*	*1,657*
Taxation	*528*	*696*
Contract liabilities	*5,321*	*6,264*
Payables and accruals	*69,515*	*94,069*
Total current liabilities	*319,948*	*327,642*
Total liabilities	*516,721*	*495,963*
Total equity and liabilities	*1,113,867*	*1,141,709*

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(2022: RM4.4130 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue	20	2,532,726	3,052,235	81,100	460,346
Cost of sales		(2,037,263)	(2,452,636)	-	-
Gross profit		495,463	599,599	81,100	460,346
Other income		76,041	67,423	2	3
Distribution expenses		(195,313)	(199,419)	-	-
Administrative expenses		(375,634)	(358,816)	(20,415)	(15,730)
Net impairment loss on financial instruments		(10,697)	(839)	(3,469)	(650)
Other expenses		(67,945)	(81,643)	(90)	-
Results from operating activities		(78,085)	26,305	57,128	443,969
Finance income	21	20,377	11,989	8,113	7,964
Finance costs	22	(62,901)	(51,720)	(20,188)	(20,912)
Net finance cost		(42,524)	(39,731)	(12,075)	(12,948)
Share of loss of equity-accounted investees, net of tax		(534)	(739)	-	-
(Loss)/Profit before tax	23	(121,143)	(14,165)	45,053	431,021
Tax (expense)/income	25	(12,708)	(40,696)	795	207
(Loss)/Profit for the year		(133,851)	(54,861)	45,848	431,228

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		-	15,751	-	11,030
Revaluation of property, plant and equipment		-	141,638	-	-
		-	157,389	-	11,030
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(3,185)	(1,357)	-	-
Foreign currency translation differences for an equity-accounted associate		1,395	545	-	-
Cash flow hedge		3,751	(3,564)	-	-
		1,961	(4,376)	-	-
Other comprehensive income for the year, net of tax	26	1,961	153,013	-	11,030
Total comprehensive (expense)/income for the year		(131,890)	98,152	45,848	442,258
(Loss)/Profit attributable to:					
Owners of the Company		(128,742)	(51,110)	45,848	431,228
Non-controlling interests		(5,109)	(3,751)	-	-
(Loss)/Profit for the year		(133,851)	(54,861)	45,848	431,228
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(125,276)	100,370	45,848	442,258
Non-controlling interests		(6,614)	(2,218)	-	-
Total comprehensive (expense)/income for the year		(131,890)	98,152	45,848	442,258
Basic loss per ordinary share (sen)	27	(19.75)	(7.84)		

The notes on pages 117 to 211 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023 (in USD equivalent)

	2023 USD'000	***2022 USD'000***
Revenue	*551,612*	*691,646*
Cost of sales	*(443,703)*	*(555,775)*
Gross profit	*107,909*	*135,871*
Other income	*16,561*	*15,278*
Distribution expenses	*(42,538)*	*(45,189)*
Administrative expenses	*(81,811)*	*(81,309)*
Net impairment loss on financial instruments	*(2,330)*	*(190)*
Other expenses	*(14,797)*	*(18,501)*
Results from operating activities	*(17,006)*	*5,960*
Finance income	*4,438*	*2,717*
Finance costs	*(13,699)*	*(11,720)*
Net finance cost	*(9,261)*	*(9,003)*
Share of loss of equity-accounted investees, net of tax	*(116)*	*(167)*
Loss before tax	*(26,383)*	*(3,210)*
Tax expense	*(2,768)*	*(9,222)*
Loss for the year	*(29,151)*	*(12,432)*

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The audited figures are converted into USD equivalent using the exchange rate of RM4.5915 = USD1.00

(2022: RM4.4130 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023 (in USD equivalent)

	2023 USD'000	2022 USD'000
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	-	3,569
Revaluation of property, plant and equipment	-	32,096
	-	35,665
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(694)	(308)
Foreign currency translation differences for an equity-accounted associate	304	123
Cash flow hedge	817	(808)
	427	(993)
Other comprehensive income for the year, net of tax	427	34,672
Total comprehensive (expense)/income for the year	(28,724)	22,240
Loss attributable to:		
Owners of the Company	(28,039)	(11,582)
Non-controlling interests	(1,113)	(850)
Loss for the year	(29,152)	(12,432)
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(27,284)	22,744
Non-controlling interests	(1,440)	(504)
Total comprehensive (expense)/income for the year	(28,724)	22,240
Basic loss per ordinary share (sen)	(4.30)	(1.78)

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(2022: RM4.4130 = USD1.00) being the exchange rate ruling at the date of statements of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

		Attributable to owners of the Company									
		Non-distributable						Distributable			
Group	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Translation reserve RM'000**	**Revaluation reserve RM'000**	**Hedging reserve RM'000**	**Capitalisation of retained earnings RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2022		336,000	(25,901)	(13,510)	814,934	(518)	100	1,680,417	2,791,522	(21,850)	2,769,672
Remeasurement of defined benefit liability		-	-	-	-	-	-	15,515	15,515	236	15,751
Revaluation of property, plant and equipment		-	-	-	139,380	-	-	-	139,380	2,258	141,638
Transfer of revaluation surplus on properties		-	-	-	(13,316)	-	-	13,316	-	-	-
Foreign currency translation differences for foreign operations		-	-	(396)	-	-	-	-	(396)	(961)	(1,357)
Foreign currency translation difference for an equity-accounted associate		-	-	545	-	-	-	-	545	-	545
Cash flow hedge		-	-	-	-	(3,564)	-	-	(3,564)	-	(3,564)
Total other comprehensive income/(expense) for the year		-	-	149	126,064	(3,564)	-	28,831	151,480	1,533	153,013
Loss for the year		-	-	-	-	-	-	(51,110)	(51,110)	(3,751)	(54,861)
Total comprehensive income/(expense) for the year		-	-	149	126,064	(3,564)	-	(22,279)	100,370	(2,218)	98,152
Purchase of treasury shares		-	(52)	-	-	-	-	-	(52)	-	(52)
Dividends											
- 2022 first interim	28	-	-	-	-	-	-	(9,782)	(9,782)	-	(9,782)
- 2022 second interim	28	-	-	-	-	-	-	(9,782)	(9,782)	-	(9,782)
		-	(52)	-	-	-	-	(19,564)	(19,616)	-	(19,616)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	1,470	1,470
Transfer upon the disposal of asset classified as held for sale		-	-	-	(1,216)	-	-	1,216	-	-	-
Total transactions with owners of the Company		-	(52)	-	(1,216)	-	-	(18,348)	(19,616)	1,470	(18,146)
At 31 December 2022		336,000	(25,953)	(13,361)	939,782	(4,082)	100	1,639,790	2,872,276	(22,598)	2,849,678

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

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

The notes on pages 117 to 211 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
		← *Attributable to owners of the Company* →			
		Non-distributable		*Distributable*	
Company					
At 1 January 2022		336,000	(25,901)	1,466,541	1,776,640
Profit for the year		-	-	431,228	431,228
Other comprehensive income for the year, net of tax		-	-	11,030	11,030
Total comprehensive income for the year		-	-	442,258	442,258
Purchase of treasury shares		-	(52)	-	(52)
Dividends					
- 2022 first interim		-	-	(9,782)	(9,782)
- 2022 second interim	28	-	-	(9,782)	(9,782)
Total transactions with owners of the Company		-	(52)	(19,564)	(19,616)
At 31 December 2022/ 1 January 2023		336,000	(25,953)	1,889,235	2,199,282
Profit for the year		-	-	45,848	45,848
Total comprehensive income for the year		-	-	45,848	45,848
Purchase of treasury shares		-	(341)	-	(341)
Dividends					
- 2023 first interim	28	-	-	(6,519)	(6,519)
Total transactions with owners of the Company		-	(341)	(6,519)	(6,860)
At 31 December 2023		336,000	(26,294)	1,928,564	2,238,270
		Note 16	Note 16		

The notes on pages 117 to 211 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(121,143)	(14,165)	45,053	431,021
Adjustments for:					
Amortisation of intangible asset	5	1,859	1,864	-	-
Depreciation of property, plant and equipment	3	141,687	146,581	139	137
Dividend income		-	-	(81,100)	(460,346)
Loss/(Gain) on disposal of:	23				
- Assets classified as held for sale		-	(158)	-	-
- Investment properties		-	(155)	-	-
- Property, plant and equipment		2,404	(11,872)	-	-
(Gain)/Loss on unrealised foreign exchange - net	23	(11,431)	1,338	(2)	(3)
Finance costs	22	62,901	51,720	20,188	20,912
Finance income	21	(20,377)	(11,989)	(8,113)	(7,964)
Inventories written off	23	460	454	-	-
Write-down of inventories	12	1,431	6,030	-	-
Bad debts recovered	23	(2,250)	-	-	-
Bad debts written off	23	347	292	-	-
Additional/(Reversal of) impairment loss on:	23				
- Amount due from subsidiaries		-	-	3,469	649
- Hire purchase receivables		9,968	1,728	-	-
- Equity-accounted investees		3,000	-	-	-
- Property, plant and equipment		-	(792)	-	-
- Trade receivables		729	(889)	-	-
Reversal of write-down of inventories	12	(10,417)	(3,996)	-	-
Property, plant and equipment written off	3	85	819	-	-
Retirement benefits charged	18	10,762	8,382	2,937	149
Fair value changes on investment properties	4	400	(15)	-	-
Share of loss of equity-accounted investees		534	739	-	-
Fair value adjustment to derivatives		2	(3)	-	-
Operating profit/(loss) before changes in working capital		70,951	175,913	(17,429)	(15,445)
Changes in working capital:					
Inventories		(33,778)	40,937	-	-
Hire purchase receivables		2,275	41,257	-	-
Receivables		(3,146)	31,469	171	22
Deposits and prepayment		9,762	1,691	4	(61)
Payables and accruals		(113,664)	(114,704)	(4,553)	1,235
Contract assets		808	(15,540)	-	-
Contract liabilities		2,126	6,884	-	-
Cash generated (used in)/from operations		(64,666)	167,907	(21,807)	(14,249)
Tax paid		(25,513)	(33,104)	-	-
Tax refunded		3,738	223	-	-
Interest paid		(54,063)	(43,050)	(15,473)	(16,496)
Interest received		20,377	11,989	8,113	7,964
Employee benefits paid		(1,276)	(1,584)	-	-
Net cash (used in)/from operating activities		(121,403)	102,381	(29,167)	(22,781)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from investing activities					
Acquisition of intangible asset		(73,824)	(324)	-	-
Acquisition of property, plant and equipment		(118,580)	(59,766)	(32)	-
Repayment to subsidiaries		-	-	(3,426)	(422,137)
Net (acquisition)/proceeds from disposal of other investments		(23,880)	1,627	-	-
Subscription to subsidiaries' share capital		-	-	(192,030)	(295,527)
Dividends received from:					
- Unquoted subsidiaries		-	-	80,700	460,146
- Joint ventures		400	200	400	200
- Associates		1,485	1,500	-	-
Proceeds from disposal of:					
- Assets classified as held for sale		-	1,847	-	-
- Investment properties		-	1,420	-	-
- Property, plant and equipment		17,069	23,280	-	-
Net cash used in investing activities		(197,330)	(30,216)	(114,388)	(257,318)
Cash flows from financing activities					
Dividends paid to owners of the company	28	(6,519)	(19,564)	(6,519)	(19,564)
Purchase of own shares		(341)	(52)	(341)	(52)
Net proceeds from/(repayment of) bankers' acceptance		46,620	(51,681)	-	-
Net (repayment)/drawdown of term loans		(66,827)	945	-	-
Net drawdown/(repayment) of revolving credit		135,952	(241,968)	-	-
Payment of lease liabilities		(22,742)	(24,279)	(99)	(99)
Net proceeds from medium term notes	17	150,000	300,000	150,000	300,000
Share subscription in a subsidiary by non-controlling interest shareholders		30,870	1,470	-	-
Net cash from/(used in) financing activities		267,013	(35,129)	143,041	280,285
Net (decrease)/increase in cash and cash equivalents		(51,720)	37,036	(514)	186
Effects of exchange rate fluctuations on cash and cash equivalents		5,139	6,637	-	-
Cash and cash equivalents at 1 January		558,160	514,487	678	492
Cash and cash equivalents at 31 December	15	511,579	558,160	164	678

Cash outflows for leases as a lessee

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Included in net cash from operating activities					
Payment relating to leases of short-term leases and low-value assets	23	5,561	6,384	56	56
Interest paid in relation to lease liabilities	22	4,138	4,273	16	19
Included in net cash from financing activities					
Payment of lease liabilities		22,742	24,279	99	99
Total cash outflows for leases		32,441	34,936	171	174

The notes on pages 117 to 211 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include any other entities.

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

These financial statements were authorised for issue by the Board of Directors on 18 April 2024.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and* MFRS 7*, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128*, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

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

(b) Basis of measurement

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

(c) Functional and presentation currencies

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

1. Basis of preparation (continued)

(d) Use of estimates and judgements

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

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

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

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

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

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

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

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

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

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

- *Note 5 - impairment of intangible assets*

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Details of the impairment assessment are provided in Note 5.

- *Note 9 - recognition of deferred tax assets*

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

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

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

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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

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

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

- *Note 12 - valuation of inventories*

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

- *Note 18 - valuation of employee benefits*

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

2. Material accounting policies

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments did not result in any changes to the accounting policy information disclosed in the financial statements.

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations

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

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

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associates

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

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

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

2. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates (continued)

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

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

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

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

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

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

(vii) Non-controlling interests

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

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

(viii) Transactions eliminated on consolidation

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

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

2. Material accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

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

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

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

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

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

(c) Financial instruments

(i) Recognition and initial measurement

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

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

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

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

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

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

(b) Fair value through other comprehensive income

(i) Debt investments

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

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

(ii) Equity investments

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

(c) Fair value through profit or loss

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

2. Material accounting policies (continued)

(c) Financial instruments (continued)

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

(c) Fair value through profit or loss (continued)

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

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

Financial liabilities

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

Amortised cost

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

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

(iii) Regular way purchase or sale of financial assets

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

Trade date accounting refers to:

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

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

Settlement date accounting refers to:

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

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

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

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

(iv) Hedge accounting

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

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(iv) Hedge accounting (continued)

Cash flow hedge

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

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

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

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

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

(v) Derecognition

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

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

(vi) Offsetting

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

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

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

Property, plant and equipment under the revaluation model

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

2. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

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

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

(e) Leases

(i) Definition of a lease

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

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

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

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

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

(ii) Recognition and initial measurement

(a) As a lessee

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

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

2. Material accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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

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

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

(b) As a lessor

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

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

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

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

(iii) Subsequent measurement

(a) As a lessee

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

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

2. Material accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

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

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

(b) As a lessor

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

(f) Intangible assets

(i) Service concession arrangements

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

(ii) Goodwill

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

2. Material accounting policies (continued)

(f) Intangible assets (continued)

(v) Amortisation (continued)

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

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

(g) Investment property

(i) Investment property carried at fair value

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

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

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

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

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

(ii) Reclassification from/to investment property

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

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

(h) Inventories

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

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

2. Material accounting policies (continued)

(h) Inventories (continued)

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

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

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

(i) Contract asset/Contract liability

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

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

(j) Cash and cash equivalents

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

(k) Impairment

(i) Financial assets

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

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

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

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

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

2. Material accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

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

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

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

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

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

(ii) Other assets

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

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

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

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

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

2. Material accounting policies (continued)

(k) Impairment (continued)

(ii) Other assets (continued)

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

(l) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

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

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

Where treasury shares are distributed as share dividends, the costs of the treasury shares is applied in the reduction of the distributable reserves.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group or the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Defined benefit plans

The Group's and the Company's net obligations in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

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

(m) **Employee benefits (continued)**

(iii) **Defined benefit plans (continued)**

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Group and the Company determine the interest expense on the defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(n) **Provisions**

A provision is recognised if, as a result of a past event, the Group or the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(o) **Revenue and other income**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognised revenue when (or as) it transfers control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

Revenue from contracts with customers is recognised when the Group satisfies each distinct performance obligation identified in the contracts by transferring control of promised goods or services to the customers. Revenue may be recognised at a point in time or over time, depending on the substance of the contract.

Revenue from contracts with customers is measured at its transaction price which is the amount of consideration that the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, net of applicable taxes, returns, rebates and discounts. Transaction price is allocated to each distinct performance obligation on the basis of its relative stand-alone selling price.

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

Performance obligations by segment are as follows:

(i) Vehicles assembly, manufacturing and distribution and after-sales services

The Group is involved in the business of assembly and distribution of passenger and commercial vehicles, manufacturing and distribution of automotive spare parts and provision of automotive workshop services.

Manufacturing and assembly of passenger and commercial vehicles

(i) Point in time recognition

Revenue is recognised when control of vehicles is transferred to the customer. The customer accepts the vehicle with satisfaction as to the quality of the assembled vehicle, take delivery and has absolute rights over the distribution and selling price of the vehicle.

Revenue from these services is recognised based on the fixed price specified in the contract and the variable expenses recoverable from the customers, based on the aggregate service provided over an agreed period. Accumulated experience is used to estimate and provide for the variable expenses recoverable, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. There is no significant financing component in the revenue arising from manufacturing and assembly of vehicles as the sales are made on the normal credit terms not exceeding 12 months.

A receivable is recognised when the vehicles are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Over time recognition

For certain contracts, revenue is recognised over the contract period if the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Revenue is recognised based on the actual cost of assembly incurred at the end of the period, including a reasonably estimated average profit margin with the customer. This method represents a faithful depiction of the service as the actual costs incurred represents the percentage of service rendered.

The average profit margin is revised accordingly if required to reflect the actual situation. Any resulting increases or decreases in estimated revenue are reflected in profit or loss in the period in which the situation that give rise to the revision become known by management. The Group's obligation to provide warranty for the vehicles under the standard warranty terms is recognised as a provision.

Distribution and sale of vehicles and parts

Revenue from distribution and sale of vehicles is recognised when the Group transfers the control over the vehicles and parts to customers, being when the vehicles and parts are delivered to customers. The retail sales of parts normally occur during performance of after-sales services and is recognised at point in time.

The Group normally collects deposits from customers for the sales of vehicles. Since the Group has an obligation to transfer the vehicles to customers in respect of deposits received, the deposits received are recognised as contract liabilities in the statements of financial position. Customer deposits will be recognised as revenue upon the sales of the vehicles to the customers. A receivable is recognised when the vehicles are delivered as this is the point in time when the Group has performed its obligations and the remaining consideration under the sales contract becomes unconditional.

Vehicles and parts may be sold with volume-based discounts and incentives will be given based on achieved targeted sales. Accumulated experience is used to estimate the discounts and incentives using the expected value or most likely methods depending on the type of discounts and incentives. Discounts and incentives are accounted for as a reduction of the transaction price and revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

(i) Vehicles assembly, manufacturing and distribution and after-sales services (continued)

Distribution and sale of vehicles and parts (continued)

No element of financing is deemed present as the sales are made with a credit term of 30 days. The Group's obligation to provide warranty for the vehicles and parts under the standard warranty terms is recognised as a provision.

After-sales services

The Group provides after-sales services or routine vehicle maintenance services within and/or outside of the warranty period in relation to the vehicle brands that the Group sells.

The sales of vehicles to customers may be bundled together with extended warranties and/or free services. The extended warranty provides assurance to the customer that the vehicle parts comply with agree-upon specifications beyond the general standard warranty period. The extended warranties and free services are separate performance obligations and the transaction price is allocated to the service obligations based on their relative stand-alone selling prices. Considerations collected from customers in advance for the extended warranties and free services are recognised as contract liabilities and will be recognised as revenue over the period covered by the extended warranties and when the free services are performed respectively.

Revenue from after-sales services beyond the free service period is recognised upon the performance of services to customers.

There is no significant financing component in the sale of extended warranties and/or free services as the sales are made on normal credit terms not exceeding three (3) months.

(ii) Financial services – Hire purchase financing, personal loans and insurance agency

Hire purchase revenue is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the net investment outstanding at the end of each reporting period.

Personal loan revenue is recognised in profit or loss upon commencement of the personal loan tenure, based on the reducing balance method over the period of agreement.

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

The Group's other sources of revenue and income include the following:

(i) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of lease. Rental income from subleased property is recognised as "other income".

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Material accounting policies (continued)

(o) Revenue and other income (continued)

(iv) Service concession arrangements

Revenue related to construction of the floating solar plant under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised over the period of the service concession arrangement in which the services are provided by the Group.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at fair value in accordance with the accounting policies set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sales of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Material accounting policies (continued)

(r) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the President of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

Group Cost/Valuation	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
At 1 January 2022	490,333	660,056	838,614	594,556	151,771	371,896	105,284	3,346	75,918	3,291,774
Additions	-	3,421	17,613	3,616	4,668	^ 53,061	2,757	-	4,171	89,307
Disposals	-	-	(6,479)	(1,970)	(1,834)	(34,075)	-	-	-	(44,358)
Transfer from assets under construction	-	44,040	-	1,630	363	-	292	-	(46,325)	-
Revaluation and reclassifications (Note 26)	(8,773)	(76,640)	267,781	-	-	-	-	-	-	182,368
Less: Elimination of accumulated depreciation	-	(57,724)	(43,669)	-	-	-	-	-	-	(101,393)
Transfer (to)/from investment properties (Note 4)	(21,634)	18,304	(7,410)	-	-	-	-	-	-	(10,740)
Transfer to inventories	-	-	-	-	-	(40,821)	-	-	-	(40,821)
Write-off	-	-	-	(2,842)	(2,840)	(143)	(1,256)	-	(673)	(7,754)
Effects of movement in exchange rates	-	5,381	8,248	3,769	482	621	933	19	3,812	23,265
At 31 December 2022/ 1 January 2023	459,926	596,838	1,074,698	598,759	152,610	350,539	108,010	3,365	36,903	3,381,648
Additions	-	79	20,527	5,383	5,383	69,448	4,912	-	33,375	139,107
Disposals	-	-	(19,282)	(2,398)	(406)	(25,232)	(2)	-	-	(47,320)
Transfer from assets under construction	-	13,006	-	16,934	267	-	527	-	(30,734)	-
Transfer to intangible assets (Note 5)	-	-	-	-	-	-	-	-	(1,085)	(1,085)
Transfer to inventories	-	-	-	-	-	^ (64,992)	-	-	-	(64,992)
Write-off	-	-	-	(9,378)	(4,313)	(59)	(1,547)	-	-	(15,297)
Effects of movement in exchange rates	-	6,762	3,639	3,628	406	537	751	(134)	837	16,426
At 31 December 2023	459,926	616,685	1,079,582	612,928	153,947	330,241	112,651	3,231	39,296	3,408,487

^ Included in this amount was the transfer of motor vehicles from property, plant and equipment to inventories during the financial year with a carrying value of RM31,352,000 for the business of subscription plans in one of the subsidiaries of the Group (2022: withdrawal of inventories of RM11,928,000).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group Cost/Valuation	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
Representing items:										
- at cost	-	-	134,220	598,759	152,610	350,539	108,010	3,365	36,903	1,384,406
- at valuation	459,926	596,838	940,478	-	-	-	-	-	-	1,997,242
At 31 December 2022	459,926	596,838	1,074,698	598,759	152,610	350,539	108,010	3,365	36,903	3,381,648
Representing items:										
- at cost	-	19,847	146,546	612,928	153,947	330,241	112,651	3,231	39,296	1,418,687
- at valuation	459,926	596,838	933,036	-	-	-	-	-	-	1,989,800
At 31 December 2023	459,926	616,685	1,079,582	612,928	153,947	330,241	112,651	3,231	39,296	3,408,487

3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings RM'000	Right-of-use assets RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Rough road RM'000	Assets under construction RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2022										
Accumulated depreciation	-	37,813	98,431	457,163	131,403	128,833	83,610	575	-	937,828
Accumulated impairment loss	4,230	9,889	2,725	19,076	37	-	44	-	-	36,001
	4,230	47,702	101,156	476,239	131,440	128,833	83,654	575	-	973,829
Depreciation for the year	-	19,399	38,004	29,014	6,513	47,702	5,882	67	-	146,581
Disposals	-	-	(4,588)	(1,853)	(1,626)	(23,862)	(1,021)	-	-	(32,950)
Transfer to inventories	-	-	-	-	-	(15,041)	-	-	-	(15,041)
Write-off	-	-	-	(2,801)	(2,822)	(138)	(1,174)	-	-	(6,935)
Reversal of impairment loss (Note 3.1)	-	(756)	(36)	-	-	-	-	-	-	(792)
Elimination on revaluation	-	(57,724)	(43,669)	-	-	-	-	-	-	(101,393)
Effects of movement in exchange rates	-	512	(277)	2,421	343	222	654	4	-	3,879
At 31 December 2022/ 1 January 2023										
Accumulated depreciation	-	-	87,901	483,944	133,811	137,716	87,951	646	-	931,969
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	9,133	90,590	503,020	133,848	137,716	87,995	646	-	967,178
Depreciation for the year	-	22,490	37,833	24,369	5,664	46,644	4,657	30	-	141,687
Disposals	-	-	(11,394)	(2,170)	(383)	(13,898)	(2)	-	-	(27,847)
Transfer to inventories	-	-	-	-	-	(33,640)	-	-	-	(33,640)
Write-off	-	-	-	(9,366)	(4,287)	(59)	(1,500)	-	-	(15,212)
Effects of movement in exchange rates	-	626	894	2,651	320	228	574	(127)	-	5,166
At 31 December 2023										
Accumulated depreciation	-	23,116	115,234	499,428	135,125	136,991	91,680	549	-	1,002,123
Accumulated impairment loss	4,230	9,133	2,689	19,076	37	-	44	-	-	35,209
	4,230	32,249	117,923	518,504	135,162	136,991	91,724	549	-	1,037,332
Carrying amounts										
At 1 January 2022	486,103	612,354	737,458	118,317	20,331	243,063	21,630	2,771	75,918	2,317,945
At 31 December 2022/ 1 January 2023	455,696	587,705	984,108	95,739	18,762	212,823	20,015	2,719	36,903	2,414,470
At 31 December 2023	455,696	584,436	961,659	94,424	18,785	193,250	20,927	2,682	39,296	2,371,155

3. Property, plant and equipment (continued)

Company	Right-of-use assets - Building RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost					
At 1 January 2022/31 December 2022/1 January 2023	513	220	1,689	10	2,432
Additions	-	33	-	-	33
At 31 December 2023	513	253	1,689	10	2,465
Depreciation					
At 1 January 2022	85	217	1,426	-	1,728
Depreciation for the year	86	1	49	1	137
At 31 December 2022/ 1 January 2023	171	218	1,475	1	1,865
Depreciation for the year	85	4	49	1	139
At 31 December 2023	256	222	1,524	2	2,004
Carrying amounts					
At 1 January 2022	428	3	263	10	704
At 31 December 2022/ 1 January 2023	342	2	214	9	567
At 31 December 2023	257	31	165	8	461

The Company leases an office for 3 years, with an option to renew the lease after that date.

3.1 Impairment loss

In financial year 2022, the Group has reversed an impairment loss of RM792,000 in respect of land and buildings which are mainly reported in the segment of vehicle assembly, manufacturing, distribution and after-sales service. The reversal of impairment loss was arose from the revaluation exercise.

3. Property, plant and equipment (continued)

3.2 Right-of-use assets

Included in property, plant and equipment are right-of-use assets as follows:

Group	Long-term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost/Valuation						
At 1 January 2022	715,417	118,524	821	2,759	1,093	838,614
Additions	-	11,640	-	5,973	-	17,613
Disposals	(303)	(5,832)	(19)	-	(325)	(6,479)
Revaluation and reclassifications	267,781	-	-	-	-	267,781
Less: Elimination of accumulated depreciation	(43,669)	-	-	-	-	(43,669)
Transfer to investment properties (Note 4)	(7,410)	-	-	-	-	(7,410)
Effects of movement in exchange rates	8,662	(545)	-	131	-	8,248
At 31 December 2022/ 1 January 2023	940,478	123,787	802	8,863	768	1,074,698
Additions	22	20,181	-	13	311	20,527
Disposals	(7,442)	(5,251)	-	(6,104)	(485)	(19,282)
Effects of movement in exchange rates	2,976	663	-	-	-	3,639
At 31 December 2023	936,034	139,380	802	2,772	594	1,079,582
Cost/Valuation						
Representing items:						
- at cost	-	123,787	802	8,863	768	134,220
- at valuation	940,478	-	-	-	-	940,478
At 31 December 2022	940,478	123,787	802	8,863	768	1,074,698
Representing items:						
- at cost	2,998	139,380	802	2,772	594	146,546
- at valuation	933,036	-	-	-	-	933,036
At 31 December 2023	936,034	139,380	802	2,772	594	1,079,582

3. Property, plant and equipment (continued)

3.2 Right-of-use assets (continued)

Group	**Long-term leasehold land RM'000**	**Buildings RM'000**	**Plant, machinery and equipment RM'000**	**Furniture, fixtures, fittings and office equipment RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Depreciation and impairment loss						
At 1 January 2022						
Accumulated depreciation	28,471	66,347	581	2,356	676	98,431
Accumulated impairment loss	2,725	-	-	-	-	2,725
	31,196	66,347	581	2,356	676	101,156
Depreciation for the year	15,006	16,392	73	6,365	168	38,004
Disposals	(264)	(4,001)	(19)	-	(304)	(4,588)
Impairment loss (Note 3.1)	(36)	-	-	-	-	(36)
Elimination on revaluation	(43,669)	-	-	-	-	(43,669)
Effects of movement in exchange rates	456	(863)	-	130	-	(277)
At 31 December 2022/ 1 January 2023						
Accumulated depreciation	-	77,875	635	8,851	540	87,901
Accumulated impairment loss	2,689	-	-	-	-	2,689
	2,689	77,875	635	8,851	540	90,590
Depreciation for the year	15,375	22,174	129	1	154	37,833
Disposals	(161)	(4,656)	-	(6,092)	(485)	(11,394)
Effects of movement in exchange rates	436	458	-	-	-	894
At 31 December 2023						
Accumulated depreciation	15,650	95,851	764	2,760	209	115,234
Accumulated impairment loss	2,689	-	-	-	-	2,689
	18,339	95,851	764	2,760	209	117,923
Carrying amounts						
At 1 January 2022	684,221	52,177	240	403	417	737,458
At 31 December 2022/ 1 January 2023	937,789	45,912	167	12	228	984,108
At 31 December 2023	917,695	43,529	38	12	385	961,659

The Group has land leases ranging from 5 years to 93 years and leases for showrooms and workshops ranging from 2 years to 5 years with an option to renew the lease.

3. Property, plant and equipment (continued)

3.3 Property, plant and equipment under revaluation model

The Group's properties were revalued on 31 December 2022 by independent professional qualified valuers using comparison and depreciated replacement cost approach.

Had the revalued properties been carried under the cost model, the net carrying amount of each class of property, plant and equipment that would have been included in the financial statements of the Group would be as follows:

	Freehold land RM'000	Long-term leasehold land (Note a) RM'000	Buildings RM'000	Total RM'000
Group				
2023				
Cost	143,231	274,776	643,217	1,061,224
Accumulated depreciation	-	(75,289)	(193,979)	(269,268)
Accumulated impairment loss	(4,230)	(2,689)	(9,133)	(16,052)
	139,001	196,798	440,105	775,904
2022				
Cost	143,231	282,218	643,217	1,068,666
Accumulated depreciation	-	(74,773)	(180,406)	(255,179)
Accumulated impairment loss	(4,230)	(2,689)	(9,133)	(16,052)
	139,001	204,756	453,678	797,435

Fair value information

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
Freehold land	-	-	455,696	455,696
Long-term leasehold land	-	-	930,347	930,347
Buildings	-	-	587,705	587,705
	-	-	1,973,748	1,973,748
2022				
Freehold land	-	-	455,696	455,696
Long-term leasehold land	-	-	937,789	937,789
Buildings	-	-	587,705	587,705
	-	-	1,981,190	1,981,190

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

3. Property, plant and equipment (continued)

3.3 Property, plant and equipment under revaluation model (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Valuation process applied by the Group

The fair value of land and buildings is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical land and buildings that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the land and buildings, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and Level 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using inputs with significant adjustments for the land and buildings.

Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation. The price per square foot for material properties in Malaysia range from RM40 to RM671 (2022: RM40 to RM671), properties in Vietnam range from RM41 to RM89 (2022: RM39 to RM86) per square foot and a property in Myanmar is RM81 per square foot (2022: RM78).

3.4 Titles

The titles to certain properties with a total carrying amounts of RM1,300,000 (2022: RM1,300,000) have yet to be issued by the relevant authorities.

4. Investment properties

	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
Group				
At 1 January 2022	149,245	14,890	65,365	229,500
Transfer	* 21,634	* 7,410	* (18,304)	10,740
Change in fair value recognised in profit or loss	606	400	(991)	15
Disposal	-	(985)	(280)	(1,265)
At 31 December 2022/ 1 January 2023	171,485	21,715	45,790	238,990
Change in fair value recognised in profit or loss	(2,730)	1,715	615	(400)
At 31 December 2023	168,755	23,430	46,405	238,590

* Transferred from/(to) Property, plant and equipment (Note 3).

The operating lease payments to be received are as follows:

	Group 2023 RM'000	Group 2022 RM'000
Less than one year	1,808	2,061
One to two years	894	1,132
Two to three years	137	470
Three to four years	117	-
Total undiscounted lease payments	2,956	3,663

4.1 Financial value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
Freehold land	-	-	168,755	168,755
Long-term leasehold land	-	-	23,430	23,430
Buildings	-	-	46,405	46,405
	-	-	238,590	238,590
2022				
Freehold land	-	-	171,485	171,485
Long-term leasehold land	-	-	21,715	21,715
Buildings	-	-	45,790	45,790
	-	-	238,990	238,990

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. Investment properties (continued)

4.1 Fair value information (continued)

Valuation process applied by the Group

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and Level 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Average price per square foot (2023: RM14 to RM2,738, 2022: RM19 to RM2,000).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Highest and best use

The Group's investment properties are currently office building, residential apartment, shoplot, car park yard. The current usage should be the highest and best use of these properties.

4.2 Titles

The titles to certain properties with a total carrying amounts of RM14,050,000 (2022: RM13,755,000) have yet to be issued by the relevant authorities.

5. Intangible assets

Group	Goodwill RM'000	Development costs RM'000	System RM'000	Service concession arrangement RM'000	Total RM'000
Cost					
At 1 January 2022	14,703	7,574	8,226	-	30,503
Additions	-	324	-	-	324
At 31 December 2022/1 January 2023	14,703	7,898	8,226	-	30,827
Additions	-	5,863	-	82,790	88,653
Transfer from property, plant and equipment (Note 3)	-	-	-	1,085	1,085
At 31 December 2023	14,703	13,761	8,226	83,875	120,565
Amortisation and impairment losses					
At 1 January 2022					
Accumulated amortisation	-	431	823	-	1,254
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	431	823	-	15,957
Amortisation	-	1,023	841	-	1,864
At 31 December 2022/1 January 2023					
Accumulated amortisation	-	1,454	1,664	-	3,118
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	1,454	1,664	-	17,821
Amortisation	-	1,018	841	-	1,859
Effects of movement in exchange rates	-	(3)	-	-	(3)
At 31 December 2023					
Accumulated amortisation	-	2,469	2,505	-	4,974
Accumulated impairment loss	14,703	-	-	-	14,703
	14,703	2,469	2,505	-	19,677
Carrying amounts					
At 1 January 2022	-	7,143	7,403	-	14,546
At 31 December 2022/1 January 2023	-	6,444	6,562	-	13,006
At 31 December 2023	-	11,292	5,721	83,875	100,888

5. Intangible assets (continued)

5.1 Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
(i) Malaysia property	648	648
(ii) Vietnam vehicles distribution network	13,944	13,944
(iii) Travel agency and transportation services	111	111
	14,703	14,703
Less: Impairment loss	(14,703)	(14,703)
	-	-

(i) The impairment test in respect of Malaysia property was based on fair value of the property which is determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

(ii) In December 2018, the Group via its wholly-owned subsidiary, namely ETCM (V) Pte Ltd ("ETCMV"), has received from Nissan Motor Co., Ltd. ("NML") a notice of termination of the Joint Venture Agreement dated 22 September 2010 previously entered into between ETCMV and NML. Consequently, the management has decided to impair the entire goodwill attributable to the Vietnam vehicles distribution unit.

The Joint Venture Agreement ended after the notice of termination which was extended from 10 September 2019 to 30 September 2021 lapsed.

5.2 Service concession arrangements

On 16 August 2021, TC Sunergy Sdn. Bhd. ("TC Sunergy"), an indirect 51% owned subsidiary of the Company, entered into a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad ("TNB"). Under this agreement, TC Sunergy will sell and TNB will purchase the energy generated by the 20MW Large Scale Solar Photovoltaic Plant ("LSSPV") to be installed, operated, and maintained by TC Sunergy on the water surface in Serendah, Hulu Selangor.

Pursuant to the PPA, TC Sunergy is entitled to be paid for the net energy output generated by the LSSPV up to the maximum annual allowable quantity.

Intangible assets represents the fair value of the consideration receivable for the construction of the LSSPV during the construction stage, on a mark-up basis of the cost incurred.

The amortisation of the intangible asset will commence once the construction of the LSSPV is completed. The Group amortises the intangible asset over the estimated useful life of 25 years.

6. Investments in subsidiaries

	Company	
	2023 RM'000	2022 RM'000
Investments at cost	2,521,437	2,329,407
Less: Impairment loss	(45,068)	(45,068)
	2,476,369	2,284,339

Details of the subsidiaries are in Note 35.

Although the Group owns less than half of the ownership interest and voting power in TC Express Auto Services and Spare Parts (Thailand) Co., Ltd., the Directors have determined that the Group controls the entity. The Group has de facto control over the entity because the Group has held significantly more power over the entity than any other equity holders and that remaining voting rights in the investees are widely dispersed and that there is no indication that all other shareholders would exercise their votes collectively.

The Group has established a structured entity ("SE") for undertaking asset-backed securitisation under Premium Commerce Berhad ("PCB"). The Group does not have any direct or indirect shareholding in PCB. A SE is consolidated if, based on an evaluation of the substance of its relationship with the Group, the Group concludes that it controls SE. SE controlled by the Group was established under terms that impose strict limitations on the decision-making powers of the SE's management and that result in the Group receiving majority of the benefits related to the SE's operations and net assets.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

(i) Tan Chong Motor Assemblies Sdn. Bhd. ("TCMA")
(ii) Nissan Vietnam Co., Ltd. ("NVL")
(iii) TC Express Auto Services and Spare Parts (Thailand) Co., Ltd. ("TCEAS Thai")
(iv) TC Sunergy Sdn. Bhd. ("TC Sunergy")

6. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2023						
NCI percentage of ownership interest and voting interest	30%	26%	51%	49%		
Carrying amount of NCI	31,118	(52,107)	(11,612)	34,495	(236)	1,658
Total comprehensive income/(expense) allocated to NCI	532	(6,404)	(2,127)	1,476	(91)	(6,614)
2022						
NCI percentage of ownership interest and voting interest	30%	26%	51%	49%		
Carrying amount of NCI	30,586	(45,703)	(9,485)	2,149	(145)	(22,598)
Total comprehensive income/(expense) allocated to NCI	4,185	(5,090)	(1,049)	(231)	(33)	(2,218)

Summarised financial information before intra-group elimination

2023	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000
As at 31 December				
Non-current assets	84,561	791	-	84,874
Current assets	36,941	13,824	161	571
Non-current liabilities	(10,285)	-	-	(52)
Current liabilities	(7,492)	(215,027)	(22,930)	(14,996)
Net assets/(liabilities)	103,725	(200,412)	(22,769)	70,397
Year ended 31 December				
Revenue	63,174	68	19	83,875
Profit/(Loss) for the year	1,773	(21,010)	(3,058)	3,012
Total comprehensive income/(expense)	1,773	(24,630)	(4,171)	3,012
Cash flows from/(used in) operating activities	30,491	(2,801)	(35)	20,234
Cash flows used in investing activities	(33,067)	(706)	-	(82,793)
Cash flows (used in)/from financing activities	-	(13,981)	-	63,000
Net (decrease)/increase in cash and cash equivalents	(2,576)	(17,488)	(35)	441
Dividend paid to NCI	-	-	-	-

6. Investments in subsidiaries (continued)

2022	TCMA RM'000	NVL RM'000	TCEAS (Thai) RM'000	TC Sunergy RM'000
As at 31 December				
Non-current assets	62,547	1,255	-	2,681
Current assets	125,164	31,213	161	1,903
Non-current liabilities	(17,444)	-	-	(103)
Current liabilities	(68,315)	(208,250)	(18,759)	(96)
Net assets/(liabilities)	101,952	(175,782)	(18,598)	4,385
Year ended 31 December				
Revenue	83,708	120	19	-
Profit/(Loss) for the year	5,636	(16,527)	(1,715)	(471)
Total comprehensive income/(expense)	13,950	(19,576)	(2,057)	(471)
Cash flows from/(used in) operating activities	7,293	9,251	(67)	(671)
Cash flows (used in)/from investing activities	(1,586)	(706)	95	(2,206)
Cash flows (used in)/from financing activities	(5,550)	(9,464)	-	2,966
Net increase/(decrease) in cash and cash equivalents	157	(919)	28	89
Dividend paid to NCI	-	-	-	-

7. Equity-accounted investees

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interests in associates	a	62,441	66,651	25,490	25,490
Interest in joint venture	b	4,015	3,829	1,406	1,406
		66,456	70,480	26,896	26,896

(a) Interests in associates

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost:				
In Malaysia	35,585	35,585	13,243	13,243
Outside Malaysia	12,247	12,247	12,247	12,247
Share of post-acquisition reserve	17,609	18,819	-	-
Less: Impairment loss	(3,000)	-	-	-
	62,441	66,651	25,490	25,490

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

Details of the associates are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2023 %	2022 %
Direct associates:				
Comit Communication Technologies (M) Sdn. Bhd. ("CCT")	Malaysia	Property investment holding	24.50	24.50
TC Capital (Thailand) Co., Ltd. ("TCCT")	Thailand	Hire purchase service of vehicles and services of financial credits	45.45	45.45
Indirect associates				
Kanzen Energy Ventures Sdn. Bhd. ("KEV")	Malaysia	Investment holding	25.00	25.00
MUV Marketplace Sdn. Bhd. ("MUV")	Malaysia	Provision of used vehicles auction services, vehicle inspection and certification and trading of used vehicles	15.78	15.78
THK Rhythm Malaysia Sdn. Bhd. ("THK")	Malaysia	Manufacture and sale of automobile tie rods, tie rod ends and suspension ball joints, stabiliser links, steering linkages and power steering gears	20.00	20.00

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000
Group					
Summarised financial information					
As at 31 December 2023					
Non-current assets	43,500	2,129	10,433	28,970	88,522
Current assets	15,662	65,886	1,760	32,748	3,000
Non-current liabilities	-	-	(20)	-	(388)
Current liabilities	(6,444)	(3,423)	(439)	(18,362)	(36,866)
Net assets	52,718	64,592	11,734	43,356	54,268

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

Group	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000
Summarised financial information Year ended 31 December 2023					
Profit/(Loss) for the year	673	361	520	(4,760)	(3,973)
Other comprehensive income	-	3,069	-	-	-
Total comprehensive income/(expense)	673	3,430	520	(4,760)	(3,973)
Included in the total comprehensive income is:					
Revenue	773	732	1,124	81,897	79,997

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at 31 December 2023						
Group's share of net assets	12,916	29,357	2,934	8,671	8,563	62,441
Group's share of results for the year ended 31 December 2023						
Group's share of profit/(loss) for the year	165	164	130	(952)	(627)	(1,120)
Group's share of other comprehensive profit	-	1,395	-	-	-	1,395
Group's share of total comprehensive income/(expense)	165	1,559	130	(952)	(627)	275
Other information						
Dividends received by the Group	735	-	750	-	-	1,485

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000
Group					
Summarised financial information					
As at 31 December 2022					
Non-current assets	43,500	3,816	10,453	32,685	108,267
Current assets	17,949	74,872	4,113	34,837	6,610
Non-current liabilities	-	-	(39)	(389)	(1,080)
Current liabilities	(6,404)	(17,526)	(313)	(19,017)	(36,545)
Net assets	55,045	61,162	14,214	48,116	77,252
Year ended 31 December 2022					
Profit/(Loss) for the year	725	(235)	2,956	(5,745)	(6,448)
Other comprehensive income	-	1,199	-	-	-
Total comprehensive income/(expense)	725	964	2,956	(5,745)	(6,448)
Included in the total comprehensive income is:					
Revenue	753	718	3,941	72,411	109,623

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at 31 December 2022						
Group's share of net assets	13,486	27,798	3,554	9,623	12,190	66,651

7. Equity-accounted investees (continued)

(a) Interests in associates (continued)

	CCT RM'000	TCCT RM'000	KEV RM'000	THK RM'000	MUV RM'000	Total RM'000
Group's share of results for the year ended 31 December 2022						
Group's share of profit/(loss) for the year	177	(107)	739	(1,149)	(1,017)	(1,357)
Group's share of other comprehensive profit	-	545	-	-	-	545
Group's share of total comprehensive income/(expense)	177	438	739	(1,149)	(1,017)	(812)
Other information						
Dividends received by the Group	-	-	1,500	-	-	1,500

(b) Interest in joint venture

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia, at cost	500	500	1,406	1,406
Share of post-acquisition reserve	3,515	3,329	-	-
	4,015	3,829	1,406	1,406

Structurflex Sdn. Bhd. ("Structurflex"), the only joint arrangement in which the Group and the Company participate, is principally engaged in manufacturing of truck curtains.

Structurflex is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in Structurflex as a joint venture.

7. Equity-accounted investees (continued)

(b) Interest in joint venture (continued)

The following tables summarise the financial information of Structurflex, as adjusted for any differences in accounting policies. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Structurflex, which is accounted for using the equity method.

	Group and Company	
	2023	**2022**
Percentage of ownership and voting interest	50%	50%

	Group	
	2023	**2022**
Summarised financial information	**RM'000**	**RM'000**
As at 31 December		
Non-current assets	505	520
Current assets (including cash and cash equivalents)	9,236	9,349
Non-current liabilities	(137)	(171)
Current liabilities	(1,574)	(2,040)
Net assets	8,030	7,658
Year ended 31 December		
Profit and total comprehensive income	1,172	1,236
Included in the total comprehensive income are:		
Revenue	15,708	15,048
Depreciation and amortisation	357	349
Income tax expense	393	365
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	4,015	3,829
Group's share of results for year ended 31 December		
Group's share of profit and total comprehensive income	586	618
Other information		
Dividend received by the Group	400	200

8. Other investments

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current				
Fair value through profit or loss financial asset:				
Liquid investments in quoted unit trusts with licensed financial institutions	25,872	454	-	-
Representing items:				
At fair value	25,872	454	-	-

9. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

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

	Assets 2023 RM'000	Assets 2022 RM'000	Liabilities 2023 RM'000	Liabilities 2022 RM'000	Net 2023 RM'000	Net 2022 RM'000
Group						
Deferred tax assets/(liabilities)						
Property, plant and equipment/ investment properties						
- capital allowances/right-of-use assets	-	-	(47,967)	(45,261)	(47,967)	(45,261)
- revaluation	-	-	(234,826)	(240,415)	(234,826)	(240,415)
Provisions and contract liabilities	79,603	91,360	-	-	79,603	91,360
Unabsorbed capital allowances	17,924	10,791	-	-	17,924	10,791
Unabsorbed investment tax allowance	1,247	-	-	-	1,247	-
Unabsorbed reinvestment allowance	6,230	6,253	-	-	6,230	6,253
Tax losses carry-forwards	13,922	8,901	-	-	13,922	8,901
Lease liabilities	18,842	21,546	-	-	18,842	21,546
Net gain on unrealised foreign exchange	-	-	(7,887)	(5,039)	(7,887)	(5,039)
Derivative financial liabilities	132	-	-	(7)	132	(7)
Other items	-	70	(104)	-	(104)	70
Tax assets/(liabilities)	137,900	138,921	(290,784)	(290,722)	(152,884)	(151,801)
Set off tax	(46,934)	(45,916)	46,934	45,916	-	-
Net tax assets/(liabilities)	90,966	93,005	(243,850)	(244,806)	(152,884)	(151,801)
Company						
Deferred tax assets/(liabilities)						
Property, plant and equipment						
- capital allowances/right-of-use assets	-	-	(73)	(94)	(73)	(94)
Provisions	7,393	6,599	-	-	7,393	6,599
Lease liabilities	66	86	-	-	66	86
Net tax assets/(liabilities)	7,459	6,685	(73)	(94)	7,386	6,591

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

Recognised deferred tax assets/(liabilities) (continued)

Group's movement in temporary differences during the year:

	At 1.1.2022 RM'000	Recognised in profit or loss (Note 25) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 26) RM'000	At 31.12.2022 RM'000
Group					
Property, plant and equipment/investment properties					
- capital allowances/right-of-use assets	(42,097)	(3,143)	(21)	-	(45,261)
- revaluation	(204,493)	4,808	-	(40,730)	(240,415)
Provisions and contract liabilities	96,069	1,087	141	(5,937)	91,360
Unabsorbed capital allowances	8,661	2,130	-	-	10,791
Unabsorbed reinvestment allowances	6,230	23	-	-	6,253
Tax losses carry-forwards	12,076	(3,204)	29	-	8,901
Lease liabilities	27,326	(5,780)	-	-	21,546
Net gain on unrealised foreign exchange	(2,137)	(2,898)	(4)	-	(5,039)
Derivative financial liabilities/(assets)	26	-	-	(33)	(7)
Other items	23	47	-	-	70
	(98,316)	(6,930)	145	(46,700)	(151,801)

	At 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	Effects of movement in exchange rate RM'000	Recognised in other comprehensive income (Note 26) RM'000	At 31.12.2023 RM'000
Group					
Property, plant and equipment/investment properties					
- capital allowances/right-of-use assets	(45,261)	(2,707)	1	-	(47,967)
- revaluation	(240,415)	5,589	-	-	(234,826)
Provisions and contract liabilities	91,360	(11,171)	(586)	-	79,603
Unabsorbed capital allowances	10,791	7,133	-	-	17,924
Unabsorbed investment tax allowances	-	1,247	-	-	1,247
Unabsorbed reinvestment allowances	6,253	(23)	-	-	6,230
Tax losses carry-forwards	8,901	5,016	5	-	13,922
Lease liabilities	21,546	(2,704)	-	-	18,842
Net gain on unrealised foreign exchange	(5,039)	(2,845)	(3)	-	(7,887)
Derivative financial liabilities/(assets)	(7)	-	-	139	132
Other items	70	(174)	-	-	(104)
	(151,801)	(639)	(583)	139	(152,884)

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

Recognised deferred tax assets/(liabilities) (continued)

Company's movement in temporary differences for deferred tax assets during the year:

	At 1.1.2022 RM'000	Recognised in profit or loss (Note 25) RM'000	Recognised in other comprehensive income (Note 26) RM'000	At 31.12.2022/ 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2023 RM'000
Company						
Property, plant and equipment - capital allowances/ right-of-use assets	(100)	6	-	(94)	21	(73)
Provisions	9,863	220	(3,484)	6,599	794	7,393
Lease liabilities	105	(19)	-	86	(20)	66
	9,868	207	(3,484)	6,591	795	7,386

Unrecognised deferred tax assets

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

	Group 2023 RM'000	2022 RM'000
Unabsorbed capital allowances	137,237	102,055
Tax losses carry-forwards	439,364	436,164
Deductible temporary differences	(59,085)	(48,273)
Provisions	35,245	38,390
	552,761	528,336

Group

In accordance with the provision of Finance Act 2021 which was gazetted on 31 December 2021, the unused tax losses from the year of assessment 2019 for Malaysian entities are available for utilisation up to a period of ten (10) consecutive years from when it was incurred, for which, any excess at the end of the tenth year, shall be disregarded. In addition, any accumulated unused tax losses up to the year of assessment 2018 would be allowed to be carried forward until year of assessment 2028. Certain countries, which the Group operates, have also imposed legislations that tax losses have expiry dates to be utilised.

Deferred tax assets have not been recognised in respect of these items because it is not probable that the respective subsidiaries will generate sufficient future taxable profits against which they can be utilised.

Included in tax losses carry-forwards is an amount of RM233,851,000 (VND1,230,795,576,000) (2022: RM230,517,000 (VND1,266,578,261,000)) (stated at gross) which will be expiring in financial years 2024 to 2028 for subsidiaries in Vietnam and an amount of RM205,513,000 (2022: RM159,744,000) (stated at gross) which will be expiring in financial years 2028 to 2033 for subsidiaries in Malaysia.

10. Hire purchase receivables

	Group 2023 RM'000	Group 2022 RM'000
Gross repayments receivables	631,183	649,383
Less: Unearned interest receivables	(152,289)	(136,737)
	478,894	512,646
Less: Impairment loss	(26,914)	(48,423)
	451,980	464,223
Current		
Hire purchase receivables	119,972	122,209
Less: Impairment loss	(11,791)	(17,392)
	108,181	104,817
Non-current		
Hire purchase receivables	358,922	390,437
Less: Impairment loss	(15,123)	(31,031)
	343,799	359,406
	451,980	464,223

	Gross repayments receivables 2023 RM'000	Unearned interest receivables 2023 RM'000	Present value of minimum hire purchase receivables 2023 RM'000	Gross repayments receivables 2022 RM'000	Unearned interest receivables 2022 RM'000	Present value of minimum hire purchase receivables 2022 RM'000
Group						
Current						
Less than one year	170,804	(50,832)	119,972	173,561	(51,352)	122,209
Non-current						
Between one and five years	401,680	(96,050)	305,630	427,283	(81,356)	345,927
After five years	58,699	(5,407)	53,292	48,539	(4,029)	44,510
	460,379	(101,457)	358,922	475,822	(85,385)	390,437
	631,183	(152,289)	478,894	649,383	(136,737)	512,646

11. Receivables, deposits and prepayments

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Amount due from subsidiaries	a	-	-	225,642	224,644
Less: Impairment loss		-	-	(11,031)	(7,562)
		-	-	214,611	217,082
Current					
Trade receivables	b	269,406	262,016	-	-
Less: Impairment loss		(21,888)	(21,159)	-	-
		247,518	240,857	-	-
Other receivables	c	48,852	54,652	453	624
		296,370	295,509	453	624
Current					
Deposits		12,414	12,393	105	108
Prepayments	d	70,605	80,388	39	40
		83,019	92,781	144	148

Note a
The non-current amount due from subsidiaries is in respect of advances that are unsecured, not receivable within the next twelve months and subject to interest ranging from 1.70% to 5.81% (2022: 1.70% to 5.63%) per annum.

Note b
Included in trade receivables are amounts due from related parties of RM67,318,000 (2022: RM57,303,000).

Note c
Included in other receivables are indirect taxes amounting to RM8,081,000 (2022: RM14,504,000).

Note d
As at 31 December 2023, the prepayments made for inventories was RM41,544,000 (2022: RM57,126,000) for the Group.

12. Inventories

	Group 2023 RM'000	Group 2022 RM'000
Raw materials	17,711	15,709
Unassembled vehicle packs	250,963	267,164
Work-in-progress	14,032	7,927
Manufactured inventories and trading inventories	5,385	13,953
Used vehicles	55,186	36,649
New vehicles	314,322	236,315
Spare parts and others	164,458	170,684
	822,057	748,401

	Group 2023 RM'000	Group 2022 RM'000
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,811,457	2,294,283
Write-down to net realisable value	1,431	6,030
Reversal of write-down	10,417	3,996

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

13. Contract assets/(liabilities)

13.1 Contract assets

	Group 2023 RM'000	Group 2022 RM'000
Opening balance	26,349	10,809
Transfer to receivables from contract assets recognised at the beginning of the period	(26,349)	(10,809)
Addition by obligation performed but not billed during the year	25,541	26,349
Ending balance	25,541	26,349
Current	25,541	26,349

The contract assets primarily relate to the Group's rights to consideration for work completed on assembly contracts and accident repair but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

13. Contract assets/(liabilities) (continued)

13.2 Contract liabilities

	Group 2023 RM'000	Group 2022 RM'000
Opening balance	(73,617)	(66,733)
Revenue recognised that was included in the contract liability balance at the beginning of the period	36,090	43,881
Increase due to cash received, excluding amounts recognised as revenue during the period	(38,216)	(50,765)
Ending balance	(75,743)	(73,617)
Current	(24,431)	(27,643)
Non-current	(51,312)	(45,974)
	(75,743)	(73,617)

The contract liabilities primarily relate to the advance consideration from customers on free maintenance services, extended warranties and service contracts.

14. Derivative financial assets/(liabilities)

	Nominal value (Gross) 2023 RM'000	Assets 2023 RM'000	Liabilities 2023 RM'000	Nominal value (Gross) 2022 RM'000	Assets 2022 RM'000	Liabilities 2022 RM'000
Group						
Derivatives designated as hedging instrument – forward exchange contracts	74,904	345	(807)	308,429	3,240	(7,312)

Forward foreign exchange contracts are entered into with locally incorporated licensed banks to hedge certain portion of the Group's purchases from exchange rate movements and repayments from overseas subsidiaries. As the exchange rates are predetermined under such contracts, in the event of exchange rate movement, exposure to opportunity gain/(loss) is expected. Apart from a small fee payable to the banks there are no cash requirements for the forward contracts.

It is the Group's policy not to enter into hedging contracts, which in the aggregate relate to volumes that exceed its expected commercial requirements for imports.

15. Cash and cash equivalents

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash and bank balances	165,863	197,856	164	678
Deposits with licensed banks	345,716	360,304	-	-
	511,579	558,160	164	678

16. Share capital and reserves

	Group and Company			
	Number of shares 2023 '000	**Amount 2023 RM'000**	**Number of shares 2022 '000**	**Amount 2022 RM'000**
Ordinary shares, issued and fully paid				
At 1 January/31 December	672,000	336,000	672,000	336,000

Ordinary shares

All of the shares issued have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Treasury shares

The shareholders of the Company had via a resolution passed at the Annual General Meeting held on 1 June 2023 approved the Company's plan to purchase its own shares.

During the year, the Company bought back 310,000 (2022: 44,000) of its issued shares from the open market at price ranging from RM0.98 to RM1.14 (2022: RM1.14 to RM1.19) per ordinary share. The cumulative total number of shares bought back at the end of the year was 20,193,000 (2022: 19,883,000). These transactions were financed by internally generated funds.

As at 31 December 2023, the number of outstanding shares in issue after deducting treasury shares held was 651,807,000 (2022: 652,117,000) ordinary shares.

The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. Treasury shares have no rights to vote, dividends and participation in other distribution.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Revaluation reserve

This revaluation reserve relates to revaluation surplus arising from the valuation of land and buildings in property, plant and equipment under revaluation model or immediately prior to its reclassification as investment properties.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

17. Borrowings

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current				
Islamic Medium Term Notes ("Islamic MTNs") – unsecured	450,000	300,000	450,000	300,000
Current				
Term loans – unsecured	-	65,942	-	-
Bankers' acceptances – unsecured	205,570	158,950	-	-
Revolving credit – unsecured	887,044	749,135	-	-
	1,092,614	974,027	-	-
	1,542,614	1,274,027	450,000	300,000

On 20 June 2023, the Company had completed the inaugural issuance of RM150 million nominal value of Islamic Medium Term Notes Programme (2022: RM300 million nominal value issued on 16 March 2022). The Islamic MTNs issued are as follows:

Tenure (years)	Interest rate (per annum)	Maturity date	Nominal value RM'000
3	5.00%	14 March 2025	200,000
3	5.76%	19 June 2026	150,000
5	5.58%	16 March 2027	100,000

The interest is payable every half yearly and the principal is repayable in full upon maturity.

Information on repayment terms and interest rates to the Group's and the Company's borrowings are as set out in Note 33.5.

17. Borrowings (continued)

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

Group	At 1 January 2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	At 31 December 2022/1 January 2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31 December 2023 RM'000
Non-current										
Islamic Medium Term Notes ("IMTNs") - unsecured	-	300,000	-	-	300,000	150,000	-	-	-	450,000
Current										
Term loans - unsecured	63,328	945	-	1,669	65,942	(66,827)	-	885	-	-
Bankers' acceptances - unsecured	210,631	(51,681)	-	-	158,950	46,620	-	-	-	205,570
Revolving credit - unsecured	994,230	(241,968)	-	(3,127)	749,135	135,952	-	1,957	-	887,044
Lease liabilities	94,414	(24,279)	16,967	2,709	89,811	(22,742)	29,831	2,067	(1,451)	97,516
	1,362,603	(316,983)	16,967	1,251	1,063,838	93,003	29,831	4,909	(1,451)	1,190,130
Total liabilities from financing activities	1,362,603	(16,983)	16,967	1,251	1,363,838	243,003	29,831	4,909	(1,451)	1,640,130

Company	At 1 January 2022 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2022/ 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2023 RM'000
Non-current							
Islamic Medium Term Notes ("IMTNs") - unsecured	-	300,000	-	300,000	150,000	-	450,000
Current							
Lease liabilities	438	(99)	19	358	(99)	16	275
Total liabilities from financing activities	438	299,901	19	300,358	149,901	16	450,275

18. Employee benefits

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Recognised liability for employee benefits	90,388	80,902	29,231	26,294

Under the Group's and the Company's defined benefit scheme, eligible employees, who include Directors who are employees, are entitled to retirement benefits of 16.0% to 17.0% of total basic salary earned less the statutory pension funds for each completed year of service upon the retirement age of 60 or such other age as stipulated in their respective service contracts as well as retirement benefits as a factor of the last drawn monthly salary for each completed year of service upon retirement or termination of service, if so provided in the terms of the relevant service contract.

18. Employee benefits (continued)

Movements in the net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance at 1 January	80,902	95,792	26,294	40,659
Included in profit or loss				
Current service cost	7,813	6,085	910	88
Interest cost	2,949	2,297	2,027	61
	10,762	8,382	2,937	149
Included in other comprehensive income				
Remeasurement:				
Actuarial loss/(gain) arising from:				
- Demographic assumptions	-	130	-	-
- Financial assumptions	-	(4,316)	-	(1,205)
- Experience adjustments	-	(17,502)	-	(13,309)
	-	(21,688)	-	(14,514)
Others				
Benefits paid	(1,276)	(1,584)	-	-
Balance at 31 December	90,388	80,902	29,231	26,294

Actuarial assumptions

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

	Group and Company	
	2023	**2022**
	%	**%**
Discount rate	5.15 and 5.19	5.15 and 5.19
Future salary growth	5.50	5.50
Withdrawal rate	14.35 and 14.43	14.35 and 14.43

18. Employee benefits (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group		Company	
	Increase RM'000	**Decrease RM'000**	**Increase RM'000**	**Decrease RM'000**
2023				
Discount rate (1% movement)	(5,355)	6,066	(1,269)	1,416
Future salary growth (1% movement)	3,595	(3,242)	278	(237)
Withdrawal rate (1% movement)	1,368	1,424	(13)	14
2022				
Discount rate (1% movement)	(5,301)	6,015	(1,383)	1,545
Future salary growth (1% movement)	3,075	(2,775)	249	(213)
Withdrawal rate (1% movement)	(984)	1,033	(11)	11

Although the analysis does not account to the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

19. Payables and accruals

	Note	Group		Company	
		2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current					
Trade					
Trade payables	a	132,235	221,953	-	-
Current					
Non-trade					
Payables and accruals		186,940	193,184	8,670	8,525
Amount due to subsidiaries	b	-	-	38	2,466
		186,940	193,184	8,708	10,991
		319,175	415,137	8,708	10,991
		319,175	415,137	8,708	10,991

Note a
Included in trade payables are amount due to related parties of RM1,311,000 (2022: RM2,238,000) and amount payable to Royal Malaysia Customs Department of RM10,806,000 (2022: RM43,225,000).

Note b
The current amount due to subsidiaries is unsecured, repayable on demand and non-interest bearing.

20. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	2,482,038	3,002,487	-	-
Other revenue				
Financial services revenue	50,688	49,748	-	-
Dividend income	-	-	81,100	460,346
Total revenue	2,532,726	3,052,235	81,100	460,346

20.1 Disaggregation of revenue

Analysis of revenue disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition are disclosed below. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments as disclosed in Note 29.

	Reportable Segments							
	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
Group	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Primary geographical markets								
Malaysia	2,122,483	2,524,008	66,384	66,368	*99,434	11,472	2,288,301	2,601,848
Vietnam	151,826	320,028	-	-	-	15	151,826	320,043
Other countries	91,299	128,174	-	-	1,300	2,170	92,599	130,344
	2,365,608	2,972,210	66,384	66,368	100,734	13,657	2,532,726	3,052,235
Major products/ service lines								
Manufacturing, assembly and distribution of passenger and commercial vehicles	2,014,564	2,629,281	-	-	-	-	2,014,564	2,629,281
After-sales services	351,044	342,929	-	-	-	-	351,044	342,929
Hire purchase financing	-	-	50,688	49,748	-	-	50,688	49,748
Insurance agency	-	-	15,696	16,620	-	-	15,696	16,620
Other income	-	-	-	-	*100,734	13,657	100,734	13,657
	2,365,608	2,972,210	66,384	66,368	100,734	13,657	2,532,726	3,052,235

* Included in this amount is service concession revenue recognised in accordance to service concession arrangements (Note 5.2) amounting to RM82,875,000 (2022: nil).

20. Revenue (continued)

20.1 Disaggregation of revenue (continued)

Group	Reportable Segments: Vehicles assembly, manufacturing, distribution and after-sales services 2023 RM'000	2022 RM'000	Financial services 2023 RM'000	2022 RM'000	Other operations 2023 RM'000	2022 RM'000	Total 2023 RM'000	2022 RM'000
Timing and recognition								
At a point in time	2,159,945	2,783,341	15,696	16,620	16,859	12,898	2,192,500	2,812,859
Over time	205,663	188,869	-	-	*83,875	759	289,538	189,628
Revenue from contracts with customers	2,365,608	2,972,210	15,696	16,620	100,734	13,657	2,482,038	3,002,487
Other revenue	-	-	50,688	49,748	-	-	50,688	49,748
	2,365,608	2,972,210	66,384	66,368	100,734	13,657	2,532,726	3,052,235

* This is service concession revenue recognised in accordance to service concession arrangments (Note 5.2) (2022: Nil).

20.2 Transaction price allocated to the remaining performance obligations

As at 31 December 2023, the aggregated amount of revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date was RM75,743,000 (2022: RM73,617,000). This amount mainly represents the remaining performance obligations relating to extended warranty services, free maintenance services and marketing services, where RM24,431,000 (2022: RM27,643,000) is expected to be recognised over the next year, while the remaining amount is expected to be recognised after the next year up to 5 years.

21. Finance income

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interest income of financial assets that are not at fair value through profit or loss	20,345	11,531	8,113	7,964
Other finance income	32	458	-	-
Recognised in profit or loss	20,377	11,989	8,113	7,964

22. Finance costs

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss				
- Term loans	2,294	2,153	-	-
- Banker's acceptances	8,136	5,322	-	-
- Revolving credit	27,714	27,544	-	-
- Medium Term Notes	20,172	12,379	20,172	12,379
- Other borrowings	447	49	-	8,514
	58,763	47,447	20,172	20,893
Interest expense on lease liabilities	4,138	4,273	16	19
Recognised in profit or loss	62,901	51,720	20,188	20,912

23. (Loss)/Profit before tax

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(Loss)/Profit before tax is arrived at after crediting:				
Bad debts recovered	2,250	1,850	-	-
Dividend income from:				
- Unquoted subsidiaries	-	-	80,700	460,146
- Joint ventures	400	200	400	200
- Associates	1,485	1,500	-	-
Change in fair value of investment properties	-	15	-	-
Gain on disposal of:				
- Asset classified as held for sale	-	158	-	-
- Investment properties	-	155	-	-
- Property, plant and equipment	-	11,872	-	-
Interest income	20,377	11,989	8,113	7,964
Net gain on foreign exchange:				
- Unrealised	20,327	14,651	2	3
- Realised	13,374	10,557	-	-
Reversal of impairment loss on property, plant and equipment	-	792	-	-
Rental income on leased assets	106	106	-	-
Rental income on land and buildings	1,410	3,770	-	-

23. (Loss)/Profit before tax (continued)

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
(Loss)/Profit before tax is arrived at after crediting (continued):				
Reversal of impairment loss on trade receivables	-	889	-	-
Reversal of write-down of inventories	10,417	3,996	-	-
(Loss)/Profit before tax is arrived at after charging:				
Audit fee				
Current year				
- KPMG Malaysia	495	521	68	64
- Overseas affiliates of KPMG Malaysia	114	169	-	-
- Other auditors	397	293	-	-
Non-audit fee				
Current year				
- KPMG Malaysia	19	15	15	15
- Overseas affiliates of KPMG Malaysia	174	281	-	-
- Other auditors	14	16	-	-
Amortisation of intangible assets	1,859	1,864	-	-
Bad debts written off	347	292	-	-
Change in fair value of investment properties	400	-	-	-
Depreciation of property, plant and equipment	141,687	146,581	139	137
Direct operating expenses of investment properties generating rental income	320	782	-	-
Expenses relating to short-term leases and leases of low-value assets (Note a)	5,561	6,384	56	56
Legal compensation (Note 31(a))	-	17,085	-	-
Loss on disposal of property, plant and equipment	2,404	-	-	-
Interest expense	62,901	51,720	20,188	20,912
Inventories written off	460	454	-	-
Write-down of inventories	1,431	6,030	-	-
Impairment loss on:				
- Equity-accounted investees	3,000	-	-	-
- Hire purchase receivables	9,968	1,728	-	-
- Amount due from subsidiaries	-	-	3,469	649
- Trade receivables	729	-	-	-

Note a: The Group leases equipment with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these assets by virtue of MFRS 16, *Leases* paragraphs 5 to 8.

23. (Loss)/Profit before tax (continued)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(Loss)/Profit before tax is arrived at after charging (continued):				
Property, plant and equipment written off	85	819	-	-
Net loss on foreign exchange:				
- Unrealised	8,896	15,989	-	-
- Realised	5,851	7,578	90	-
Non-executive directors:				
- Fees	586	496	570	480
- Allowances and benefits	213	173	213	173
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	37,457	34,407	1,396	888
- Expenses related to defined benefit plans	10,762	8,382	2,937	149
- Wages, salaries and others	369,556	346,027	13,781	12,164
Warranty claim	653	646	-	-

24. Key management personnel compensations

The key management personnel compensations are as follows:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Executive directors:				
- Remunerations	17,855	15,749	12,695	10,927
- Other short-term benefits	193	299	193	299
- Post-employment benefits	2,220	48	2,220	48
	20,268	16,096	15,108	11,274
Other key management personnel:				
- Remuneration and other short-term employee benefits	12,855	12,695	751	716
- Post-employment benefits	301	282	25	23
	13,156	12,977	776	739
	33,424	29,073	15,884	12,013

Remunerations paid to executive directors were by virtue of their contract of service or employment with the Group and the Company.

Other key management personnel comprise the executive directors of certain subsidiaries of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

Under the Group's and the Company's defined benefit scheme, eligible employees, who include Directors who are employees, are entitled to retirement benefits of 16.0% to 17.0% of total basic salary earned less the statutory pension funds for each completed year of service upon the retirement age of 60 or such other age as stipulated in their respective service contracts as well as retirement benefits as a factor of the last drawn monthly salary for each completed year of service upon retirement or termination of service, if so provided in the terms of the relevant service contract.

25. Tax expense/(income)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Recognised in the profit or loss				
Income tax expense				
Income tax expense	11,563	32,944	-	-
Over provided in prior years	(1,215)	(410)	-	-
	10,348	32,534	-	-
Real property gains tax	-	194	-	-
Withholding taxes	1,721	1,038	-	-
Deferred tax expense				
Origination/(Reversal) of temporary differences	5,714	11,011	(699)	(210)
Crystallisation of deferred tax liabilities arising from revaluation surplus	(5,589)	(4,808)	-	-
Under/(Over) provided in prior years	514	727	(96)	3
	639	6,930	(795)	(207)
	12,708	40,696	(795)	(207)

Reconciliation of tax expense

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(Loss)/Profit before tax	(121,143)	(14,165)	45,053	431,021
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	(29,074)	(3,400)	10,813	103,445
Effect of tax rates in foreign jurisdictions	1,036	2,408	-	-
Double deduction	-	(232)	-	-
Non-deductible expenses	28,287	41,249	7,952	6,828
Income not subject to tax	(8,233)	(6,504)	(19,464)	(110,483)
Tax incentives	(156)	(208)	-	-
Crystallisation of deferred tax liabilities arising from revaluation surplus	(5,589)	(4,808)	-	-
Tax on deemed sales income	992	841	-	-
Real property gains tax	-	194	-	-
Withholding taxes	1,721	1,038	-	-
Unrecognised deferred tax assets	24,425	9,801	-	-
	13,409	40,379	(699)	(210)
(Over)/Under provided in prior years	(701)	317	(96)	3
	12,708	40,696	(795)	(207)

26. Other comprehensive income/(expense)

	2023 Before tax RM'000	2023 Tax expense RM'000	2023 Net of tax RM'000	2022 Before tax RM'000	2022 Tax expense RM'000	2022 Net of tax RM'000
Group						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	-	-	-	21,688	(5,937)	15,751
Revaluation of property, plant and equipment	-	-	-	182,368	(40,730)	141,638
	-	-	-	204,056	(46,667)	157,389
Group						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(3,185)	-	(3,185)	(1,357)	-	(1,357)
Foreign currency translation differences for an equity-accounted associate	1,395	-	1,395	545	-	545
Cash flow hedge	3,612	139	3,751	(3,531)	(33)	(3,564)
	1,822	139	1,961	(4,343)	(33)	(4,376)
	1,822	139	1,961	199,713	(46,700)	153,013
Company						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	-	-	-	14,514	(3,484)	11,030

27. Basic loss per ordinary share

Group

Basic loss per ordinary share

The calculation of basic loss per ordinary share as at 31 December 2023 was based on the loss attributable to ordinary shareholders of RM128,742,000 (2022: loss of RM51,110,000) and the weighted average number of ordinary shares outstanding during the year of 651,922,000 (2022: 652,129,000).

Weighted average number of ordinary shares

	Group 2023 '000	Group 2022 '000
Issued ordinary shares at 1 January	652,117	652,161
Effect of treasury shares held	(195)	(32)
Weighted average number of ordinary shares at 31 December	651,922	652,129

Diluted loss per ordinary share is not presented as the Group has no potential shares or other instrument with dilutive effects.

28. Dividends

Dividends recognised and paid in the current year and previous year by the Company are as follows:

	Dividend per share (sen)	Total RM'000	Date of payment
2023			
First interim 2023 ordinary	1.00	6,519	30 June 2023
2022			
First interim 2022 ordinary	1.50	9,782	30 June 2022
Second interim 2022 ordinary	1.50	9,782	23 December 2022

29. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- *Vehicles assembly, manufacturing, distribution and after-sales services*: Business in assembly and distribution of passenger and commercial vehicles, automotive workshop services, distribution of automotive spare parts and manufacturing of automotive parts.

- *Financial services*: Business in provision of hire purchase financing, personal loans and insurance agency.

- *Other operations*: Business in property and investment holding activities.

Performance is measured based on segment earnings/(loss) before interest, taxation, depreciation and amortisation ("EBITDA"/"LBITDA"), as included in the internal management reports that are reviewed by the Chief Operating Decision Makers ("CODM"). Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The operations of the Group are predominantly in Malaysia and Vietnam.

There is no concentration or reliance of single customer which the single external revenue is 10 percent or more during the financial year 2023 and 2022.

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

29. Operating segments (continued)

(a) Business segment

	Vehicles assembly, manufacturing, distribution and after-sales services		Financial services		Other operations		Total	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
External revenue	2,365,608	2,972,210	66,384	66,368	100,734	13,657	2,532,726	3,052,235
Inter-segment revenue	4,672	511	16	18	74,517	78,536	79,205	79,065
Segment EBITDA	35,369	132,874	15,802	27,493	35,492	30,059	86,663	190,426
Depreciation and amortisation	(108,541)	(121,659)	(832)	(697)	(34,174)	(26,089)	(143,547)	(148,445)
Finance costs	(38,330)	(27,782)	(1)	-	(24,570)	(23,938)	(62,901)	(51,720)
Finance income	6,690	3,030	299	399	13,388	8,560	20,377	11,989
Share of (loss)/profit of equity-accounted investees, net of tax	(991)	(1,548)	164	(107)	293	916	(534)	(739)
Unallocated corporate expenses							(21,201)	(15,676)
Loss before tax							(121,143)	(14,165)
Tax expense							(12,708)	(40,696)
Loss for the year							(133,851)	(54,861)

(b) Geographical segment

	Malaysia		Vietnam		Others		Total	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
External revenue	2,288,301	2,601,848	151,826	320,043	92,599	130,344	2,532,726	3,052,235
Segment EBITDA/(LBITDA)	130,537	227,536	(39,589)	(8,434)	(4,285)	(28,676)	86,663	190,426

30. Commitments

Capital commitments

	Group 2023 RM'000	Group 2022 RM'000
Property, plant and equipment:		
Authorised but not contracted for	38,373	166,228
Contracted but not provided for		
In Malaysia	20,571	2,586
Outside Malaysia	6,427	21,511
	65,371	190,325

31. Contingencies

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

On 15 August 2017, TCIE, a wholly-owned subsidiary of the Company received a sealed Writ of Summons dated 12 August 2017 and Statement of Claim dated 11 August 2017 ("the Plaintiffs' Claim"), a sealed copy of a Notice of Application for Injunction dated 12 August 2017 ("the Application") and Affidavit in Support dated 11 August 2017 from the solicitors acting for Transnasional Express Sdn. Bhd. ("Transnasional"), Plusliner Sdn. Bhd. ("Plusliner"), Syarikat Kenderaan Melayu Kelantan Berhad ("SKMK"), Syarikat Rembau Tampin Sdn. Bhd. ("SRT"), Kenderaan Langkasuka Sdn. Bhd. ("Langkasuka"), Epicon Berhad (formerly known as Konsortium Transnasional Berhad) and MHSB Properties Sdn. Bhd. ("MHSB") (collectively known as "Plaintiffs").

TCIE entered into a series of lease agreements with Transnasional, Plusliner and SKMK and a series of service maintenance agreements with Transnasional, Plusliner, SKMK, SRT and Langkasuka (collectively known as "Debtors") for the lease and service maintenance of the vehicles. The Debtors owed to TCIE outstanding rentals and service bills amounting to RM32,920,575 ("Debt").

After lengthy negotiations, the Debtors and KTB mutually agreed to enter into a Settlement Agreement with TCIE on 4 July 2016 ("Settlement Agreement") with the following, inter alia, terms:

i. to settle the Debt by transferring a piece of land held under H.S.(D) 87546, PT No. 7929, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor ("Land") from MHSB to TCIE at an agreed price of RM16,000,000.00 and repayment the balance debt of RM16,920,575.06 in cash in several instalments ("Balance Debt"); and
ii. in the event of breach of the Settlement Agreement, TCIE was entitled to terminate the Settlement Agreement and repossess the vehicles.

Pursuant to the Settlement Agreement, a Sale and Purchase Agreement was entered into between MHSB and TCIE on 4 July 2016 for the sale of the Land.

As the Debtors failed to make timely repayments of the Balance Debt in accordance with the Settlement Agreement; TCIE had exercised its contractual rights to repossess the vehicles leased to the Debtors.

Subsequently, the Plaintiffs filed the Plaintiffs Claim claiming, amongst others:

i. an injunction to restrain TCIE from proceeding with the repossession and disposal of the vehicles, taking any legal action under the Settlement Agreement until the disposal of the Plaintiffs' Claim and entering into any dealing in relation to the Land;
ii. a declaration that the value of the Land was RM55,600,000.00;
iii. payment of the sum of RM22,679,424.94 to MHSB;
iv. the return of the vehicles to the Plaintiffs;
v. payment of the sum of RM877,000.00 being compensation paid by the Government of Malaysia for acquisition of part of the Land to the Plaintiffs.

On 12 September 2017, TCIE filed a Defence and application to strike out the Plaintiffs' Claim.

31. Contingencies (continued)

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

On 4 January 2018, the High Court allowed TCIE's application to strike out the Plaintiffs' Claim and dismissed the Plaintiffs' injunction application with costs of RM5,000 ("the High Court Striking Out Order").

On 13 December 2018, the Plaintiffs withdrew their injunction application against TCIE with no order to costs.

On 15 November 2018, the Court of Appeal had allowed the Plaintiffs' Appeal with costs in the cause and set aside the High Court Striking Out Order of 4 January 2018 ("the Court of Appeal Order").

On 27 December 2018, TCIE filed an application for leave at the Federal Court to appeal against the Court of Appeal Order dated 15 November 2018 ("the Leave Application").

On 7 October 2020, the Federal Court dismissed with cost TCIE's application for leave to appeal against the Court of Appeal Order regarding TCIE's application to strike out the Plaintiffs' Claim.

On 2 November 2020, the Plaintiffs filed an application to amend the pleadings in the High Court ("Plaintiffs' Amendment Application"). On 14 December 2020, the High Court allowed the Plaintiffs' Amendment Application, with costs in the sum of RM1,000 to be paid by the Plaintiffs to TCIE.

Pursuant to the Order of the High Court dated 14 December 2020, the Plaintiffs filed and served the Amended Writ and Amended Statement of Claim on 30 December 2020 and TCIE filed and served the Amended Defence on 8 January 2021. The trial was heard before the High Court on 10, 11 and 12 March 2021 and on 2 and 14 April 2021.

On 15 July 2021, the High Court allowed the Plaintiffs' Claim which included orders, inter alia, for: -

i. a declaration that the value of the Land was RM55,600,000.00;

ii. repayment of the sum of RM22,679,424.94, with interest at the rate of 5% per annum, to be paid by TCIE to MHSB, the 7th Plaintiff;

iii. the return of the land acquisition compensation sum of RM877,000.00 by TCIE to the Plaintiffs;

iv. the return of all the buses by TCIE to the Plaintiffs; and costs in the sum of RM80,000.00, subject to allocatur, to be paid by TCIE to the Plaintiffs.

(collectively known as "High Court Judgement dated 15 July 2021")

On 21 July 2021, TCIE filed the Notice of Appeal against the High Court Judgement dated 17 July 2021 to the Court of Appeal.

On 23 September 2021, the High Court granted a stay of execution in relation to the High Court Judgement dated 15 July 2021 pending the disposal of TCIE's appeal to the Court of Appeal.

On 16 November 2023, the Court of Appeal allowed TCIE's appeal and set aside the High Court Judgement dated 15 July 2021.

The Court of Appeal has also awarded RM120,000.00 in costs to TCIE for the costs of the appeal and the costs of the High Court, subject to allocatur fees.

On 7 December 2023, the Plaintiffs filed a Notice of Motion for leave to appeal to the Federal Court against the decision of Court of Appeal dated 16 November 2023. A case management date before the Federal Court has been fixed on 23 April 2024. The hearing of the application for leave to appeal to the Federal Court is fixed on 7 May 2024.

32. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Controlling related party relationships are as follows:

(i) The subsidiaries as disclosed in Note 35.
(ii) The substantial shareholders of the Company.

Significant related party transactions

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

	Group	
	2023	**2022**
	RM'000	**RM'000**
With WTCH Group		
Purchases	(52,421)	(55,559)
Sales	28,891	61,522
Insurance agency, workshop services and administrative services	7,604	6,007
Travel agency and car rental services	(2,269)	(602)
Rental income receivable	1,299	1,351
Rental expense payable	(1,089)	(1,077)
Contract assembly fee receivable	3,094	3,362
With APM Group		
Purchases	(22,420)	(34,072)
Sales	1,902	3,544
Insurance agency, workshop services and administrative services	1,896	1,802
Rental income receivable	12	11
Rental expense payable	(1,701)	(1,799)
With TCIL Group		
Sales	9,864	10,429
Contract assembly fee receivable	14,132	18,644

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

32. Related parties (continued)

Significant related party transactions (continued)

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

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchases	(585,062)	(695,009)
Technical assistance fee and royalty	(4,218)	(3,153)

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

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

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchases	(9,204)	(7,256)

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

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

(a) a company in which Directors of the subsidiaries of the Company, namely Datuk Yaacob bin Wan Ibrahim and Datuk Abdullah bin Abdul Wahad, have substantial financial interests; and

(b) a company connected with a Director of the Company, Dato' Tan Heng Chew, by virtue of Section 197 of the Companies Act 2016.

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchases	(476,517)	(410,737)
Sales	16,079	18,729
Insurance agency, workshop services and administrative services	28	26
Rental income receivable	280	280

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

32. Related parties (continued)

Significant related party transactions (continued)

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

	Company	
	2023	**2022**
	RM'000	**RM'000**
Subsidiaries		
Dividend income receivable	80,700	460,146
Interest income receivable	8,111	7,952
Management fees payable	(664)	(452)
Rental expense payable	(155)	(56)
Interest expense payable	-	(8,514)
Joint venture		
Dividend income receivable	400	200

These transactions have been entered into in the normal course of business and have been established under negotiated terms. The gross balances outstanding for subsidiaries are disclosed in Note 11 and Note 19.

There are no significant transactions with the key management personnel in the Group other than disclosed in Note 24.

33. Financial instruments

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC");
(b) Fair value through profit or loss ("FVTPL") – Mandatorily required by MFRS 9; and
(c) Derivatives designated as hedging instruments.

2023	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
Financial assets				
Group				
Other investments	25,872	-	25,872	-
Trade and other receivables*	288,289	288,289	-	-
Hire purchase receivables	451,980	451,980	-	-
Deposits	12,414	12,414	-	-
Derivative financial assets	345	-	-	345
Cash and cash equivalents	511,579	511,579	-	-
	1,290,479	1,264,262	25,872	345
Company				
Amount due from subsidiaries and other receivables	214,611	214,611	-	-
Deposits	105	105	-	-
Cash and cash equivalents	164	164	-	-
	214,880	214,880	-	-
Financial liabilities				
Group				
Borrowings	(1,542,614)	(1,542,614)	-	-
Payables and accruals	(319,175)	(319,175)	-	-
Derivative financial liabilities	(807)	-	-	(807)
	(1,862,596)	(1,861,789)	-	(807)
Company				
Borrowings	(450,000)	(450,000)	-	-
Payables and accruals	(8,708)	(8,708)	-	-
	(458,708)	(458,708)	-	-

* excludes non-financial instruments.

33. Financial instruments (continued)

33.1 Categories of financial instruments (continued)

2022	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
Financial assets				
Group				
Other investments	454	-	454	-
Trade and other receivables*	281,005	281,005	-	-
Hire purchase receivables	464,223	464,223	-	-
Deposits	12,393	12,393	-	-
Derivative financial assets	3,240	-	-	3,240
Cash and cash equivalents	558,160	558,160	-	-
	1,319,475	1,315,781	454	3,240
Company				
Amount due from subsidiaries and other receivables	217,706	217,706	-	-
Deposits	108	108	-	-
Cash and cash equivalents	678	678	-	-
	218,492	218,492	-	-
Financial liabilities				
Group				
Borrowings	(1,274,027)	(1,274,027)	-	-
Payables and accruals	(415,137)	(415,137)	-	-
Derivative financial liabilities	(7,312)	-	-	(7,312)
	(1,696,476)	(1,689,164)	-	(7,312)
Company				
Borrowings	(300,000)	(300,000)	-	-
Payables and accruals	(10,991)	(10,991)	-	-
	(310,991)	(310,991)	-	-

* excludes non-financial instruments.

33. Financial instruments (continued)

33.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	32	458	-	-
Financial assets at amortised cost	62,239	61,998	4,644	7,315
Financial liabilities at amortised cost	(39,809)	(45,806)	(20,172)	(20,893)
Derivatives designated as hedging instruments	3,751	(3,564)	-	-
	26,213	13,086	(15,528)	(13,578)

33.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

33.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Credit risk in relation to the Group's core business activities are managed by the respective operating units where credit policies that are specific to their respective industries are in place.

New vehicles sales are mainly financed by finance companies, with the remainder financed by TC Capital Resources Sdn. Bhd. ("TCCR") and as such, the Group's collection risk rests mainly with these finance companies. The Group also extends credit to used car dealers, spare part dealers and selected corporate purchasers. Bank guarantees are required on a selective basis to secure the line of credit from the Group. For used car dealers, spare part dealers and selected corporate purchasers, the Group has an informal credit policy in place and the exposure is monitored on an ongoing basis. In respect of hire purchase business financed via TCCR, credit evaluations are performed on all customers requiring financing from the Group and the Group has ownership claims over the vehicles under financing.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their recoverable amount. A significant portion of these receivables are trade receivables of the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss

The Group uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the three years. The Group also considers differences between:

(a) economic conditions during the period over which the historic data has been collected;
(b) current conditions; and
(c) the Group's view of economic conditions over the expected lives of the receivables.

Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For hire purchase receivables which are individually assessed, management estimates the amount and timing of future cash flows including estimation of recoveries from the repossessed vehicles net of outstanding balance owing from the receivables in determination of impairment losses.

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

(a) Trade receivables and contract assets

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Group carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (Not past due)	112,456	(669)	111,787
Past due 1 – 30 days	31,768	(591)	31,177
Past due 31 – 90 days	22,303	(1,280)	21,023
	166,527	(2,540)	163,987
Credit impaired			
Past due more than 90 days	20,926	(2,461)	18,465
Individually impaired	81,953	(16,887)	65,066
	269,406	(21,888)	247,518
Trade receivables	269,406	(21,888)	247,518
Contract assets	25,541	-	25,541
	294,947	(21,888)	273,059

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(a) Trade receivables and contract assets (continued)

Group	Group carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Current (Not past due)	120,191	(585)	119,606
Past due 1 – 30 days	35,268	(481)	34,787
Past due 31 – 90 days	25,813	(1,128)	24,685
	181,272	(2,194)	179,078
Credit impaired			
Past due more than 90 days	22,766	(2,025)	20,741
Individually impaired	57,978	(16,940)	41,038
	262,016	(21,159)	240,857
Trade receivables	262,016	(21,159)	240,857
Contract assets	26,349	-	26,349
	288,365	(21,159)	267,206

The movements in the allowance for impairment in respect of trade receivables are shown below:

	Trade receivables		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance as at 1 January 2022	2,194	19,854	22,048
Net remeasurement of loss allowance	-	(889)	(889)
Balance as at 31 December 2022/ 1 January 2023	2,194	18,965	21,159
Net remeasurement of loss allowance	346	383	729
Balance as at 31 December 2023	2,540	19,348	21,888

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(a) Trade receivables and contract assets (continued)

There was no allowance for impairment made on contract assets in year 2023 and 2022.

Trade receivables of RM347,000 were written off in the financial year ended 31 December 2023 (2022: Nil).

(b) Hire purchase receivables

The following table provides information about the exposure to credit risk and ECLs for hire purchase receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (Not past due)	263,626	(681)	262,945
Past due 1 – 30 days	96,092	(248)	95,844
Past due 31 – 90 days	83,262	(1,859)	81,403
	442,980	(2,788)	440,192
Credit impaired			
Past due more than 90 days	18,017	(7,688)	10,329
Individually impaired	17,897	(16,438)	1,459
	478,894	(26,914)	451,980
Hire purchase receivables	478,894	(26,914)	451,980

33. Financial instruments (continued)

33.4 Credit risk (continued)

Receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

(b) Hire purchase receivables (continued)

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Current (Not past due)	254,834	(484)	254,350
Past due 1 – 30 days	88,198	(173)	88,025
Past due 31 – 90 days	97,947	(2,010)	95,937
	440,979	(2,667)	438,312
Credit impaired			
Past due more than 90 days	36,606	(12,399)	24,207
Individually impaired	35,061	(33,357)	1,704
	512,646	(48,423)	464,223
Hire purchase receivables	512,646	(48,423)	464,223

The movements in the allowance for impairment in respect of hire purchase receivables are shown below:

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance as at 1 January 2022	3,115	43,580	46,695
Net remeasurement of loss allowance	(448)	2,176	1,728
Balance as at 31 December 2022/ 1 January 2023	2,667	45,756	48,423
Amounts written off	-	(31,477)	(31,477)
Net remeasurement of loss allowance	121	9,847	9,968
Balance as at 31 December 2023	2,788	24,126	26,914

In the financial year ended 31 December 2022, hire purchase receivables of RM292,000 were written off.

33. Financial instruments (continued)

33.4 Credit risk (continued)

Investments and other financial assets

Transactions involving derivative financial instruments were entered into with licensed banks only. The Group also placed a significant portion of its excess funds in money market funds and short term deposits with licensed financial institutions.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

As at the end of the reporting period, there was no indication that the investments and other financial assets are not recoverable.

These financial institutions have low credit risk. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Other receivables are mainly arising from receivables from external parties. The amounts are unsecured and non-interest bearing.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The other receivables have low credit risks. As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries of the Company.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded, the Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

33. Financial instruments (continued)

33.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

Company	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Low credit risk	214,484	-	214,484
Credit impaired	11,158	(11,031)	127
	225,642	(11,031)	214,611
2022			
Low credit risk	213,595	-	213,595
Credit impaired	11,049	(7,562)	3,487
	224,644	(7,562)	217,082

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

Company	Lifetime ECL 2023 RM'000	Lifetime ECL 2022 RM'000
Balance as at 1 January	7,562	6,913
Net remeasurement of loss allowance	3,469	649
Balance as at 31 December	11,031	7,562

33.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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33. Financial instruments (continued)

33.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Contractual interest rate %	Carrying amount RM'000	Not later than 2 year RM'000	More than 2 year but not later than 5 year RM'000	More than 5 year RM'000	Contractual cash flows RM'000	Not later than 1 year RM'000	More than 1 year but not later than 5 years RM'000	More than 5 years RM'000
Group									
2023									
Non-derivative financial liabilities									
Medium Term Notes	5.00 - 5.76	450,000	200,000	250,000	-	505,957	24,244	481,713	-
Bankers' acceptances	3.85 - 5.08	205,570	205,570	-	-	205,570	205,570	-	-
Revolving credit	3.80 - 7.00	887,044	887,044	-	-	887,044	887,044	-	-
Payables and accruals	-	319,175	319,175	-	-	319,175	319,175	-	-
Lease liabilities	5.00	97,516	19,266	22,830	55,420	146,401	16,730	34,587	95,084
		1,959,305	1,631,055	272,830	55,420	2,064,147	1,452,763	516,300	95,084
Derivative financial liabilities									
Forward exchange contracts (gross settled):									
Outflow		807	807	-	-	41,581	41,581	-	-
Inflow		-	-	-	-	(40,774)	(40,774)	-	-
		1,960,112	1,631,862	272,830	55,420	2,064,954	1,453,570	516,300	95,084
2022									
Non-derivative financial liabilities									
Medium Term Notes	5.00 - 5.58	300,000	-	300,000	-	349,905	15,537	334,368	-
Term loans	3.50 - 7.90	65,942	65,942	-	-	65,942	65,942	-	-
Bankers' acceptances	2.25 - 4.54	158,950	158,950	-	-	158,950	158,950	-	-
Revolving credit	1.45 - 6.04	749,135	749,135	-	-	749,135	749,135	-	-
Payables and accruals	-	415,137	415,137	-	-	415,137	415,137	-	-
Lease liabilities	5.00	89,811	24,334	20,167	45,310	147,326	17,256	36,393	93,677
		1,778,975	1,413,498	320,167	45,310	1,886,395	1,421,957	370,761	93,677
Derivative financial liabilities									
Forward exchange contracts (gross settled):									
Outflow		7,312	7,312	-	-	115,199	115,199	-	-
Inflow		-	-	-	-	(107,887)	(107,887)	-	-
		1,786,287	1,420,810	320,167	45,310	1,893,707	1,429,269	370,761	93,677

33. Financial instruments (continued)

33.5 Liquidity risk (continued)

Maturity analysis (continued)

	Contractual interest rate %	Carrying amount RM'000	Not later than 2 years RM'000	More than 2 years but not later than 5 years RM'000	Contractual cash flows RM'000	Not later than 1 year RM'000	More than 1 year but not later than 5 years RM'000
Company							
2023							
Non-derivative financial liabilities							
Medium Term Notes	5.00 - 5.76	450,000	-	450,000	505,957	24,244	481,713
Amount due to subsidiaries							
- Current	-	38	38	-	38	38	-
Payables and accruals	-	8,670	8,670	-	8,670	8,670	-
Lease liabilities	5.00	275	275	-	495	99	396
		458,983	8,983	450,000	515,160	33,051	482,109
2022							
Non-derivative financial liabilities							
Medium Term Notes	5.00 - 5.58	300,000	-	300,000	349,905	15,537	334,368
Amount due to subsidiaries							
- Current	-	2,466	2,466	-	2,466	2,466	-
Payables and accruals	-	8,525	8,525	-	8,525	8,525	-
Lease liabilities	5.00	358	358	-	495	99	396
		311,349	11,349	300,000	361,391	26,627	334,764

33. Financial instruments (continued)

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

33.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Japanese Yen ("JPY").

Risk management objectives, policies and processes for managing the risk

The Group hedges its foreign currency denominated trade payables and overseas subsidiaries loan repayments. Derivative financial instruments like forward exchange contracts are used to reduce exposure to fluctuations in foreign exchange rates. The Group avoids using leverage derivatives for hedging purposes and also does not hedge for speculative purposes. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	2023		2022	
	Denominated in		Denominated in	
	USD RM'000	JPY RM'000	USD RM'000	JPY RM'000
Group				
Receivables	1,812	3,244	1,258	3,192
Intra-group balances	368,662	-	341,218	-
Cash and cash equivalents	216,813	1,741	247,735	4,975
Payables and accruals	(1,308)	-	(5,445)	-
Borrowings	(32,039)	-	(144,922)	-
Derivative financial assets	345	-	-	-
Derivative financial liabilities	(807)	-	(4,072)	-
Net exposure	553,478	4,985	435,772	8,167

Currency risk sensitivity analysis

A simulated 5% strengthening in the USD/JPY against MYR at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables in particular interest rates and market conditions remained constant and ignores any impact of forecasted sales and purchases.

	2023		2022	
	Equity RM'000	Profit or loss RM'000	Equity RM'000	Profit or loss RM'000
USD	21,032	21,050	16,559	16,714
JPY	189	189	310	310

A simulated 5% weakening of USD/JPY against the MYR at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

33. Financial instruments (continued)

33.6 Market risk (continued)

33.6.2 Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings, the placement of excess funds in interest-earning deposits and lease liabilities. The borrowings which have been obtained to finance the working capital of the Group are subject to floating interest rates except for Medium Term Notes and lease liabilities.

Excess funds are placed with licensed financial institutions for certain periods during which the interest rates are fixed. The management reviews the rates at regular intervals.

On the other hand, the Group provides hire purchase loans at fixed rates for tenures of up to 9 years. These loans are funded by internal and external resources.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of ensuring that between 30% and 60% of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Fixed rate instruments				
Financial assets:				
Hire purchase receivables	451,980	464,223	-	-
Amount due from subsidiaries	-	-	174,329	68,421
Deposits with licensed banks	345,716	360,304	-	-
Financial liabilities:				
Medium Term Notes	(450,000)	(300,000)	(450,000)	(300,000)
Lease liabilities	(97,516)	(89,811)	-	-
	250,180	434,716	(275,671)	(231,579)
Floating rate instruments				
Financial assets:				
Amount due from subsidiaries	-	-	40,282	148,661
Financial liabilities:				
Term loans	-	(65,942)	-	-
Bankers' acceptances	(205,570)	(158,950)	-	-
Revolving credit	(887,044)	(749,135)	-	-
	(1,092,614)	(974,027)	40,282	148,661

33. Financial instruments (continued)

33.6 Market risk (continued)

33.6.2 Interest rate risk (continued)

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) interest rate at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss		Profit or loss	
	100 bp increase 2023 RM'000	100 bp decrease 2023 RM'000	100 bp increase 2022 RM'000	100 bp decrease 2022 RM'000
Group				
Floating rate instruments	(8,304)	8,304	(7,403)	7,403
Company				
Floating rate instruments	306	(306)	1,130	(1,130)

33.6.3 Other price risk

Market price risk is the risk that the fair value or future cash flow of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rate).

Risk management objectives, policies and processes for managing the risk

The Group is exposed to market price risk arising from its investments in quoted unit trusts. The instrument is classified as financial assets at fair value through profit or loss.

To manage its market price risk, the Group manages its portfolio in accordance with established guidelines and policies. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Treasury Investment Committee.

Sensitivity analysis

At the reporting date, if the prices of instruments had been 1% (2022: 1%) higher/lower, with all other variables held constant, the Group profit or loss would have increased/(decreased) by RM259,000 (2022: RM5,000) arising as a result of changes in the fair value of the financial assets classified as fair value through profit or loss.

33. Financial instruments (continued)

33.7 Hedging activities

Cash flow hedge

The Group entered into forward foreign currency exchange contracts to hedge the cash flow risk in relation to the foreign currency exposure, which are designated as cash flow hedges.

The following table indicates the periods in which the cash flows associated with the forward exchange contracts are expected to occur and affect profit or loss:

Group	Carrying amount RM'000	Expected cash flows RM'000	Under 1 year RM'000
2023			
Forward exchange contracts	(462)	(462)	(462)
2022			
Forward exchange contracts	(4,072)	(4,072)	(4,072)

During the financial year, a gain of RM3,751,000 (2022: loss of RM3,564,000) was recognised in other comprehensive income. The gain/(loss) on the hedging derivative is included in the carrying amount of the inventory acquired. The gain/(loss) is reclassified to profit or loss when the inventory affects profit or loss (that is, on sale of the goods containing the hedged components or impairment of the inventory).

33.8 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

33. Financial instruments (continued)

33.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2023										
Group										
Financial assets										
Other investments										
- Liquid investments with licensed financial institutions	-	25,872	-	25,872	-	-	-	-	25,872	25,872
Hire purchase receivables	-	-	-	-	-	-	343,799	343,799	343,799	343,799
Derivative financial assets – forward exchange contracts	-	345	-	345	-	-	-	-	345	345
	-	26,217	-	26,217	-	-	343,799	343,799	370,016	370,016
Financial liabilities										
Borrowings	-	-	-	-	-	-	(450,000)	(450,000)	(450,000)	(450,000)
Derivative financial liabilities – forward exchange contracts	-	(807)	-	(807)	-	-	-	-	(807)	(807)
	-	(807)	-	(807)	-	-	(450,000)	(450,000)	(450,807)	(450,807)
2022										
Group										
Financial assets										
Other investments										
- Liquid investments with licensed financial institutions	-	454	-	454	-	-	-	-	454	454
Hire purchase receivables	-	-	-	-	-	-	359,406	359,406	359,406	359,406
Derivative financial assets – forward exchange contracts	-	3,240	-	3,240	-	-	-	-	3,240	3,240
	-	3,694	-	3,694	-	-	359,406	359,406	363,100	363,100
Financial liabilities										
Borrowings	-	-	-	-	-	-	(300,000)	(300,000)	(300,000)	(300,000)
Derivative financial liabilities – forward exchange contracts	-	(7,312)	-	(7,312)	-	-	-	-	(7,312)	(7,312)
	-	(7,312)	-	(7,312)	-	-	(300,000)	(300,000)	(307,312)	(307,312)

33. Financial instruments (continued)

33.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2023										
Company										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	214,611	214,611	214,611	214,611
Financial liabilities										
Borrowings	-	-	-	-	-	-	(450,000)	(450,000)	(450,000)	(450,000)
2022										
Company										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	217,082	217,082	217,082	217,082
Financial liabilities										
Borrowings	-	-	-	-	-	-	(300,000)	(300,000)	(300,000)	(300,000)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial assets

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Fair values of hire purchase receivables, finance lease receivables, non-current borrowings and non-current amounts due from and due to subsidiaries, which are determined for disclosure purpose, have been derived using discounted cash flow approach. For finance lease receivables and hire purchase receivables, the market rate of interest is determined by reference to similar finance lease and hire purchase agreements.

33. Financial instruments (continued)

33.8 Fair value information (continued)

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The team regularly reviews significant unobservable inputs and valuation adjustments.

34. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 December 2023 and 31 December 2022 were as follows:

		Group	
	Note	2023 RM'000	2022 RM'000
Total borrowings	17	1,542,614	1,274,027
Lease liabilities		97,516	89,811
Less: Other investments	8	(25,872)	(454)
Less: Cash and cash equivalents	15	(511,579)	(558,160)
Net debt		1,102,679	805,224
Total equity attributable to owners of the Company		2,740,140	2,872,276
Net debt-to-equity ratios		0.40	0.28

There were no changes in the Group's approach to capital management during the financial year.

The Group is also required to maintain certain debt-to-equity ratio to comply with debt covenants, failing which, an event of default may be triggered. The Group has complied with these covenants.

35. Subsidiaries

The principal activities of the subsidiaries, their places of incorporation and the interest of the Company are shown below:

Name	Principal activities	Effective ownership interest 2023 %	2022 %
Incorporated in Malaysia:			
* Agensi Pekerjaan Bijak Sdn. Bhd.	Provision of private employment agency services	49	100
# β Auto Components Manufacturers Sdn. Bhd.	Property investment holding	100	100
# β Autokita Sdn. Bhd.	Insurance agency	100	100
# β Ceranamas Sdn. Bhd.	Property and investment holding	100	100
Chauffeur Safe Travel Sdn. Bhd.	Travel agency and transportation services	100	100
# β Constant Knight (M) Sdn. Bhd.	Property investment holding	100	100
Edaran Tan Chong Motor Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Sabah) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Sarawak) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Selatan) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Tengah) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Edaran Tan Chong Motor (Utara) Sdn. Bhd.	Trading and marketing of motor vehicles	100	100
Extreme Market Place Sdn. Bhd.	Trading and distribution of automotive parts, lubricants, batteries, tyres and accessories for domestic, export and e-commerce platform markets	100	100
GoEVCharger Sdn. Bhd.	Operating charging infrastructure and system for electric vehicles	100	100
Hikmat Asli Sdn. Bhd.	Property investment holding	100	100
# β Julang Lumayan Sdn. Bhd.	Property investment holding	100	100
# β Perwiramas Sdn. Bhd.	Investment holding	100	100
* Premium Commerce Berhad	Structured entity for asset -backed securitisation	-	-
Space Studio House Sdn. Bhd.	Provision of advertising and marketing services	100	100
# β Sungei Bintang Sdn. Bhd.	Property investment holding	100	100

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35. Subsidiaries (continued)

	Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
	Incorporated in Malaysia:			
	Tan Chong & Sons Motor Company Sdn. Bhd.	Assembly and sales of motor vehicles	100	100
# β	Tan Chong Agency Sdn. Bhd.	Insurance agency	100	100
# β	Tan Chong Construction Sdn. Bhd.	Investment holding	100	100
# β	Tan Chong Education Sdn. Bhd.	Investment holding	100	100
	Tan Chong Education Services Sdn. Bhd.	Provision of education services	100	100
	Tan Chong Ekspres Auto Servis Sdn. Bhd.	Automotive workshop services	100	100
# β	Tan Chong IBS Sdn. Bhd.	Insurance agency	100	100
	Tan Chong Industrial Equipment (Sabah) Sdn. Bhd.	Distribution of passenger and commercial vehicles, spare parts and after sales services for commercial vehicles	100	100
	Tan Chong Industrial Equipment Sdn. Bhd.	Distribution of commercial vehicles, spare parts and after sales services for commercial vehicles	100	100
# β	Tan Chong Inspire Sdn. Bhd.	Insurance agency	100	100
	Tan Chong Motor Assemblies Sdn. Bhd.	Assembly of motor vehicles	70	70
# β	Tan Chong Premier Sdn. Bhd.	Insurance agency	100	100
# β	Tan Chong Technical Centre Sdn. Bhd.	Research and development activities for automotive industry	100	100
	Tan Chong Trading (Malaysia) Sdn. Berhad	Investment holding, merchandise and tractors trading	100	100
	Tanahku Holdings Sdn. Bhd.	Property investment holding	100	100
	TC Auto Tooling Sdn. Bhd.	Production of car alarm system and other security systems, autoparts and accessories	100	100
	TC Capital Resources Sdn. Bhd.	Hire purchase financing, leasing, money lending and transport agent	100	100
# β	TC Commercial Assets Sdn. Bhd.	Property investment holding	100	100
	TC Euro Cars Sdn. Bhd.	Distribution and leasing of motor vehicles	100	100
# β	TC Facilities Management Sdn. Bhd.	Provision of building facilities management services	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Incorporated in Malaysia:			
# β TC Hartanah Sdn. Bhd.	Property investment holding	100	100
# β TC Heritage Sdn. Bhd.	Investment holding	100	100
# β TC Insurservices Sdn. Bhd.	Insurance agency	100	100
TC iTech Sdn. Bhd.	Provision of information technology services	100	100
# β TC Maju Properties Sdn. Bhd.	Property investment holding	100	100
TC Management Services Corporation Sdn. Bhd.	Provision of management services	100	100
# β TC Manufacturing Holdings Sdn. Bhd.	Investment holding	100	100
# β TC Metropolitan Sdn. Bhd.	Property investment holding	100	100
TC Module Integrator Sdn.Bhd.	Manufacture and sale of automotive parts and modules	100	100
TC Motors (Sarawak) Sdn. Bhd.	Distribution of commercial vehicles and after-sales services and spare parts	100	100
# β TC Residence Sdn. Bhd.	Property investment holding	100	100
TC Security Services Sdn. Bhd.	Provision of security services	51	51
# β TC Sri Amar Sdn. Bhd.	Property investment holding	100	100
TC Sunergy Sdn. Bhd.	Developing, operating and trading of power from renewable energy projects	51	51
TC Trucks After Sales Sdn. Bhd.	Distribution and sales of auto parts and provision of after-sales services for commercial vehicles	100	100
TC Trucks Group Sdn. Bhd.	Investment holding	100	100
TC Trucks Sales Sdn. Bhd.	Distribution and sales of commercial vehicles	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
# β TC Utama Sdn. Bhd.	Property investment holding	100	100
# β TCCL Sdn. Bhd.	Insurance agency	100	100
TCM Stamping Products Sdn. Bhd.	Manufacture and sale of automotive parts and modules	100	100
TMC Services Sdn. Bhd.	Provision of financial services	100	100
Truckquip Sdn. Bhd.	Distribution of automotive spare parts and construction of vehicle bodies	100	100
VDC Sdn. Bhd.	Provision of pre-delivery inspection services	100	100
# β Vincus Holdings Sdn. Bhd.	Investment holding	100	100
# β West Anchorage Sdn. Bhd.	Investment holding	100	100
# β Agensi Pekerjaan Bijak (Sabah) Sdn. Bhd.	Dormant	100	100
# β Auto Infiniti Sdn. Bhd.	Dormant	100	100
# β Auto Trucks & Components Sdn. Bhd.	Dormant	100	100
# β E-Garage Auto Services Sdn. Bhd.	Dormant	100	100
# β Fujiyama Car Cooler Sdn. Bhd.	Dormant	100	100
# β Pemasaran Alat Ganti Sdn. Bhd.	Dormant	100	100
# β Rustcare Sdn. Bhd.	Dormant	100	100
# β Tan Chong Development Sdn. Bhd.	Dormant	100	100
# β Tan Chong Motorcycles (Malaysia) Sdn. Bhd.	Dormant	100	100
# β TC Automotive Electronics Sdn. Bhd.	Dormant	100	100
# β TC Brake System Sdn. Bhd.	Dormant	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Incorporated in Malaysia:			
# β TC Commercial Insure Agency Sdn. Bhd.	Dormant	100	100
TC Contact Centre Services Sdn. Bhd.	Dormant	100	100
# β TC Engines Manufacturing Sdn. Bhd.	Dormant	100	100
# β TC Manufacturing Company (Sabah) Sdn. Bhd.	Dormant	100	100
# β TC Plastics Sdn. Bhd.	Dormant	100	100
# β TC Transmission Sdn. Bhd.	Dormant	100	100
# β WariTan Automobile Sdn. Bhd.	Dormant	100	100
Incorporated in Labuan:			
# β ETCM (C) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (Labuan) Pty Ltd	Investment holding	100	100
# β ETCM (L) Pty Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (MM) Pte Ltd	Investment holding and trading of motor vehicles	100	100
# β ETCM (V) Pte Ltd	Investment holding	100	100
# β Tan Chong Motorcycles (Labuan) Pte Ltd	Investment holding	100	100
# β TC Express Auto Services and Spare Parts (Labuan) Pty Ltd	Investment holding	100	100
# β TC Manufacturing (Labuan) Pte Ltd	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Incorporated in Labuan:			
# β TC Overseas Assets Holdings Labuan Pte Ltd	Investment holding	100	100
# β TC Services Holdings Labuan Pte Ltd	Investment holding	100	100
# β TC Security Services (Labuan) Pte Ltd	Investment holding	100	100
# β TC Services Labuan (V) Pte Ltd	Investment holding	100	100
# β TC Trust Labuan Limited	Provision of Labuan trust company services	100	100
# β TCIE (Labuan) Pty Ltd	Investment holding	100	100
# β TCMSC (Labuan) Pte Ltd	Investment holding	100	100
# β Tan Chong Construction (Labuan) Pte Ltd	Dormant	100	100
# β Tan Chong Motorcycles (MM) Pte Ltd	Dormant	100	100
# β Tan Chong Trading (Labuan) Pty Ltd	Dormant	100	100
# β TC Assets Labuan (V) Pte Ltd	Dormant	100	100
# β TC Capital Resources (Labuan) Pty Ltd	Dormant	100	100
# β TC Intellectual Investment Pte Ltd	Investment holding	100	100
# β TC iTech (Labuan) Pte Ltd	Investment holding	100	100
# β TC Manufacturing (C) Pte Ltd	Dormant	100	100
# β TC Manufacturing (L) Pte Ltd	Dormant	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	2022 %
Incorporated in Labuan:			
# β TC Manufacturing (MM) Pte Ltd	Dormant	100	100
# β TC Manufacturing (V) Pte Ltd	Dormant	100	100
# β TC Overseas Assets Labuan (C) Pte Ltd	Dormant	100	100
# β TC Services Labuan (C) Pte Ltd	Dormant	100	100
# β TC Services Labuan (L) Pte Ltd	Dormant	100	100
# β TC Services Labuan (MM) Pte Ltd	Dormant	100	100
# β TCIP Pte Ltd	Dormant	100	100
Incorporated in Cambodia:			
# β TC Express Auto Services and Spare Parts (Cambodia) Pty. Ltd.	Automobile workshop services and trading of spare parts, components, accessories and lubricant products	100	100
^ TC Security Services (Cambodia) Co. Ltd.	Provision of security services	90	90
# β Tan Chong Motor (Cambodia) Pty. Ltd.	Importation and distribution of motor vehicles	100	100
^ β T C Motor Sales (Cambodia) Pty. Ltd.	Dormant	100	100
Incorporated in Vietnam:			
# β TC Motor Vietnam Co., Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
@ β TCIE Vietnam Pte. Ltd.	Manufacture and assembly of buses, trucks and automobiles	100	100
# β Nissan Vietnam Co., Ltd.	Importation and distribution of motor vehicles and spare parts	74	74

NOTES TO THE FINANCIAL STATEMENTS

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Incorporated in Vietnam:			
# β TC Motorcycles (Vietnam) Co., Ltd.	Importation and distribution of motorcycles and motorcycle components	100	100
# β TC Services Vietnam Co., Ltd.	Retail distribution of automobiles, automobile workshop services and trading of spare parts	100	100
# β TC iTech (Vietnam) Co., Ltd.	Producing software products, providing IT solutions & services and integrating IT systems	100	100
Incorporated in Laos:			
^ β Tan Chong Motor (Lao) Co., Ltd.	Importation and distribution of motor vehicles and spare parts including providing after-sales services	100	100
^ β Tan Chong Motorcycles (Lao) Co., Ltd.	Property investment holding	100	100
Incorporated in United States of America:			
^ β Tan Chong Warisan Resources Management LLC	Dormant	51	51
Incorporated in Myanmar:			
^ β E-Garage Auto Services and Spare Parts (Myanmar) Company Limited	Servicing, maintenance and repairing of all kinds of vehicles and machines, and importer and sales of cars, spare parts and service equipment	90	90
^ β ETCM (Myanmar) Company Limited	Provision of services relating to vehicle distribution	100	100
^ β Tan Chong Motor (Myanmar) Company Limited	Assembly, sales and distribution of motor vehicles, trading of spare parts and automotive workshop services	100	100
^ β TC Express Auto Services & Spare Parts (Myanmar) Company Limited	Dormant	100	100
Incorporated in Thailand:			
# * β TC Express Auto Services and Spare Parts (Thailand) Co., Ltd.	Automotive workshop services and trading of spare parts	49	49
# β Tan Chong Mekong Regional Co., Ltd.	International business centre	100	100
# β Tan Chong Mekong Trading (Thailand) Co., Ltd.	International trading centre	100	100

35. Subsidiaries (continued)

Name	Principal activities	Effective ownership interest 2023 %	2022 %
Incorporated in Taiwan:			
^ β Tan Chong Technology Development (Taiwan) Co., Ltd.	Dormant	100	100

\# Company audited by another firm of Public Accountants.

* Deemed subsidiary by virtue of control in the company.

^ The 2023 and 2022 financial statements of these subsidiaries are not required to be audited according to the relevant regulations of the country of incorporation and are not material to the Group. Hence, the unaudited management financial statements of these subsidiaries were used for the purpose of consolidation.

@ Company audited by member firms of KPMG International.

β Company not audited by KPMG PLT.

36. Significant events

(i) On 16 March 2022, the Company had established the Sukuk Murabahah Programme, and completed the inaugural issuance of RM300 million nominal value of Sukuk Murabahah (“Series 1 Sukuk Murabahah”) under the Sukuk Murabahah Programme. The Series 1 Sukuk Murabahah is rated A+*IS* with a stable outlook by MARC Ratings Berhad.

On 20 June 2023, the Company had completed the subsequent issuance of RM150 million nominal value of Sukuk Murabahah (“Series 2 Sukuk Murabahah”) under the Sukuk Murabahah Programme. The Series 2 Sukuk Murabahah is rated A+*IS* with a stable outlook by MARC Ratings Berhad.

The Series 2 Sukuk Murabahah has a tenure of 3 years.

Proceeds from the issuance of the Series 2 Sukuk Murabahah shall be utilised by the Company’s subsidiaries for working capital requirements.

(ii) On 3 April 2023, TC Services Vietnam Co. Ltd. (“TCSV”), a wholly-owned subsidiary of the Company, received from SAIC Motor International Co. Ltd. (“SMIL”) a notice of termination of the Overseas Distribution Agreement ("ODA") dated 18 May 2020 executed between TCSV and SMIL, for the appointment of TCSV as the sole and exclusive importer and distributor for the sale of CBU MG brand vehicles ("MG Brand Vehicles") and after-sales spare part, and provider of after-sales services for the CBU MG Brand Vehicles in Vietnam, including the appointment of dealers to perform these obligations and activities in Vietnam. The ODA was terminated on 30 June 2023.

37. Subsequent event

On 2 February 2024, TC Services Vietnam Co. Ltd. (“TCSV”), a wholly-owned subsidiary of the Company entered into an Agreement of Distribution and Service (“Agreement”) with GAC Motor International Co., Ltd. (“GAC Motor International”) for the appointment of TCSV as a distributor to import, distribute and sell the vehicles (fuel vehicle) and spare parts, and provide after-sales services on the vehicles in Vietnam.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 104 to 211 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

....
Ho Wai Ming
Director

....
Chia Tuang Mooi
Director

Kuala Lumpur,

Date: 18 April 2024

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Chong Choon Yeng**, the officer primarily responsible for the financial management of Tan Chong Motor Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 104 to 211 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 April 2024.

....
Chong Choon Yeng

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tan Chong Motor Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 104 to 211 (except for pages 106, 107, 110 and 111 that do not form part of the financial statements).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventories

Refer to Note 1(d) – Use of estimates and judgements, Note 2(h) – Material accounting policies: Inventories and Note 12 – Inventories.

The key audit matter

The Group holds significant levels of inventories including the new vehicles and unassembled vehicle packs ("the inventories"). The ability of the Group to sell the inventories in the future may be adversely affected by many factors including changes in consumers' preferences, competitors' activities including pricing and the introduction of new car models. As a result, there is a risk that certain models may be sold below the carrying value and may need to be written down to their net realisable value ("NRV"). It is a significant area for our audit as establishing the valuation of the inventories requires management to make estimates and judgements in determining the appropriateness of write down of the inventories to NRV.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the assessment performed by the management to arrive at the net realisable value of inventories;
- We tested the cost of inventories by model;
- We compared the inventory levels to recent sales trend; and
- We compared the cost of inventories against the expected selling price less cost to sell by model. The expected selling price less cost to sell was derived from post year-end published selling price by model net of estimated discounts and estimated sales incentives, and other related costs to sell.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Key Audit Matters (continued)

Valuation of Hire Purchase Receivables

Refer to Note 1(d) – Use of estimates and judgements, Note 2(k)(i) – Material accounting policies: Impairment and Note 10 – Hire purchase receivables.

The key audit matter

Impairment allowances for hire purchase ("HP") receivables are calculated on individual basis and collective basis. Individual impairment allowances are calculated based on the estimated recoveries from the repossessed vehicles net of the outstanding balances owing from the receivables. The calculation of collective impairment allowances is inherently judgemental and is based on an impairment model which inputs used are historical average delinquency rate, historical average loss on large portfolios of HP receivables and forward-looking adjustments. The accuracy of the impairment calculation would be affected by unanticipated changes to the economic environment and assumptions which may differ from actual.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the assessment performed by the management to arrive at the individual and collective impairment allowances;
- For individual assessment, we assessed the appropriateness of the allowance made based on the estimated loss arising from the sales of the repossessed vehicles by comparing the estimated disposal price to the published market price;
- We tested the integrity of the inputs to the collective impairment model which include the historical average delinquency rate, historical average loss and forward-looking adjustments; and
- We compared the collective impairment allowances rate to externally available industry data.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAN CHONG MOTOR HOLDINGS BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 35 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lee Hean Kok
Approval Number: 02700/12/2025 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 18 April 2024

TEN LARGEST PROPERTIES OF THE GROUP

as at 31 December 2023

No	Location	Description	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Tenure / Expiry Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Date of Last Revaluation
1	249 Jalan Segambut, 51200 Kuala Lumpur	Assembly plant, office, vehicle storage yard, warehouse & hostel	2,043,425	931,098	Freehold/ Leasehold 4.7.2065 20.4.2068 19.5.2068 14.11.2073 27.1.2074 5.10.2099	515.09	46	1974 to 1999	2022
2	Lot 29120 (P.T. 15014), Mukim Serendah, Daerah Hulu Selangor Darul Ehsan	Assembly plant, office, vehicle storage yard & warehouse	7,281,185	1,076,701	Freehold/ Leasehold 22.3.2094 28.4.2105 27.9.2106 28.4.2112 3.7.2116	272.46	15	1996 to 2013	2022
3	Lot 44, Special Zone (6), Industrial Park in Nyung Inn Village, Bago Township, Bago Region, Myanmar	Assembly plant, warehouse and office	2,177,787	468,088	Leasehold 16.2.2076	167.47	3	2016	2022
4	Lot U8, U9, U10 and U11, Road No 5B, Expanded Hoa Khanh Industrial Zone, Lien Chieu Dist, Danang City, Vietnam	Assembly plant, office, vehicle storage yard & warehouse	1,393,926	465,406	Leasehold 25.3.2054	106.17	9	2010	2022
5	No. 2, Jalan Gerudi 15/4, Section 15, Shah Alam, 40200 Selangor Darul Ehsan	Industrial plant	713,983	417,424	Leasehold 19.2.2066	86.32	53	30.12.2009	2022
6	Lot 3 Jalan Perusahaan Satu, 68100 Batu Caves, Selangor Darul Ehsan	Spare parts & service centre, factory, warehouse/store, offices & showroom	425,619	204,856	Leasehold 5.9.2074	83.96	42	11.09.1981	2022
7	Lot X5, X6, X7 and X8, Road No 5B, Expanded Hoa Khanh Industrial Zone, Lien Chieu Dist, Danang City, Vietnam	Assembly plant, office, vehicle storage yard & warehouse	1,645,850	135,463	Leasehold 25.3.2054	81.78	-	2013	2022

TEN LARGEST PROPERTIES OF THE GROUP

as at 31 December 2023

No	Location	Description	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Tenure / Expiry Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Date of Last Revaluation
8	Lot U12, U13, U14 & U15, Road No. 10B, Hoa Khanh Extended Industrial Zone, Lien Chieu District, Danang City, Vietnam	Assembly plant and office	1,372,065	78,663	Leasehold 25.3.2054	66.66	3	2011	2022
9	No.2, Jalan Indah 15/2, Taman Bukit Indah, 81200 Johor Bharu, Johor	Showroom, workshop & spare parts, office and car park	143,410	262,495	Freehold	58.53	1	01.03.2011	2022
10	Lot 93, Seksyen 46, Kuala Lumpur	Used vehicle display and storage yard	50,637	-	Freehold	49.10	-	27.08.2012	2023

Note : The value of 249 Jalan Segambut, 51200 Kuala Lumpur is based on valuation report of 16 lots of land held under lot numbered 1474, 1475, 3681, 4185, 14282, 25669, 43097, 46354, 49392, 49393, 49968, 49970, 49972, 57927, 81438 & 81425 and building. The value of Lot 29120 (P.T. 15014), Mukim Serendah, Daerah Hulu Selangor, Selangor Darul Ehsan is based on valuation report of 6 lots of land held under lot numbered 45, 15961, 16360, 23975, 23976, 29120 & 40874 and building.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

SHARE CAPITAL

Total Number of Issued Shares	:	672,000,000 ordinary shares
Total Issued Share Capital	:	RM336,000,000
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share on a poll

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1 - 99	295	4.64	4,408	- (1)
100 - 1,000	2,033	31.97	1,740,169	0.26
1,001 - 10,000	3,160	49.69	13,433,991	2.00
10,001 - 100,000	725	11.40	21,033,177	3.13
100,001 - 32,587,849 (2)	143	2.25	323,051,591	48.07
32,587,850 and above (3)	3	0.05	292,493,664	43.53
Sub Total	**6,359**	**100.00**	**651,757,000**	**96.99**
Treasury shares			20,243,000	3.01
Total			**672,000,000**	**100.00**

Notes:
(1) Less than 0.01%.
(2) 100,001 to less than 5% of issued shares less treasury shares.
(3) 5% and above of issued shares less treasury shares.

DIRECTORS' SHAREHOLDING
(as per Register of Directors' Shareholding)

		Direct		Indirect	
No.	**Name**	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
1	Dato' Tan Heng Chew	33,293,862	5.11	290,363,430 (1)	44.55
2	Ho Wai Ming	-	-	20,000 (3)	- (2)
3	Lee Min On	-	-	-	-
4	Ng Chee Hoong	-	-	-	-
5	Dato' Ng Mann Cheong	-	-	150,000 (3)	0.02
6	Dato' Chan Choun Sien	-	-	-	-
7	Dr. Nesadurai Kalanithi	-	-	-	-
8	Chia Tuang Mooi	-	-	-	-

Notes:
(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
(2) Less than 0.01%.
(3) Interest of spouse by virtue of Section 59(11)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

SUBSTANTIAL SHAREHOLDERS
(as per Register of Substantial Shareholders)

		Direct		Indirect	
No.	**Name**	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
1	Tan Chong Consolidated Sdn. Bhd.	263,828,240	40.48	-	-
2	Employees Provident Fund Board	39,366,300	6.04	-	-
3	Nissan Motor Co., Ltd	37,333,324	5.73	-	-
4	Dato' Tan Heng Chew	33,293,862	5.11	274,781,840 (1)	42.16
5	Tan Eng Soon	-	-	263,828,240 (2)	40.48

Notes:
(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act").
(2) Deemed interest by virtue of interest in Tan Chong Consolidated Sdn. Bhd. pursuant to Section 8(4) of the Act.

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1	Tan Chong Consolidated Sdn. Bhd.	217,789,240	33.42
2	Tan Chong Consolidated Sdn. Bhd.	37,371,100	5.73
3	Cartaban Nominees (Asing) Sdn. Bhd. *Exempt AN for Daiwa Securities Co. Ltd. Client Acc*	37,333,324	5.73
4	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	26,609,585	4.08
5	Amanahraya Trustees Berhad *Amanah Saham Bumiputera*	24,609,100	3.78
6	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Tan Heng Chew (PB)*	20,351,100	3.12
7	Tan Han Chuan	20,100,600	3.08
8	Pang Sew Ha @ Phang Sui Har	18,108,058	2.78
9	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Ching Ching*	16,088,900	2.47
10	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (Islamic)*	12,757,715	1.96
11	Tan Beng Keong	12,085,962	1.85
12	Tan Boon Pun	10,000,000	1.53
13	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Heng Chew (E-KLC)*	9,262,900	1.42
14	CIMB Group Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wealthmark Holdings Sdn. Bhd. (50003 PZDM)*	9,087,400	1.39
15	Tan Ban Leong	9,031,929	1.39
16	Tan Chong Consolidated Sdn. Bhd.	8,667,900	1.33

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
17	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Private Wealth Management for Tan Hoe Pin (12024580) (449770)*	8,306,327	1.27
18	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Khor Swee Wah @ Koh Bee Leng (PB)*	8,300,290	1.27
19	Tan Chee Keong	7,252,295	1.11
20	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for UBS Switzerland AG (Clients Assets)*	7,233,700	1.11
21	Key Development Sdn. Berhad	6,334,400	0.97
22	Tan Chee Keong	4,833,667	0.74
23	Chinchoo Investment Sdn. Berhad	4,705,000	0.72
24	Gan Teng Siew Realty Sdn. Berhad	4,679,000	0.72
25	Tan Hoe Pin	4,419,573	0.68
26	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Boon Pun*	3,704,845	0.57
27	Cartaban Nominees (Asing) Sdn. Bhd. *Exempt AN for Standard Chartered Bank Singapore (EFGBHK-ASING)*	3,648,300	0.56
28	UOB Kay Hian Nominees (Asing) Sdn. Bhd. *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	3,497,802	0.54
29	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN for Bank of Singapore Limited (Local)*	3,490,058	0.54
30	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Heng Chew*	3,429,200	0.53
TOTAL		**563,089,270**	**86.40**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting ("AGM") of TAN CHONG MOTOR HOLDINGS BERHAD will be held virtually at the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 29 May 2024 at 2.30 p.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To lay the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire by rotation and being eligible, offer themselves for re-election in accordance with Article 82 of the Company's Constitution, as Directors of the Company:

   (i) Dr. Nesadurai Kalanithi **Ordinary Resolution 1**
   (ii) Ms. Chia Tuang Mooi **Ordinary Resolution 2**

3. To re-elect the following Directors who retire by rotation and being eligible, offer themselves for re-election in accordance with Article 103 of the Company's Constitution, as Directors of the Company:

   (i) Mr. Ng Chee Hoong **Ordinary Resolution 3**
   (ii) Dato' Chan Choun Sien **Ordinary Resolution 4**

4. To approve the payment of Directors' fees of up to RM770,000 in aggregate to the Non-Executive Directors of the Company and up to RM32,400 in aggregate to the Non-Executive Directors of TC Trust Labuan Limited, a subsidiary of the Company, during the course of the period from 30 May 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 5**

5. To approve Directors' benefits of up to RM500,000 in aggregate to the Non-Executive Directors of the Company, up to RM10,800 in aggregate to the Non-Executive Directors of TC Capital Resources Sdn. Bhd., up to RM7,200 in aggregate to the Non-Executive Directors of Tan Chong & Sons Motor Company Sdn. Bhd., and up to RM3,600 in aggregate to the Non-Executive Directors of TMC Services Sdn. Bhd., subsidiaries of the Company, during the course of the period from 30 May 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 6**

6. To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

Special Business

To consider and, if thought fit, to pass the following resolutions:

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

   "THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

   (i) the aggregate number of shares purchased and/or held pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company at any point in time of the purchase; and

(ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities." **Ordinary Resolution 8**

8. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.1 of the Company's Circular to Shareholders dated 30 April 2024 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 9**

9. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINT VENTURES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.2 of the Company's Circular to Shareholders dated 30 April 2024 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 10**

10. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Tan Chong International Limited and its subsidiaries involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.3 of the Company's Circular to Shareholders dated 30 April 2024 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 11**

11. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH AUTO DUNIA SDN. BHD.**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Auto Dunia Sdn. Bhd. involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.2 of the Company's Circular to Shareholders dated 30 April 2024 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 12**

12. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

CHONG CHOON YENG (MIA 26002) (SSM PC No. 202208000039)
CHIN YOON LENG (MAICSA 7057010) (SSM PC No. 202208000043)
Company Secretaries

Kuala Lumpur
30 April 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. *The 52nd AGM of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities. Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") has been appointed as the Poll Administrator for the AGM to facilitate the RPV via TIIH Online website at https://tiih.online. A depositor whose name appears in the Record of Depositors of the Company as at 20 May 2024 ("Record of Depositors") shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM. Please follow the procedures set out in the Administrative Guide for the AGM to register, participate and vote remotely via the RPV facilities. The Administrative Guide is available on the Company's website at https://www.tanchonggroup.com and Bursa Malaysia's website at https://www.bursamalaysia.com.*

2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting.*

3. *A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to participate and vote at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate and vote at the meeting.*

4. *Subject to Note 7 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.*

5. *Subject to Note 7 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

6. *Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:*

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

7. *Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.*

8. *The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or no later than 27 May 2024 at 2.30 p.m. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of an officer or attorney duly authorised:*

   (i) In hard copy form
   Either by hand or post to the Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +60 3-2783 9299), or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

   (ii) By electronic means via TIIH Online
   By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the procedures and requirements relating to the submission of proxy forms; and

   (iii) By electronic means via email
   By electronic mail (email) to Tricor's email address at is.enquiry@vistra.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 8(i) above before the commencement of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. **Item 1 of the Agenda - Audited Financial Statements for financial year ended 31 December 2023**

   The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 340(1)(a) of the Companies Act 2016 is for the purposes of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

2. **Ordinary Resolutions 1, 2, 3 and 4 – Re-election of Directors who retire by rotation pursuant to Articles 82 and 103 of the Company's Constitution**

   Dr. Nesadurai Kalanithi, Ms. Chia Tuang Mooi, Mr. Ng Chee Hoong and Dato' Chan Choun Sien are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 52nd AGM.

   The Board has, through the Nominating and Remuneration Committee ("NRC"), considered the assessment of the Dr. Nesadurai Kalanithi, Mr. Ng Chee Hoong and Dato' Chan Choun Sien, and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Before making its recommendation to the Board, the NRC evaluated any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, the capacity of the retiring Directors to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company, as a whole. The Board endorsed the NRC's recommendation on the re-election of the retiring Directors.

   The NRC, considered Ms. Chia Tuang Mooi's current roles, experiences and declaration has collectively agreed that she fullfils the fit and proper criteria set out in the Directors' Fit and Proper Policy adopted by the Company, which aligns with Bursa Malaysia Securities Berhad's Main Market Listing Requirements covering her character, experience, integrity, competence and time commitment. The Board, upon recommendation by the NRC, appointed Ms. Chia Tuang Mooi as an Executive Director of the Company effective 1 February 2024. In accordance with Article 82, Ms. Chia Tuang Mooi shall retire from office at the 52nd AGM and being eligible, has offered herself for re-election.

   Please refer to pages 22 to 24 of the Annual Report 2023 for the profiles of the aforesaid Directors.

3. **Ordinary Resolutions 5 and 6 - Directors' Fees and Benefits**

   The Company pays Directors' fees and benefits, TC Trust Labuan Limited, a subsidiary of the Company, pays Directors' fees and TC Capital Resources Sdn. Bhd., Tan Chong & Sons Motor Company Sdn. Bhd. and TMC Services Sdn. Bhd., also subsidiaries of the Company, pay benefits to the Non-Executive Directors. The Executive Directors do not receive fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

   The benefits payable to the Non-Executive Directors of the Company include meeting allowance, petrol allowance and provision of driver, notably:

(a)	Meeting allowance		
	- As Chairman of meeting	@	RM1,800 per meeting
	- As member	@	RM1,500 per meeting
(b)	Petrol allowance	@	RM800 per month each
(c)	Company driver	@	RM5,000 per month for Non-Independent Non-Executive Director

   The Board recommends that shareholders approve a maximum aggregate amount of RM802,400 for the payment of Directors' fees to the Non-Executive Directors of the Company (i.e. RM770,000) and its subsidiary, TC Trust Labuan Limited (i.e. RM32,400) during the course of the period from 30 May 2024 until the next AGM of the Company.

   The Board also recommends that shareholders approve a maximum aggregate amount of RM521,600 for the payment of benefits to the Non-Executive Directors of the Company (i.e. RM500,000) and its subsidiaries, TC Capital Resources Sdn. Bhd. (i.e. RM10,800), Tan Chong & Sons Motor Company Sdn. Bhd. (i.e. RM7,200) and TMC Services Sdn. Bhd. (i.e. RM3,600) during the course of the period from 30 May 2024 until the next AGM of the Company.

4. **Ordinary Resolution 8 - Proposed Renewal of Authority for the Company to Purchase Its Own Shares**

   Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority shall continue to be in force until the conclusion of the next AGM of the Company, or at the expiration of the period within which the next AGM of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

   Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2024 ("Circular"), which is available at the Company's website at https://www.tanchonggroup.com.

5. **Ordinary Resolutions 9, 10, 11 and 12 - Proposed Shareholders' Mandate for Recurrent Related Party Transaction**s

   Ordinary Resolutions 9, 10, 11 and 12, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

   Further information on these proposed Ordinary Resolutions are set out in the Circular, which is available at the Company's website at https://www.tanchonggroup.com.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 52nd Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

FORM OF PROXY

CDS Account No.	
Number of Shares Held	
Shareholder's Email Address	

I/We ______________________________ *(name of shareholder as per NRIC, in capital letters)*

NRIC No./Company No. ______________________ *(new)* ______________________ *(old)*

of ____

____ *(full address)*

telephone no. ______________________ being a member(s) of TAN CHONG MOTOR HOLDINGS BERHAD,

hereby appoint ______________________________ *(name of proxy as per NRIC, in capital letters)*

NRIC No. ______________________ *(new)* ______________________ *(old)*

telephone no. ______________________ and ______________________________

(name of proxy as per NRIC, in capital letters) NRIC No. ______________________ *(new)*

______________________ *(old)* telephone no. ______________________ or failing him/her,

*the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 52nd Annual General Meeting ("AGM") of the Company to be held virtually at the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 29 May 2024 at 2.30 p.m., and at any adjournment thereof, as indicated below:

No.	Resolutions	For	Against
Ordinary Resolution 1	Re-election of Dr. Nesadurai Kalanithi as Director		
Ordinary Resolution 2	Re-election of Ms. Chia Tuang Mooi as Director		
Ordinary Resolution 3	Re-election of Mr. Ng Chee Hoong as Director		
Ordinary Resolution 4	Re-election of Dato' Chan Choun Sien as Director		
Ordinary Resolution 5	Directors' fees		
Ordinary Resolution 6	Directors' benefits		
Ordinary Resolution 7	Re-appointment of KPMG PLT as Auditors		
Ordinary Resolution 8	Proposed renewal of authority for the Company to purchase its own shares		
Ordinary Resolution 9	Proposed Shareholders' Mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities		
Ordinary Resolution 10	Proposed Shareholders' Mandate for recurrent related party transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures		
Ordinary Resolution 11	Proposed Shareholders' Mandate for recurrent related party transactions with Tan Chong International Limited and its subsidiaries		
Ordinary Resolution 12	Proposed Shareholders' Mandate for recurrent related party transactions with Auto Dunia Sdn. Bhd.		

**To delete if not applicable.*

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

____
Signatures of Member(s)/Attorney of Member(s)
Date:

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

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

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

Notes:

1. *The 52nd AGM of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities. Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") has been appointed as the Poll Administrator for the AGM to facilitate the RPV via TIIH Online website at https://tiih.online. A depositor whose name appears in the Record of Depositors of the Company as at 20 May 2024 ("Record of Depositors") shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM. Please follow the procedures set out in the Administrative Guide for the AGM to register, participate and vote remotely via the RPV facilities. The Administrative Guide is available on the Company's website at https://www.tanchonggroup.com and Bursa Malaysia's website at https://www.bursamalaysia.com.*

2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting.*

3. *A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to participate and vote at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate and vote at the meeting.*

4. *Subject to Note 7 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.*

5. *Subject to Note 7 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

6. *Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:*

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

7. *Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.*

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Tricor Investor & Issuing House Services Sdn. Bhd. Registration No. 197101000970 (11324-H)
Registrar for TAN CHONG MOTOR HOLDINGS BERHAD Registration No. 197201001333 (12969-P)
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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8. *The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or no later than 27 May 2024 at 2.30 p.m. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of an officer or attorney duly authorised:*

   (i) In hard copy form
   Either by hand or post to the Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +60 3-2783 9299), or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

   (ii) By electronic means via TIIH Online
   By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the procedures and requirements relating to the submission of proxy forms; and

   (iii) By electronic means via email
   By electronic mail (email) to Tricor's email address at is.enquiry@vistra.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 8(i) above before the commencement of the AGM.

9. ***Personal Data Privacy***

   By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 52nd AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PERSONAL DATA PROTECTION NOTICE

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of TAN CHONG MOTOR HOLDINGS BERHAD ("Company", "TCMH", "we", "us" or "our") in accordance with the Personal Data Protection Act 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website at https://www.bursamalaysia.com ("Bursa Malaysia's personal data notice"). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia's personal data notice.

As Shareholders of TCMH, your personal data which may include your name, national registration identity card number ("NRIC no."), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in TCMH, bank account number, Central Depository System ("CDS") account number and any other personal data required, may be processed by TCMH and its related companies ("TCMH Group") for the following purposes ("Purposes"):

(a) Compliance with the Companies Act 2016, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;
(b) Verification of information to authorities and governmental agencies;
(c) Deliver, communicate and transmit to the Shareholders of TCMH's annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;
(d) Payment of dividends and giving of other benefits to you as shareholders, if applicable;
(e) Maintain, upkeep and update our records regarding the Shareholders' information; and
(f) Dealings with all matters in connection with your Shareholding in TCMH; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within TCMH Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on TCMH Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

PERSONAL DATA PROTECTION NOTICE

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn. Bhd. Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Attention	:	Mr. Allen Sii Chin Leong, Senior Manager
Tel	:	+60 3 2783 9263
Fax	:	+60 3 2783 9222
Email	:	Allen.Sii@my.tricorglobal.com

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of TCMH on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by: TAN CHONG MOTOR HOLDINGS BERHAD
30 April 2024

NOTIS PERLINDUNGAN DATA PERIBADI

Notis Perlindungan Data Peribadi ini ("Notis") dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama) ("Pemegang Saham") TAN CHONG MOTOR HOLDINGS BERHAD ("Syarikat", "TCMH" atau "kami") menurut Akta Perlindungan Data Peribadi 2010 ("Akta") yang berkuatkuasa pada 15 November 2013. Akta ini mengawal selia pemprosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama ("Keperluan Penyenaraian") pada 15 November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di https://www.bursamalaysia.com ("notis data peribadi Bursa Malaysia"). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham TCMH, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam TCMH, nombor akaun bank, nombor akaun Sistem Depositori Pusat ("CDS") anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh TCMH dan syarikat-syarikat yang berkaitan dengannya ("Kumpulan TCMH") untuk tujuan-tujuan berikut ("Tujuan"):

(a) Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
(b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
(c) Menyampaikan, menghubungi dan menghantar laporan tahunan TCMH, pekeliling kepada pemegang saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;
(d) Pembayaran dividen dan manfaat lain kepada anda sebagai pemegang saham, jika berkenaan;
(e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
(f) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam TCMH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan TCMH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan TCMH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi apa-apa Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

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

NOTIS PERLINDUNGAN DATA PERIBADI

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn. Bhd. No. Pendaftaran 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Untuk Perhatian	:	Encik Allen Sii Chin Leong, Pengurus Kanan
Tel	:	+60 3 2783 9263
Fax	:	+60 3 2783 9222
Emel	:	Allen.Sii@my.tricorglobal.com

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung TCMH bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh: TAN CHONG MOTOR HOLDINGS BERHAD
30 April 2024

www.tanchonggroup.com

Tan Chong Motor Holdings Berhad
Registration No.: 197201001333 (12969-P)

62-68, Jalan Sultan Azlan Shah
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