

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in Tan Chong Motor Holdings Berhad (“TCMH” or “Company”), you should at once hand this Circular, together with the attached Form of Proxy, to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Notice of the Extraordinary General Meeting of TCMH together with the Form of Proxy are enclosed.

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## **TAN CHONG MOTOR HOLDINGS BERHAD**

(Company No. 12969-P)  
(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO THE**

- **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES; AND**
- **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

|  |   |   |
|--|---|---|
| Last date and time for lodging the Form of Proxy   | : | 17 May 2003 at 11:00 a.m.   |
| Date and time of the Extraordinary General Meeting | : | 19 May 2003 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First (31st) Annual General Meeting of TCMH, whichever is later |

This Circular is dated 25 April 2003

## DEFINITIONS

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

|                   |   |  |
|-------------------|---|--|
| Act               | : | Companies Act, 1965  |
| AGM               | : | Annual General Meeting   |
| APM               | : | APM Automotive Holdings Berhad   |
| APM Group         | : | APM and its subsidiaries   |
| Audit Committee   | : | Audit committee of TCMH comprising Geh Cheng Hooi, Dato' Ng Mann Cheong, Dato' Haji Kamaruddin @ Abas bin Nordin and Larry Seow Thiam Fatt who are Independent Non-Executive Directors   |
| Auto Dunia        | : | Auto Dunia Sdn Bhd and/or any of its related and associated companies  |
| Board             | : | Board of Directors of TCMH   |
| Code              | : | Malaysian Code on Take-Overs and Mergers, 1998   |
| Director          | : | Meaning given in Section 4 of the Act and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer (or any other company which is its subsidiary or holding company or a subsidiary of its holding company)  |
| EGM               | : | Extraordinary General Meeting  |
| EPS               | : | Earnings per share   |
| KLSE              | : | Kuala Lumpur Stock Exchange  |
| Major Shareholder | : | Person who has an interest or interests in one (1) or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five per centum (5%) of the aggregate of the nominal amounts of all the voting shares in the company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company or subsidiary of its holding company |
| MITI              | : | Ministry of International Trade and Industry   |
| NML               | : | Nissan Motor Co, Limited   |
| NML Group         | : | NML, its subsidiaries and associated companies   |
| NTA               | : | Net tangible assets  |

## **DEFINITIONS** (*Cont'd*)

|                                |   |   |
|--------------------------------|---|---|
| Proposals                      | : | Proposed Share Buy-Back and Proposed Shareholders' Mandate, collectively  |
| Proposed Share Buy-Back        | : | Proposed renewal of authority for TCMH to purchase up to ten per centum (10%) of its issued and paid-up share capital                 |
| Proposed Shareholders' Mandate | : | Proposed renewal of the Shareholders' Mandate for the RRPT of the TCMH Group as set out in this Circular                              |
| Related Party                  | : | Director, Major Shareholder or person connected with such Director or Major Shareholder   |
| Related Party Transaction      | : | Transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a Related Party |
| RRPT                           | : | Related Party Transactions of a revenue or trading nature which are recurrent and necessary for the day-to-day operations             |
| SC                             | : | Securities Commission   |
| Shareholders' Mandate          | : | Shareholders' general mandate pursuant to Paragraph 10.09 of the Listing Requirements of KLSE in respect of RRPT                      |
| TCC                            | : | Tan Chong Consolidated Sdn Bhd  |
| TCIL                           | : | Tan Chong International Limited   |
| TCIL Group                     | : | TCIL and its subsidiaries   |
| TCM                            | : | Tan Chong & Sons Motor Company Sdn Bhd  |
| TCMA                           | : | Tan Chong Motor Assemblies Sdn Bhd  |
| TCMH or Company                | : | Tan Chong Motor Holdings Berhad   |
| TCMH Group or Group            | : | TCMH and its subsidiaries   |
| TCMH Shares                    | : | Ordinary shares of RM0.50 each in the Company   |
| WTCH                           | : | Warisan TC Holdings Berhad  |
| WTCH Group                     | : | WTCH and its subsidiaries   |
| RM and sen                     | : | Ringgit Malaysia and sen respectively   |

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# TAN CHONG MOTOR HOLDINGS BERHAD

(Company No. 12969-P)  
(Incorporated in Malaysia)

## Registered Office:

62-68 Jalan Ipoh  
51200 Kuala Lumpur

25 April 2003

## Board of Directors:

Ahmad bin Abdullah (*Vice Chairman*)  
Dato' Tan Heng Chew (*Executive Deputy Chairman*)  
Tan Eng Soon (*Managing Director*)  
Azman bin Badrillah  
Geh Cheng Hooi  
Dato' Ng Mann Cheong  
Dato' Haji Kamaruddin @ Abas bin Nordin  
Larry Seow Thiam Fatt

Dear Shareholders:

- **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**
- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

## 1. INTRODUCTION

At the Company's EGM held on 29 May 2002, your Directors had obtained shareholders' approval for:

- (a) the Directors to purchase on KLSE up to 10% of the issued and paid-up share capital of the Company as at 8 April 2002 or up to 67,200,000 of the Company's shares; and
- (b) the Company and its subsidiaries to enter into recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group.

The above mandates shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless fresh mandates are obtained.

Your Company had announced on 26 February 2003 that it would seek new shareholders' mandates on the following proposals at the forthcoming EGM to be held on 19 May 2003:

- Proposed Renewal of Authority for the Company to Purchase its own Ordinary shares
- Proposed Renewal of Shareholders' Mandate for recurrent Related Party Transactions of a Revenue or Trading Nature

The aforesaid proposals would become valid immediately upon the passing of the Ordinary Resolutions and will expire at the conclusion of the next AGM of the Company unless the authorities are further renewed by ordinary 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 a general meeting, whichever occurs first.

The purpose of this Circular is to provide you with information on the Proposals and to seek your approval for the resolutions to be tabled at the forthcoming EGM of the Company. The Notice of EGM detailing the relevant resolutions for the Proposals is enclosed in this Circular.

## **2. PROPOSED SHARE BUY-BACK**

### **2.1 Details**

The Board proposes to seek authority from its shareholders to purchase up to 65,200,000 TCMH Shares representing an amount not exceeding 10% of the issued and paid-up share capital of the Company comprising 672,000,000 TCMH Shares less 2,000,000 TCMH Shares already purchased and held as treasury shares as at 31 March 2003 through its appointed stockbroker, CIMB Securities Sdn. Bhd.

The shareholders' approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own shares on KLSE. The approval will allow the Board to exercise the power of the Company to purchase its own ordinary shares at any time within the abovementioned time period using the internal funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the availability of internally generated funds, actual number of TCMH Shares to be purchased and other cost factors. The actual number of TCMH Shares to be purchased will depend on the market conditions as well as the retained profits and financial resources available to the Company.

The Board proposes to allocate up to RM100 million of the retained profits of the Company for the purchase of the TCMH Shares subject to compliance with Section 67A of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. The audited retained profits of the Company as at 31 December 2002 was approximately RM132 million. The Company did not have any share premium as at 31 December 2002.

The purchased shares may be cancelled immediately or retained as treasury shares or a combination of both. The purchased shares held as treasury shares, may either be subsequently cancelled or distributed as share dividends or resold by the Company on KLSE, or both, depending on the availability of, among others, the retained profits of the Company. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits and/or the share premium account (if applicable) of the Company.

An immediate announcement will be made to KLSE upon the purchase or resale of the shares. In addition, the Company will also announce whether the purchased shares will be cancelled or retained as treasury shares or a combination of both.

TCMH shall only purchase its own ordinary shares at a price which is not more than fifteen per centum (15%) above the weighted average market price for the five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the purchased shares held as treasury shares at a price which is not less than the weighted average market price for the five (5) market days immediately preceding the date of resale.

As at 31 March 2003, the public shareholding spread of the Company was approximately 48.6%.

For the purpose of illustration, if the Company purchases up to the maximum number of TCMH Shares as allowed under the Proposed Share Buy-Back and assuming the purchases will not reduce the number of TCMH Shares currently held by the Directors, the substantial shareholders or persons connected with the Directors and/or substantial shareholders, the public shareholding spread of the Company based on the position 31 March 2003 is expected to be approximately 43.1%.

## 2.2 Potential advantages and disadvantages of the Proposed Share Buy-Back

### 2.2.1 Advantages

The Proposed Share Buy-Back provides the opportunity for TCMH to stabilise the supply and demand of TCMH Shares in the open market and thereby allowing the share price of TCMH to better reflect the fundamental value of TCMH Shares.

In addition, the purchased shares may be held as treasury shares and resold on KLSE with the intention of realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this will serve to reward the shareholders of the Company.

Furthermore, the share repurchase by the Company may enhance the EPS and NTA per share of TCMH, depending on factors such as purchase prices of the TCMH Shares and the effective funding cost and/or loss in interest income to the Company.

### 2.2.2 Disadvantages

The Proposed Share Buy-Back may result in the Group foregoing other investment opportunities that may emerge in the future and may also reduce the amount of resources available for distribution in the form of dividends to shareholders of TCMH. However, the financial resources of the TCMH Group may recover and increase upon the resale of the repurchased shares which are held as treasury shares.

Nevertheless, the Board will be mindful of the interests of TCMH and its shareholders in undertaking the Proposed Share Buy-Back.

### 2.2.3 Purchases, Cancellation and Resales made in the Previous 12 Months

TCMH has purchased 2,000,000 of its own shares and held them as treasury shares in the 12 months preceding the date of this Circular. TCMH has not made any cancellation of its own shares or re-sold any of its treasury shares during the same period. Details of the shares bought back and currently held as treasury shares are as follows:

| Month        | No. of shares bought back and held as treasury shares | Highest price paid per share (RM) | Lowest price paid per share (RM) | Average price paid per share (RM) | Total consideration (RM) |
|--------------|---|-----------------------------------|----------------------------------|-----------------------------------|--------------------------|
| September 02 | 350,000   | 1.06                              | 1.03                             | 1.0432                            | 366,739.06               |
| October 02   | 545,000   | 1.04                              | 1.03                             | 1.0387                            | 568,593.75               |
| November 02  | 105,000   | 1.07                              | 1.06                             | 1.0652                            | 112,342.29               |
| December 02  | 750,000   | 1.06                              | 1.03                             | 1.0538                            | 793,844.05               |
| January 03   | 51,000  | 1.05                              | 1.04                             | 1.0492                            | 53,745.14                |
| February 03  | 199,000   | 1.06                              | 1.02                             | 1.0349                            | 206,845.70               |
| <b>Total</b> | <b>2,000,000</b>                                      |                                   |                                  |                                   | <b>RM2,102,109.99</b>    |

## 3. PROPOSED SHAREHOLDERS' MANDATE

TCMH is principally an investment holding company which provides management services to its subsidiaries which are involved in the assembly and distribution of motor vehicles, provision of after sales services and motor related financial services such as hire purchase and insurance agency services.

The Board wishes to seek the approval of the shareholders of TCMH for the renewal of the Shareholders' Mandate given on 29 May 2002, which would enable the TCMH Group to continue to enter into RRPT provided that such transactions are in the ordinary course of business and undertaken at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders. These include transactions such as those described in section 3.2.

### **3.1 Listing Requirements of KLSE**

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

- (a) The transactions are in the ordinary course of business and are 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;
- (c) Issuance of a circular to shareholders by the listed issuer; and
- (d) 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.

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

The estimated transaction values for the financial year ending 31 December 2003 as set out in section 3.2 are based on the projected business volume for the current financial year ending 31 December 2003. The actual value of transactions may, however, vary from the estimated values disclosed in section 3.2, in light of the changing economic and competitive environment.

Nevertheless, disclosures will be made in accordance with the Listing Requirements of KLSE in the Annual Report of the Company for the financial year ending 31 December 2003 of the actual aggregate value of transactions made pursuant to the Proposed Shareholders' Mandate during the said financial year.

### **3.2 Classes of Related Parties**

#### **3.2.1 NML Group**

The NML Group is primarily engaged in the manufacture and distribution of products under brands which include 'Nissan' and 'Nissan Diesel'. The said products, which are sold worldwide, include passenger cars, buses and trucks, as well as related components.

The TCMH Group holds the sole distribution rights for Nissan and Nissan Diesel products in Malaysia. The TCMH Group purchases the said products mainly in the form of knocked-down kits, engines and components from the NML Group. Certain components are sourced from other Nissan assemblers in the South East Asia region and Taiwan.

As at 31 March 2003, NML is a Major Shareholder of TCMH with a shareholding of 5.57%. Therefore, the NML Group is regarded as interested in all transactions which may be entered into by the NML Group with the TCMH Group.



The terms of the said RRPT, including pricing, are negotiated between the senior management of the TCMH Group and the NML Group, based on a set of mutually agreed short term and long term targets as well as objectives to be achieved for the business in Malaysia. Details of the RRPT are as follows:

| <b>Types of transaction</b>                     | <b>Details</b>   | <b>Estimated amount for the financial year ending 31 December 2003 (RM' 000)</b> |
|---|--|--|
| Purchase of goods                               | The TCMH Group purchases from the NML Group products comprised mainly of knocked-down kits, engines and components.  | 452,964  |
| Payment of technical assistance fee and royalty | The TCMH Group pays the NML Group a technical assistance fee and royalty under the terms of a Distribution and Technical Assistance Agreement between TCM and the NML Group. | 2,926  |
| Sale of goods                                   | The TCMH Group supplies components to other Nissan motor assemblers in the South East Asia region and Taiwan.  | 17,072   |
| Purchase of fixed assets                        | The TCMH Group purchases jigs, tools and moulds and workshop equipment from the NML Group.   | 603  |

### **3.2.2 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 WTCH Group, the APM Group and the TCIL Group, each with distinct areas of business activities and are accountable for their own performance and profitability. TCMH does not own any shares in WTCH, APM or TCIL.

The RRPT between the TCMH Group and the said groups of companies are as set out in sections 3.2.2.1 to 3.2.2.3.

#### **3.2.2.1 WTCH Group**

WTCH is an investment holding company which provides management services to its subsidiaries which include the following:

| <b>Subsidiary</b>            | <b>Principal activities</b>  |
|------------------------------|--|
| Tung Pao Sdn Bhd             | Distribution of cosmetics under brand names such as Shiseido, Za and Zotos.                              |
| Tan Chong Apparels Sdn Bhd   | Distribution of Wacoal under-garments.   |
| TCIM Sdn Bhd                 | Distribution of heavy equipment and machinery under brand names such as Nissan, John Deere and Sumitomo. |
| Mayflower Acme Tours Sdn Bhd | Provision of travel and car rental services.   |

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with the WTCH Group and the nature of their interests as at 31 March 2003 are as follows:

| Related Party                        | TCMH                           |                      |                   |             |                       | WTCH                           |                      |                   |            |                      |
|--------------------------------------|--------------------------------|----------------------|-------------------|-------------|-----------------------|--------------------------------|----------------------|-------------------|------------|----------------------|
|                                      | Directorship in the TCMH Group | Shareholding in TCMH |                   |             |                       | Directorship in the WTCH Group | Shareholding in WTCH |                   |            |                      |
|                                      |                                | Direct               | %                 | Indirect    | %                     |                                | Direct               | %                 | Indirect   | %                    |
| TCC                                  | -                              | 304,266,662          | 45.41             | -           | -                     | -                              | 15,213,333           | 22.64             | 13,440,000 | 20.00 <sup>(1)</sup> |
| Dato' Tan Heng Chew                  | Director                       | 25,662               | -( <sup>4</sup> ) | 304,266,662 | 45.41 <sup>(2)</sup>  | Director                       | 1,283                | -( <sup>4</sup> ) | 28,653,333 | 42.64 <sup>(3)</sup> |
| Tan Eng Soon                         | Director                       | 2,628,000            | 0.39              | 304,266,662 | 45.41 <sup>(2)</sup>  | Director                       | 70,000               | 0.10              | 28,653,333 | 42.64 <sup>(3)</sup> |
| Tan Boon Pun                         | -                              | 100,427              | 0.01              | 305,795,942 | 45.64 <sup>(5)</sup>  | Director                       | 410,221              | 0.61              | 30,464,247 | 45.33 <sup>(6)</sup> |
| Dr. Tan Kang Leong                   | Director                       | 10,000               | -( <sup>4</sup> ) | 304,266,662 | 45.41 <sup>(2)</sup>  | -                              | 500                  | -( <sup>4</sup> ) | 28,653,333 | 42.64 <sup>(3)</sup> |
| Tan Kheng Leong                      | -                              | -                    | -                 | 304,266,662 | 45.41 <sup>(2)</sup>  | -                              | 13,500               | 0.02              | 28,653,333 | 42.64 <sup>(3)</sup> |
| Tan Beng Keong                       | Director                       | -                    | -                 | 305,675,662 | 45.62 <sup>(7)</sup>  | -                              | 80,000               | 0.12              | 29,314,233 | 43.62 <sup>(9)</sup> |
| Dr. Tan Ban Leong                    | -                              | 600,000              | 0.09              | 305,484,662 | 45.59 <sup>(10)</sup> | Director <sup>(8)</sup>        | 30,000               | 0.04              | 29,314,233 | 43.62 <sup>(9)</sup> |
| Dato' Haji Nadzam bin Haji Mohd. Din | Director                       | -                    | -                 | -           | -                     | Director                       | 95,000               | 0.14              | -          | -                    |
| Dato' Tan Kim Hor                    | -                              | 3,074,834            | 0.46              | 304,457,662 | 45.44 <sup>(11)</sup> | -                              | 153,741              | 0.23              | 28,653,333 | 42.64 <sup>(3)</sup> |
| Tan Hoe Pin                          | -                              | 10,000               | -( <sup>4</sup> ) | 305,675,662 | 45.62 <sup>(7)</sup>  | Director <sup>(8)</sup>        | 8,000                | 0.01              | 29,314,233 | 43.62 <sup>(9)</sup> |
| Tan Chee Keong                       | -                              | 29,000               | -( <sup>4</sup> ) | 304,457,662 | 45.44 <sup>(11)</sup> | -                              | 15,000               | 0.02              | 29,314,233 | 43.62 <sup>(9)</sup> |

**Notes:**

- (1) Deemed interest by virtue of interest in Parasand Limited ("Parasand") pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of interests in TCC and Parasand pursuant to Section 6A of the Act.
- (4) Less than 0.01%.
- (5) Deemed interest by virtue of interests in TCC, Progroup Nominees Sdn Bhd ("PNSB"), Exepro Sdn Bhd ("ESB") and Magic Rooms Sdn Bhd ("MRSB"), Synertics (M) Sdn Bhd ("SMSB") pursuant to Section 6A of the Act.
- (6) Deemed interest by virtue of interests in TCC, Parasand, PNSB, ESB and MRSB pursuant to Section 6A of the Act.
- (7) Deemed interest by virtue of interests in TCC, ESB and SMSB pursuant to Section 6A of the Act.
- (8) Director of the subsidiary of WTCH to which the relevant RRPT relate.
- (9) Deemed interest by virtue of interests in TCC, Parasand and ESB pursuant to Section 6A of the Act.
- (10) Deemed interest by virtue of interests in TCC and ESB pursuant to Section 6A of the Act.
- (11) Deemed interest by virtue of interests in TCC and SMSB pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and the WTCH Group, which are carried out at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the WTCH Group than those generally available to the public and are not to the detriment of the minority shareholders, are as detailed below:

| Types of transaction                  | Details   | Estimated amount for the financial year ending 31 December 2003 (RM' 000) |
|---------------------------------------|---|---|
| Sale of goods and services            | The TCMH Group sells motor vehicles and provides after sales services to the WTCH Group.  | 3,814   |
| Insurance agency services             | The TCMH Group (through a subsidiary, TCCL Sdn Bhd) sells certain insurance products such as motor, property and marine policies to the WTCH Group.   | 275   |
| Administrative services               | TCMH provides administration and secretarial services to the WTCH Group.  | 62  |
| Travel agency and car rental services | The TCMH Group uses the air ticketing and car rental services provided by the WTCH Group.   | 1,277   |
| Purchase of goods and services        | The TCMH Group purchases agriculture machinery, forklifts, and generators and receives after sales services from the WTCH Group.  | 5,734   |
| Rental income                         | <p>The TCMH Group acts as the dealer for the machinery division of the WTCH Group in East Malaysia.</p> <p>The TCMH Group rents space in the following premises and properties to the WTCH Group:</p> <ul style="list-style-type: none"> <li>(a) Office premise at Jalan Ipoh, Kuala Lumpur;</li> <li>(b) Office premise at Jalan Berserah, Kuantan, Pahang Darul Makmur;</li> <li>(c) Office premise at Jalan Kuala Kangsar, Ipoh, Perak Darul Ridzuan;</li> <li>(d) Office premise at Victoria Street, Penang;</li> <li>(e) Office premise at Jalan Angkasa Mas 6, Kawasan Perindustrian Tebrau II, Johor Bahru, Johor Darul Takzim;</li> <li>(f) Office premise at Juru Industrial Park, Juru Seberang Prai Tengah, Penang; and</li> <li>(g) Office and factory premise at Jalan Segambut, Kuala Lumpur.</li> </ul> <p>Rental income for the above is received on a monthly basis. The tenure of the agreements for the properties involved, where applicable, are of varying duration but are for a lease period that is not more than three (3) years.</p> | 403   |
| Rental expense                        | <p>The TCMH Group rents space in the showroom, office, workshop and warehouse premise at Jalan Kemajuan, Petaling Jaya, Selangor Darul Ehsan from the WTCH Group. Rental payment for the above is paid on a monthly basis. The tenure of the agreements for the spaces involved, where applicable, are of varying duration but are for a lease period that is not more than three (3) years.</p>  | 648   |

### 3.2.2.2 APM Group

The APM Group is engaged in the manufacturing and distribution of a wide-range of automotive products and components including suspension systems, heat exchange systems, electrical systems, plastic components and car interiors and seating.

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with the APM Group and the nature of their interests as at 31 March 2003 are as follows:

| Related Party                           | Directorship in the TCMH Group | TCMH                 |                   |             |                       | Directorship in the APM Group | APM                 |                   |            |                      |
|---|--------------------------------|----------------------|-------------------|-------------|-----------------------|-------------------------------|---------------------|-------------------|------------|----------------------|
|   |                                | Shareholding in TCMH |                   |             |                       |                               | Shareholding in APM |                   |            |                      |
|   |                                | Direct               | %                 | Indirect    | %                     |                               | Direct              | %                 | Indirect   | %                    |
| TCC                                     | -                              | 304,266,662          | 45.41             | -           | -                     | -                             | 45,639,999          | 22.67             | 40,320,000 | 20.02 <sup>(1)</sup> |
| Dato' Tan Heng Chew                     | Director                       | 25,662               | -( <sup>4</sup> ) | 304,266,662 | 45.41 <sup>(2)</sup>  | Director                      | 3,849               | -( <sup>4</sup> ) | 85,959,999 | 42.69 <sup>(3)</sup> |
| Tan Eng Soon                            | Director                       | 2,628,000            | 0.39              | 304,266,662 | 45.41 <sup>(2)</sup>  | Director                      | 210,000             | 0.10              | 85,959,999 | 42.69 <sup>(3)</sup> |
| Tan Boon Pun                            | -                              | 100,427              | 0.01              | 305,795,942 | 45.64 <sup>(5)</sup>  | -                             | 28,064              | 0.01              | 86,160,741 | 42.79 <sup>(6)</sup> |
| Dr. Tan Kang Leong                      | Director                       | 10,000               | -( <sup>4</sup> ) | 304,266,662 | 45.41 <sup>(2)</sup>  | Director <sup>(7)</sup>       | 1,500               | -( <sup>4</sup> ) | 85,959,999 | 42.69 <sup>(3)</sup> |
| Tan Kheng Leong                         | -                              | -                    | -                 | 304,266,662 | 45.41 <sup>(2)</sup>  | -                             | 40,500              | 0.02              | 85,959,999 | 42.69 <sup>(3)</sup> |
| Tan Beng Keong                          | Director                       | -                    | -                 | 305,675,662 | 45.62 <sup>(8)</sup>  | -                             | -                   | -                 | 86,142,699 | 42.78 <sup>(9)</sup> |
| Dr. Tan Ban Leong                       | -                              | 600,000              | 0.09              | 305,484,662 | 45.59 <sup>(10)</sup> | -                             | 90,000              | 0.045             | 86,142,699 | 42.78 <sup>(9)</sup> |
| Ahmad bin Abdullah                      | Director                       | -                    | -                 | -           | -                     | Director                      | 2,000,000           | 0.99              | -          | -                    |
| Azman bin Badrillah                     | Director                       | 10,000               | -( <sup>4</sup> ) | -           | -                     | Director                      | 1,547,000           | 0.77              | -          | -                    |
| Dato' Haji Kamaruddin @ Abas bin Nordin | Director                       | 2,992                | -( <sup>4</sup> ) | -           | -                     | Director                      | 55,448              | 0.03              | -          | -                    |
| Dato' Tan Kim Hor                       | -                              | 3,074,834            | 0.46              | 304,457,662 | 45.44 <sup>(11)</sup> | -                             | 461,225             | 0.23              | 85,959,999 | 42.69 <sup>(3)</sup> |
| Tan Hoe Pin                             | -                              | 10,000               | -( <sup>4</sup> ) | 305,675,662 | 45.62 <sup>(8)</sup>  | -                             | 5,000               | -( <sup>4</sup> ) | 86,142,699 | 42.78 <sup>(9)</sup> |
| Tan Chee Keong                          | -                              | 29,000               | -( <sup>4</sup> ) | 304,457,662 | 45.44 <sup>(11)</sup> | -                             | 14,000              | 0.01              | 85,959,999 | 42.69 <sup>(3)</sup> |

#### Notes:

- (1) Deemed interest by virtue of interest in Parasand pursuant to Section 6A of the Act.  
(2) Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.  
(3) Deemed interests by virtue of interests in TCC and Parasand pursuant to Section 6A of the Act.  
(4) Less than 0.01%.  
(5) Deemed interest by virtue of interests in TCC, PNSB, ESB, MRSB and SMSB pursuant to Section 6A of the Act.  
(6) Deemed interest by virtue of interests in TCC, Parasand, PNSB, ESB and MRSB pursuant to Section 6A of the Act.  
(7) Director of the subsidiary or subsidiaries of APM to which the relevant RRPT relate.  
(8) Deemed interest by virtue of interests in TCC, ESB and SMSB pursuant to Section 6A of the Act.  
(9) Deemed interest by virtue of interests in TCC, Parasand and ESB pursuant to Section 6A of the Act.  
(10) Deemed interest by virtue of interests in TCC and ESB pursuant to Section 6A of the Act.  
(11) Deemed interest by virtue of interests in TCC and SMSB pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and the APM Group, carried out at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the APM Group than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders, are as detailed below:

| Types of transaction       | Details   | Estimated amount for the financial year ending 31 December 2003 (RM' 000) |
|----------------------------|---|---|
| Sale of goods and services | The TCMH Group sells motor vehicles and provides after sales services to the APM Group  | 447   |
| Purchase of goods          | The TCMH Group buys automotive components from the APM Group for the assembly of new cars and also as replacement parts for distribution to dealers and motor repair workshops.   | 81,534  |
| Insurance agency services  | The TCMH Group (through a subsidiary, TCCL Sdn Bhd) sells certain insurance products such as motor, property and marine policies to the APM Group.  | 286   |
| Administrative services    | TCMH provides administration and secretarial services to the APM Group  | 50  |
| Rental income              | The TCMH Group rents space in the following premises and properties to the APM Group:   | 925   |
|                            | (a) Office premises at Jalan Kemajuan, Pending Industrial Estate, Kuching Sarawak;  |   |
|                            | (b) Workshop, warehouse, office and factory premise at Batu Caves, Selangor Darul Ehsan; and  |   |
|                            | (c) Workshop at Jalan Segambut, Kuala Lumpur.   |   |
|                            | Rental income for the above is received on a monthly basis. The tenure of the agreements for the properties involved, where applicable, are of varying duration but are for a lease period that is not more than three (3) years. |   |

### 3.2.2.3 TCIL Group

The TCIL Group's principal businesses consist of the distribution of motor vehicles, property investment and development and industrial equipment distribution in Singapore. The TCIL Group's other major businesses include motor vehicle distribution in Hong Kong and the manufacturing of auto parts in the People's Republic of China.

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with the TCIL Group and the nature of their interests as at 31 March 2003 are as follows:

| Related Party       | TCMH                           |                      |       |             |           | TCIL                           |                      |       |                |          |
|---------------------|--------------------------------|----------------------|-------|-------------|-----------|--------------------------------|----------------------|-------|----------------|----------|
|                     | Directorship in the TCMH Group | Shareholding in TCMH |       |             |           | Directorship in the TCIL Group | Shareholding in TCIL |       |                |          |
|                     |                                | Direct               | %     | Indirect    | %         |                                | Direct               | %     | Indirect       | %        |
| TCC                 | -                              | 304,266,662          | 45.41 | -           | -         | -                              | 912,799,986          | 45.34 | -              | -        |
| NML                 | -                              | 37,333,324           | 5.57  | -           | -         | -                              | (1)                  | (1)   | (1)            | (1)      |
| Dato' Tan Heng Chew | Director                       | 25,662               | -(4)  | 304,266,662 | 45.41(2)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Tan Eng Soon        | Director                       | 2,628,000            | 0.39  | 304,266,662 | 45.41(2)  | Director                       | 4,200,000            | 0.21  | 986,599,986    | 48.94(6) |
| Tan Boon Pun        | -                              | 100,427              | 0.01  | 305,795,942 | 45.64(7)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Dr. Tan Kang Leong  | Director                       | 10,000               | -(4)  | 304,266,662 | 45.41(2)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Tan Kheng Leong     | -                              | -                    | -     | 304,266,662 | 45.41(2)  | Director                       | 2,205,000            | 0.11  | 913,009,986    | 45.35(3) |
| Tan Beng Keong      | Director                       | -                    | -     | 305,675,662 | 45.62(8)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Dato' Tan Kim Hor   | -                              | 3,074,834            | 0.46  | 304,457,662 | 45.44(9)  | Director                       | 9,224,502            | 0.46  | 912,890,958    | 45.34(3) |
| Tan Hoe Pin         | -                              | 10,000               | -(4)  | 305,675,662 | 45.62(8)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Dr. Tan Ban Leong   | -                              | 600,000              | 0.09  | 305,484,662 | 45.59(10) | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |
| Tan Chee Keong      | -                              | 29,000               | -(4)  | 304,457,662 | 45.44(9)  | -                              | (5)                  | (5)   | 912,799,986(5) | 45.34(5) |

**Notes:**

- (1) Direct and indirect interests of the Related Party in TCIL are not available to the Company as the Related Party is not required by statute or law to disclose the details of its interests to TCIL or the Company.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.
- (3) Deemed interest by virtue of family member's shareholdings and interest in TCC.
- (4) Less than 0.01%.
- (5) Direct and indirect interests (other than through TCC) of the Related Party in TCIL are not available to the Company as the Related Party is not required by statute or law to disclose the details of his interests to TCIL or the Company.
- (6) Deemed interest by virtue of interest in TCC and a corporation controlled by Tan Eng Soon.
- (7) Deemed interest by virtue of interests in TCC, PNSB, ESB, MRSB and SMSB pursuant to Section 6A of the Act.
- (8) Deemed interest by virtue of interests in TCC, ESB and SMSB pursuant to Section 6A of the Act.
- (9) Deemed interest by virtue of interests in TCC and SMSB pursuant to Section 6A of the Act.
- (10) Deemed interest by virtue of interests in TCC and ESB pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and the TCIL Group, are carried out at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the TCIL Group than those generally available to the public and are not to the detriment of the minority shareholders.

The said RRPT comprise the sale of automotive components to the TCIL Group for the assembly of new cars and also as replacement parts for distribution to dealers and motor repair workshops, which are estimated at RM1.7 million per annum and the purchase of other automotive components from the TCIL Group, which are estimated at RM0.1 million per annum.

### 3.2.3 Auto Dunia

Auto Dunia is involved in the sales of motor vehicles and also provides workshop services and distributes spare parts, engine oil and other automotive related products.

TCMH Group previously provided contract assembly services to Auto Dunia. The arrangement ceased effective December 2002.

Dato' Tan Heng Chew and Tan Eng Soon, Directors of TCMH, have declared Auto Dunia to be a body corporate associated with them under Section 122A of the Act. Azman bin Badrillah and Ahmad bin Abdullah, both Directors of TCMH, have also disclosed that they are Major Shareholders and Directors of Auto Dunia.

In addition, Dr. Tan Kang Leong, a Director of certain subsidiaries of TCMH, has declared Auto Dunia to be a body corporate associated with him under Section 122A of the Act.

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with Auto Dunia and the nature of their interests as at 31 March 2003 are as follows:

| Related Party       | TCMH                           |                      |      |             |                      | Interests in Auto Dunia                       |
|---------------------|--------------------------------|----------------------|------|-------------|----------------------|---|
|                     | Directorship in the TCMH Group | Shareholding in TCMH |      |             |                      |   |
|                     |                                | Direct               | %    | Indirect    | %                    |   |
| Dato' Tan Heng Chew | Director                       | 25,662               | _(2) | 304,266,662 | 45.41 <sup>(1)</sup> | Person connected                              |
| Tan Eng Soon        | Director                       | 2,628,000            | 0.39 | 304,266,662 | 45.41 <sup>(1)</sup> | Person connected                              |
| Tan Boon Pun        | -                              | 100,427              | 0.01 | 305,795,942 | 45.64 <sup>(3)</sup> | Person connected                              |
| Dr. Tan Kang Leong  | Director                       | 10,000               | _(2) | 304,266,662 | 45.41 <sup>(1)</sup> | Person connected                              |
| Ahmad bin Abdullah  | Director                       | -                    | -    | -           | -                    | Director and Major Shareholder <sup>(5)</sup> |
| Azman bin Badrillah | Director                       | 10,000               | _(2) | -           | -                    | Director and Major Shareholder <sup>(6)</sup> |
| Dato' Tan Kim Hor   | -                              | 3,074,834            | 0.46 | 304,457,662 | 45.44 <sup>(7)</sup> | Person connected                              |
| Tan Hoe Pin         | -                              | 10,000               | _(2) | 305,675,662 | 45.62 <sup>(4)</sup> | Person connected                              |

#### Notes:

<sup>(1)</sup> Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.

<sup>(2)</sup> Less than 0.01%.

<sup>(3)</sup> Deemed interest by virtue of interests in TCC, PNSB, ESB, MRSB and SMSB pursuant to Section 6A of the Act.

<sup>(4)</sup> Deemed interest by virtue of interests in TCC, ESB and SMSB pursuant to Section 6A of the Act.

<sup>(5)</sup> Ahmad bin Abdullah has 35,000 shares or 35% shareholding in Auto Dunia Sdn Bhd.

<sup>(6)</sup> Azman bin Badrillah has 5,000 shares or 5% shareholding in Auto Dunia Sdn Bhd.

<sup>(7)</sup> Deemed interest by virtue of interests in TCC and SMSB pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and Auto Dunia, carried out at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to Auto Dunia than those generally available to the public and are not to the detriment of the minority shareholders, are as detailed below:

| Types of transaction         | Details   | Estimated amount<br>for the financial<br>year ending<br>31 December 2003<br>(RM' 000) |
|------------------------------|---|---|
| Sale of goods and services   | The TCMH Group sells motor vehicles and provides after sales services to Auto Dunia.    | 8   |
| Purchase of goods & services | The TCMH Group purchases parts and engine oil and after sales services from Auto Dunia. | 45  |

### 3.3 Pricing

The terms of the pricing of the above RRPT are consistent with the TCMH Group's usual business pricing practices and policies and are not more favorable to the Related Parties than to the public (where applicable) and are not to the detriment of the minority shareholders of TCMH.

However, for certain transactions, the condition that the terms of the transactions (including pricing) are not more favourable to the Related Parties than to the public may not be applicable. For example, the transactions between the NML Group and the TCMH Group under the sole distributorship arrangement are typical transactions between principal and distributor and there are no such equivalent transactions with the public. Similarly, certain products supplied by the APM Group to the TCMH Group are based on technical designs/specifications and are not available from other suppliers or to the public.

### 3.4 Disclosure and Review Procedures for the RRPT

Disclosure will be made in accordance with the Listing Requirements of KLSE in the Annual Report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year ending 31 December 2003.

#### 3.4.1 Review procedures for the RRPT

The TCMH Group has implemented the following methods and procedures to ensure that the RRPT are undertaken at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Party than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders:

- (a) A list of Related Parties has been circulated to all operating companies with the instruction that, as in the past, all RRPT are required to be undertaken at arms' length and on normal commercial terms (where applicable).
- (b) All companies are required to provide quarterly reports on all RRPT to the internal audit department.
- (c) The internal audit department shall review significant RRPT to ensure that transactions are undertaken at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Party than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders of TCMH.



- (d) The Audit Committee shall review the quarterly and yearly 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.
- (e) If during the periodic reviews, the Audit Committee is of the view that the guidelines and procedures are not sufficient to ensure normal commercial terms and/or the transaction is detrimental to the minority shareholders, the Company will revert to shareholders for a fresh Shareholders' Mandate based on new guidelines and procedures.
- (f) The Board and the Audit Committee shall be responsible for the determination of review procedures, with the authority to sub-delegate such responsibilities to individuals or committees within the TCMH Group, as they deem appropriate.
- (g) If a member of the Board or Audit Committee has an interest in the RRPT, he shall abstain from participating in the deliberation and voting in respect of the said RRPT.

### **3.4.2 Audit Committee's Statement**

The Audit Committee has seen and reviewed the procedures mentioned above and are of the view that the said procedures are sufficient to ensure that the RRPT are in the ordinary course of business and undertaken at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders.

### **3.5 Rationale for the Proposed Shareholders' Mandate**

The RRPT envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of the TCMH Group and are undertaken at arms' length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) 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 time and the expenses in convening such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the TCMH Group.

## **4. EFFECTS OF THE PROPOSALS**

### **4.1 Proposed Share Buy-Back**

In the event that the Company purchases 65,200,000 TCMH Shares as set out in paragraph 2.1 and the shares so repurchased are cancelled or alternatively retained as treasury shares or both, the effects of the Proposed Share Buy-Back on the share capital, NTA, working capital, earnings and substantial shareholders' and Directors' shareholdings as well as the implications relating to the Code are as set out below:

**(a) Share capital**

In the event that the maximum number of shares authorised under the Proposed Share Buy-Back are purchased and cancelled, the issued and paid-up share capital of TCMH as at 31 March 2003 will be as follows:

|  | <u>No. of shares</u> | <u>Amount in RM</u> |
|--|----------------------|---------------------|
| Issued and paid-up share capital   | 672,000,000          | 336,000,000         |
| Purchased and held as treasury shares as at 31 March 2003                            | ( 2,000,000)         | ( 1,000,000)        |
| Proposed Share Buy Back if the maximum no. of shares are purchased                   | ( 65,200,000)        | ( 32,600,000)       |
| Issued and paid-up share capital as diminished, if the treasury shares are cancelled | 604,800,000          | 302,400,000         |

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

**(b) NTA**

The effect of the share repurchase on the NTA per share of the TCMH Group is dependent on the purchase prices of the TCMH Shares.

Nonetheless, the share repurchase would reduce the NTA per share of the TCMH Group if the purchase price exceeds the NTA per share at the relevant point in time. Conversely, the NTA per share of the TCMH Group would increase if the purchase price is less than the NTA per share at the relevant point in time.

**(c) Working capital**

The share repurchase will reduce the working capital of the TCMH Group, the quantum of which is dependent on the purchase prices of the TCMH Shares and the number of TCMH Shares repurchased. Nevertheless, the Board will be mindful of the interests of TCMH and its shareholders in undertaking the Proposed Share Buy-Back and will assess the working capital needs of the TCMH Group prior to any repurchase of TCMH Shares.

**(d) Earnings**

The effect of the share repurchase on the EPS of the TCMH Group is dependent on the purchase prices of TCMH Shares and the effective funding cost and/or loss in interest income to the Company thereof.

**(e) Dividends**

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the share repurchase will have the effect of increasing the dividend rate of TCMH as a result of a decrease in the number of shares in TCMH which are entitled to participate in the dividends.

For the financial year ended 31 December 2002, TCMH declared an interim dividend of 4% tax exempt and proposed a final dividend of 9% less income tax.

(f) **Substantial shareholders' and Directors' shareholdings**

The effects of the share repurchase on the shareholdings of substantial shareholders and Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 31 March 2003 are as follows:

| Substantial shareholders                   | -----No. of TCMH Shares held-----> |                   |             |                      |                                   |                   |             |                      |
|--|------------------------------------|-------------------|-------------|----------------------|-----------------------------------|-------------------|-------------|----------------------|
|  | Before the Proposed Share Buy-Back |                   |             |                      | After the Proposed Share Buy-Back |                   |             |                      |
|  | Direct                             | %                 | Indirect    | %                    | Direct                            | %                 | Indirect    | %                    |
| TCC  | 304,266,662                        | 45.41             | -           | -                    | 304,266,662                       | 50.31             | -           | -                    |
| NML  | 37,333,324                         | 5.57              | -           | -                    | 37,333,324                        | 6.17              | -           | -                    |
| Dato' Tan Kim Hor                          | 3,074,834                          | 0.46              | 304,457,662 | 45.44 <sup>(3)</sup> | 3,074,834                         | 0.51              | 304,457,662 | 50.34 <sup>(3)</sup> |
| Dato' Tan Heng Chew                        | 25,662                             | -( <sup>2</sup> ) | 304,266,662 | 45.41 <sup>(1)</sup> | 25,662                            | -( <sup>2</sup> ) | 304,266,662 | 50.31 <sup>(1)</sup> |
| Tan Eng Soon                               | 2,628,000                          | 0.39              | 304,266,662 | 45.41 <sup>(1)</sup> | 2,628,000                         | 0.43              | 304,266,662 | 50.31 <sup>(1)</sup> |
| Tan Boon Pun                               | 100,427                            | 0.01              | 305,795,942 | 45.64 <sup>(4)</sup> | 100,427                           | 0.02              | 305,795,942 | 50.56 <sup>(4)</sup> |
| Dr. Tan Kang Leong                         | 10,000                             | -( <sup>2</sup> ) | 304,266,662 | 45.41 <sup>(1)</sup> | 10,000                            | -( <sup>2</sup> ) | 304,266,662 | 50.31 <sup>(1)</sup> |
| Tan Kheng Leong                            | -                                  | -                 | 304,266,662 | 45.41 <sup>(1)</sup> | -                                 | -                 | 304,266,662 | 50.31 <sup>(1)</sup> |
| Tan Hoe Pin                                | 10,000                             | -( <sup>2</sup> ) | 305,675,662 | 45.62 <sup>(5)</sup> | 10,000                            | -( <sup>2</sup> ) | 305,675,662 | 50.54 <sup>(5)</sup> |
| Tan Beng Keong                             | -                                  | -                 | 305,675,662 | 45.62 <sup>(5)</sup> | -                                 | -                 | 305,675,662 | 50.54 <sup>(5)</sup> |
| Dr. Tan Ban Leong                          | 600,000                            | 0.09              | 305,484,662 | 45.60 <sup>(6)</sup> | 600,000                           | 0.10              | 305,484,662 | 50.51 <sup>(6)</sup> |
| Tan Chee Keong                             | 29,000                             | -( <sup>2</sup> ) | 304,457,662 | 45.44 <sup>(3)</sup> | 29,000                            | -( <sup>2</sup> ) | 304,457,662 | 50.34 <sup>(3)</sup> |
| <b>Directors</b>                           |                                    |                   |             |                      |                                   |                   |             |                      |
| Ahmad bin Abdullah                         | -                                  | -                 | -           | -                    | -                                 | -                 | -           | -                    |
| Dato' Tan Heng Chew                        | 25,662                             | -( <sup>2</sup> ) | 304,266,662 | 45.41 <sup>(1)</sup> | 25,662                            | -( <sup>2</sup> ) | 304,266,662 | 50.31 <sup>(1)</sup> |
| Tan Eng Soon                               | 2,628,000                          | 0.39              | 304,266,662 | 45.41 <sup>(1)</sup> | 2,628,000                         | 0.43              | 304,266,662 | 50.31 <sup>(1)</sup> |
| Azman bin Badrillah                        | 10,000                             | -( <sup>2</sup> ) | -           | -                    | 10,000                            | -( <sup>2</sup> ) | -           | -                    |
| Geh Cheng Hooi                             | -                                  | -                 | -           | -                    | -                                 | -                 | -           | -                    |
| Dato' Ng Mann Cheong                       | -                                  | -                 | -           | -                    | -                                 | -                 | -           | -                    |
| Dato' Haji Kamaruddin @<br>Abas bin Nordin | 2,992                              | -( <sup>2</sup> ) | -           | -                    | 2,992                             | -( <sup>2</sup> ) | -           | -                    |
| Larry Seow Thiam Fatt                      | -                                  | -                 | -           | -                    | -                                 | -                 | -           | -                    |

**Notes:**

- (1) Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.  
(2) Less than 0.01%  
(3) Deemed interest by virtue of interest in TCC and SMSB pursuant to Section 6A of the Act.  
(4) Deemed interest by virtue of interests in TCC, PNSB, ESB, MRSB and SMSB pursuant to Section 6A of the Act.  
(5) Deemed interest by virtue of interests in TCC, ESB and SMSB pursuant to Section 6A of the Act.  
(6) Deemed interest by virtue of interests in TCC and ESB pursuant to Section 6A of the Act.

(g) **Implication Relating to the Code**

The Proposed Share Buy-Back, if carried out in full will result in the equity interest of TCC in TCMH to increase from 45.41% as at 31 March 2003 to 50.46% after the share repurchase.

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

However, under Practice Note 2.9.10 of the Code, the SC may grant an exemption for holders of voting shares, directors and persons acting in concert with the directors of a company when the company repurchases its shares subject to certain conditions such as the following, depending on the circumstances surrounding the application for the waiver:

- (i) A holder of voting shares who, triggers the mandatory obligation as a result of a reduction of the voting shares of the company through a buy back scheme under the Act will be exempted if the increase in his holding is inadvertent and as a result of any action that is outside his direct participation. The SC, however will not grant an exemption if the holder of voting shares has previously acquired voting shares in the knowledge that the company intends to seek permission from its holders of voting shares to purchase its own voting shares;
- (ii) Directors and persons acting in concert with the directors may also apply for exemption under the Code, which may be granted by the SC if the directors and/or persons acting in concert with the directors have obtained the approval from the independent holders of voting shares of the company, on a poll, at a meeting of the holders of the relevant class of securities for the parties concerned to gain control of the company, or, if their existing holding of voting shares is more than 33% but less than 50%, to increase their voting shares by more than 2% in any six (6) month period, without having to make a mandatory offer under Part II of the Code;
- (iii) The SC will not normally waive an obligation under Part II of the Code if the directors and persons acting in concert with them have previously acquired voting shares in the knowledge that the company intended to seek permission from its holders of voting shares to purchase its own shares;
- (iv) An exemption, if granted by the SC under Practice Note 2.9.10, would be invalidated if the applicant seeking a waiver under Practice Note 2.9.10 and persons acting in concert with him purchases, acquires or becomes entitled to any voting shares of the offeree during the period between the holders of voting shares' meeting referred to in paragraph (ii) and the granting of the exemption by the SC under Practice Note 2.9.10; and
- (v) An applicant seeking an exemption under Practice Note 2.9.10 and persons acting in concert with him, must at all times disclose to the SC all acquisitions, purchases or entitlements to acquire or purchase voting shares of the offeree made by the applicant and persons acting in concert in a 12 month period from the date of granting of an exemption by the SC.

#### **4.2 Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of TCMH and substantial shareholders' shareholding in TCMH but is expected to have a positive effect on the earnings and NTA of the TCMH Group.

#### **5. APPROVALS REQUIRED**

The Proposals are conditional upon the approval of the shareholders of TCMH at the forthcoming EGM. However, the Proposals are not inter-conditional.

#### **6. SHARE PRICES**

The monthly highest and lowest prices of TCMH Shares traded on KLSE for the last 12 months from April 2002 to March 2003 are as follows:

|             | <b>High<br/>RM</b> | <b>Low<br/>RM</b> |
|-------------|--------------------|-------------------|
| <b>2002</b> |                    |                   |
| April       | 1.78               | 1.52              |
| May         | 1.70               | 1.49              |
| June        | 1.54               | 1.31              |
| July        | 1.40               | 1.16              |
| August      | 1.21               | 1.15              |
| September   | 1.18               | 1.03              |
| October     | 1.15               | 1.02              |
| November    | 1.12               | 1.06              |
| December    | 1.08               | 1.04              |
| <b>2003</b> |                    |                   |
| January     | 1.16               | 1.04              |
| February    | 1.08               | 1.02              |
| March       | 1.06               | 1.00              |

The last transacted price of TCMH Shares on 31 March 2003, being the latest practicable date prior to the printing of this Circular RM1.05

*(Source: Bloomberg)*

## **7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

### **7.1 Proposed Share Buy-Back**

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as the shareholders of the Company as a consequence of the share movement pursuant to the Proposed Share Buy-Back, none of the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Share Buy-Back. In addition, insofar as the Directors are aware, none of the persons connected to the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Share Buy-Back.

### **7.2 Proposed Shareholders' Mandate**

In addition to being Directors and/or having equity interest in TCMH, Dato' Tan Heng Chew, Tan Eng Soon, Ahmad bin Abdullah, Azman bin Badrillah and Dato' Haji Kamaruddin @ Abas bin Nordin ("Interested Directors") are Directors in, and/or have equity interest in, and/or associated with the relevant companies involved in the RRPT with the TCMH Group and hence are deemed interested in the Proposed Shareholders' Mandate.

In addition to being Directors of certain subsidiaries of TCMH and/or having equity interest in TCMH, Dato' Tan Kim Hor, Tan Boon Pun, Dr. Tan Kang Leong, Tan Kheng Leong, Tan Hoe Pin, Tan Beng Keong, Dr. Tan Ban Leong, Tan Chee Keong and Dato' Haji Nadzam bin Haji Mohd. Din are Directors and/or have equity interest in the relevant companies involved in the RRPT with the TCMH Group while NML and TCC have equity interest in both TCMH and the relevant companies involved in the RRPT with the TCMH Group and hence they are all deemed interested in the Proposed Shareholders' Mandate ("Interested Major Shareholders").

The Interested Directors have abstained and will continue to abstain and ensure that the persons connected with them will abstain from deliberating and voting on the resolutions in respect of the relevant RRPT in which they are interested at the relevant meetings of the Board.

The Interested Directors and Interested Major Shareholders will abstain and will also ensure that the persons connected with them will abstain from voting in respect of their direct and indirect shareholdings in the Company on the relevant resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM.

## **8. 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 EGM.

The Board is also of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and in the best interest of the Company. The Board (with the exception of the Interested Directors as disclosed in section 7.2) therefore recommends that you vote in favour of the ordinary resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming EGM.

## **9. EGM**

An EGM, the notice of which is set out in this Circular, will be held at the Grand Ballroom, Grand Seasons Hotel, No. 72, Jalan Pahang, 53000 Kuala Lumpur on Monday, 19 May 2003 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 31st AGM of the Company, whichever is later, for the purpose of considering and, if thought fit, passing the ordinary resolutions on the Proposals.

If you are unable to attend the EGM in person, please complete the enclosed Form of Proxy and forward it to the Company's Registered Office at 62-68 Jalan Ipoh, 51200 Kuala Lumpur, so as to arrive not less than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently find that you are able to do so.

## **10. ADDITIONAL INFORMATION**

Shareholders are requested to refer to the attached appendix for additional information.

Yours faithfully  
for and on behalf of the Board  
**TAN CHONG MOTOR HOLDINGS BERHAD**

**Dato' Ng Mann Cheong**  
Director

**ADDITIONAL INFORMATION**

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of TCMH and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all enquires as were reasonable in the circumstances, 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 LITIGATION**

As at 31 March 2003 neither TCMH nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened, against TCMH or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of TCMH or its subsidiaries.

**3. MATERIAL CONTRACTS**

Neither TCMH 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 2003.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular from Mondays to Fridays (except public holidays) during business hours up to and including the date of the EGM:

- (i) the Memorandum and Articles of Association of TCMH; and
- (ii) the audited accounts of the TCMH Group for the two (2) financial years ended 31 December 2002.

## **TAN CHONG MOTOR HOLDINGS BERHAD**

(Company No. 12969-P)  
(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Tan Chong Motor Holdings Berhad (“TCMH” or “Company”) will be held at the Grand Ballroom, Grand Seasons Hotel, No. 72, Jalan Pahang, 53000 Kuala Lumpur on Monday, 19 May 2003 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First (31st) Annual General Meeting of the Company, whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

#### **ORDINARY RESOLUTION 1**

#### **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company, the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”) 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 of RM0.50 each in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through KLSE upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed 65,200,000 shares or ten per centum (10%) of the issued and paid-up share capital of the Company of 672,000,000 shares less 2,000,000 shares already purchased and held as treasury shares as at 31 March 2003;

**AND THAT** an amount not exceeding RM100 million of the Company’s retained profits account be allocated by the Company for the Proposed Share Buy-Back;

**AND THAT** authority be and is hereby given to the Directors of the Company to decide at their discretion to retain the shares so purchased as treasury shares (as defined in Section 67A of the Act) and/or to cancel the shares so purchased and/or to resell them and/or to deal with the shares so purchased in such 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 KLSE and any other relevant authorities for the time being in force;

**AND THAT** the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will expire at:

- (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;
- (ii) the expiration of the period within which the 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 KLSE and/or any other relevant governmental and/or regulatory authorities (if any);

**AND 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 authority.”



**ORDINARY RESOLUTION 2**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH NISSAN MOTOR CO. LTD. GROUP**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”), approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with Nissan Motor Co. Ltd Group involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.1 of the Circular to Shareholders dated 25 April 2003 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 (where applicable); and are not to the detriment of the minority shareholders (the “Shareholders’ Mandate”);

**AND THAT** such approval shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless by a resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed or the expiration of the period within which the AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting whichever is earlier;

**AND 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 3**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD GROUP**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”), approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad Group involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.2.1 of the Circular to Shareholders dated 25 April 2003 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 (the “Shareholders’ Mandate”);

**AND THAT** such approval shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless by a resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed or the expiration of the period within which the AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting whichever is earlier;

**AND 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 4**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD GROUP**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”), approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad Group involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.2.2 of the Circular to Shareholders dated 25 April 2003 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 (where applicable); and are not to the detriment of the minority shareholders (the “Shareholders’ Mandate”);

**AND THAT** such approval shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless by a resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed or the expiration of the period within which the AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting whichever is earlier;

**AND 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 5**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED GROUP**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”), approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with Tan Chong International Limited Group involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.2.3 of the Circular to Shareholders dated 25 April 2003 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 (the “Shareholders’ Mandate”);

**AND THAT** such approval shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless by a resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed or the expiration of the period within which the AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting whichever is earlier;

**AND 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 6**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH AUTO DUNIA SDN BHD**

“**THAT**, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”), approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with Auto Dunia Sdn Bhd involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.3 of the Circular to Shareholders dated 25 April 2003 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 (the “Shareholders’ Mandate”);

**AND THAT** such approval shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless by a resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed or the expiration of the period within which the AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting whichever is earlier;

**AND 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.”

By order of the Board

**TAN ENG GUAN**  
Company Secretary

Kuala Lumpur  
25 April 2003

**Notes:**

1. *A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.*
2. *In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.*
3. *An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.*
4. *The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.*



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

**FORM OF PROXY**

I/We <sup>(1)</sup> (Name and NRIC No./Company No) \_\_\_\_\_

of (address) \_\_\_\_\_

being a member of TAN CHONG MOTOR HOLDINGS BERHAD, hereby appoint (Name and NRIC No of Proxy/

Proxies <sup>(2)</sup> /Corporate Representative <sup>(3)</sup>) \_\_\_\_\_

or failing him (Name and NRIC No) \_\_\_\_\_

or failing the abovenamed proxy/proxies/corporate representatives, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary Annual General Meeting of the Company to be held at the Grand Ballroom, Grand Seasons Hotel, No. 72, Jalan Pahang, 53000 Kuala Lumpur, Malaysia, on Monday, 19 May 2003 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First Annual General Meeting of the Company (whichever is later), and at any adjournment thereof, as indicated below:

| Ordinary Resolution |   | For | Against |
|---------------------|---|-----|---------|
| 1                   | Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares   |     |         |
| 2                   | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Nissan Motor Co. Ltd Group            |     |         |
| 3                   | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Warisan TC Holdings Berhad Group      |     |         |
| 4                   | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad Group  |     |         |
| 5                   | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong International Limited Group |     |         |
| 6                   | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Auto Dunia Sdn. Bhd.                  |     |         |

(If you wish to instruct your proxy how to vote, insert a "✓" or "x" in the appropriate box. Subject to any voting instructions so given, the proxy may vote, or may abstain from voting, on any resolution as the proxy may think fit.)

|  |                    |                          |
|--|--------------------|--------------------------|
| If the member is an individual   |                    | CDS Account No: _____    |
|  |                    | No of shares held: _____ |
| Signature  | Date: _____        |                          |
| If the member is a corporation:<br>The Common Seal of _____ was<br>hereunto affixed in accordance with its Articles of Association<br>in the presence of |                    | CDS Account No: _____    |
|  |                    | No of shares held: _____ |
| <i>common seal</i>   |                    |                          |
| Director   | Director/Secretary | Date: _____              |

Notes:

<sup>(1)</sup> An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

<sup>(2)</sup> A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.

<sup>(3)</sup> In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.

**The Form of Proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.**

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fold here

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The Company Secretary  
TAN CHONG MOTOR HOLDINGS BERHAD  
62-68 Jalan Ipoh  
51200 Kuala Lumpur