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Tan Chong International Limited

陳唱國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 693)

FINAL RESULTS

The Board of Directors (the “Board”) of Tan Chong International Limited (the “Company”) wishes to announce the following audited annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

Consolidated statement of profit or loss for the year ended 31 December 2025

| | Note | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------------------|------|-----------------------|-----------------------|
| Revenue | 3, 4 | 12,044,085 | 12,698,567 |
| Cost of sales | | <u>(9,612,907)</u> | <u>(10,181,403)</u> |
| Gross profit | | 2,431,178 | 2,517,164 |
| Other net income | | 251,548 | 721,265 |
| Distribution costs | | (883,055) | (1,015,604) |
| Administrative expenses | | (987,292) | (1,029,476) |
| Other operating expenses | | <u>(70,587)</u> | <u>(103,047)</u> |
| Profit from operations | | 741,792 | 1,090,302 |
| Financing costs | | (179,643) | (209,339) |
| Share of profit of an associate | | <u>5,414</u> | <u>5,767</u> |
| Profit before taxation | 5 | 567,563 | 886,730 |
| Income tax expense | 6 | <u>(249,430)</u> | <u>(277,243)</u> |
| Profit for the year | | <u><u>318,133</u></u> | <u><u>609,487</u></u> |
| Attributable to: | | | |
| Equity shareholders of the Company | | 143,594 | 479,285 |
| Non-controlling interests | | <u>174,539</u> | <u>130,202</u> |
| Profit for the year | | <u><u>318,133</u></u> | <u><u>609,487</u></u> |
| Earnings per share | 8 | | |
| Basic and diluted (cents) | | <u><u>7.13</u></u> | <u><u>23.81</u></u> |

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2025**

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|--------------------------------|
| Profit for the year | <u>318,133</u> | <u>609,487</u> |
| Other comprehensive income for the year (after tax and reclassification adjustments) | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of net defined benefit retirement obligations | 16,563 | 18,823 |
| Equity investments designated at fair value through other comprehensive income - net movement in fair value reserves (non-recycling) during the year | 326,915 | (29,290) |
| Surplus on revaluation of buildings upon transfer to investment properties | 5,438 | - |
| | <u>348,916</u> | <u>(10,467)</u> |
| Items that may be or are reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of: | | |
| - subsidiaries outside Hong Kong | 388,870 | (494,756) |
| - an associate outside Hong Kong | (388) | (1,067) |
| Reclassification of translation reserve upon disposal of subsidiaries | - | 271 |
| | <u>388,482</u> | <u>(495,552)</u> |
| Other comprehensive income for the year | <u>737,398</u> | <u>(506,019)</u> |
| Total comprehensive income for the year | <u><u>1,055,531</u></u> | <u><u>103,468</u></u> |
| Attributable to: | | |
| Equity shareholders of the Company | 866,230 | 67,625 |
| Non-controlling interests | 189,301 | 35,843 |
| Total comprehensive income for the year | <u><u>1,055,531</u></u> | <u><u>103,468</u></u> |

**Consolidated statement of financial position
at 31 December 2025**

| | Note | 2025 HK\$ '000 | 2024 HK\$ '000 |
|--|------|-------------------|-------------------|
| Non-current assets | | | |
| Investment properties | | 4,935,162 | 4,505,162 |
| Property, plant and equipment | | 5,448,000 | 5,509,974 |
| Intangible assets | | 166,843 | 158,941 |
| Goodwill | | 46,485 | 69,342 |
| Interest in an associate | | 59,547 | 69,521 |
| Investments designated as at fair value through other comprehensive income | | 1,668,935 | 1,648,105 |
| Loans and advances | | 2,472,014 | 2,188,682 |
| Receivables, deposits and prepayments | | 192,675 | 159,001 |
| Deferred tax assets | | 78,580 | 92,096 |
| | | <u>15,068,241</u> | <u>14,400,824</u> |
| Current assets | | | |
| Inventories | | 1,512,885 | 2,192,689 |
| Trade debtors | 9 | 871,567 | 948,390 |
| Loans and advances | | 3,024,926 | 3,132,532 |
| Other debtors, deposits and prepayments | | 701,290 | 762,817 |
| Amounts due from related companies | | 117 | 67 |
| Cash and bank balances | | 2,517,101 | 2,242,933 |
| | | <u>8,627,886</u> | <u>9,279,428</u> |
| Non-current assets held for sale | | 77,259 | - |
| | | <u>8,705,145</u> | <u>9,279,428</u> |
| Current liabilities | | | |
| Unsecured bank overdrafts | | 186,375 | 352,832 |
| Borrowings | | 5,565,237 | 4,825,116 |
| Trade creditors | 10 | 758,015 | 844,416 |
| Other creditors and accruals | | 1,032,797 | 1,378,307 |
| Amounts due to related companies | | 1,177 | 91 |
| Lease liabilities | | 197,916 | 197,056 |
| Current taxation | | 110,869 | 108,078 |
| Provisions | | 12,294 | 7,970 |
| | | <u>7,864,680</u> | <u>7,713,866</u> |
| Net current assets | | <u>840,465</u> | <u>1,565,562</u> |
| Total assets less current liabilities | | <u>15,908,706</u> | <u>15,966,386</u> |

**Consolidated statement of financial position
at 31 December 2025 (continued)**

| | 2025 | 2024 |
|--|-------------------|-------------------|
| | <i>HK\$ '000</i> | <i>HK\$ '000</i> |
| Non-current liabilities | | |
| Borrowings | 2,142,311 | 2,937,054 |
| Lease liabilities | 371,767 | 475,790 |
| Defined benefit plan obligations | 49,606 | 50,341 |
| Deferred tax liabilities | 288,649 | 281,276 |
| Provisions | 42,071 | 53,221 |
| | <u>2,894,404</u> | <u>3,797,682</u> |
| NET ASSETS | <u>13,014,302</u> | <u>12,168,704</u> |
| CAPITAL AND RESERVES | | |
| Share capital | 1,006,655 | 1,006,655 |
| Reserves | <u>10,763,330</u> | <u>10,046,017</u> |
| Total equity attributable to equity shareholders of the Company | 11,769,985 | 11,052,672 |
| Non-controlling interests | <u>1,244,317</u> | <u>1,116,032</u> |
| TOTAL EQUITY | <u>13,014,302</u> | <u>12,168,704</u> |

Notes:

1. Basis of preparation

The financial information relating to the year ended 31 December 2025 included in this preliminary announcement of annual results is extracted from the Group's audited consolidated financial statements for the year.

The consolidated financial statements of the Company for the year ended 31 December 2025 comprise the Company and all its subsidiaries and the Group's interest in an associate and comply with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

2. Changes in accounting policies

New and amended IFRS Accounting Standards

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue

Revenue represents the sales value of goods sold, services provided to customers, rental income, interest income on loans and advances, management service fees, agency commission and handling fees and warranty income, net of goods and services taxes where applicable, is analysed as follows:

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

| | For the year ended 31 December | |
|--|---|-------------------|
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Disaggregated by major products or service lines | | |
| - Sale of goods | 3,029,462 | 3,776,124 |
| - Rendering of services | 7,960,797 | 7,907,065 |
| - Management service fees | 1,000 | 1,000 |
| - Agency commission and handling fees | 42,870 | 41,839 |
| - Warranty income | 2,920 | 2,525 |
| Revenue from other sources: | | |
| - Gross rental from investment properties that are fixed | 138,753 | 135,159 |
| - Interest income on loans and advances | 494,288 | 446,293 |
| - Rental income for motor vehicles held for leasing | 373,995 | 388,562 |
| | <u>12,044,085</u> | <u>12,698,567</u> |

Disaggregation of revenue from contracts with customers by geographic markets is as follows:

| | For the year ended 31 December | |
|---|---|-------------------|
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Disaggregated by geographical location of customers | | |
| - Singapore | 2,187,136 | 2,295,023 |
| - People's Republic of China ("PRC") | 391,904 | 521,456 |
| - Thailand | 343,911 | 309,479 |
| - Japan | 7,541,693 | 7,453,319 |
| - Taiwan | 663,829 | 840,429 |
| - Others | 915,612 | 1,278,861 |
| | <u>12,044,085</u> | <u>12,698,567</u> |

4. Segment reporting

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the reportable segments as set out in note (b). No operating segments have been aggregated to form the reportable segments.

(a) Business lines

(i) Motor vehicle distribution and dealership business

The Group is the distributor for Nissan vehicles in Singapore and distributor or dealer for Subaru vehicles in Singapore, Guangdong Province of the PRC, Hong Kong, Taiwan, Thailand and certain other Southeast Asia countries. The Group distributes various models of Nissan and Subaru passenger cars and Nissan light commercial vehicles.

(ii) Heavy commercial vehicle and industrial equipment distribution business

The Group is the distributor for various brands of forklift trucks. The Group markets and distributes a wide range of heavy commercial vehicles and industrial equipment.

(iii) Property rentals and development

The Group has a number of property interests and is engaged in the development of various investment properties for sale or rental income. At present, the Group's activities in this segment are mainly carried out in Singapore and Hong Kong.

(iv) Transportation

The Group mainly carries out the vehicle logistics services to vehicles manufacturers in Japan. The Group also provides human resource management service in relation to transportation business and general cargo business in Japan.

(v) Other operations

Other operations mainly include investment holding, auto leasing, capital and equipment financing, hire purchase financing, provision of workshop services and the manufacturing of vehicles seats.

4. Segment reporting (continued)

(b) Segment results

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measures used for reporting segment profit is "EBITDA" i.e. "earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including bank and other interest income. The share of profit from an associate is not included in the segment EBITDA.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2025 is set out below.

| | Motor vehicle distribution and dealership business | | Heavy commercial vehicle, industrial equipment distribution and dealership business | | Property rentals and development | | Transportation | | Other operations | | Consolidated | |
|--|--|-----------|---|-----------|----------------------------------|-----------|--------------------------------|-----------|--------------------------------|-----------|--------------------------------|------------|
| | For the year ended 31 December | | For the year ended 31 December | | For the year ended 31 December | | For the year ended 31 December | | For the year ended 31 December | | For the year ended 31 December | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 | HK\$ '000 |
| Disaggregated by timing of revenue recognition | | | | | | | | | | | | |
| Point in time | 2,870,683 | 3,477,891 | 48,044 | 59,785 | - | - | - | - | 153,605 | 280,287 | 3,072,332 | 3,817,963 |
| Over time | 287,285 | 322,250 | 72,632 | 63,700 | 120,728 | 128,337 | 7,541,693 | 7,453,319 | 949,415 | 912,998 | 8,971,753 | 8,880,604 |
| Revenue from external customers | 3,157,968 | 3,800,141 | 120,676 | 123,485 | 120,728 | 128,337 | 7,541,693 | 7,453,319 | 1,103,020 | 1,193,285 | 12,044,085 | 12,698,567 |
| EBITDA | (114,303) | (115,449) | 17,461 | 8,354 | 247,857 | 709,548 | 786,592 | 755,324 | 515,253 | 416,850 | 1,452,860 | 1,774,627 |

4. Segment reporting (continued)

(c) Reconciliation of reportable segment profit or loss

| | For the year ended | |
|--|--------------------|----------------|
| | 31 December | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Total segment EBITDA | 1,452,860 | 1,774,627 |
| Depreciation and amortisation | (730,722) | (709,605) |
| Interest income | 19,654 | 25,280 |
| Finance costs | (179,643) | (209,339) |
| Share of profit of an associate | 5,414 | 5,767 |
| Consolidated profit before taxation | 567,563 | 886,730 |

5. Profit before taxation

| | For the year ended | |
|---|--------------------|-----------|
| | 31 December | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Profit before taxation is arrived at after charging/(crediting): | | |
| Cost of goods sold | 2,332,519 | 2,909,260 |
| Interest expense | 179,643 | 209,339 |
| Depreciation | | |
| - owned property, plant and equipment | 413,703 | 398,757 |
| - right-of-use assets | 293,075 | 293,370 |
| Amortisation of intangible assets | 23,944 | 17,478 |
| Bank and other interest income on financial assets measured at amortised cost | (19,654) | (25,280) |
| Dividend income from equity securities listed outside Hong Kong | (65,940) | (54,944) |
| Valuation gains on investment properties, net | (108,917) | (629,521) |

6. Taxation

Taxation in the consolidated statement of profit or loss represents:

| | For the year ended | |
|---|-----------------------|-----------------------|
| | 31 December | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Current tax expense | | |
| Provision for the year | 244,606 | 286,833 |
| Over-provision in respect of prior years | (10,544) | (6,079) |
| | <u>234,062</u> | <u>280,754</u> |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | <u>15,368</u> | <u>(3,511)</u> |
| Total income tax expense in the consolidated statement of profit or loss | <u><u>249,430</u></u> | <u><u>277,243</u></u> |

Taxes on profits have been provided for at the applicable rates of taxation on the estimated assessable profits arising in the relevant jurisdictions for the year.

7. Dividends

Dividends payable to equity shareholders of the Company attributable to the year

| | For the year ended | |
|--|-----------------------|-----------------------|
| | 31 December | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Interim dividend paid of HK\$0.02 per ordinary share (2024: HK\$0.02 per ordinary share) | 40,266 | 40,266 |
| Final dividend proposed after the end of the reporting period of HK\$0.06 per ordinary share (2024: HK\$0.055 per ordinary share) | <u>120,799</u> | <u>110,732</u> |
| | <u><u>161,065</u></u> | <u><u>150,998</u></u> |

8. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$143,594,000 (2024: HK\$479,285,000) and the number of 2,013,309,000 ordinary shares (2024: 2,013,309,000) in issue during the year.

Diluted earnings per share for the years ended 31 December 2025 and 2024 is the same as basic earnings per share as there were no dilutive securities outstanding during the years presented.

9. Trade debtors

As of the end of the reporting period, the ageing analysis of trade debtors, based on the invoice date and net of loss allowances, is as follows:

| | As at | |
|--------------|--------------------|-----------------|
| | 31 December | |
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0-30 days | 718,263 | 741,504 |
| 31-90 days | 129,701 | 189,297 |
| Over 90 days | 23,603 | 17,589 |
| | <u>871,567</u> | <u>948,390</u> |

The Group allows credit periods ranging from seven days to six months.

10. Trade creditors

As of the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

| | As at | |
|---------------|--------------------|-----------------|
| | 31 December | |
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0-30 days | 446,025 | 581,726 |
| 31-90 days | 108,218 | 121,246 |
| 91-180 days | 82,367 | 42,118 |
| Over 180 days | 121,405 | 99,326 |
| | <u>758,015</u> | <u>844,416</u> |

FINAL DIVIDEND

The Board recommends a final dividend of HK\$0.06 per share on the shares in issue absorbing a total of HK\$120,798,540 which will be payable on 24 June 2026 to shareholders whose names appear on the Register of Members on 2 June 2026, subject to the approval of shareholders at the Annual General Meeting to be held on 22 May 2026.

MANAGEMENT REVIEW

RESULTS

2025 was marked by sustained macroeconomic and geopolitical uncertainty, intensifying competition across Asian automotive markets, and constrained availability of key models. Against this backdrop, the Group maintained operational discipline, strengthened its balance sheet and overall financial health, and accumulated a strong order backlog - laying the groundwork for a recovery in sales registrations as supply constraints ease through 2026.

The Group reported revenue of HK\$12 billion for the year, a 5% decrease from the HK\$12.7 billion recorded in 2024. Profit after tax was HK\$318.1 million for the year, a 48% decrease compared to HK\$609.5 million in 2024. EBITDA decreased by 18% to HK\$1.5 billion from HK\$1.8 billion. Profit from operations decreased by 32% to HK\$741.8 million, compared to HK\$1.1 billion in 2024, with the operating profit margin decreasing to 6.2% from 8.6%.

These decreases were attributable to lower sales volumes resulting from supply constraints on the new Subaru Forester. However, demand has been very strong, with order intake significantly exceeding available allocation across most markets, and this forward momentum has continued to build into Q1 2026. Reported sales do not yet reflect this underlying demand, as Subaru manages global supply constraints given the model's positive worldwide reception. The Group expects allocation to ramp up after Q2 2026, enabling progressive conversion of a growing order backlog into registered sales.

Notwithstanding the near-term pressure on reported earnings, the Group's overall financial performance reflected continued underlying strength. Total comprehensive income rose 920% year-on-year to HK\$1.06 billion, comprising profit after tax of HK\$318 million, net investment gains of HK\$327 million from the equities disposal and appreciation of the Group's investment portfolio, and favourable foreign currency translation differences of HK\$388 million arising from the Group's operations across multiple Asian markets.

The Group's balance sheet has also strengthened materially, with net debt declining 8%, or HK\$495 million, to HK\$5,376.8 million as compared to HK\$5,872.1 million as of 31 December 2024. Net debt consists of borrowings of HK\$7,707.5 million and unsecured overdrafts of HK\$186.4 million, less cash and bank balances of HK\$2,517.1 million.

The Group's net gearing ratio, which is computed by dividing the net debt with the total equity, improved 14% from 48.3% in 2024 to 41.3% as at 31 December 2025.

Group inventories declined by HK\$679.8 million compared to the prior year, reflecting the Group's continued focus on working capital management across its businesses.

The improvement in the Group's financial position was supported by active cost management. Distribution and administrative overheads have declined consistently, decreasing by HK\$111 million in 2024 and a further HK\$175 million in 2025, reflecting the Group's sustained focus on operational efficiency across its key markets.

ROCE (Return on capital employed), which is computed by dividing earnings before interest and taxes (EBIT) with total equity plus non-current liabilities, decreased to 4.6% as compared to 6.7% in 2024, reflecting the lower earnings base in 2025.

Net Asset Per Share as of 31 December 2025 was HK\$6.46, an increase from the HK\$6.04 recorded at the end of December 2024.

As at end-2025, the Group's employee strength stood at 4,614, reflecting a strategic realignment of its workforce from 5,510 in 2023 and 4,912 in 2024 - a cumulative reduction of 896 over two years, as the Group continues to build a leaner, more agile operating structure.

RESULTS (CONTINUED)

The Group recognises that long-term business sustainability extends beyond financial performance. Across its key markets, it continues to monitor and implement climate-conscious measures, meeting local environmental and emissions standards while participating in regional initiatives that promote responsible business practices.

Taken together, the Group's strengthened balance sheet and overall financial health, growing order backlog, and disciplined cost management position it for an improved performance in 2026.

SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group had investments in listed and unlisted equity securities amounting to HK\$1.7 billion designated at fair value through other comprehensive income. The majority of these investments are equity securities listed on the Tokyo Stock Exchange. These were accumulated over the years as strategic investments. Fair value gain of HK\$327 million was recognised in other comprehensive income during the year ended 31 December 2025. The gain was due to share price changes of its listed investments, which were marked to market amounting to HK\$280 million, as well as additional fair value gain of HK\$47 million from 1 January 2025 to the respective dates of disposal of ordinary shares of Subaru Corporation through open market and through the exercise of call options as announced by the Company on 19 September 2025, 25 September 2025 and 9 December 2025. Such fair value gain on its investments was not reclassified to the Group's consolidated statement of profit or loss.

FINANCE

For the year 2025, total dividend payment will amount to HK\$161.065 million as compared to HK\$150.998 million paid for financial year 2024. With a proposed final dividend of HK\$0.06 per share, and a paid interim dividend of HK\$0.02 per share, the total dividend per share for financial year 2025 will be HK\$0.08, an increase from HK\$0.075 in 2024.

The consolidated net asset value per share increased year-on-year to HK\$6.46 from HK\$6.04 in 2024.

SINGAPORE

In Singapore, Total Industry Volume (TIV) expanded by 21% year-on-year in 2025, driven by a recovery in the supply of Certificates of Entitlement (COE). TIV for passenger cars grew by 22%, while commercial vehicles expanded by 15%.

Nissan

Nissan recorded a 30% year-on-year decline in total sales, with contractions in both passenger and commercial vehicle segments, primarily due to an ageing model line-up. Despite this decline, Nissan successfully maintained its position among the top 10 selling car brands in both segments in Singapore, demonstrating sustained brand equity and market presence.

In 2025, Nissan aftersales operations, comprising workshop services and parts distribution, recorded a 15% increase in revenue and a 11% rise in profit before tax. This performance underscores strong loyalty and the resilience of the Group's recurring income streams, which provided a vital defensive buffer during the current product cycle transition.

TIV is expected to continue expanding in 2026 as COE supply increases. Nissan anticipates the release of new models in the second half of 2026 to refresh its product range and recapture market share.

While the Group is cautiously optimistic that Nissan sales will benefit from the anticipated TIV expansion and product refreshment, it remains mindful of intensifying competition from the continued entry of new brands into the Singapore market. The Group will continue to focus on operational efficiency and aftersales retention to navigate these competitive headwinds.

Subaru

The Group's Subaru operations in Singapore achieved an impressive 68% growth over 2024, outperforming the rise in TIV for passenger cars. The market debut of the All-New Subaru Forester 2.5 Strong Hybrid in Q3 2025 was met with strong demand, driven by the Enhanced EyeSight 4.0 Driver Assist Technology and its class-leading fuel efficiency of over 1,000 km on a single tank. The Group remains positive about future growth in Singapore, bolstered by scheduled launches of the Subaru Solterra XT and e-Outback in 2026.

SINGAPORE (CONTINUED)

ETHOZ Group

ETHOZ Group registered revenue growth of 2.2% in 2025, with net profit increasing 57%, primarily driven by a 23% reduction in finance costs compared to the prior year.

ETHOZ Group remains resilient amid ongoing macroeconomic volatility, maintaining stable and consistent growth underpinned by the strength of its core businesses.

ETHOZ Group remains confident in the long-term potential of its core businesses and regional markets. Following the incorporation of its Thailand subsidiary in September 2025, ETHOZ Group continues to pursue sustainable growth in Singapore and across the region while positioning itself to capitalise on emerging opportunities.

GREATER CHINA

Hong Kong saw an exceptional response to the All-New Subaru Forester 2.5 Strong Hybrid in the second half of 2025, amassing over 80 bookings during the initial launch phase. While high booking volumes demonstrated strong market demand, fulfilment was constrained by supply limitations, leading to a 17% decrease in annual sales volume despite a 6% rise in TIV. Hong Kong was severely supply-constrained, with unfulfilled orders at 117% of available allocation by end-2025, underscoring that reported registrations materially understated underlying demand for the new Forester. The Group maintains a cautiously optimistic outlook for 2026, focusing on fulfilling existing demand while expanding the EV portfolio with the scheduled introduction of the Subaru Solterra XT and e-Outback.

Operations in mainland China faced a challenging environment in 2025 as the industry continued to contend with strong headwinds from excess inventory levels and heightened price competition. Consequently, the Group experienced a 48% decline in Subaru sales compared to 2024. In response, the strategic focus remains on enhancing operational efficiency, brand preservation, and maintaining high service standards rather than participating in margin-dilutive pricing competition, ensuring that China operations remain well-positioned for future market stabilisation.

TAIWAN AND THE PHILIPPINES

Taiwan was adversely impacted by shifts in US tariffs, which contributed to a contraction in the Group's sales volume and TIV by 30% and 11% respectively in 2025 compared to the previous year. To counteract these macroeconomic challenges and regain momentum, the Group will strengthen its product line-up in 2026. This strategy centres on a revitalised EV line-up, featuring the launch of the Subaru Solterra XT in Q2 2026 and e-Outback in Q4 2026, alongside strategic initiatives to drive sales of the All-New Subaru Forester.

In the Philippines, the Group launched the All-New Subaru Forester 2.5 Strong Hybrid at the end of Q3 2025 to robust market reception. However, with total demand outpacing available supply by 82%, operations recorded a 56% year-on-year decrease in sales volume due to allocation constraints. The Group remains optimistic regarding 2026 prospects as inventory supply for the Forester recovers, supported by the introduction of the Subaru Crosstrek e-BOXER Hybrid in late Q2 2026.

MALAYSIA, THAILAND, VIETNAM AND CAMBODIA

Across other ASEAN territories, the Group is executing a strategic shift by transitioning from Completely Knocked-Down (CKD) to Completely Built-Up (CBU) operations. This shift is designed to further elevate the Subaru brand into a premium positioning through a more diverse and high-specification product line-up.

In Malaysia, TIV remained stagnant compared to the previous year despite the introduction of multiple new brands. Subaru operations posted a 32% drop in sales volume amid these challenging conditions. Moving into 2026, the Group expects a breakthrough with an expanded CBU product line-up, targeting discerning consumers who prioritise Japanese-made technology, reliability, and safety.

In Thailand, where market share has shifted heavily towards hybrid and electric vehicles, Subaru operations recorded a 48% increase in sales volume against a 10% increase in TIV. Following the launch of the All-New Subaru Forester 2.5 in 2025, the Group has established a clear roadmap to further capture the hybrid vehicle market share through the launch of the Forester 2.5 Strong Hybrid in Q4 2026, supported by targeted marketing efforts to capitalise on evolving powertrain preferences.

MALAYSIA, THAILAND, VIETNAM AND CAMBODIA (CONTINUED)

In Vietnam, the market saw an influx of new brands in 2025, intensifying competition and driving a 20% increase in TIV year-on-year. While the Group's operations saw a 28% decline in sales volume amid these aggressive market conditions, the successful launch of the All-New Subaru Forester 2.5 has created strong momentum. Total demand outpaced available supply by 469%, a trajectory the Group intends to capitalise on with the introduction of the Forester 2.5 Strong Hybrid in Q4 2026 to meet evolving consumer preferences.

Cambodia experienced a surge in TIV in 2025, which nearly doubled year-on-year due to the entry of new brands and preferential tax support for US-made vehicles. The Group recorded an 11% year-on-year decrease in sales volume amid intensifying market competition. In 2026, the strategic focus will shift toward transitioning to a CBU business model and elevating the brand into a premium market position.

JAPAN

ZERO Group, the Group's vehicle transportation and logistics division listed on the Standard Market of the Tokyo Stock Exchange, recorded revenue of HK\$7.5 billion in 2025, a 1.2% increase from 2024, reflecting favourable JPY to HKD currency movements during the year. Net profit similarly increased 1.7% year-on-year.

In JPY, ZERO Group's reporting currency, revenue was largely flat year-on-year, with softer performance in the second half moderating growth achieved in the first half. Net profit increased by 0.5% in JPY terms, supported by one-time compensation received for losses arising from the fire at the Kawasaki Integrated Logistics Centre, notwithstanding lower revenue in its automotive transportation business. ZERO Group continued to pursue cost reductions during the year, while navigating higher labour and vehicle maintenance costs alongside increased investment in digitalisation.

Looking ahead, ZERO Group will focus on reinforcing its vehicle transportation business through operational restructuring, gross profit-driven sales initiatives, and continued cost reduction. These efforts are aimed at sustaining profitability against anticipated headwinds including salary adjustments to address driver shortages, rising vehicle and maintenance costs, and ongoing investment in digital systems.

HIRE PURCHASE AND FINANCING BUSINESS

The Group provides commercial loans and acts as lessor, under hire purchase contracts and finance lease.

a) Hire purchase and finance lease

Hire purchase contracts and finance leases primarily relate to equipment financing across Singapore, China and Malaysia, reflecting the Group's core focus on asset-backed lending within these key markets.

As of 31 December 2025, net receivables from hire purchase and finance lease amounted to HK\$3.001 billion, representing 55% of total loans and advances, with 8%, 90% and 2% attributable to Singapore, China and Malaysia respectively, and accounted for by 8,716 customers. These customers comprise 97%, 2.5% and 0.5% of small and medium enterprises ("SMEs"), sole proprietors/limited partnerships and non-profit or statutory-related organisations respectively.

The ageing analysis of hire purchase and finance lease receivables is as follows: (i) balance with maturity of less than one year is HK\$1.299 billion; (ii) balance with maturity between one and five years is HK\$1.695 billion; and (iii) balance with maturity between five and seven years is HK\$7 million.

b) Commercial loans

Commercial loans, which are extended only to customers in Singapore, make up 45% of total loans and advances, with total net receivables amounting to HK\$2.496 billion as of 31 December 2025. Of the 482 customers, 63%, 36% and 1% are SMEs, accredited investors and non-profit or statutory-related organisations respectively.

The three main types of commercial loans, namely secured commercial loans, ESG loans under the Enterprise Financing Scheme granted by Enterprise Singapore ("ESG"), and unsecured loans, make up 96%, 2% and 2% of the total portfolio respectively.

The ageing analysis of commercial loan receivables is as follows: (i) balance with maturity of less than one year is HK\$1.726 billion; and (ii) balance with maturity between one and three years is HK\$0.77 billion.

HIRE PURCHASE AND FINANCING BUSINESS (CONTINUED)

Major terms of loans granted

For the financial year ended 31 December 2025, the hire purchase and lease period under the hire purchase and finance lease business ranges from one to eight years, with interest rates charged ranging from 2.5% p.a. to 16% p.a.

Commercial loans are offered over a tenure of one to three years, with interest rates ranging from 6% p.a. to 12% p.a.

Risk management policies

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may influence credit risk.

The Group is exposed to credit risks if any of the following occurs:

- A. Change of business model during the loan tenure;
- B. Sudden headwinds specific to the industry, such as a lack of supply of materials and labour during the COVID-19 pandemic for construction firms;
- C. Poor management of cash flow during a difficult and uncertain business climate;
- D. Aggressive expansion plans leading to financial instability; and
- E. Failure in a greenfield investment.

The main components of its credit risk framework include: (A) Credit Approval and (B) Credit Monitoring (Existing Live Contracts).

A) Credit Approval

Prior to onboarding a new customer, the Group performs screening checks such as Know Your Client, Anti-Money Laundering and Countering the Financing of Terrorism, before a credit proposal is submitted to the Credit Risk department for review.

The credit approval team, which is based at the Group's headquarters in Singapore, adopts a holistic approach to assessing the credit risk of each loan.

It considers a combination of quantitative and qualitative factors as set out below. These factors are benchmarked against industry norms and reviewed by a competent team with over two decades of industry experience.

| Quantitative Factors | Qualitative Factors |
|--|---|
| <ul style="list-style-type: none">• Balance sheet evaluation• Profit & loss evaluation• Financial ratios evaluation• Cash conversion cycle evaluation• Bank statement evaluation• New and existing projects cash flow• Loan-to-value of collateral | <ul style="list-style-type: none">• Business Model/modus operandi• Management team/owners profile and risk appetite• Track records based on operating history• Market positioning of borrower• Major customers and suppliers• Industry or sector outlook |

For its commercial loans business in particular, the Group obtains credit enhancements in the form of corporate guarantees, personal guarantees, vendor buyback guarantees and/or property securities.

The Credit Risk Policy formalises limits for single obligor/group obligor exposure and for each industry, which are reviewed monthly.

HIRE PURCHASE AND FINANCING BUSINESS (CONTINUED)

Risk management policies (continued)

B) Credit Monitoring (Existing Live Contracts)

The Group reviews its portfolio on a regular basis to ensure that it is serviced promptly, with no deterioration in asset quality.

The Credit Control Department is responsible for the following:

- A. Daily: each Credit Control officer makes at least 55 calls, which are logged into the system and reviewed by the supervisor in charge.
- B. Daily review of Direct Debit Authorisation rejections, following which the Credit Control officer contacts the customer to arrange the next deduction.
- C. Monthly review of collection ratio reports and ageing meetings with senior management.
- D. Site visits where appropriate.
- E. Issuance of reminders, late payment interest letters and demand letters where required, including to repossess properties where applicable.

Loan impairment policies and impairment assessments

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower;
- A breach of contract, such as a default after credit terms are exceeded or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider; and
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

Amounts outstanding from loans and advances are assessed for impairment regularly by reviewing non-performing amounts. Non-performing customers are identified, discussed and followed up during the monthly ageing meetings. Management includes these non-performing amounts as part of the IFRS 9 provision requirements.

As at 31 December 2025, an impairment loss allowance of HK\$60.1 million (31 December 2024: HK\$47.6 million) has been made for loans and advances and finance leases. Bad debts written off were less than 0.3% for FY2025.

PROSPECTS

The global operating environment remains highly uncertain. Escalating geopolitical tensions, including recent developments in the Middle East, risk broad disruption to international trade, energy markets, and consumer confidence across the Group's key markets.

Against this backdrop, the Group enters 2026 with tangible momentum, supported by a strong order backlog, expected allocation increases post-Q2 2026, and a pipeline of new model launches across key markets. A strengthened balance sheet and two consecutive years of overhead reduction further underpin its ability to navigate near-term headwinds.

The Group's decades of experience and disciplined approach to capital and risk management offer stability and a competitive advantage in volatile environments. Recognising the importance of staying the course through periods of uncertainty, the Group remains focused on preserving its financial health, sustaining operational momentum, and building long-term resilience across its businesses.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company (“Annual General Meeting”) which is scheduled on Friday, 22 May 2026, the register of members of the Company will be closed from Monday, 18 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 May 2026.

For determining the entitlement to the proposed final dividend (subject to the approval of the shareholders at the Annual General Meeting), the register of members of the Company will be closed from Monday, 1 June 2026 to Tuesday, 2 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend as stated in this announcement, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 May 2026.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 22 May 2026 at 11:00 a.m. The Notice of Annual General Meeting will be made available to shareholders on or before 24 April 2026.

RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Azman Bin Badrillah (“Mr. Azman”) and Mr. Teo Ek Kee (“Mr. Teo”), independent non-executive directors of the Company, will retire by rotation at the Annual General Meeting according to the bye-laws of the Company. Mr. Azman and Mr. Teo will not offer themselves for re-election. Each of Mr. Azman and Mr. Teo has confirmed that he has no disagreement with the Board and that he is not aware of any matter in respect of his retirement as an independent non-executive director of the Company that needs to be brought to the attention of the shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

There was no purchase, sale or redemption of the Company’s shares by the Company or any of its subsidiaries during the year.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the results of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of Tan Chong International Limited (the “Company”) is committed to the observance of good corporate governance to protect the interests and rights of shareholders and the financial performance of the Company and its subsidiaries (collectively the “Group”). The Board has adopted the principles and code provisions of the Corporate Governance Code set out in part 2 of the Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) that form part of the disclosure requirements under the Listing Rules. Throughout the year under review, the Company has complied with most of the code provisions set out in the Corporate Governance Code. Where applicable various self-regulatory and monitoring measures were adopted for effective corporate governance practice.

Mr. Tan Eng Soon (“Mr. Tan”) currently holds the offices of Chairman and Chief Executive Officer. Mr. Tan has been instrumental in listing the Group. He has in-depth professional knowledge of, and extensive experience in the automobile industry and full cognizance of the workings of the business operations of the Group. In view of this, the Board would like him to continue with some executive functions. The balance of power and authority is ensured by the participation and input of the other Board members who are highly qualified and experienced professionals. The roles of the respective executive directors and senior management who are in charge of different disciplinary functions complement the role of the Chairman and Chief Executive Officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to make and implement decisions promptly and efficiently.

By Order of the Board
Sng Chiew Huat
Finance Director

Hong Kong, 30 March 2026

Website: <http://www.tanchong.com>

As at the date of this announcement, the executive directors are Mr. Tan Eng Soon, Mr. Glenn Tan Chun Hong, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat, Ms. Gillian Tan Tsui Lyn and Mr. Lee Chow Yoke. The independent non-executive directors are Mr. Ng Kim Tuck, Mr. Azman Bin Badrillah, Mr. Prechaya Ebrahim, Mr. Teo Ek Kee and Mr. Charles Tseng Chia Chun.