



WARISAN TC HOLDINGS BERHAD

Registration No. 199701009338 (424834-W)

AGREEMENT OF DISTRIBUTION AND SERVICE BETWEEN GAC AION NEW ENERGY AUTOMOBILE COMPANY LIMITED AND WTC AUTOMOTIF (M) SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WARISAN TC HOLDINGS BERHAD

1. INTRODUCTION

The Board of Directors of Warisan TC Holdings Berhad (“WTCH” or “the Company”) wishes to announce that WTC Automotif (M) Sdn Bhd (“WTCA”), a wholly-owned subsidiary of the Company, had on 11 January 2024 entered into an Agreement of Distribution and Service (“Agreement”) with GAC AION New Energy Automobile Company Limited (“GAC AION”) in respect of the appointment of WTCA by GAC AION as the sole and exclusive distributor to import, distribute, sales and perform after-sale services on the electric vehicles (“Vehicles”) and/or spare parts and accessories for the Vehicles (“Spare Parts”) in Malaysia (“GAC AION Project”).

2. INFORMATION ON WTCA

WTCA is a private limited company incorporated in Malaysia and having its registered office at 62-68, Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, Malaysia.

WTCA is principally involved in assembly, distribution and sale of commercial and passenger vehicles.

3. INFORMATION ON GAC AION

GAC AION is a company incorporated under the laws of People’s Republic of China, with its business address at No. 36 Longying Road, Panyu District, Guangzhou, China, under Guangzhou Automobile Group Co., Ltd. (“GAC Group”).

GAC AION is a manufacturer of electric vehicles and offers new energy products and services under the GAC Group. GAC AION was established in 2017 and AION was introduced as a sub-brand in 2018, and as a marque in 2020.

GAC AION is principally engaged in the research & development, manufacture, sales of electric vehicles, parts and components services in People’s Republic of China. It offers large to medium sized passenger vehicles, auto-parts and accessories and service.

Since 2017, GAC AION has successively launched a series of electric vehicle models covering sedan, sport utility vehicle (SUV) and Super Sports car. In 2023, GAC AION produced and sold more than 480,000 units of battery electric vehicles (“BEV”), ranked Top 3 in BEV segment in China. GAC AION has set up manufacturing plants in Guangzhou, Changsha, People’s Republic of China and Thailand.

4. SALIENT TERMS OF THE AGREEMENT

- 4.1 Pursuant to the terms and conditions of the Agreement, GAC AION grants WTCA the exclusive right to do the following during the Term (hereinafter defined) in Malaysia:
- (a) to import, distribute and sell the Vehicles supplied by GAC AION;
 - (b) to import, distribute and sell Spare Parts;
 - (c) to provide after-sale services on the Vehicles; and
 - (d) to appoint dealers to distribute and sell Vehicles, Spare Parts and/ or provide after-sale services on the Vehicles.
- 4.2 The Agreement shall be effective for a term of three (3) years which shall take effect from the date of the Agreement (“Term”) and the Agreement may be renewed by either party by serving a notice in writing at least three (3) months prior to the expiration of the Agreement.

5. RATIONALE FOR THE GAC AION PROJECT

The GAC AION Project will provide an opportunity for WTCH and its subsidiaries (“WTCH Group”) to diversify its business activities by expanding the product range to electric vehicles sector to cater for diversified customer base. It will also align with WTCH Group’s objective to drive towards Economy, Environmental, Social and Governance (EESG) for the long-term sustainable growth of the Group’s businesses. This will also broaden the earning base of WTCH Group.

As WTCH Group is involved in assembly, distribution and sale of commercial and passenger vehicles, it will be able to enjoy the benefits and advantages of the synergistic benefits derived from economies of scale with the implementation of the GAC AION Project.

6. EFFECTS OF THE AGREEMENT

- (a) Issued and Paid-up Share Capital

The Agreement will not have any material effect on the issued and paid-up share capital of WTCH and the shareholdings of its substantial shareholders for the financial year ending 31 December 2024.

- (b) Earning Per Share and Net Assets Per Share

The Agreement is not expected to have any material effect on the earnings per share and net assets per share of WTCH Group for the financial year ending 31 December 2024.

- (c) Gearing

The Agreement will require funding for working capital purposes and accordingly, there shall be impact on the gearing of WTCH Group for the financial year ending 31 December 2024.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the Directors and Major Shareholders of the Company or persons connected with them has any interest, direct or indirect, in the Agreement.

8. APPROVAL REQUIRED

The Agreement is not subject to the approval of the shareholders of WTCH or any relevant authorities.

9. DIRECTORS' STATEMENT

The Board of Directors of WTCH, having considered all aspects of the GAC AION Project and the Agreement, is of the opinion that the GAC AION Project and the Agreement are in the ordinary course of business of WTCA and in the best interest of WTCH Group.

This announcement is dated 11 January 2024.