

**TAN CHONG MOTOR HOLDINGS BERHAD (Company No. 12969-P)**

- Memorandum of Understanding between TC Manufacturing (Labuan) Pte Ltd, a Wholly-owned Subsidiary of Tan Chong Motor Holdings Berhad and SAIC GM Wuling Automobile Co., Ltd

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**Introduction**

The Board of Directors of Tan Chong Motor Holdings Berhad (“TCMH” or “the Company”) is pleased to announce that TC Manufacturing (Labuan) Pte Ltd (“TCMAN(L)”), a wholly-owned subsidiary of TCMH, had on 20 August 2019 entered into a Memorandum of Understanding (“MOU”) with SAIC GM Wuling Automobile Co., Ltd (“SGMW”), 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, to cooperate to study the potential and feasibility of the business opportunity in introducing SGMW commercial vehicle products to Southeast Asia with initial identified countries namely Vietnam, Myanmar, Cambodia and Lao PDR (“Project”).

**Information on TCMAN(L)**

TCMAN(L) is a wholly-owned subsidiary of TC Manufacturing Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of TCMH.

TCMAN(L) was incorporated under the laws of Malaysia in the Labuan Federal Territory, Malaysia. It is an investment holding company.

**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.

**Salient Terms of the MOU**

Under the MOU, TCMAN(L) and SGMW (“Parties”) are interested to cooperate to study the potential and feasibility of the business opportunity in introducing SGMW commercial vehicle products to Southeast Asia with initial identified countries namely Vietnam, Myanmar, Cambodia and Lao PDR (“Project”). The Parties shall maintain confidentiality of any information disclosed by either TCMAN(L) or SGMW to the other for the purpose of the Project.

The MOU shall come into force on signature by both Parties and shall continue in effect until 31 December 2019 unless amended by Parties’ mutual agreement.

**Rationale for the Project**

The MOU will provide both Parties an opportunity to cooperate to study the potential and feasibility business opportunity in the Project by sharing of confidential information with each other.

The Proposed Project, if materialised, could provide the Company with an opportunity to expand its foothold in the automotive industry in the identified countries namely Vietnam, Myanmar, Cambodia and Lao PDR.

**Financial Effects**

The MOU will not have any effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholding of the Company for the financial year ending 31 December 2019.

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**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 MOU.

**Approval Required**

The MOU is not subject to the approval of the shareholders of the Company or any relevant authorities.

**Directors' Statement**

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

**Documents Available for Inspection**

The MOU is available for inspection at the registered office of TCMH at No. 62-68 Jalan Sultan Azlan Shah, 51200 Kuala Lumpur during office hours from Mondays to Fridays for a period of three (3) months from the date of this announcement.

This announcement is dated 20 August 2019.