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**WARISAN TC HOLDINGS BERHAD**

(Company No. 424834-W)  
(Incorporated in Malaysia)

**PART A**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF  
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR  
TRADING NATURE**

The ordinary resolutions in respect of the above proposals will be tabled at the 22<sup>nd</sup> Annual General Meeting of the Company. The Notice of the said Meeting and the Form of Proxy are set out in the 2018 Annual Report despatched together with this Circular.

The Form of Proxy should be completed and returned in accordance with the instructions therein.

Last date and time for lodging the Form of Proxy : Wednesday, 29 May 2019 at 10:30 a.m.

Date and time of the Annual General Meeting : Friday, 31 May 2019 at 10:30 a.m.

Venue of Annual General Meeting : The Grand Ballroom, Level 9  
Sunway Putra Hotel  
100, Jalan Putra, 50350 Kuala Lumpur, Malaysia

This Circular is dated 30 April 2019

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## DEFINITIONS

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Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

- |                             |  |
|-----------------------------|--|
| <b>Act</b>                  | – Companies Act, 2016, as amended from time to time and any re-enactment thereof   |
| <b>AGM</b>                  | – Annual General Meeting   |
| <b>APM</b>                  | – APM Automotive Holdings Berhad   |
| <b>APM Group</b>            | – APM and its subsidiaries   |
| <b>Arm's Length</b>         | – Price which would have been determined if such transactions are made between independent parties under the same or similar circumstances   |
| <b>Audit Committee</b>      | – Audit Committee of the Company comprising Dato' Chong Kwong Chin, Datuk Abdullah bin Abdul Wahab and Lee Min On, all of whom are Independent Non-Executive Directors   |
| <b>Board</b>                | – Board of Directors of the Company  |
| <b>Bursa Malaysia</b>       | – Bursa Malaysia Securities Berhad   |
| <b>Code</b>                 | – Malaysian Code on Take-overs and Mergers, 2016 as amended from time to time and any re-enactment thereof   |
| <b>Director</b>             | – Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purpose of the Proposed Shareholders' Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of WTCH, its subsidiary or holding company or a chief executive officer of WTCH, its subsidiary or holding company |
| <b>EPS</b>                  | – Earnings per share   |
| <b>Listing Requirements</b> | – Main Market Listing Requirements of Bursa Malaysia   |
| <b>Major Shareholder</b>    | – A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:-<br><br>(a) 10% or more of the total number of voting shares in the corporation; or<br>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.   |

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8(4) of the Act.

In relation to the Proposed Shareholders' Mandate, a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of WTCH or any other company which is its subsidiary or holding company.

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**DEFINITION (CONT'D)**

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<b>NA</b>	– Net Assets
<b>Proposals</b>	– Proposed Share Buy-Back and Proposed Shareholders' Mandate collectively
<b>Proposed Share Buy-Back</b>	– Proposed renewal of authority for the Company to purchase and/or hold its own ordinary shares of up to ten per centum (10%) of total number of issued shares of the Company
<b>Proposed Shareholders' Mandate</b>	– Proposed renewal of and new Shareholders' Mandate for RRPT of the WTCH Group as set out in this Circular
<b>Related Party</b>	– Director, Major Shareholder or person connected with such Director or Major Shareholder; and “Related Parties” shall be construed accordingly
<b>Related Party Transaction</b>	– Transaction entered into by WTCH or its subsidiaries which involves the interest, direct or indirect, of a Related Party
<b>Recurrent Related Party Transactions or RRPT</b>	– Related Party Transactions of a revenue or trading nature which are recurrent and necessary for the day-to-day operations and are in the ordinary course of business of WTCH Group
<b>RM and sen</b>	– Ringgit Malaysia and sen respectively
<b>Shareholders' Mandate</b>	– Shareholders' general mandate pursuant to Paragraph 10.09 of the Listing Requirements in respect of RRPT
<b>TCC</b>	– Tan Chong Consolidated Sdn Bhd
<b>TCIL</b>	– Tan Chong International Limited
<b>TCIL Group</b>	– TCIL and its subsidiaries
<b>TCMH</b>	– Tan Chong Motor Holdings Berhad
<b>TCMH Group</b>	– TCMH and its subsidiaries
<b>Wealthmark</b>	– Wealthmark Holdings Sdn Bhd
<b>WTCH or Company</b>	– Warisan TC Holdings Berhad
<b>WTCH Group</b>	– WTCH and its subsidiaries
<b>WTCH Shares</b>	– Ordinary shares in WTCH

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## WARISAN TC HOLDINGS BERHAD

(Company No. 424834-W)  
(Incorporated in Malaysia)

**Registered Office:**  
62-68, Jalan Sultan Azlan Shah  
51200 Kuala Lumpur  
Malaysia

30 April 2019

### Board of Directors:

Dato' Tan Heng Chew (*President*)  
Tan Keng Meng (*Chief Executive Officer*)  
Chin Ten Hoy (*Executive Vice-President*)  
Datuk Abdullah bin Abdul Wahab (*Senior Independent Non-Executive Director*)  
Dato' Chong Kwong Chin (*Independent Non-Executive Director*)  
Lee Min On (*Independent Non-Executive Director*)

### To: The Shareholders of WARISAN TC HOLDINGS BERHAD

Dear Shareholders,

**Part A : PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**

**Part B : PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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### 1. INTRODUCTION

At the Company's Twenty-First AGM held on 25 May 2018, the shareholders gave approval for:

- (a) the Directors to purchase and/ or up to 10% of the total number of issued shares of the Company; and
- (b) the Company and its subsidiaries to enter into Recurrent Related Party Transactions.

The above approvals shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless a fresh approval is obtained.

On 22 February 2019, the Company announced to Bursa Malaysia its intention to seek shareholders' approval on the Proposed Share Buy-Back and Proposed Shareholders' Mandate at the forthcoming AGM of the Company.

The Proposed Share Buy-Back and Proposed Shareholders' Mandate would become effective immediately upon the passing of the proposed resolutions and will expire at the conclusion of the next AGM of the Company unless the authority and mandate are further renewed by resolutions passed at a general meeting (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by ordinary resolutions of the shareholders of the Company in general meeting, whichever occurs first.

**The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the proposed resolutions to be tabled at the forthcoming AGM of the Company.**

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## **2. PART A : PROPOSED SHARE BUY-BACK**

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### **2.1 DETAILS OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase and/or hold its own shares on Bursa Malaysia of up to 10% of its total number of issued shares at any point in time during the authorised period (as explained below), subject to the provisions of Section 127 of the Act and regulations thereunder, the Listing Requirements, the Company's Constitution and any prevailing laws, regulations, rules, orders, guidelines and requirements of any relevant authorities (as may be amended, modified or re-enacted from time to time) at the time of purchase(s). The Proposed Share Buy-Back will be executed through Bursa Malaysia via WTCH's appointed stockbrokers.

The authorised period for the Proposed Share Buy-Back, if approved at the forthcoming AGM, shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back at the forthcoming AGM and shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company at which time it shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

The Company may retain the shares purchased as treasury shares or cancel the shares or both, depending on the capital requirements of the Company at that point in time. Where the Company retains the purchased shares as treasury shares, the Directors of the Company may—

- (a) distribute the shares as share dividends to shareholders;
- (b) resell the shares through Bursa Malaysia in accordance with the rules of Bursa Malaysia;
- (c) transfer the shares for the purposes of or under an employees' share scheme;
- (d) transfer the shares as purchase consideration;
- (e) cancel the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as permitted by the Act.

Appropriate announcement(s) and notification(s) will be made to Bursa Malaysia and the relevant authorities in respect of the Board's decision on the treatment of the WTCH Shares bought back in compliance with the Listing Requirements and the Act.

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions, whether cash or otherwise, of the Company's assets (including any distribution of assets upon winding up of the Company) will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

### **2.2 QUANTUM, FUNDING AND PRICING**

The actual number of WTCH Shares which may be purchased and the timing of the purchase(s) will depend on, inter alia, market conditions, the availability of retained earnings and financial resources of the Company as well as Bursa Malaysia' requirement to maintain the necessary shareholding spread and the minimum total number of issued shares.

The Proposed Share Buy-Back will be financed through internally generated funds and shall be made out of the retained earnings of the Company. The maximum amount of funds to be allocated for the Proposed Share Buy-Back will be subject to the retained earnings of the Company. Based on the latest audited financial statements of the Company as at 31 December 2018, the retained earnings were RM115,715,000.

Based on the total number of issued shares of WTCH less treasury shares as at 31 March 2019, the maximum number of WTCH Shares that may be purchased amounts to 4,620,400 shares. Based on the weighted average market price for the five (5) market days as at 18 April 2019 of RM2.15 per share, the maximum purchase cost would be about RM9,933,860.

The Board will be mindful of the interests of the shareholders when undertaking the Proposed Share Buy-Back and will assess the working capital needs of the WTCH Group prior to any purchase of WTCH shares.

### **2.3 REGULATORY REQUIREMENTS**

In accordance with the Listing Requirements, the Company may only purchase the ordinary shares on Bursa Malaysia at a price which is not more than 15% above the weighted average market price for the five (5) market days immediately before the purchase. The Company may only resell/transfer treasury shares on Bursa Malaysia at:-

- (a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer provided that
  - i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - ii) the resale or transfer price is not less than the cost of purchase of the shares being resold.

Based on the Listing Requirements, the Proposed Share Buy-Back is subject to, inter alia, the following:-

- (a) the Company must not purchase its own shares on Bursa Malaysia if the purchase(s) will result in WTCH not complying with the public shareholding spread requirement of at least 25% of its total number of issued shares (excluding treasury shares) are in the hands of public shareholders;
- (b) the purchase price of shares and the subsequent resale or transfer price of treasury shares on Bursa Malaysia, as set out in Section 2.2 of this Circular;
- (c) the maximum funds to be utilised for the purchase of the Company's own shares cannot exceed the level of retained earnings of the Company;
- (d) the Proposed Share Buy-Back shall only be effected on the market of Bursa Malaysia. Consequently, the Proposed Share Buy-Back shall be transacted through appointed stockbrokers; and
- (e) the approval of the shareholders at the forthcoming AGM of the Company.

### **2.4 RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES**

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources to purchase its own shares. The Proposed Share Buy-Back is expected to stabilise the supply and demand as well as the prices of WTCH Shares. The Proposed Share Buy-Back may enhance the EPS and the shares purchased which are held as treasury shares may be realised with potential gain. In the event the treasury shares are distributed as share dividends, it will serve as a reward to the shareholders of the Company.

The potential advantages and disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

Potential advantages:-

- (i) will allow the Company the flexibility in attaining its desired capital structure;
- (ii) will reward the shareholders in the event the treasury shares are distributed as share dividends; and
- (iii) will allow the Company to utilise its surplus financial resources to purchase its own shares, hence, stabilise the supply and demand of WTCH Shares.

Potential disadvantages:-

- (i) the Proposed Share Buy-Back will reduce the financial resources of the WTCH Group and may result in the WTCH Group foregoing better investment opportunities that may emerge in the future; and
- (ii) as the Proposed Share Buy-Back can only be made out of retained earnings of the Company, it may result in the reduction of financial resources available for distribution to shareholders of the Company in the immediate future.

The Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back and in the subsequent resale/transfer of treasury shares on Bursa Malaysia, if any.

## **2.5 PURCHASE, CANCELLATION AND RE-SALE/TRANSFER IN THE PAST 12 MONTHS**

WTCH purchased 100 of its own shares in the preceding 12 months ended 31 March 2019, the details of which are set out below. The total number of shares bought back as at 31 March 2019 was 2,099,600, all of which were held as treasury shares. WTCH did not cancel or re-sell/transfer any of its treasury shares during the same period.

<b>Purchase date</b>	<b>Number of shares bought back and held as treasury shares</b>	<b>Highest price paid per share (RM)</b>	<b>Lowest price paid per share (RM)</b>	<b>Average price paid per share (RM)</b>	<b>Total consideration (including transaction costs) (RM)</b>
24 May 2018	100	2.13	2.13	2.13	253.47

As at the date of this Circular, the Company has not decided on the action to be taken on the WTCH Shares purchased. The decision will be made by the Board at the appropriate time.

## **2.6 EFFECTS OF THE PROPOSED SHARE BUY-BACK**

Based on the assumption that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the total number of issued shares, substantial shareholders and Directors' shareholdings, NA, earnings, dividends and working capital of WTCH as at 31 March 2019 as well as the applications relating to the Code are set out below.



**(a) Total Number of Issued Shares**

In the event that the maximum number of shares authorised under the Proposed Share Buy-Back are purchased and cancelled, the total number of issued shares of WTCH as at 31 March 2019 will be as follows:

	<u>No. of shares</u>
Total number of issued shares	67,200,000
Purchased and held as treasury shares as at 31 March 2019	(2,099,600)
Proposed Share Buy-Back if the maximum no. of shares are purchased	(4,620,400)
Resultant total number of issued shares, if the treasury shares are cancelled	60,480,000

However, if all the WTCH Shares purchased are retained as treasury shares, the share repurchase would not have any effect on the total number of issued shares of WTCH, although substantially all rights attached to the shares held as treasury shares would be suspended.

**(b) Substantial Shareholders' And Directors' Shareholdings**

The effects of the Proposed Share Buy-Back on the shareholdings of substantial shareholders and Directors (who have direct and/or indirect interests in WTCH shares) based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 31 March 2019 are as follows:-

	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. Of Shares Of RM1.00 Each	%	No. Of Shares Of RM1.00 Each	%	No. Of Shares Of RM1.00 Each	%	No. Of Shares Of RM1.00 Each	%
<b>Substantial Shareholders</b>								
TCC	23,446,509	36.02	-	-	23,446,509	38.77	-	-
Wealthmark	4,398,000	6.76	-	-	4,398,000	7.27	-	-
Dato' Tan Heng Chew	4,320,833	6.64	27,844,509	42.77 <sup>(1)</sup>	4,320,833	7.14	27,844,509	46.04 <sup>(1)</sup>
Tan Eng Soon	-	-	23,446,509	36.02 <sup>(2)</sup>	-	-	23,446,509	38.77 <sup>(2)</sup>
<b>*Directors</b>								
Dato' Tan Heng Chew	4,320,833	6.64	30,639,928	47.07 <sup>(3)</sup>	4,320,833	7.14	30,639,928	50.66 <sup>(3)</sup>
Tan Keng Meng	100	-(4)	-	-	100	-(4)	-	-

\*The remaining Directors, Dato' Chong Kwong Chin, Datuk Abdullah bin Abdul Wahab, Lee Min On and Chin Ten Hoy do not have any WTCH Shares, whether direct or indirect, in the Company.

Notes:-

- (1) Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (3) Deemed interest by virtue of interest in TCC and Wealthmark pursuant to Section 8(4) of the Act, and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (4) Less than 0.01%.

**(c) NA**

The effect of the Proposed Share Buy-Back on the NA per share of the WTCH Group is dependent on the purchase price of the WTCH Shares as follows:-

- (i) If all the purchased WTCH Shares are cancelled and the purchase price of the WTCH Shares exceeds the NA per share of the WTCH Group, the NA per share of the WTCH Group will be reduced.
- (ii) Conversely, if all the purchased WTCH Shares are cancelled and the purchase price of the WTCH Shares is below the NA per share of the WTCH Group, the NA per share of the WTCH Group will be increased.
- (iii) If the purchased shares are treated as treasury shares and subsequently resold/transferred on the Bursa Malaysia, the NA per share of the WTCH Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the WTCH Group will decrease by the cost of the treasury shares.

Based on the audited financial statements for financial year ended 31 December 2018, the NA per share of the WTCH Group is RM5.16.

**(d) Earnings**

The effect of the Proposed Share Buy-Back on the EPS of WTCH is dependent on the number of WTCH Shares purchased and the purchase price(s) of the WTCH Shares, wherein the amount spent would no longer be available to generate interest savings and/or for alternative investment income to the Company. The effective reduction in the number of WTCH Shares applied in the computation of the consolidated EPS arising from the Proposed Share Buy-Back will generally, all else being equal, have a positive impact on the WTCH Group's EPS.

In the event that the shares purchased are treated as treasury shares and subsequently resold, the extent of the effect on the EPS of WTCH will depend on the number and price(s) of treasury shares resold, and the effect gain or interest saving arising therefrom.

**(e) Dividends**

The Company paid an interim single tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2018 on 28 September 2018.

The Board proposes that a final single tier dividend of 3 sen per share be paid in respect of the financial year ended 31 December 2018. The proposed dividend is subject to the shareholders' approval at the forthcoming AGM.

The Proposed Share Buy-Back is not expected to have a material impact on the rate of dividend to be declared and/or paid by WTCH for the financial year ending 31 December 2019, if any.

**(f) Working Capital**

The Proposed Share Buy-Back is likely to reduce the working capital of the WTCH Group, the quantum of which depends on, amongst others, the number of shares purchased and the purchase price of the shares. The cash flow of the WTCH Group will be reduced relatively to the number of shares eventually purchased and the purchase prices of the shares.

However, if the purchased shares are treated as treasury shares and subsequently resold/transferred on the Bursa Malaysia, the working capital and cash flow of the WTCH Group will increase should the Company realise a gain from the resale. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold/transferred.

### **(g) Implications Relating To The Code**

The Proposed Share Buy-Back, if carried out in full will result in the equity interest of TCC in WTCH increasing from 36.02% as at 31 March 2019 to 38.77% after the share repurchase.

If the Proposed Share Buy-Back results in the equity interest of TCC and persons acting in concert with them in WTCH to increase by more than 2% in any six (6) months period, pursuant to the Code, TCC and persons acting in concert with them may be obliged to undertake a mandatory offer for all the WTCH Shares not held by them collectively.

However, a waiver to undertake a mandatory offer may be granted by the Securities Commission Malaysia under the Code, subject to the affected substantial shareholders and parties acting in concert complying with certain conditions.

### **2.7 PUBLIC SHAREHOLDING SPREAD**

As at 31 March 2019, WTCH has 4,560 public shareholders holding an aggregate of 46.30% equity interest. Assuming the Proposed Share Buy-Back is to be implemented in full from public shareholders only, the public shareholding spread is expected to be reduced to 42.19%.

### **2.8 SHARE PRICES**

The monthly highest and lowest prices of WTCH Shares traded on Bursa Malaysia for the past twelve (12) months ended 31 March 2019 are as follows:-

	<b>High (RM)</b>	<b>Low (RM)</b>
<b>2018</b>		
April	2.05	2.04
May	2.19	2.01
June	2.02	2.02
July	2.35	2.02
August	2.34	2.07
September	2.08	2.05
October	2.20	2.06
November	2.10	2.06
December	2.15	2.06
<b>2019</b>		
January	2.19	2.06
February	2.18	2.10
March	2.30	2.10

*(Source: The Star)*

The last transacted price of WTCH Shares on Bursa Malaysia on 18 April 2019, being the latest practicable date prior to the printing of this Circular was RM2.15.

### **2.9 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors, Major Shareholders and persons connected with a Director and/or Major Shareholder of the Company have any interest, direct or indirect, in the Proposed Share Buy-Back or resale/transfer of treasury shares.

### **2.10 DIRECTORS' RECOMMENDATION**

The Board is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and its shareholders and therefore recommends that you vote in favour of the ordinary resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

### 3. PART B: PROPOSED SHAREHOLDERS' MANDATE

#### 3.1 GROUP STRUCTURE OF WTCH

WTCH is an investment holding company. Its subsidiaries, joint-venture and associate companies have the following principal activities:-

Name of Company	Principal Activities	Effective Equity Interest (%)
<b>Subsidiaries of WTCH</b>		
Angka-Tan Motor Sdn Bhd	Assembly, distribution and sale of commercial and passenger vehicles	100
ATM (Labuan) Pte Ltd	Dormant	100
Belize Holdings Sdn Bhd ("BH")	Investment holding	100
Comit Communication Technologies (M) Sdn Bhd	Property Investment holding	75.50
Excess Line Sdn Bhd	Inactive	100
Grooming Expert Sdn Bhd	Inactive	100
HairBiz College of Hairdressing Professionals Sdn Bhd	Property Investment holding	100
Jentrakel Sdn Bhd	Rental and sale of industrial machinery and equipment	100
Kereta Komersil Seladang (M) Sdn Bhd	Manufacturing, assembly and sale of commercial and passenger vehicles	70
MAT (Labuan) Pte Ltd ("MAT (Labuan)")	Investment Holding	100
Mayflower Car Rental Sdn Bhd ("MCR")	Rental of cars and coaches and trading and marketing of motor vehicles	100
Mayflower Holidays Sdn Bhd ("MH")	Operation of inbound, outbound tours and provision of air-ticketing services	100
Mayflower ITravel Sdn Bhd	Dormant	100
Mayflower (Labuan) Pte Ltd ("Mayflower (Labuan)")	Investment holding	100
Mayflower-My 2nd Home (MM2H) Sdn Bhd	Provision of migration services	100
MUV Marketplace Sdn Bhd	Provision of used vehicles auction services, vehicle inspection and certification	100
MUV Solutions Sdn Bhd	Provision of technology, maintenance and its related services	100
Tan Chong Apparels Sdn Bhd	Inactive	100
Tan Chong Apparels Manufacturer Sdn Bhd	Manufacture of apparels	100
TCIM Sdn Bhd ("TCIM")	Distribution, sale and rental of material handling equipment, agriculture tractors, engine, construction equipment and parts as well as provision of after sales services	100
TCIM (Labuan) Pte Ltd	Dormant	100
Tung Pao Sdn Bhd	Inactive	100
Warisan Automotif Holdings Sdn Bhd	Dormant	100
WTC Automotif (M) Sdn Bhd	Dormant	100

<b>Name of Company</b>	<b>Principal Activities</b>	<b>Effective Equity Interest (%)</b>
Warisan Captive Incorporated	Captive insurance	100
Warisan TC Management Services Sdn Bhd	Provision of management services	100
Warisan TC Automotive Manufacturers (M) Sdn Bhd	Manufacture and assembly of passenger and commercial vehicles	100
<b>Subsidiary of BH</b>		
Mayflower Corporate Travel Services Sdn Bhd	Operation of inbound, outbound tours and provision of air-ticketing services	100
<b>Subsidiary of MCR</b>		
Gocar Mobility Sdn Bhd	Car rental using mobile application	95.05
Mayflower Logistics Solutions Sdn Bhd	Provision of logistics and transportation related services	100
<b>Subsidiary of MH</b>		
Discovery Tours (Sabah) Sdn Bhd <i>(Formerly known as Mayflower Holidays (Borneo) Sdn Bhd)</i>	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services	100
Mayflower Online Sdn Bhd	Provision of multiple travel products and services via electronic platform	80
<b>Subsidiary of TCIM</b>		
TCIM Esasia Sdn Bhd	Inactive	70
<b>Subsidiary of Mayflower (Labuan)</b>		
TC Machinery Vietnam Pte Ltd	Inactive	100
<b>Subsidiaries of MAT (Labuan)</b>		
MAT Tours And Travel (Cambodia) Pte Ltd	Operation of inbound, outbound tours and provision of air ticketing services	100
MAT Transportation Solution (Myanmar) Company Limited	Rental of cars and coaches and trading and marketing of motor vehicles	100
<b>Joint-Venture companies</b>		
Shiseido Malaysia Sdn Bhd	Distribution and sale of cosmetics and consumer products	50
Wacoal Malaysia Sdn Bhd	Distribution and sale of ladies lingerie	50
<b>Associate companies</b>		
Mayflower Saha Travel (Thailand) Co., Ltd	Provision of air ticketing services as well as inbound and outbound tours	49
Tan Chong Warisan Resources Management Inc	To develop and source for business opportunities in USA and Canada, to source for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto.	49

The Board of WTCH wishes to seek the approval of the shareholders of WTCH for the Proposed Shareholders' Mandate given at the last AGM held on 25 May 2018. It would enable the WTCH Group to continue to enter into existing and new RRPT as described in Section 3.3 provided that such transactions are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms and on 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.

### 3.2 LISTING REQUIREMENTS

Under Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a Shareholders' Mandate subject to the following:-

- (a) The transactions are in the ordinary course of business and on terms not more favourable to the Related Party than those generally available to the public;
- (b) The Shareholders' Mandate is subject to annual renewal and disclosure being made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1);
- (c) Issuance of a circular to shareholders by the listed issuer;
- (d) in a meeting to obtain shareholders' mandate the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder and where it involves the interest of a person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Malaysia when the actual value of RRPT entered into by the listed issuer and its subsidiaries exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Malaysia in its announcement.

The definitions for "Director", "Major Shareholder" and "Related Party" under the Listing Requirements are as set out in the Definitions section.

The Proposed Shareholders' Mandate is subject to an annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until-

- (a) the conclusion of the next AGM of WTCH following the forthcoming AGM at which such Proposed Shareholders' Mandate was passed at which time it will lapse, unless a resolution is passed at a general meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of WTCH after that date is required to be held pursuant to Section 340(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders at a general meeting;

whichever is the earlier.

Approval from shareholders will be sought for the renewal of the Shareholders' Mandate at the AGM and at each subsequent AGM of the Company.

The validity period of the Shareholders' Mandate will, if approved by the shareholders at the AGM, apply in respect of the RRPT to be entered into by the WTCH Group from the date of AGM approving the Proposed Shareholders' Mandate up to the next AGM of the Company. The estimated transaction values as set out in Section 3.3 are based on financial information of the financial year from January 2018 to December 2018 and management estimates. However, the actual value of transactions may vary from the estimated value disclosed below in the light of the changing economic and competitive environment.

Nevertheless, disclosures will be made in accordance with the Listing Requirements in the Annual Report of the Company for the year 2019 of the actual breakdown of the aggregate value of the RRPT entered into pursuant to the Proposed Shareholders' Mandate during the financial year including, amongst others, the following information-

- (i) Types of RRPT; and
- (ii) Name of the Related Parties involved in each type of the RRPT entered into and their relationship with the WTCH Group.

### 3.3 Classes Of Related Parties

#### 3.3.1 Related Parties Arising From The Internal Re-Organisation And Demerger Scheme Of The TCMH Group

The TCMH Group completed the internal re-organisation of its Foreign, Autoparts and Non-Motor Divisions in 1999, resulting in the complete demerger and emergence of three (3) additional and separate listed groups of companies, i.e. the TCIL Group, APM Group and WTCH Group, each with distinct areas of business activities and are accountable for their own performance and profitability.

As a general management practice, all business units operated as profit centres and were rewarded based on their respective performance even before the demerger. Transactions between the said business units then were already at Arm's Length, on normal commercial terms that were not more favourable to each other than those available to the public.

The RRPT between WTCH Group and TCMH Group as well as APM Group are set out in sections 3.3.1.1 and 3.3.1.2.

##### 3.3.1.1 TCMH Group

TCMH Group is principally involved in the assembly and distribution of motor vehicles, provision of after-sales services, provision of financial services such as hire purchase financing, personal loans and insurance agency.

The Directors and Major Shareholders of the WTCH Group who are interested in the RRPT with the TCMH Group and the nature of their interests as at 31 March 2019 are as follows-

Related Party	WTCH					TCMH				
	Directorship in the WTCH Group	Shareholding in WTCH				Directorship in the TCMH Group	Shareholding in TCMH			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	23,446,509	36.02	-	-	-	263,828,240	40.42	-	-
Dato' Tan Heng Chew	Director	4,320,833	6.64	30,639,928	47.07 <sup>(1)</sup>	Director	27,783,962	4.26	288,964,430	44.28 <sup>(2)</sup>
Tan Eng Soon	-	-	-	23,446,509	36.02 <sup>(3)</sup>	-	-	-	263,828,240	40.42 <sup>(3)</sup>

Notes:-

- (1) Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (3) Deemed interest by virtue of interests in TCC pursuant to Section 8(4) of the Act.

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The RRPT between the WTCH Group and the TCMH Group, are as detailed below-

Type of transaction	Details	Estimated value from the forthcoming AGM to the next AGM <i>(Note 4)</i>  (RM'000)	Estimated value as disclosed in the preceding year's Circular to Shareholders  (RM'000)	Actual value transacted from 25.5.2018 to 31.03.2019 (the latest practicable date)  (RM'000)
<b><u>Incomes</u></b>				
Sale of goods and services	The WTCH Group supplies equipment and machinery (such as construction equipment and forklifts with the related spare parts) and the related maintenance services to the TCMH Group.	4,930	1,680	3,158
	The WTCH Group supplies used vehicles to the TCMH Group.	52,500	19,800	-
	The TCMH Group acts as distributor of commercial & passenger vehicles for the WTCH Group.	50,600	48,100	25,369
	The TCMH Group acts as distributor of consumer products (such as undergarments) for the WTCH Group. <i>(Note 1)</i>	30	-	-
	The WTCH Group receives income relating to auction and vehicle inspection services rendered to the TCMH Group.	1,510	1,115	331
	The WTCH Group supplies information technology applications, systems and IT services to TCMH Group. <i>(Note 2)</i>	-	3,000	1,393
	The WTCH Group provides corporate and administrative services to the TCMH Group.	300	300	244
Provision of services	The WTCH Group provides travel, air ticketing and car rental services to the TCMH Group.	20,730	12,520	6,460
Rental income <i>(Note 3)</i>	The WTCH Group rents space of the following premises and properties to the TCMH Group-	955	1,255	682
	i) Space and office at Lot 1A, Jalan Kemajuan, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (with a total area of 20,801.50 sq. ft.).			
	ii) Parking lot at No. 1, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Selangor (with an estimated area of 26,700 sq. ft.).			
	iii) Store at Lot 1468, Eastwood Industrial Park, Jalan Miri-By-Pass, KBLD, 98000 Miri Negeri Sarawak (with a total area of 59 sq. ft.).			
	iv) Factory lot at 249, Jalan Segambut, 51200 Kuala Lumpur (with an estimated area of 27,778 sq. ft.). <i>(Note 2)</i>			
	v) Parking lot at 104-108 & Lot 407-408, Jalan Kampung Gajah, Pulau Pinang (with a total area of 59,867 sq. ft.).			
	vi) Parking lot at No. 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan 43300 Selangor (with an estimated area of 74,052 sq. ft.). <i>(Note 1)</i>			

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Type of transaction	Details	Estimated value from the forthcoming AGM to the next AGM <i>(Note 4)</i>  (RM'000)	Estimated value as disclosed in the preceding year's Circular to Shareholders  (RM'000)	Actual value transacted from 25.5.2018 to 31.03.2019 (the latest practicable date)  (RM'000)
<b><u>Expenses</u></b>				
Purchase of goods and services	The WTCH Group purchases from the TCMH Group motor vehicles, which include passenger cars, limousines, coaches and tour vans, together with the related spare parts and maintenance services for the WTCH Group's travel and car rental business. The WTCH Group also purchases trucks and spare parts from the TCMH Group.	277,100	364,220	150,520
	The WTCH Group purchases information technology applications, systems and services from TCMH Group.	1,400	1,400	693
Hire purchase financing, leasing and financing services	The TCMH Group provides hire purchase financing, leasing and financing services to the WTCH Group.	35,100	32,100	503
Receipt of services	The TCMH Group provides insurance agency services to the WTCH Group.	12,000	12,000	4,215
	The TCMH Group provides assembly services (commercial and passenger vehicles) to the WTCH Group. The WTCH Group also pays royalty fee to the TCMH Group for each vehicle assembled.	14,955	16,090	10,473
	The TCMH Group provides corporate and administrative services, information technology to the WTCH Group.	3,570	4,090	2,260
	The TCMH Group provides car leasing services to the WTCH Group. <i>(Note 2)</i>	-	5,000	-
Rental expense <i>(Note 3)</i>	The WTCH Group rents space of the following premises and properties from the TCMH Group:-	1,810	1,930	1,366
	i) Office premises at 3 <sup>rd</sup> Floor, No.15, Jalan Ipoh Kecil, 50350 Kuala Lumpur (with a total area of 2,880 sq. ft.).			
	ii) Store at No. 142-1, Jalan SBC3, Taman Sri Batu Caves, 68100 Batu Caves, Selangor (with a total area of 1,826 sq. ft.).			
	iii) Parking lot at Lots 92 & 93 and Lot 687, Section 46, 50350 Kuala Lumpur (with a total area of 38,211 sq. ft.).			
	iv) Office premises and parking lot at No. 2, Jalan Johor Jaya, Taman Perindustrian Plentong, 81750 Johor Bahru (with an estimated area of 37,529 sq. ft.).			
	v) Office premises at No. 196, Block G, Jalan Sultan Shah, Sungai Tiram, 11900 Bayan Lepas (with a total area of 929 sq. ft.).			
	vi) Office premises at Nos. 117, 119 & 119A, Jalan SS 15/5A, Subang Jaya, 47500 Petaling Jaya Selangor (with a total area of 4,818 sq. ft.).			

Type of transaction	Details	Estimated value from the forthcoming AGM to the next AGM <i>(Note 4)</i>  (RM'000)	Estimated value as disclosed in the preceding year's Circular to Shareholders  (RM'000)	Actual value transacted from 25.5.2018 to 31.03.2019 (the latest practicable date)  (RM'000)
<b><u>Expenses (cont'd)</u></b>				
	vii) Office premises at No. 23, Pengkalan Weld, 10300 Pulau Pinang (with a total area of 1,164 sq. ft.).			
	viii) Office premises & parking lot at No. 27, Jalan Tun Abdul Razak Susur 2, 80100 Johor Bahru (with a total area of 18,295 sq. ft.).			
	ix) Office premises & parking lot at Lot 104-108 & Lot 407-408, Jalan Kampung Gajah, 12000 Butterworth, Pulau Pinang (with an estimated area of 59,867 sq. ft.).			
	x) Hostel room at 10B-8-2, 8th Floor, Putra Court, Jalan Ipoh Kecil, 50350 Kuala Lumpur (with an estimated area of 533 sq. ft.). <i>(Note 2)</i>			
	xi) Factory lot at 249, Jalan Segambut, 51200 Kuala Lumpur (with a total area of 44,645.51 sq. ft.).			
	xii) No. 1197, Jalan Permatang Batu, 14000 Bukit Mertajam, Pulau Pinang (with an estimated area of 8,230.8 sq. ft.).			
	xiii) Mile 7 1/2 Jalan Labuk, 90000 Sandakan, Sabah (with an estimated area of 1,800 sq. ft.). <i>(Note 2)</i>			
	xiv) Office lot at 15-2, Jalan Ipoh Kecil, 50350 Kuala Lumpur (with a total area of 2,327 sq. ft.).			
	xv) Office & parking lot at Lot 362, Block 5, Miri Concession Land District, Krokop Utama Road 98000 Miri, Sarawak (with an estimated area of 1,857.62 sq. ft.).			
	xvi) Office and showroom at Ground Floor, Taman Nasalim Batu 5 Jalan Lintas Utara, 90000 Sandakan, Sabah (with an total area of 1,482 sq. ft.). <i>(Note 1)</i>			
		<b>477,490</b>	<b>524,600</b>	<b>207,667</b>

*Note 1* New RRPT which was not detailed in the previous Circular to Shareholders dated 27 April 2018.

*Note 2* The Company is not seeking the renewal of the transaction with the TCMH Group.

*Note 3* Rental expense is paid on a monthly basis. The tenure for the building/premises involved is for a period of not more than three (3) years.

*Note 4* The actual value of transactions may vary from the estimated value as disclosed due to changing economic and competitive environment.

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### 3.3.1.2 APM Group

APM Group is engaged in the manufacturing and distribution of a wide-range of automotive products and components ranging from suspension systems, heat exchange systems, electrical systems, plastic components to car interiors and seating. APM Group also involves in casting, machining and assembly of aluminium parts, supplying In-Vehicle Infotainment (IVT) systems and developing Internet of Things (IoT) telematics platform, provision of vehicle tracking services and provision of engineering, design and development services.

The Directors and Major Shareholders of the WTCH Group who are interested in the RRPT with the APM Group and the nature of their interests as at 31 March 2019 are as follows:-

Related Party	WTCH					APM				
	Directorship in the WTCH Group	Shareholding in WTCH				Directorship in the APM Group	Shareholding in APM			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	23,446,509	36.02	-	-	-	73,382,326	37.52	-	-
Dato' Tan Heng Chew	Director	4,320,833	6.64	30,639,928	47.07 <sup>(1)</sup>	Director	6,127,899	3.13	92,157,784	47.12 <sup>(2)</sup>
Tan Eng Soon	-	-	-	23,446,509	36.02 <sup>(3)</sup>	-	-	-	73,382,326	37.52 <sup>(3)</sup>

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act and interest of spouse and son by virtue of Section 59(11)(c) of the Act.
- (3) Deemed interest by virtue of interests in TCC pursuant to Section 8(4) of the Act.

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The RRPT between the WTCH Group and the APM Group, are as detailed below:-

Type of transaction	Details	Estimated value from the forthcoming AGM to the next AGM <i>(Note 4)</i>  (RM'000)	Estimated value as disclosed in the preceding year's Circular to Shareholders  (RM'000)	Actual value transacted from 25.5.2018 to 31.03.2019 (the latest practicable date) (RM'000)
<b><u>Income</u></b>				
Sale of equipment and machinery and related services	The WTCH Group supplies consumer products, sewing services, equipment and machinery and the related maintenance services to the APM Group.	300	410	136
Rental of equipment and machinery	The WTCH Group rents equipment and machinery (such as forklifts) to the APM Group.	1,250	1,250	934
Provision of services	The WTCH Group provides travel, air ticketing and car rental services to the APM Group & receipt of commission income from APM Group.	3,500	2,180	1,548
Rental income <i>(Note 3)</i>	The WTCH Group rents space of the following premises and properties to the APM Group-  i) Assembly premises at No. 249, Jalan Segambut, 51200 KL (with a total area of 2,800 sq. ft.). <i>(Note 1)</i>	110	-	-
<b><u>Expenses</u></b>				
Purchase of goods and services	The WTCH Group purchases spare parts and components for its equipment and machinery business as well as related maintenance services from the APM Group.	20	50	25
	The WTCH Group purchases motor vehicles for its car rental business from the APM Group. <i>(Note 2)</i>	-	350	-
	The WTCH Group purchases vehicle tracking system for its car rental business from the APM Group.	2,250	2,000	482
Rental expense <i>(Note 3)</i>	The WTCH Group rents space of the following premises and properties from the APM Group:-  i) Office premises and parking lot at Lot 1 & Lot 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor (with an estimated area of 84,384 sq. ft.).	535	450	334
		<b>7,965</b>	<b>6,690</b>	<b>3,459</b>

*Note 1* New RRPT which was not detailed in the previous Circular to Shareholders dated 27 April 2018.

*Note 2* The Company is not seeking the renewal of the transaction with the APM Group.

*Note 3* Rental expense is paid on a monthly basis. The tenure for the building/premises involved is for a period of not more than three (3) years.

*Note 4* The actual value of transactions may vary from the estimated value as disclosed due to changing economic and competitive environment.

### 3.4 OUTSTANDING RRPT TRADE RECEIVABLES

The details of the WTCH Group's trade receivables from the Related Parties which exceeded the credit term as at 31 December 2018 and 31 March 2019 are as follows:-

Exceeded Credit Term	Amount of Outstanding Trade Receivables as at 31 December 2018 (RM'000)	Amount Collected as at 31 March 2019 (RM'000)
A period of 1 year or less	14,005	7,926
A period of more than 1 to 3 years	(4)	26
A period of more than 3 to 5 years	55	41
A period of more than 5 years	7	2

There is no late payment charges imposed on the trade receivables exceeded the credit term as it is the same commercial term given to other non related parties. The Management has constantly monitored the outstanding trade receivables. The Board of Directors is of the opinion that the outstanding amounts were trade in nature and there was no recoverability issue as the Related Parties have a long standing business relationship with the Group and have sound financial standing.

### 3.5 PRICING METHOD

The terms of the pricing of the above RRPT are consistent with the WTCH Group's usual business pricing practices and policies, and are determined based on Arm's Length basis and on negotiated prices, after taking into consideration the prevailing market rates/prices/demand of the transactions and on terms which are not more favourable to the Related Parties than those available to the public and are not to the detriment of the minority shareholders.

### 3.6 REVIEW PROCEDURES FOR RRPT

#### 3.6.1 Review Procedures

The WTCH Group has implemented the following methods and procedures to ensure that transaction prices and terms of the RRPT are undertaken at Arm's Length, on normal commercial terms and on transaction price of the WTCH Group and on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders:-

- (a) A list of Related Parties shall be circulated to all operating companies from time to time with the instruction that, all RRPT with such Related Parties are required to be undertaken at Arm's Length basis, on normal commercial terms of the WTCH Group and on transaction prices and terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.
- (b) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the usual business practices and policies of WTCH Group to ensure that the Recurrent Related Party Transactions are not detrimental to the WTCH Group.

- (c) All operating companies are required to provide monthly reports on all RRPT to the Group Finance and Administration Department.
- (d) The internal audit department shall review the RRPT on quarterly basis to ensure transactions are undertaken at Arm's Length, on normal commercial terms of the WTCH Group and on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.
- (e) The Audit Committee shall review the internal audit reports on RRPT issued by the internal audit department to ascertain that the guidelines and procedures established to monitor the RRPT have been complied with. The internal audit department shall highlight any exceptions arising from work done.
- (f) The Board and the Audit Committee shall be responsible for the determination of review procedures, with the authority to sub-delegate such responsibility to individuals or committees within the WTCH Group, as they deem appropriate.
- (g) If a member of the Board or the Audit Committee has an interest in a transaction, he shall abstain from participating in the deliberation and voting in respect of the said transaction.
- (h) All operating companies are required to observe the Related Party Transactions Policy & Disclosure Framework for the Group in monitoring the RRPTs.

### **3.6.2 Threshold of Authority**

There are no specific thresholds for approval of RRPT within the WTCH Group. However, all RRPT are subject to the approval by the appropriate level of authority according to the authority limit thresholds established by the respective business units. The same authority limit thresholds is also applicable to non-RRPT. Capital transactions above RM1 million require approval by the Board and those below this threshold but above RM0.5 million require the approval of the Executive Management Committee set up by the Board. Transactions of RM300,000 and above are approved by the respective subsidiaries' Board of Directors whilst those below these thresholds are subject to approval by the Executive Directors of WTCH and the Heads of Division/Department of the respective business units depending on the value of the transactions. All RRPT are subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberation and decision making.

### **3.6.3 Audit Committee's Statement**

The Audit Committee has seen and reviewed the procedures mentioned above and is of the view that the said procedures are sufficient to ensure that the RRPT are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the WTCH Group and on 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.

The Audit Committee is of the view that the WTCH Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis.

## **3.7 RATIONALE AND BENEFIT**

All transactions with Related Parties are for the long-term benefit of the WTCH Group. The Related Parties represent an existing market with reliable payment terms for the WTCH Group's products and services. Sales to Related Parties also contribute to higher turnover resulting in higher trading volume and better bargaining power for the WTCH Group when negotiating with vendors. This is consistent with WTCH Group's objectives of brand building and market expansion. In terms of the purchase of products from the Related Parties, from the history of relationship between the WTCH Group and its Related Parties, the Related Parties have proven themselves to be able

to provide the required reliable and good customer and after sale services for the goods purchased from them.

The RRPT are entered into, as and when necessary, and for the benefit of the WTCH Group after taking into consideration of the changing business and economic environment.

The RRPT envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of the WTCH Group and are undertaken at Arm's Length, on normal commercial terms of the WTCH Group and on 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.

The Proposed Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing the time and expense in convening such meetings without compromising the corporate objectives and adversely affecting business opportunities available to the WTCH Group.

### **3.8 FINANCIAL EFFECTS**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital of the WTCH and substantial shareholders' shareholdings in WTCH but is expected to have a positive effect on the earnings and NA of the WTCH Group for the financial year ending 31 December 2019 as a result of the increase in business volume and revenue.

### **3.9 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed below, none of the other Directors, Major Shareholders and persons connected with such Directors and/or Major Shareholders have any interest as defined in the Listing Requirements, direct or indirect, in the Proposed Shareholders' Mandate.

Dato' Tan Heng Chew, being the Director of WTCH who is interested in the RRPT, has abstained and will continue to abstain from deliberating and voting on the resolutions in respect of the Proposed Shareholders' Mandate which involves his direct and indirect interest at the relevant meetings of the Board.

The interested Director (namely Dato' Tan Heng Chew), interested Major Shareholders as described in Section 3.3 (namely TCC and Tan Eng Soon) and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM. Further, the interested Director and interested Major Shareholders concerned have undertaken that they shall ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

### **3.10 DIRECTORS' RECOMMENDATION**

The Board of WTCH (save for the interested Director as disclosed in Section 3.9) having considered all aspects (including those as outlined in Section 3.7 above) of the Proposed Shareholders' Mandate is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and in the best interest of the Company and therefore recommends that you vote in favour of the ordinary resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

#### 4. APPROVAL REQUIRED

The Proposals are conditional upon approval being obtained from the shareholders of the WTCH at the forthcoming AGM. However, the Proposals are not inter-conditional.

#### 5. AGM

The notice convening the AGM to consider and, if thought fit, passing the ordinary resolutions in respect of the Proposals is set out in the 2018 Annual Report. The AGM will be held at The Grand Ballroom, Level 9, Sunway Putra Hotel, 100, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Friday, 31 May 2019 at 10.30 a.m.

If you are unable to attend and to vote at the AGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, so as to arrive at the office of the Company's Share Registrar, **Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +603-2783 9299)** or alternatively, **The Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia**, as soon as possible and in any event not less than 48 hours before the time fixed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you wish to do so.

#### 6. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of  
**WARISAN TC HOLDINGS BERHAD**

**DATO' CHONG KWONG CHIN JP, DIMP**  
Independent Non-Executive Director

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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of WTCH and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, neither WTCH nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years up till 31 March 2019 (being the latest practicable date prior to the finalisation of this Circular):

- (i) Joint Venture and Operating Agreement dated 26 July 2018 between TCMSC (Labuan) Pte. Ltd. (a wholly-owned subsidiary of TCMH) ("TCMSC (Labuan)") and MAT (Labuan) Pte. Ltd. (a wholly-owned subsidiary of WTCH) ("MAT (Labuan)") to regulate the relationship, rights and obligations of the parties as members in the joint venture company incorporated in New York under the name of "Tan Chong Warisan Resources Management Inc." ("JV Co.") whereby TCMSC (Labuan) holds 51% and MAT (Labuan) holds 49%.

The JV Co. is involved in the business of, amongst others, developing and sourcing of business opportunities in the USA and Canada including but not limited to areas of distribution, marketing and sales as well as new innovative products, technology and/or services which can be commercialised in other countries for both TCMH Group and WTCH Group.

- (ii) Subscription and Shareholders' Agreement dated 24 September 2018 between TCMH, WTCH and Comit Communication Technologies (M) Sdn Bhd ("CCT") (a wholly-owned subsidiary of WTCH) to regulate the relationship of the parties as shareholders through the equity participation by TCMH by way of subscription of 10,822,185 new ordinary shares in CCT for a total cash consideration of RM13,244,190.00 (i.e. at a subscription price of RM1.2238 per share).

Following the subscription, WTCH holds 75.5% shares whilst TCMH holds 24.5% shares in CCT.

**3. MATERIAL LITIGATION**

Save as disclosed below, neither WTCH nor its subsidiaries are engaged in any material litigation, claim and arbitration either as plaintiff or defendant and the Directors of WTCH do not have any knowledge of any proceeding pending or threatened against the Company and/or its subsidiaries of any fact likely to give rise to any proceeding which might materially affect the position or business of the Company and/or its subsidiaries:-

- (i) On 3 July 2002, the Plaintiffs, WTCH and Tung Pao Sdn Bhd ("TP") via Kuala Lumpur High Court Suit No. D8-22-1021-2002 brought an action against the Defendants, Dato' Tan Boon Pun, Tan Bee Huat, Shiseido Asia Pacific Co. Ltd., Shiseido Co. Ltd., Sadao Abe and M. Sugiyama. The Plaintiffs' solicitors subsequently filed a Notice of Discontinuance against the 3<sup>rd</sup> to 6<sup>th</sup> Defendants. Three individuals were added as Defendants, namely Ngiam Foon, Hong Lee Choo and Koon Yew Yin.

The Plaintiffs are claiming for damages for breaches of fiduciary and/or contractual duties and for conspiracy against all the remaining Defendants.

The Plaintiffs' solicitors are at this juncture unable to opine as to the probable outcome of the action against the Defendants. However, parties are awaiting further direction from the Court to set a date for a further mention date.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 62-68 Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, Malaysia following the publication of this Circular from Mondays to Fridays (except public holidays) during business hours up to and including the date of the AGM:-

- (i) Constitution of WTCH;
- (ii) Audited financial statements of the WTCH Group for the two (2) financial years ended 31 December 2017 and 31 December 2018;
- (iii) Material contracts referred to in paragraph 2 of this Appendix; and
- (iv) Relevant cause papers in respect of material litigation referred to in paragraph 3 of this Appendix.

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**PROPOSED RESOLUTIONS ON THE PROPOSALS**

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**EXTRACT OF THE NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING****AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions:

**1. 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 ten per centum (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 9)**

## **2. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD 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 ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Company's Circular to Shareholders dated 30 April 2019 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 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.

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)**

## **3. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD 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 ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Company's Circular to Shareholders dated 30 April 2019 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 by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occur 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)**