

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to the course of action you should take, you should consult your stock broker, bank manager, solicitor or other professional advisor immediately.

If you have sold all your shares in Tan Chong Motor Holdings Berhad, you should at once hand this Circular and the accompanying Form of Proxy to your agent through whom the sale was effected for onward transmission to the purchaser.

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

TAN CHONG MOTOR HOLDINGS BERHAD (12969-P)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE COMPANY AND ADOPTION OF NEW ARTICLES OF ASSOCIATION**

The Notice of the Twenty-Eighth Annual General Meeting to be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia on Wednesday, 24 May 2000 at 11:00 a.m. which sets out the special resolution relating to the proposed amendments to the Articles of Association and adoption of the new Articles of Association is incorporated in the Annual Report 1999 sent together with this Circular. Shareholders are advised to refer to the Notice of the Twenty-Eighth Annual General Meeting and the Form of Proxy in the Annual Report 1999.

The Form of Proxy must be lodged at the registered office of the Company, 62-68 Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight hours before the time stipulated for the meeting. The last day and time for the lodgement of the Form of Proxy is 22 May 2000 at 11:00 a.m.

This Circular is dated 28 April 2000

DEFINITIONS

In this Circular, unless the context otherwise requires, the following abbreviations shall have the following meanings:

AGM	...	Annual General Meeting
Articles	...	Articles of Association of the Company
Company	...	Tan Chong Motor Holdings Berhad
KLSE	...	Kuala Lumpur Stock Exchange

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TAN CHONG MOTOR HOLDINGS BERHAD (12969-P)
(Incorporated in Malaysia)

Registered office:
62-68 Jalan Ipoh
51200 Kuala Lumpur

28 April 2000

Directors:

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

To: The Shareholders of Tan Chong Motor Holdings Berhad

Dear sirs/madam:

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY AND
ADOPTION OF NEW ARTICLES OF ASSOCIATION**

1. Introduction

Since the last amendments to the Articles of Association of the Company in May 1996 to facilitate the prescription of the Company's securities into the Central Depository System, there had been several amendments to the Securities Industry (Central Depositories) Act, 1991, the Companies Act, 1965, the Rules of Malaysian Central Depository Sdn. Bhd. and the Main Board Listing Requirements of KLSE.

The purpose of this Circular is to provide you with the details of the proposed amendments to the Articles and to seek your approval for the special resolution to be tabled at the forthcoming AGM in relation to the proposed amendments to the Articles and the adoption of the new Articles.

2. Proposed amendments to Articles

The proposed amendments to the Articles, with deletions and additions to the existing Articles marked-up, are set out in Appendix A to this Circular.

3. Rationale for the proposed amendments

The proposed amendments are made to ensure that the Articles will be consistent with the latest amendments detailed in paragraph 1 above and the laws and requirements issued by the relevant authorities which are presently in force. Concurrently, the proposed amendments also include a provision for the purchase by the Company of its own shares as permitted under section 67A of the Companies Act, 1965. For administrative efficiency, certain provisions relating to the internal affairs of the Company are also to be modified.

For ease of future reference, it is further proposed that the amendments be incorporated with the existing provisions and thereafter, the amended Articles as set out in Appendix A attached to this Circular be adopted as the new Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles thereof.

4. Approvals Required

The proposed amendments are subject to and conditional upon the approvals being obtained from the following:

- (i) KLSE, which was granted on 10 April 2000; and
- (ii) Shareholders of the Company at the Twenty-Eighth AGM to be convened.

5. Directors and Substantial Shareholders Interests

None of the Directors nor substantial shareholders of the Company nor any of the persons connected with either the Directors or substantial shareholders have any interest, direct or indirect, in the proposed amendments.

6. Directors Responsibility

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

7. Directors recommendation

The Directors believe that the proposed amendments to the Articles are in the interest of the shareholders as the amendments will ensure consistency with the requirements of the relevant authorities, and hence, further enhance corporate governance. Accordingly, the Directors recommend that you vote in favour of the special resolution to be tabled at the Twenty-Eighth AGM of the Company.

8. Notice of Twenty-Eighth AGM

The notice of the Twenty-Eighth AGM which contains the special resolution to give effect to the proposed amendments to the Articles and adoption of the new Articles has been incorporated in the Annual Report 1999 now being forwarded to you with this Circular.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report 1999 in accordance with the instructions therein. The Form of Proxy must be deposited at the registered office of the Company at 62-68 Jalan Ipoh, 51200 Kuala Lumpur not later than forty-eight hours before the time stipulated for the AGM or any adjournment thereof. The completion and return of the Form of Proxy will not preclude you from attending and voting at the AGM in person should you subsequently wish to do so.

Yours faithfully
On behalf of the Board
TAN CHONG MOTOR HOLDINGS BERHAD

DATO TAN KIM HOR *DPMS, KMN, JP*
Chairman