

TAN CHONG MOTOR HOLDINGS BERHAD Registration no. 197201001333 (12969-P)

- SGMW Vehicle and Parts Export Contract between TC Motor Vietnam Co., Ltd., an Indirect Wholly-owned Subsidiary of Tan Chong Motor Holdings Berhad, and SAIC GM Wuling Automobile Co., Ltd.
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1. Introduction

We refer to our announcements dated 20 August 2019, 20 November 2019, 3 January 2020, 3 April 2020, 7 August 2020 and 6 November 2020 pertaining to the Memorandum of Understanding dated 20 August 2019 which was supplemented by a Supplemental Memorandum of Understanding dated 31 December 2019 and a 2nd Supplemental Memorandum of Understanding dated 30 June 2020 (collectively, “MOU”) executed by TC Manufacturing (Labuan) Pte. Ltd., an indirect wholly-owned subsidiary of Tan Chong Motor Holdings Berhad (“TCMH”), with SAIC GM Wuling Automobile Co., Ltd (“SGMW”) to cooperate in the study of the potential and feasibility of the business opportunity in introducing SGMW commercial vehicle products and other products of SGMW to Southeast Asia with initial identified countries namely Vietnam, Myanmar, Cambodia and Lao PDR (“Project”).

The Board of Directors of TCMH is pleased to announce that pursuant with the MOU, TC Motor Vietnam Co., Ltd. (“TCMV”), another indirect wholly-owned subsidiary of TCMH, has been nominated by TC Manufacturing (Labuan) Pte. Ltd. to enter into a SGMW Vehicle and Parts Export Contract (“Export Contract”) with SGMW, and TCMV had on 25 March 2021 executed the Export Contract with SGMW for the appointment of TCMV as SGMW’s sole and exclusive importer and distributor of vehicles and parts of N111P Pickup, N300P Pickup and N300L Cargo Van (“Products”) in Vietnam and the provision of after-sales services for the Products.

2. Information on TCMV

TCMV is an indirect wholly-owned subsidiary of TCMH incorporated under the laws of Vietnam on 15 December 2006 with principal businesses of manufacture and assembly of buses, trucks and automobiles including the distribution and servicing of automobiles, trucks, lorries and omnibuses.

3. Information on SGMW

SGMW is a company established under the laws of the People’s Republic of China and having its principal place of business at No. 18 Hexi Road, Liuzhou, Guangxi, China.

SGMW, a three-shareholder joint venture between SAIC Motor Corporation Limited, Liuzhou Wuling Motors Co Limited and GM China, was established on 18 November 2002.

SGMW currently has four manufacturing bases namely Liuzhou Headquarters, Baojun Base, Qingdao Base and Chongqing Base. The company produces commercial vehicle, passenger vehicle and engine for its vehicles.

4. Salient Terms of the Export Contract

Pursuant to the Export Contract, SGMW grants TCMV, the sole and exclusive right to:

- import and sell SGMW Products, and provide after-sales services for the SGMW vehicles in Vietnam, either by itself or through appointed dealers; and
- use SGMW’s trademarks, trade names, words, signs, designs and service marks owned by SGMW (“Trademarks”) to perform the abovementioned obligations in Vietnam and similarly, for TCMV’s appointed dealers to use the same.

The term of the Export Contract shall be for a period of three (3) years commencing from the date of execution of the Export Contract by both TCMV and SGMW.

5. Rationale for the Export Contract

The Export Contract will provide TCMH Group with opportunity to expand its foothold in the automotive industry in Vietnam.

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6. Financial Effects

The Export Contract will not have any material effect on the earnings per share, net assets per share and gearing of TCMH Group for the financial year ending 31 December 2021, and has no effect on the share capital of TCMH and shareholdings of its substantial shareholders.

7. Directors' and Major Shareholders' Interests

None of the Directors, major shareholders and/or persons connected with the Directors and major shareholders of TCMH, has any interest, direct or indirect, in the Export Contract.

8. Approval Required

The Export Contract is not subject to the approval of the shareholders of TCMH or any relevant authorities.

9. Directors' Statement

The Board of Directors of TCMH is of the opinion that the Export Contract is in the ordinary course of business and in the best interest of TCMH Group.

This announcement is dated 25 March 2021.