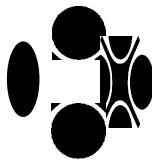


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold all your ordinary shares in TAN CHONG MOTOR HOLDINGS BERHAD, you should at once hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale was contracted for transmission to the purchaser.

The Kuala Lumpur Stock Exchange takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or reliance upon the whole or any part of the contents of this Circular.

The approval of the Securities Commission ("SC") for the Proposed Schemes shall not be taken to indicate that the SC recommends the Proposed Schemes. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Schemes.



TAN CHONG MOTOR HOLDINGS BERHAD

(Company No. 12969-P)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED REORGANISATION OF THE AUTOPARTS **AND NON-MOTOR** DIVISIONS OF TAN CHONG MOTOR HOLDINGS BERHAD UNDER APM AUTOMOTIVE HOLDINGS BERHAD ("APM") AND WARISAN TC HOLDINGS BERHAD ("WTCH") AND THE DEMERGER AND SUBSEQUENT LISTING OF APM AND WTCH ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Advised by



COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. 18417-M)

Notice of Extraordinary General Meeting to be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur on 14 October 1999 at 11:00 a.m. is set out in this Circular. You are urged to complete the enclosed Form of Proxy and deposit it at 62-68 Jalan Ipoh, 51200 Kuala Lumpur on or before the date and time indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently find that you are able to do so.

Last date and time for lodgement of **Form** of Proxy
Date and time of Extraordinary General Meeting

12 October 1999 at 11:00 a.m.
14 October 1999 at 11:00 a.m.

This Circular is dated 29 September 1999

DEFINITIONS

Except when the context otherwise requires, the following abbreviations/definitions shall apply throughout this Circular:-

"APM"	APM Automotive Holdings Berhad
"APM Group"	APM and its proposed subsidiaries
"AUD"	Australian Dollars
"Autoparts Division"	The automotive parts division comprising twenty-two (22) subsidiaries and five (5) associated companies of TCMH involved in the manufacturing and distribution of automotive parts and components
"Board"	Board of Directors
"CIMB"	Commerce International Merchant Bankers Berhad
"CND"	Canadian Dollars
"Controlling Shareholders"	The shareholders of TCC and/or Controlling Shareholders Entity
"Controlling Shareholders Entity"	A corporation which is a wholly-owned subsidiary of TCC and/or such person(s) approved by the independent directors of TCMH for the purpose of effecting the Proposed Disposal to Controlling Shareholders
"EGM"	Extraordinary General Meeting
"EPS"	Earnings per share
"FIC"	Foreign Investment Committee
"Foreign Scheme"	The reorganisation, demerger and listing of the Foreign Division on the SEHK
"Foreign Division"	The demerged foreign division of TCMH comprising forty-three (43) subsidiaries and eight (8) associated companies of TCMH representing the then various business interests of TCMH outside Malaysia
"HKD"	Hong Kong Dollars
"KLSE"	Kuala Lumpur Stock Exchange
"MITI"	Ministry of International Trade and Industry
"Motor and Truck Division"	The motor and truck division comprising thirty-seven (37) subsidiaries and two (2) associated companies of TCMH involved in the assembly, marketing and distribution of passenger and commercial vehicles and provision of motor related financial services
"Non-Motor Division"	The non-motor division comprising thirteen (13) subsidiaries of TCMH involved in, inter alia, the distribution of industrial, agricultural and construction machinery, equipment leasing, distribution of cosmetics, manufacture and distribution of undergarments, distribution of telecommunication equipment and travel and tour related services
"NTA"	Net tangible assets
"PE"	Price to earnings

DEFINITIONS *(Cont'd)*

- “Proposed APM Listing” : The proposed listing of and quotation for the entire enlarged issued and paid-up share capital of APM comprising 201,600,000 ordinary shares of RM1.00 each on the Main Board of the KLSE
- “Proposed APM Special Dividend” : The proposed special net dividend in specie of approximately 34.08% amounting to RM114,516,000 in total to be wholly satisfied by the renunciation by TCMH to the shareholders of TCMH of the RTA of 100,800,000 ordinary shares of RM1.00 each in APM held by TCMH after the Proposed Autoparts Internal Reorganisation
- “Proposed Autoparts Internal Reorganisation” : The proposed internal reorganisation of the Autoparts Division under an intermediate holding company, namely APM
- “Proposed Autoparts Scheme” : The Proposed Autoparts Internal Reorganisation and the demerger and subsequent listing of APM on the Main Board of KLSE
- “Proposed Disposal to Bumiputera Investors” : The proposed disposal of the 30% equity interest in each of APM and WTCH held by TCMH after the Proposed Internal Reorganisations to bumiputera investors approved by the MITI for a total consideration of RM105,235,200 or RM1.74 per APM share and a total consideration of RM36,691,200 or RM1.82 per WTCH share respectively
- “Proposed Disposal to Controlling Shareholders” : The proposed disposal of the 20% equity interest in each of APM and WTCH held by TCMH after the Proposed Internal Reorganisations to the Controlling Shareholders for a total consideration of RM70,156,800 or RM1.74 per APM share and a total consideration of RM24,460,800 or RM1.82 per WTCH share respectively
- “Proposed Disposals” : Collectively, the Proposed Disposal to Bumiputera Investors and Proposed Disposal to Controlling Shareholders
- “Proposed Distributions” : The proposed distribution of the cash proceeds from the Proposed Disposals amounting to RM236,544,000 to the shareholders of TCMH via special dividends
- “Proposed Internal Reorganisations” : Collectively, the Proposed Autoparts Internal Reorganisation and Proposed Non-Motor Internal Reorganisation
- “Proposed Non-Motor Internal Reorganisation” : The proposed internal reorganisation of the Non-Motor Division under an intermediate holding company, namely WTCH
- “Proposed Non-Motor Scheme” : The Proposed Non-Motor Internal Reorganisation and the demerger and subsequent listing of WTCH on the Main Board of the KLSE
- “Proposed Schemes” : Collectively, the Proposed Autoparts Scheme and Proposed Non-Motor Scheme
- “Proposed Special Dividends” : Collectively, the Proposed APM Special Dividend and Proposed WTCH Special Dividend
- “Proposed WTCH Listing” : The proposed listing of and quotation for the entire enlarged issued and paid-up share capital of WTCH comprising 67,200,000 ordinary shares of RM1.00 each on the Main Board of the KLSE

DEFINITIONS *(Cont'd)*

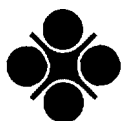
“Proposed WTCH Special Dividend”	:	The proposed special net dividend in specie of approximately 11.43% amounting to RM38,402,500 in total to be wholly satisfied by the renunciation by TCMH to the shareholders of TCMH of the RTA of 33,600,000 ordinary shares of RM1 .00 each in WTCH held by TCMH after the Proposed Non-Motor Internal Reorganisation
“RTA”	:	Rights to allotment
“SC”	:	Securities Commission
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“TCC”	:	Tan Chong Consolidated Sdn. Bhd.
“TCIL”	:	Tan Chong International Limited
“TCMH” or “Company”	:	Tan Chong Motor Holdings Berhad
“TCMH Group” or “Group”	:	TCMH and its subsidiaries
“USD”	:	United States Dollars
“ WTCH”	:	Warisan TC Holdings Berhad
“WTCH Group”	:	WTCH and its proposed subsidiaries

CONTENTS

	Page
CIRCULAR TO SHAREHOLDERS CONTAINING:-	
1. INTRODUCTION	
2. DETAILS OF THE PROPOSED SCHEMES	2
3. DIAGRAMMATIC ILLUSTRATION	8
4. PRICING OF APM AND WTCH SHARES	11
5. RATIONALE FOR THE PROPOSED SCHEMES	12
6. FINANCIAL EFFECTS OF THE PROPOSED SCHEMES	13
7. SHAREHOLDERS' ENTITLEMENT	17
8. ODD LOTS	18
9. INTER-CONDITIONALITY	18
10. APPROVALS REQUIRED	18
11. EXTRAORDINARY GENERAL MEETING	19
12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	19
13. INDEPENDENT ADVICE	20
14. RECOMMENDATION	21
15. ADDITIONAL INFORMATION	21

APPENDICES

	Page	
I	INFORMATION ON TCMH	22
II	INFORMATION ON APM	31
III	INFORMATION ON WTCH	36
IV	PROFORMA CONSOLIDATED BALANCE SHEETS OF TCMH AS AT 31 DECEMBER 1998 AND THE REPORTING ACCOUNTANTS' LETTER THEREON	40
V	PROFORMA CONSOLIDATED BALANCE SHEET OF APM AS AT 31 DECEMBER 1998 AND THE REPORTING ACCOIJNTANTS' LETTER THEREON	43
VI	PROFORMA CONSOLIDATED BALANCE SHEET OF WTCH AS AT 31 DECEMBER 1998 AND THE REPORTING ACCOUNTANTS' LETTER THEREON	46
VII	PROFIT FORECAST OF THE APM GROUP FOR THE YEAR ENDING 31 DECEMBER 1999 TOGETHER WITH THE ASSUMPTIONS AND THE REPORTING ACCOUNTANTS' LETTER THEREON	49
VIII	PROFIT FORECAST OF THE WTC'H GROUP FOR THE YEAR ENDING 31 DECEMBER 1999 TOGETHER WITH THE ASSUMPTIONS AND THE REPORTING ACCOIJNTANTS' LETTER THEREON	52
IX	ACCOUNTANTS' REPORT ON APM	55
X	ACCOUNTANTS' REPORT ON WTCH	78
XI	DIRECTORS' REPORT	95
XII	FURTHER INFORMATION	96
	NOTICE OF EXTRAORDINARY GENERAL MEETING	101
	FORM OF PROXY FOR EGM	Enclosed



TAN CHONG MOTOR HOLDINGS BERHAD

(Company No. 12969-P)

(Incorporated in Malaysia under the Companies Act. 1965)

Registered Office:-

62-68 Jalan Ipoh
5 1200 Kuala Lumpur

29 September 1999

Board of Directors:-

Dato' Tan Kim Hor, *DPMS, KMN, JP (Chairman)*
Ahmad bin Abdullah *(Vice Chairman)*
Dato' Tan Heng Chew, *DJMK, JP (Executive Deputy Chairman)*
Tan Eng Soon *(Managing Director)*
Azman bin Badrillah
Geh Cheng Hooi
Yoshi Iwashita
Dato' Ng Mann Cheong, *DSSA, SMP, JP*

Dear Shareholders

PROPOSED REORGANISATION OF THE AUTOPARTS AND NON-MOTOR DIVISIONS OF TCMH UNDER APM AND WTCH AND THE DEMERGER AND SUBSEQUENT LISTING OF APM AND WTCH ON THE MAIN BOARD OF THE KLSE

1. INTRODUCTION

On 22 November 1996 and 4 April 1997, CIMB announced on behalf of the Board of TCMH the proposed rationalisation and demerger of the operations of the TCMH Group and the subsequent listing of the Autoparts Division and Non-Motor Division on the Main Board of the KLSE and the Foreign Division on the SEHK.

On 26 December 1997, CIMB announced on behalf of the Board that the Company would proceed immediately with the implementation of the Foreign Scheme. It was also announced that the Board would decide on the timing of the implementation of the Proposed Schemes at a later date in light of the then economic and stock market conditions in Malaysia. The Foreign Scheme was completed on 7 July 1998 with the listing of and quotation for the entire enlarged issued and paid-up share capital of TCIL comprising 2,016,000,000 ordinary shares of HKD0.50 each on the SEHK by introduction.

On 3 December 1998, CIMB announced on behalf of the Board that the SC had approved an extension of time of one (1) year to 3 December 1999 for the completion of the Proposed Schemes.

Subsequently, on 16 April 1999, CIMB announced on behalf of the Board that certain variations would be made to the Proposed Schemes to facilitate the successful implementation of the Proposed Schemes in view of the improving stock market and economic conditions. On 21 June 1999, CIMB announced that the Board proposed to revise the valuation for APM from RM298,922,000 to RM350,233,000 in light of the continued improvement of economic conditions in Malaysia.

On 15 July 1999, CIMB announced on behalf of the Board, that the SC had approved the proposed variations to certain of the terms of the Proposed Schemes subject to certain revisions as follows:-

- (i) the proposed acquisition of the 20% equity interest in each of APM and WTCH by the shareholders of TCC at RM 1.74 and RM 1.82 per share respectively must be completed prior to the listing of APM and WTCH on the Main Board of the KLSE; and
- (ii) the proposed disposal of the 30% equity interest in each of APM and WTCH by TCMH to Bumiputera investors approved by the MITI at RM 1.74 and RM 1.82 per share respectively must be completed within one (1) year from the date of listing of APM and WTCH on the Main Board of the KLSE.

The approval of the SC is also subject to, among others, the condition that the cash proceeds to be received by TCMH from the Proposed Disposals are to be distributed to the shareholders of TCMH at the earliest practicable date.

The approvals of the FIC, MITI and SC for the proposed rationalisation, demerger and listing of the Autoparts Division and Non-Motor Division on the Main Board of the KLSE were obtained on 23 August 1997, 26 August 1997 and 4 December 1997 respectively.

The approvals of the FIC, MITI and SC for the variations to the Proposed Schemes were obtained on 17 July 1999, 17 May 1999 and 12 July 1999 respectively.

The purpose of this Circular is to provide you with details of the Proposed Schemes (including the variations thereto), and to seek your approval for the resolutions to be tabled at the forthcoming EGM.

Shareholders are advised to read this Circular and the Independent Advice Circular, which will be despatched to shareholders within one (1) week of this Circular, before voting on the resolutions pertaining to the Proposed Schemes.

2. **DETAILS OF THE PROPOSED SCHEMES**

The details of the steps constituting the Proposed Schemes are as follows:-

2.1 **Proposed Internal Reorganisations**

The details of the Proposed Internal Reorganisations are as follows:-

2.1.1 **Proposed Autoparts Internal Reorganisation**

The Proposed Autoparts Internal Reorganisation involves the internal regrouping of the Autoparts Division under a new intermediate holding company, namely APM. APM is a wholly-owned subsidiary of TCMH, incorporated in Malaysia. The companies comprising the Autoparts Division will be divested to APM based on their respective proforma NTA as at 31 December 1998. There will be no gain or loss on disposal to be recognised by the TCMH Group on consolidation arising from the Proposed Autoparts Internal Reorganisation.

Pursuant to the Proposed Autoparts Internal Reorganisation, APM will issue the RTA of 201,599,999 ordinary shares of RM1.00 each to TCMH at an issue price of approximately RM1.14 per share representing the proforma NTA of the Autoparts Division as at 31 December 1998 of RM229,032,000 after taking into account of an increase in the share capital of a subsidiary subsequent to the 1998 financial year. The RTA of 201,599,999 ordinary shares to be issued and the price thereof were arrived at based on the need to ensure that the enlarged share capital of APM (comprising the one (1) ordinary share and the 201,599,999 ordinary shares to be issued) would be distributed to the shareholders of TCMH on the basis of 150 ordinary shares of RM 1.00 each in APM for every 1,000 ordinary shares of RM0.50 each held in TCMH pursuant to the Proposed APM Special Dividend.

As at the date hereof, TCMH's investment in APM is RM1 .00 comprising two (2) ordinary shares of RM0.50 each. The two (2) ordinary shares of RM0.50 each will be consolidated into one (1) ordinary share of RM 1 .00 upon implementation of the Proposed Autoparts Internal Reorganisation. The new 201,599,999 APM ordinary shares of RM1.00 each to be issued will upon issue, rank *pari passu* in all respects with the consolidated ordinary share of RM 1 .00 in APM.

The Autoparts Division comprises twenty-two (22) subsidiaries and five (5) associated companies of TCMH which are principally involved in the manufacturing and distribution of a wide range of automotive components. The Autoparts Division of TCMH supplies automotive parts and components to the original equipment market locally and the replacement equipment market both locally and overseas, including Australia, Hong Kong, Taiwan, Japan and South Korea.

Further details of the companies comprising the Autoparts Division are as follows:-

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Cost of investment' RM	Effective equity interest %	Principal activities
Subsidiaries					
APM Air-Conditioners Sdn. Bhd.	19.01.1982 Malaysia	500,000	500,000	100.00	Manufacture of automotive air-conditioners
APM Auto Electrics Sdn. Bhd	30.09.1981 Malaysia	1,000,000	1,350,000	100.00	Manufacture of automotive electrical components
APM Coil Springs Sdn. Bhd.	10.10.1980 Malaysia	2,500,000	76,000	100.00	Manufacture of automotive coil springs
APM Metal Industries Sdn. Bhd.	07.10.1982 Malaysia	1,000,000	1,000,000	100.00	Manufacture of metal automotive component parts
APM Plastics Sdn. Bhd.	26.11.1990 Malaysia	1,000,000	1,000,000	100.00	Manufacture of PVC body side moulding and plastic parts
APM Shock Absorbers Sdn. Bhd.	09.07.1980 Malaysia	1,000,000	100,000	100.00	Manufacture of shock absorbers and related components
APM Springs Sdn. Bhd.	18.01.1984 Malaysia	1,000,000	800,001	100.00	Manufacture of tapered leaf springs
APM Trim Parts Sdn. Bhd.	12.02.1982 Malaysia	500,000	500,000	100.00	Manufacture of vehicle interior linings
Auto Parts Holdings Sdn. Bhd	08.08.1985 Malaysia	1,500,000	1,500,000	100.00	Investment holding
Auto Parts Manufacturers Co. Sdn. Bhd.	31.12.1971 Malaysia	8,500,000	13,855,478	100.00	Manufacture of automotive leaf springs, seats and radiators
Auto Parts Marketing Sdn. Bhd.	11.04.1986 Malaysia	100,000	100,000	100.00	Distribution of automotive parts and accessories
KAB Otomotif Sdn. Bhd.	07.04.1981 Malaysia	2,200,000	2,200,000	100.00	Property holding
Perusahaan Tilam Kereta Sdn. Bhd.	07.04.1981 Malaysia	2,200,000	2,200,000	100.00	Property holding

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Cost of investment' RM	Effective equity interest %	Principal activities
Subsidiaries					
Radiators Australia (2000) Pty. Ltd.	09.07.1998 Australia	AUD 1,000,000	AUD700,000	70.0	Distribution and assembly of automotive radiators
APM Auto Mechanisms Sdn. Bhd.	12.11.1982 Malaysia	2	2	100.00	Dormant
APM Chalmers Suspensions Sdn. Bhd.	03.03.1997 Malaysia	1	1	100.00	Dormant
APM Communications Sdn. Bhd.	14.10.1992 Malaysia	2	2	100.00	Dormant
APM Radiators Sdn. Bhd.	0503.1997 Malaysia	1	1	100.00	Dormant
APM Tooling Centre Sdn. Bhd.	27.08.1991 Malaysia	500,000	500,000	100.00	Dormant
Atsugi Parts Manufacturing Sdn. Bhd.	01.03.1984 Malaysia	2	2	100.00	Dormant
Pandamaran Special Steel Sdn. Bhd.	03.08.1983 Malaysia	2	2	100.00	Dormant
TC-Kinugawa Rubber Sdn. Bhd.	13.11.1982 Malaysia	2	2	100.00	Dormant
Associated companies					
APM-Coachair Sdn. Bhd.	21.07.1981 Malaysia	1,000,000	500,000	50.00	Manufacture of coach air-conditioners
APM Components America Inc.	22.07.1999 Canada	2,000*		50.0	Distribution of furniture components
APM Holdings Inc.	22.07.1999 Canada	2,000**	CND125,000	50.0	Investment holding
APM Irwin Seating Sdn. Bhd.	27.03.1996 Malaysia	1,000,000	500,000	50.00	Manufacture of auditorium seats
Auto Culture Supplies Sdn. Bhd.	19.09.1981 Malaysia	600,000	270,000	45.00	Manufacture of seat covers

Notes:-

* *Cost of investment of TCMH in the companies comprising the Autoparts Division since date of incorporation /acquisition until 31 August 1999.*

Common shares with no par value.

Based on the audited accounts of the companies comprising the Autoparts Division for the year ended 31 December 1998, the proforma APM Group contributed approximately RM23 1.6 million and RM6.4 million to the turnover and profit before taxation of the TCMH Group respectively.

2.1.2 Proposed Non-Motor Internal Reorganisation

The Proposed Non-Motor Internal Reorganisation involves the internal regrouping of the Non-Motor Division under a new intermediate holding company, namely WTCH. WTCH is a wholly-owned subsidiary of TCMH, incorporated in Malaysia. The companies in the Non-Motor Division will be divested to WTCH based on their respective proforma NTA as at 31 December 1998. There will be no gain or loss on disposal to be recognised by the TCMH Group on consolidation arising from the Proposed Non-Motor Internal Reorganisation.

Pursuant to the Proposed Non-Motor Internal Reorganisation, WTCH will issue the RTA of 67,199,999 ordinary shares of RM1.00 each to TCMH at an issue price of approximately RM 1.14 per share representing the proforma NTA of the Non-Motor Division as at 31 December 1998 of RM76,805,000 after taking into account the effects of dividend payments made by certain of the proposed subsidiaries of WTCH subsequent to the 1998 financial year. The RTA of 67,199,999 ordinary shares to be issued and the price thereof were arrived at based on the need to ensure that the enlarged share capital of WTCH (comprising the one (1) ordinary share and the 67,199,999 ordinary shares to be issued) would be distributed to the shareholders of TCMH on the basis of 50 ordinary shares of RM1.00 each in WTCH for every 1,000 ordinary shares of RM0.50 each held in TCMH pursuant to the Proposed WTCH Special Dividend.

As at the date hereof, TCMH's investment in WTCH is RM 1.00 comprising two (2) ordinary shares of RM0.50 each. The two (2) existing ordinary shares of RM0.50 each will be consolidated into one (1) ordinary share of RM1.00 upon implementation of the Proposed Non-Motor Internal Reorganisation. The new 67,199,999 WTCH ordinary shares of RM 1.00 each to be issued will upon issue, rank paripassu in all respects with the consolidated ordinary share of RM1.00 in WTCH.

The Non-Motor Division comprises thirteen (13) subsidiaries of TCMH which are principally involved in the following activities:-

- (i) distribution of industrial, agricultural and construction machinery;
- (ii) equipment leasing;
- (iii) distribution of cosmetics;
- (iv) manufacture and distribution of apparels and undergarments;
- (v) operation of tourism related activities; and
- (vi) distribution of telecommunication equipment.

Further details of the companies comprising the Non-Motor Division are as follows:-

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Cost of investment* RM	Effective equity interest %	Principal activities
Subsidiaries					
Belize Holdings Sdn. Bhd.	04.04.1997 Malaysia	2	2	100.00	Investment holding
Comit Communication Technologies (M) Sdn. Bhd.	31.07.1991 Malaysia	250,000	250,239	100.00	Distribution of telecommunication equipment
Jentrakel Sdn. Bhd.	22.07.1991 Malaysia	2,000,000	2,000,000	100.00	Equipment leasing
Mayflower Acme Tours Sdn. Bhd.	27.12.1969 Malaysia	2,400,000	2,400,000	100.00	Travel and car rental
Tan Chong Apparels Manufacturer Sdn. Bhd.	12.12.1992 Malaysia	2,500,000	2,500,000	100.00	Manufacture of Wacoal undergarments
Tan Chong Apparels Sdn. Bhd.	16.09.1991 Malaysia	7,000,000	7,000,000	100.00	Distribution of Wacoal undergarments
TC Beauty Services Sdn. Bhd.	02.12.1993 Malaysia	150,000	76,500	51.00	Personal care and beauty salon
TCIM Sdn. Bhd.	16.06.1983 Malaysia	2,340,000	2,969,531	100.00	Distribution of heavy equipment and machinery
Travel Shoppe Sdn. Bhd.	18.06.1984 Malaysia	592,002	300,000	100.00	Travel agent and tour operator
Tung Pao Sdn. Bhd.	28.04.1977 Malaysia	14,300,000	14,300,000	100.00	Distribution of Shiseido cosmetics
Angka-Tan Machinery Sdn. Bhd.	07.06.1982 Malaysia	1,170,000	1,186,991	100.00	Dormant
Comit Phone (Malaysia) Sdn. Bhd.	05.12.1992 Malaysia	2	2	100.00	Dormant
Telechoice Communication Sdn. Bhd.	24.01.1997 Malaysia	2	2	100.00	Dormant

Note:-

* *Cost of investment of TCMH in the companies comprising the Non-Motor Division since date of incorporation /acquisition until 31 August 1999.*

Based on the audited accounts of the companies comprising the Non-Motor Division for the year ended 31 December 1998, the proforma WTCH Group contributed approximately RM242.7 million and RM11.4 million to the turnover and profit before taxation of the TCMH Group respectively.

2.2 Proposed Special Dividends

Upon completion of the Proposed Internal Reorganisations, the Company will pay a special net dividend in specie of approximately 34.08% per TCMH share or RM114,516,000 in aggregate which will be satisfied by the renunciation to the shareholders of TCMH of the RTA of 50% of the enlarged capital in APM and approximately 11.43% per TCMH share or RM38,402,500 in aggregate which will be satisfied by the renunciation to the shareholders of TCMH of the RTA of 50% of the enlarged capital in WTCH. The aggregate special net dividend in specie is therefore RM152,918,500 or approximately 45.51% per TCMH share, representing 50% of TCMH's cost of investment in APM and WTCH.

A shareholder holding 1,000 ordinary shares of RM0.50 each in TCMH as at the books closure date to be announced will be entitled to 150 ordinary shares of RM1.00 each in APM and 50 ordinary shares of RM1.00 each in WTCH. The balance of the 50% equity interest in APM and WTCH will be disposed of by TCMH as set out in sections 2.3 and 2.4 below.

2.3 Proposed Disposal to Controlling Shareholders

As an integral part of the Proposed Schemes, TCMH will dispose of 20% of the equity interest in APM and WTCH to the Controlling Shareholders represented by the RTA of 40,320,000 ordinary shares of RM1.00 each in APM and 13,440,000 ordinary shares of RM1.00 each in WTCH at RM1.74 and RM1.82 per share respectively for cash. TCMH will receive a total cash consideration of RM94,617,600 from the Proposed Disposal to Controlling Shareholders (RM70,156,800 in respect of APM and RM24,460,800 in respect of WTCH).

The disposal consideration of RM1.74 per APM share and RM1.82 per WTCH share were arrived at **after** taking into consideration the proforma maintainable profit after taxation for the six (6) years ended / ending 31 December 2001 and proforma NTA of the Autoparts Division and Non-Motor Division as at 31 December 1998.

Based on the valuation for APM and WTCH of RM1.74 and RM1.82 per share respectively and the proforma NTA of the Autoparts Division and Non-Motor Division as at 31 December 1998, the disposal of the APM and WTCH shares pursuant to the Proposed Disposal to Controlling Shareholders will result in a gain of approximately RM24.4 million and RM9.1 million respectively to TCMH.

The equity interest in APM and WTCH will be disposed of to the Controlling Shareholders free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto except that the shares in APM and WTCH to be issued to the Controlling Shareholders shall not be entitled to any dividends, rights and/or distributions in respect of the shares which entitlement date precedes the date of renunciation of the RTA of ordinary shares in APM and WTCH to the Controlling Shareholders.

2.4 Proposed Disposal to Bumiputera Investors

As a condition for the listing of APM and WTCH on the Main Board of the KLSE, TCMH will undertake to dispose of 30% of the equity interest in APM and WTCH to Bumiputera investors approved by the MITI ("Bumiputera Investors"). The RTA of 60,480,000 ordinary shares of RM1.00 each in APM and 20,160,000 ordinary shares of RM1.00 each in WTCH will be disposed of by TCMH to Bumiputera Investors at RM1.74 and RM1.82 per share respectively. The disposal of the APM and WTCH shares to the Bumiputera Investors will enable APM and WTCH to comply with the National Development Policy ("NDP").

TCMH will dispose of the 30% equity interest in APM and WTCH to the Bumiputera Investors as and when the Bumiputera Investors are nominated by the MITI and these Bumiputera Investors confirm their agreement to acquire the interest in APM and WTCH.

However, in the event that there are insufficient nominations and/or only part of the 30% equity interest in APM and WTCH are disposed of to Bumiputera Investors prior to the listing of APM and WTCH on the Main Board of the KLSE, the balance of the 30% equity interest in APM and WTCH shall be disposed of to Bumiputera Investors subsequent to the listing of APM and WTCH. In this respect, the SC has granted a period of one (1) year from the date of the admission of APM and WTCH to the Official List of the KLSE for the Company to dispose of the equity interest in APM and WTCH to the Bumiputera Investors.

TCMH will receive a total of RM141,926,400 in cash upon the full disposal of the equity interest in APM and WTCH (RM105,235,200 in respect of APM and RM36,691,200 in respect of WTCH) to the Bumiputera Investors. The timing of the disposal of the equity interest in APM and WTCH to the Bumiputera Investors and the cash proceeds therefrom is, however, dependent on the nomination of and acquisition by the Bumiputera Investors of the equity interest in APM and WTCH.

Based on the valuation for APM and WTCH of RM 1.74 and RM 1.82 per share respectively and the proforma NTA of the Autoparts Division and Non-Motor Division as at 31 December 1998, the disposal of the equity interest in APM and WTCH will result in a gain of approximately RM36.5 million and RM13.6 million respectively to TCMH.

The equity interest in APM and WTCH will be disposed of to the Bumiputera Investors free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto **except** that the shares in APM and WTCH to be issued to the Bumiputera Investors shall not be entitled to any dividends, rights and/or distributions in respect of the shares which entitlement date precedes the date of renunciation of the RTA or disposal of the ordinary shares in APM and WTCH to the Bumiputera Investors, as the case may be.

2.5 Listing of APM and WTCH

Applications will be made to the KLSE for the listing of and quotation for the entire issued and paid-up share capital of APM and WTCH comprising 201,600,000 ordinary shares of RM1.00 each and 67,200,000 ordinary shares of RM 1.00 each respectively on the Main Board of the KLSE.

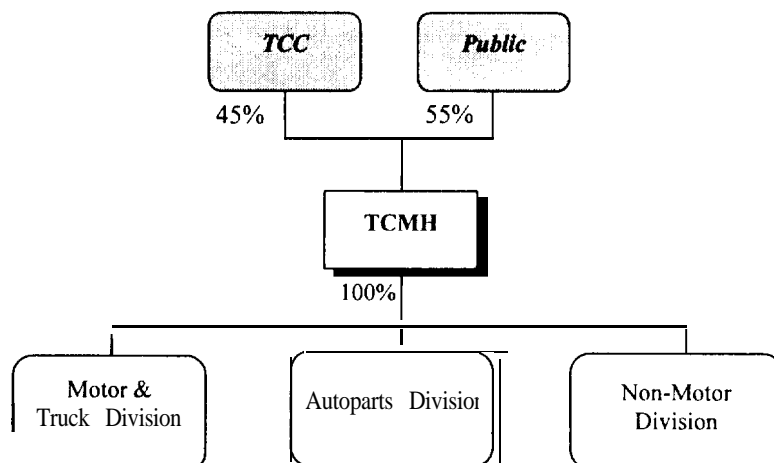
2.6 Proposed Distributions

The total cash proceeds of RM236,544,000 from the Proposed Disposals will be distributed entirely to the shareholders of TCMH on a pro-rata basis by way of special dividends.

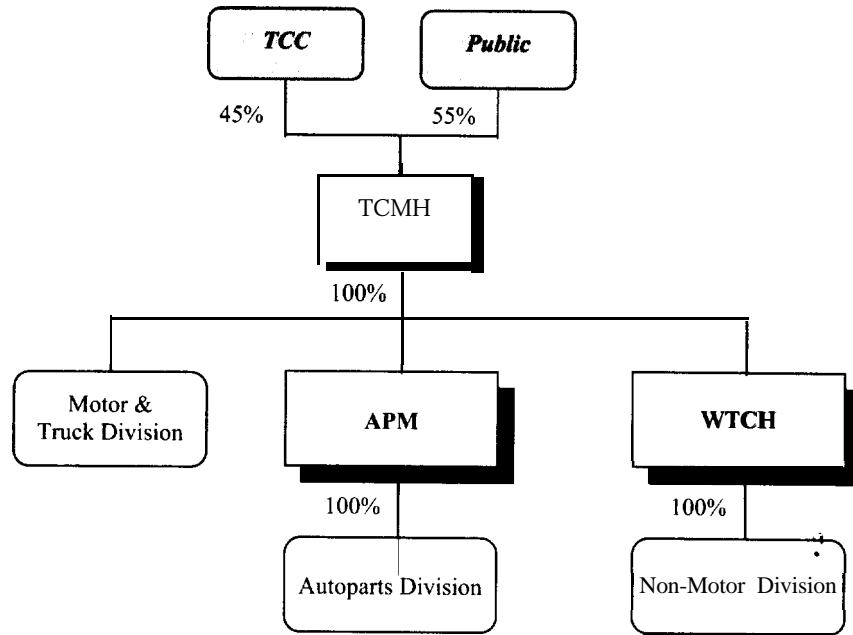
3. DIAGRAMMATIC ILLUSTRATION

The steps of the Proposed Schemes are illustrated diagrammatically below:-

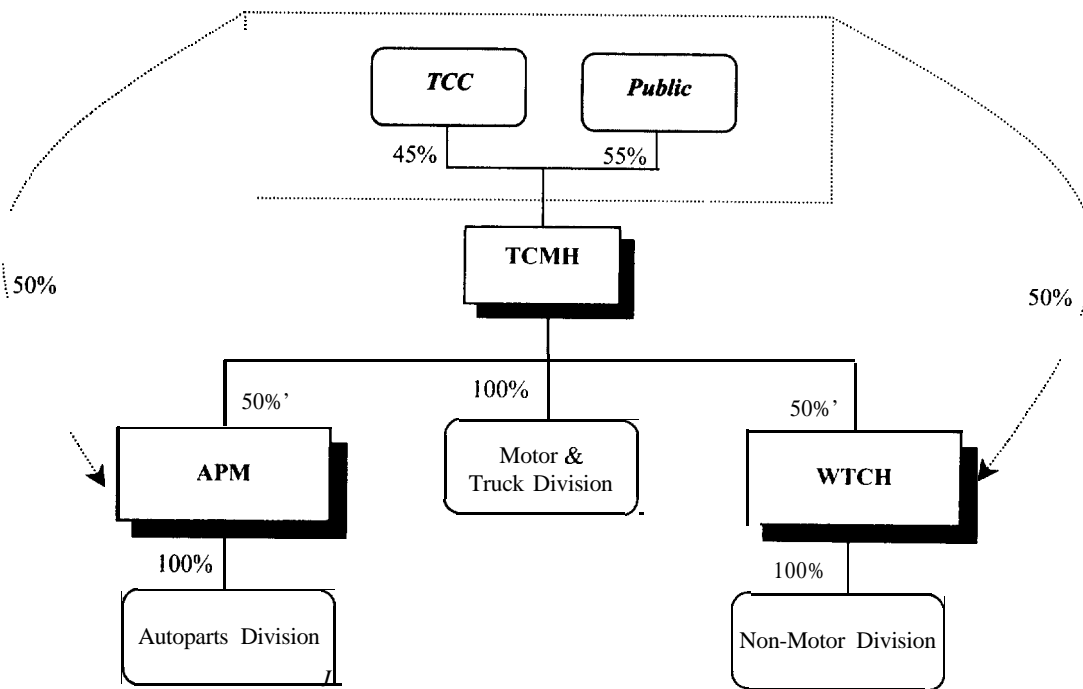
3.1 Existing Shareholding Structure as at 31 August 1999



3.2 After the Proposed Internal Reorganisations



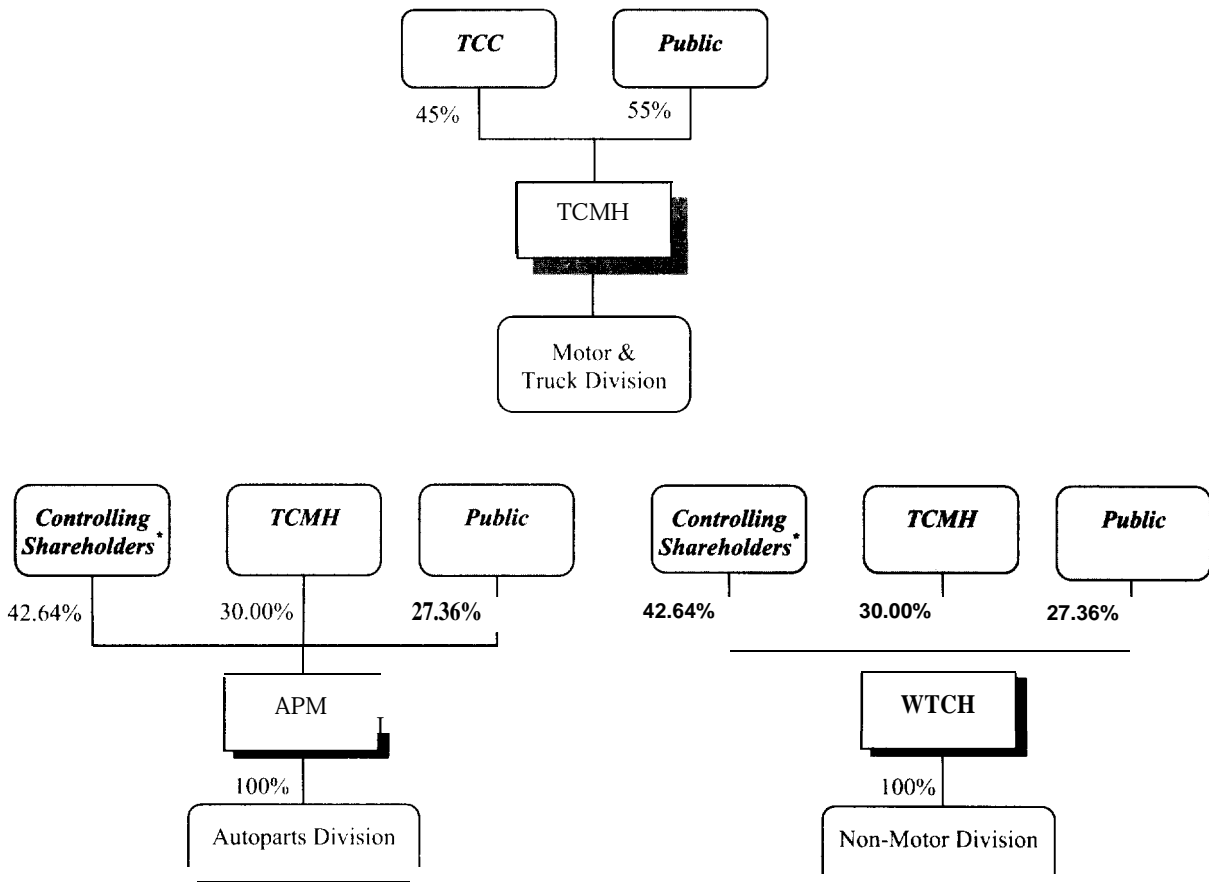
3.3 After the Proposed Special Dividends



Note:-

TCMH will dispose of the APM and WTCH share/RTA thereof to the Bumiputera Investors and Controlling Shareholders.

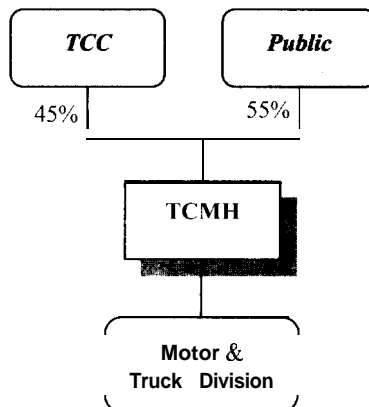
3.4 After the Proposed Disposal to Controlling Shareholders

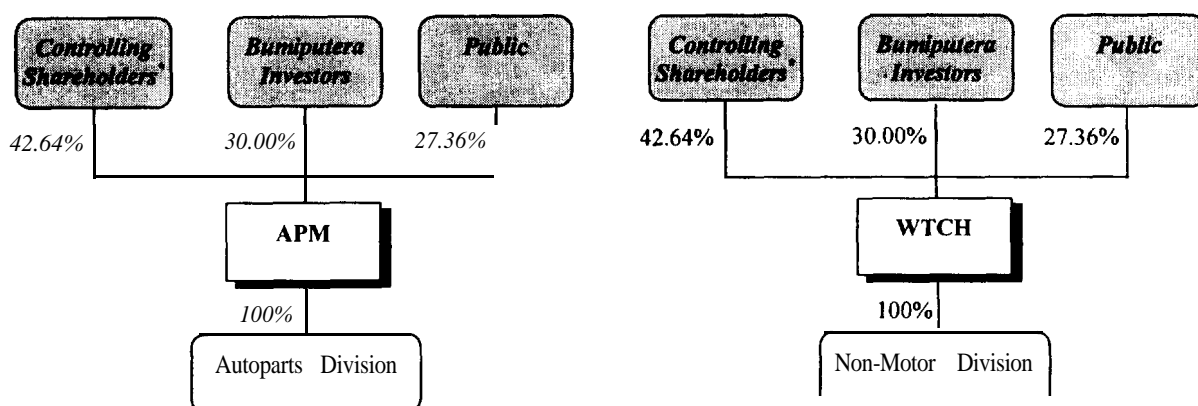


Note:-

* Inclusive of TCC.

3.5 After the Proposed Disposals





Note:-

- * Inclusive of TCC.

4. PRICING OF THE APM AND WTCH SHARES

4.1 Net forecast PE multiple

The disposal price of RM1.74 per APM share and RM1.82 per WTCH share pursuant to the Proposed Disposals represents a net PE multiple (based on the forecast earnings for the year ending 31 December 1999) of the following times:-

	APM RM'000	WTCH RM'000
Profit for the year after minority interests	28,734	15,028*
Less: Notional tax of 28% [#]	(8,046)	(4,208)
Profit after tax and minority interests	<u>20,688</u>	<u>10,820</u>
Enlarged share capital ('000)	201,600	67,200
Net EPS (RM)	0.10	0.16
Disposal price (RM)	1.74	1.82
Net PE multiple (times)	17	11

Notes:-

- * *Excluding an exceptional gain of RM10.525 million from the proposed sale of a piece of property by Tung Pao Sdn. Bhd. to APM Auto Mechanisms Sdn. Bhd. which will be carried out in conjunction with the Proposed Internal Reorganisations.*
- [#] *Pursuant to the 1999 Budget Proposals tabled in Parliament on 23 October 1998, tax on profit for the year ending 31 December 1999 will be waived. However, the tax waiver is a non-recurring event and accordingly, a notional tax of 28% has been taken into account in the above computation.*

4.2 Proforma NTA

The disposal price of RM1.74 per APM share and RM1.82 per WTCH share represent the following premium over the proforma consolidated NTA per share of APM and WTCH as at 31 December 1998:-

	APM RM'000	WTCH RM'000
Proforma NTA as at 31 December 1998	<u>226,955</u>	<u>75,569</u>
Enlarged share capital ('000)	201,600	67,200
Proforma NTA per share (RM)	1.13	1.12
Disposal price (RM)	1.74	1.82
Premium over proforma NTA per share	54.0%	62.5%

The profit forecasts of the proforma APM Group and WTCH Group and the Reporting Accountants' letters thereon are set out in Appendix VII and VIII of this Circular respectively whilst the proforma consolidated balance sheets of APM and WTCH and the Reporting Accountants' letters thereon are set out in Appendix V and VI of this Circular respectively.

5. RATIONALE FOR THE PROPOSED SCHEMES

The rationale for the Proposed Schemes can be summarised as follows:-

5.1 Management and Strategic Focus

The TCMH Group commenced business as a small motor vehicle distributor in the 1950s and has grown into a conglomerate and is presently involved in the assembly and marketing of passenger and commercial vehicles, manufacturing of automotive components, trading in heavy equipment and various consumer products. TCMH presently has investments in seventy-four (74) subsidiaries and seven (7) associated companies.

In view of the diverse nature of the Group's business activities, the need for management specialisation is essential to ensure continued growth. By demerging, the management team of each entity will be able to concentrate on developing its area of expertise and core competencies. This will also enhance the speed of decision making and result in more effective and focused management.

The Proposed Schemes will also allow the different businesses to pursue their respective growth opportunities more effectively and provide them with greater freedom to develop business strategies for the rapidly changing business environment.

5.2 Unlocking Value for Shareholders of TCMH

The Proposed Schemes should enable investors to better assess the underlying fundamentals of the Group's businesses. The demerger of the Autoparts and Non-Motor Divisions would result in greater transparency of the performance of the restructured entities thus facilitating valuations which are more reflective of their respective profitability, growth prospects and asset base. The Company may therefore be able to 'unlock' the value of its shares, assuming all other factors remain unchanged. This arises from the notion that the sum of the parts can add up separately to more than they did as a whole due to a more accurate valuation of the individual businesses and the transparency in the streamlined operations.

The Proposed Schemes will also provide shareholders with the option to invest directly in the Autoparts Division and/or Non-Motor Division and vary their exposure to the restructured entities by changing their relative shareholdings in TCMH, APM and WTCH to suit their portfolio requirements and risk profiles.

5.3 National Development Policy

The Proposed Schemes will enable Bumiputera investors to participate directly in the future growth of the Autoparts Division and Non-Motor Division and allow APM and WTCH to comply with the NDP.

5.4 Proposed Listing on the KLSE

The proposed listing of APM and WTCH on the Main Board of the KLSE is to enable the Autoparts Division and Non-Motor Division to gain access to the capital market in order to directly tap external sources of borrowings and equity funds for the future expansion and continued growth of the Autoparts Division and Non-Motor Division.

6. FINANCIAL EFFECTS OF THE PROPOSED SCHEMES

The financial effects of the Proposed Schemes on TCMH, APM and WTCH are as follows:-

6.1 TCMH

6.1.1 Share Capital

The Proposed Schemes will not have any effect on the share capital of TCMH.

6.1.2 NTA

For illustrative purpose, the proforma effects of the Proposed Schemes on the NTA of the TCMH Group based on the audited balance sheet of the TCMH Group as at 31 December 1998 assuming that the Proposed Schemes had been completed on that date are as follows:-

	A	B	C	D
	Audited as at 31.12.98 RM'000	After A and the Proposed Internal Reorganisations and Proposed Special Dividends RM'000	After B and the Proposed Disposals RM'000	After C and the Proposed Distributions RM'000
Share capital (RM0.50 par)	336,000	336,000	336,000	336,000
Reserves	552,658	399,740	483,366	246,822
Shareholders' funds	888,658	735,740	819,366	582,822
Less: Intangible assets	(482)	(482)	(482)	(482)
NTA	888,176	735,258	818,884	582,340
No. of ordinary shares in issue ('000)	672,000	672,000	672,000	672,000
NTA per share (RM)	1.32	1.09	1.22	0.87

The decrease in the NTA of the TCMH Group is due solely to the fact that the Autoparts Division and Non-Motor Division would no longer be consolidated in the balance sheet of the TCMH Group after the Proposed Schemes.

The proforma consolidated balance sheets of TCMH as at 31 December 1998 and the Reporting Accountants' letter thereon are enclosed in Appendix IV of this Circular.

6.1.3 Earnings

The earnings of the TCMH Group will decrease as the results of the Autoparts and Non-Motor Divisions for the year ending 31 December 1999 will no longer be consolidated with the result of the TCMH Group upon the completion of the Proposed Schemes.

6.2 APM

6.2.1 Share Capital

	Ordinary shares RM
Existing as at 31 August 1999	1*
To be issued pursuant to the Proposed Autoparts Internal Reorganisation	201,599,999 [#]
Share capital after the Proposed Autoparts Scheme	201,600,000

Notes:-

* *Comprising two (2) ordinary shares of RM0.50 each in APM. The two (2) ordinary shares of RM0.50 each in APM will be consolidated into one (1) ordinary share of RM1.00 upon implementation of the Proposed Autoparts Internal Reorganisation.*

Ordinary shares of RM1.00 each.

6.2.2 NTA

For illustrative purpose, the proforma NTA of the APM Group upon completion of the Proposed Autoparts Scheme would be as follows:-

	Proforma APM Group RM'000
Share capital	201,600
Reserves	25,339
Shareholders' funds	226,939
Less: Deferred expenditure	(1,540)
Add: Deferred income	1,556
NTA	226,955
No. of ordinary shares in issue	201,600
NTA per share (RM)	1.13

The proforma consolidated balance sheet of APM as at 31 December 1998 and the Reporting Accountants' letter thereon are enclosed in Appendix V of this Circular.

6.2.3 Earnings

Barring unforeseen circumstances, the Directors of TCMH forecast that the profit after taxation and minority interest of the APM Group for the year ending 31 December 1999 will be as follows:-

Year ending 31 December	1999 RM'000
Consolidated profit for the year	28,900
Less: Taxation [#]	
Less: Minority interest	(166)
Consolidated profit after taxation and minority interest	28,734
Enlarged issued and paid-up share capital ('000)	201,600
Net EPS (RM)	0.14 [*]

Notes:-

In view of the 1999 Budget Proposals tabled in Parliament on 23 October 1998, taxation on profit for the year ending 31 December 1999 will be waived. However, assuming a notional tax of 28% on the consolidated profit of APM for the year ending 31 December 1999, the consolidated profit after notional taxation and minority interest and net EPS of APM would be RM20.688 million and RM0.10 respectively.

* *Based on the consolidated profit for the year and minority interest and the enlarged share capital of 201,600,000 ordinary shares of RM1.00 each.*

Full details on the profit forecast of the proforma APM Group for the year ending 31 December 1999 and the Reporting Accountants' letter thereon are enclosed in Appendix VII of this Circular.

6.2.4 Substantial Shareholders of APM

Based on the Register of Substantial Shareholders of TCMH as at 31 August 1999, the substantial shareholders of APM and their shareholdings in APM upon completion of the Proposed Autoparts Scheme would be as follows:-

Substantial shareholder	---No. of ordinary shares of RM1.00 each ---			
	Direct	%	Indirect	%
Controlling Shareholders'	85,959,999	42.64		
HSBC Nominees (Asing) Sdn. Bhd."	7,176,307	3.56		
Nissan Motor Co. Limited	5,599,998	2.78		
Dato' Tan Kim Hor	461,225	0.23	85,959,999*	42.64
Tan Eng Soon	210,000	0.10	85,959,999*	42.64
Dato' Tan Heng Chew	3,849	**	85,959,999*	42.64
Tan Boon Pun	7,564	**	86,158,491 [†]	42.74
Dr. Tan Kang Leong	1,500	**	85,959,999*	42.64
Tan Kheng Leong	40,500	0.02	85,959,999*	42.64
Tan Hoe Pin		-	86,142,699 ^{††}	42.73
Tan Beng Keong		-	86,142,699 ^{††}	42.73
Dr. Tan Ban Leong		-	86,142,699 ^{††}	42.73

Notes:-

+ Inclusive of TCC.

As bare trustee. Based on the Register of Depositors as at 31 August 1999, none of the beneficial owners of the shares registered in the name of the bare trustee will be entitled to an interest in 2.0% or more of the shares of APM.

* Deemed interest by virtue of their interests in TCC and Controlling Shareholders Entity pursuant to section 6A of the Companies Act, 1965.

Deemed interest by virtue of his interests in TCC, Controlling Shareholders Entity, Progroup Nominees Sdn. Bhd. ("PNSB"), Exepro Sdn. Bhd. ("ESB") and Magic Rooms Sdn. Bhd. ("MRSB") pursuant to section 6A of the Companies Act, 1965.

†† Deemed interest by virtue of their interests in TCC, Controlling Shareholders Entity and ESB pursuant to section 6A of the Companies Act, 1965.

* Negligible.

6.3 WTCH

6.3.1 Share Capital

	Ordinary shares RM
Existing as at 31 August 1999	1*
To be issued pursuant to the Proposed Non-Motor Internal Reorganisation	67,199,999 [#]
Share capital after the Proposed Non-Motor Scheme	<u>67,200,000</u>

Notes:-

* Comprising two (2) ordinary shares of RM0.50 each in WTCH. The two (2) ordinary shares of RM0.50 each in WTCH will be consolidated into one (1) ordinary share of RM1.00 upon implementation of the Proposed Non-Motor Internal Reorganisation.

Ordinary shares of RM1.00 each.

6.3.2 NTA

For illustrative purpose, the proforma NTA of the WTCH Group upon completion of the Proposed Non-Motor Scheme would be as follows:-

	Proforma WTCH Group RM'000
Share capital	67,200
Reserves	9,327
Shareholders' funds	<u>76,527</u>
Less : Deferred expenditure	<u>(958)</u>
NTA	<u>75,569</u>
No. of ordinary shares in issue	67,200
NTA per share (RM)	1.12

The proforma consolidated balance sheet of WTCH as at 31 December 1998 and the Reporting Accountants' letter thereon are enclosed in Appendix VI of this Circular.

6.3.3 Earnings

Barring unforeseen circumstances, the Directors of TCMH forecast that the profit after taxation, exceptional gain and minority interest of the WTCH Group for the year ending 31 December 1999 will be as follows:-

Year ending 31 December	1999 RM'000
Consolidated profit for the year before exceptional gain	15,056
Exceptional gain	<u>10,525</u>
Consolidated profit for the year after exceptional gain	25,581
Less : Taxation [#]	
Less : Minority interest	<u>(28)</u>
Consolidated profit for the year after taxation, exceptional gain and minority interest	<u>25,553</u>
Enlarged issued and paid-up share capital ('000)	67,200
Net EPS (RM)	0.38*

Notes:-

In view of the 1999 Budget Proposals tabled in Parliament on 23 October 1998, taxation on profit for the year ending 31 December 1999 will be waived. However, assuming a notional tax of 28% on the consolidated profit after minority interest of WTCH for the year ending 31 December 1999 and after excluding the exceptional gain arising from the sale of property, the consolidated profit after notional taxation and minority interest and net EPS of WTCH would be RM410.820 million and RM0.16 respectively.

* Based on the consolidated profit for the year after exceptional gain and minority interest and the enlarged issued and paid-up share capital of 67,200,000 ordinary shares of RM1.00 each.

Full details on the profit forecast of the proforma WTCH Group for the year ending 31 December 1999 and the Reporting Accountants' letter thereon are enclosed in Appendix VIII of this Circular.

6.3.4 Substantial Shareholders of WTCH

Based on the Register of Substantial Shareholders of TCMH as at 31 August 1999, the substantial shareholders of WTCH and their shareholdings in WTCH upon completion of the Proposed Non-Motor Scheme would be as follows:-

Substantial shareholder	---No. of ordinary shares of RM1.00 each ---			
	Direct	%	Indirect	%
Controlling Shareholders [†]	28,653,333	42.64		
HSBC Nominees (Asing) Sdn. Bhd. [#]	2,392,102	3.56		
Nissan Motor Co. Limited	1,866,666	2.78		
Dato' Tan Kim Hor	153,741	0.23	28,653,333 [*]	42.64
Tan Eng Soon	70,000	0.10	28,653,333 [*]	42.64
Dato' Tan Heng Chew	1,283	**	28,653,333 [*]	42.64
Tan Boon Pun	2,521	**	28,719,497 [^]	42.74
Dr. Tan Kang Leong	500	**	28,653,333 [*]	42.64
Tan Kheng Leong	13,500	0.02	28,653,333 [*]	42.64
Tan Hoe Pin			28,714,233 [@]	42.73
Tan Beng Keong			28,714,233 [@]	42.73
Dr. Tan Ban Leong			28,714,233 [@]	42.73

Notes:-

[†] Inclusive of TCC.

[#] As bare trustee. Based on the Register of Depositors as at 31 August 1999, none of the beneficial owners of the shares registered in the name of the bare trustee will be entitled to an interest in 2.0% or more of the shares of WTCH.

^{*} Deemed interest by virtue of their interests in TCC and Controlling Shareholders Entity pursuant to section 6A of the Companies Act, 1965.

[^] Deemed interest by virtue of his interests in TCC, Controlling Shareholders Entity, PNSB, ESB and MRSB pursuant to section 6A of the Companies Act, 1965.

[@] Deemed interest by virtue of their interests in TCC, Controlling Shareholders Entity and ESB pursuant to section 6A of the Companies Act, 1965.

^{**} Negligible.

7. SHAREHOLDERS' ENTITLEMENT

The number of shares in APM and WTCH and cash to which a holder of 1,000 ordinary shares in TCMH would be entitled pursuant to the Proposed Schemes are as follows:-

	Before the Proposed Schemes No. of shares	Pursuant to the Proposed Autoparts Scheme No. of shares	Pursuant to the Proposed Non-Motor Scheme No. of shares	After the Proposed Schemes No. of shares
TCMH (RM0.50 par)	1,000			1,000
APM (RM1.00 par)		150		150
WTCH (RM1.00 par)			50	50
Cash (RM)		261.00	91.00	352.00

Note:-

- * *Out of the RM352.00 to be distributed, RM211.20 represents the cash proceeds arising from the Proposed Disposal to Bumiputera Investors. The timing of the Proposed Disposal to Bumiputera Investors is dependent on the timing of the acquisition of the 30% equity interest in APM and WTCH by Bumiputera Investors which in turn is expected to be affected by, among others, the stock market and economic conditions.*

The RTA of the APM and WTCH shares to be distributed pursuant to the Proposed Special Dividends will be renounced in favour of and the shares will be allotted, issued and credited directly to the securities accounts of shareholders whose names appear in the Record of Depositors kept by Malaysian Central Depository Sdn. Bhd. at the close of business on a date to be determined and announced later by the Directors for the determination of entitled shareholders ("Books Closure Date"). Notice of the Books Closure Date shall be published in a newspaper circulated generally throughout Malaysia in accordance with the requirement of the KLSE.

The cash proceeds from the Proposed Disposal to Controlling Shareholders will be distributed to shareholders by way of a special dividend simultaneously with the Proposed Special Dividends. Announcement(s) will be made by the Company on the distribution of the cash received pursuant to the Proposed Disposal to the Bumiputera Investors by way of special dividend(s) at a later date(s).

8. ODD LOTS

The distribution of the RTA of APM and WTCH shares to the shareholders of TCMH pursuant to the Proposed Special Dividends may result in certain shareholders of TCMH holding odd lots of APM and WTCH shares.

Shareholders should note that they are able to trade the odd lots of APM and WTCH shares through the Special Lots Board of the KLSE. The commission and any other charges for trading odd lot shares on the Special Lots Board may not be the same as those on the Main Board of the KLSE. Shareholders are therefore advised to consult their respective stockbroker on the commission and other charges relating to the trading of odd lot shares. Shareholders should also note that the price of shares traded on the Special Lots Board may differ from those traded on the Main Board of the KLSE.

9. INTER-CONDITIONALITY

The Proposed Autoparts Scheme and Proposed Non-Motor Scheme are not inter-conditional on one another.

10. APPROVALS REQUIRED

The Proposed Schemes are conditional upon approvals being obtained from the following:-

- (i) the FIC, which were obtained on 23 August 1997 and 17 July 1999;
- (ii) the MITI, which were obtained on 26 August 1997 and 17 May 1999;
- (iii) the SC, which were obtained on 4 December 1997 and 12 July 1999;
- (iv) the shareholders of TCMH at the forthcoming EGM;
- (v) the KLSE for the listing of and quotation for the entire issued and paid-up share capital of APM and WTCH on the Main Board of the KLSE; and
- (vi) any other relevant authorities.

11. EXTRAORDINARY GENERAL MEETING

An EGM, the notice of which is set out on page 101 of this Circular, will be held at 11:00 a.m. on 14 October 1999 at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposed Schemes.

If you are unable to attend the EGM in person, please complete and return the enclosed Form of Proxy strictly in accordance with the instructions therein as soon as possible and in any event so as to arrive at the registered office of the Company at 62-68, Jalan Ipoh, 5 1200 Kuala Lumpur not later than 48 hours before the time appointed for the holding of the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Dato' Tan Kim Hor, Dato' Tan Heng Chew and Mr. Tan Eng Soon are Directors and substantial shareholders of TCMH and Controlling Shareholders Entity. As such, Dato' Tan Kim Hor, Dato' Tan Heng Chew and Mr. Tan Eng Soon are deemed interested in the Proposed Disposal to Controlling Shareholders and have accordingly abstained and will continue to abstain from any Board deliberations and voting on the Proposed Schemes.

Encik Ahmad bin Abdullah and Encik Azman bin Badrillah are Directors of TCMH. Encik Ahmad bin Abdullah is also a proposed Bumiputera Investor in APM and WTCH pursuant to the Proposed Disposal to Bumiputera Investors whilst Encik Azman bin Badrillah is a proposed Bumiputera Investor in APM pursuant to the Proposed Disposal to Bumiputera Investors. As such, Encik Ahmad bin Abdullah is deemed interested in the Proposed Schemes and has accordingly abstained and will continue to abstain from any Board deliberations and voting on the Proposed Schemes. As from the time Encik Azman bin Badrillah became a proposed Bumiputera Investor, he abstained and will continue to abstain from any Board deliberations and voting on the Proposed Autoparts Scheme.

Dato' Tan Kim Hor, Mr. Tan Eng Soon, Dato' Tan Heng Chew, Encik Ahmad bin Abdullah and Encik Azman bin Badrillah ("Interested Directors") will also abstain from voting in respect of their direct and indirect shareholdings on the relevant resolutions pertaining to the Proposed Autoparts Scheme and Proposed Non-Motor Scheme, as the case may be, at the EGM to be convened.

Mr. Tan Boon Pun, Dr. Tan Kang Leong, Mr. Tan Kheng Leong, Mr. Tan Hoe Pin, Mr. Tan Beng Keong, Dr. Tan Ban Leong and TCC are substantial shareholders of TCMH and Controlling Shareholders Entity. The aforementioned persons are therefore deemed interested in the Proposed Disposal to Controlling Shareholders. Accordingly, Mr. Tan Boon Pun, Dr. Tan Kang Leong, Mr. Tan Kheng Leong, Mr. Tan Hoe Pin, Mr. Tan Beng Keong, Dr. Tan Ban Leong and TCC will abstain from voting in respect of their direct and indirect shareholdings on the relevant resolutions pertaining to the Proposed Schemes at the EGM to be convened.

Save as disclosed above, none of the other Directors or substantial shareholders and the persons connected to the Directors and/or substantial shareholders of TCMH are directly or indirectly interested in the Proposed Schemes.

Insofar as the Directors are able to ascertain, the direct and indirect shareholdings of the Directors and substantial shareholders of the Company and the persons connected to the Directors and/or substantial shareholders of TCMH as at 31 August 1999 are as follows:-

	~----No. of ordinary shares of RM0.50 each----->			
	Direct	%	Indirect	%
Substantial shareholder / Director				
TCC	304,266,662	45.28		
HSBC Nominees (Asing) Sdn. Bhd.[#]	47,842,051	7.12		
Nissan Motor Co. Limited	37,333,324	5.56		
Cartaban Nominees (Asing) Sdn. Bhd.[#]	22,722,000	3.38		
Chase Malaysia Nominees (Asing) Sdn. Bhd.[#]	18,320,000	2.73		
The Capital Group of Companies, Inc	14,207,000	2.11		
Dato' Tan Kim Hor	3,074,834	0.46	304,266,662 [*]	45.28
Tan Eng Soon	1,400,000	0.21	304,266,662 [*]	45.28
Dato' Tan Heng Chew	25,662	**	304,266,662 [*]	45.28
Tan Boon Pun	50,427	0.01	305,589,942 [^]	45.47
Dr. Tan Kang Leong	10,000	**	304,266,662 [*]	45.28
Tan Kheng Leong	270,000	0.04	304,266,662 [*]	45.28
Tan Hoe Pin	-	-	305,484,662 ^u	45.46
Tan Beng Keong	-	-	305,484,662 ^u	45.46
Dr. Tan Ban Leong	-	-	305,484,662 ^u	45.46
Ahmad bin Abdullah		.	*	
Azman bin Badrillah	8,000			
Gch Chng Hooi	-			
Yoshi Iwashita	-			
Dato' Ng Mann Chong	-			

Notes:-

[#] As bare trustee. None of the beneficial owners of the shares registered in the name of the bare trustee hold 2.0% or more **of** the shares of TCMH.

^{*} Deemed interests by virtue **of** their interests in TCC pursuant to section 6A of the Companies Act, 1965.

Deemed interest by virtue of his interests in TCC, PNSB, ESB and MRSB.

^u Deemed interest by virtue of their interests in TCC and ESB.

^{**} Negligible.

The Proposed Schemes will not have any effect on the shareholdings of the Directors and substantial shareholders of the Company in TCMH.

13. INDEPENDENT ADVICE

In compliance with Section 118, Part 4 of the KLSE Main Board Listing Requirements, the Board has appointed Malaysian International Merchant Bankers Berhad ("MIMB") as the independent adviser to the minority shareholders of TCMH in connection with the Proposed Disposals.

The independent advice circular of MIMB will be despatched to shareholders within one (1) week from the date of this Circular.

14. RECOMMENDATION

After having carefully considered all aspects of the Proposed Schemes and the advice of CIMB, the Board is of the opinion that the Proposed Schemes are in the long term interests of the Company and its shareholders. Accordingly, the Board (other than the Interested Directors) recommends that you vote in favour of the resolutions relating to the Proposed Schemes to be tabled at the forthcoming EGM.

15. ADDITIONAL INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board

Geh Cheng Hooi
Director