

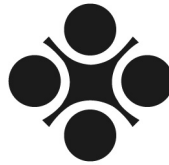
**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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 to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The contents in Part I and Part III of this Circular have not been perused by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) prior to issuance.

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## **TAN CHONG MOTOR HOLDINGS BERHAD**

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

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

##### **PART I**

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

##### **PART II**

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

##### **PART III**

**PROPOSED ACQUISITION BY TAN CHONG & SONS MOTOR COMPANY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TAN CHONG MOTOR HOLDINGS BERHAD, OF ALL THAT PARCEL OF LEASEHOLD LAND (EXPIRING ON 6 SEPTEMBER 2065) HELD UNDER TITLE NUMBER PN 4914, LOT NO. 73, SECTION 13, TOWN OF PETALING JAYA, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN BEARING POSTAL ADDRESS NO. 9 JALAN KEMAJUAN 12/18 46200 PETALING JAYA, SELANGOR DARUL EHSAN WITH A LAND AREA OF APPROXIMATELY 78,801 SQUARE FEET TOGETHER WITH A 4½ STOREY BUILDING OF A TOTAL BUILT-UP AREA OF APPROXIMATELY 78,720 SQUARE FEET, A SUBSTANTIAL SECTION OF WHICH CURRENTLY HOUSES A NISSAN SHOWROOM, SPARE PARTS STORE AND SERVICE WORKSHOP, FROM TUNG PAO SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WARISAN TC HOLDINGS BERHAD**

The Notice of the Thirty-Third Annual General Meeting of the Company to be held at the Grand Ballroom, Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur, Malaysia on Friday, 20 May 2005 at 3:00 p.m. sets out the ordinary resolutions in relation to the above proposals. The Notice and the Form of Proxy are in the 2004 Annual Report despatched together with this Circular. The Form of Proxy should be completed and returned in accordance with the instructions therein not later than 3:00 p.m. on 18 May 2005.

This Circular is dated 28 April 2005

## 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 Larry Seow Thiam Fatt, Dato' Ng Mann Cheong and Dato' Haji Kamaruddin @ Abas bin Nordin, all of whom are Independent Non-Executive Directors
Auto Dunia	:	Auto Dunia Sdn Bhd
Auto Dunia Group	:	Auto Dunia and/or any of its related and associated companies
Board	:	Board of Directors of TCMH
Bursa Malaysia	:	Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad)
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)
EPS	:	Earnings per share
LR	:	Listing Requirements of Bursa Malaysia
Major Shareholder	:	Person who has an interest or interests in one (1) or more voting shares in a 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
NML	:	Nissan Motor Co, Limited
NML Group	:	NML, its subsidiaries and associated companies
NTA	:	Net tangible assets
Parasand	:	Parasand Limited

## DEFINITIONS (Cont'd)

Property	:	All that parcel of leasehold land (expiring on 6 September 2065) held under title number PN 4914, Lot No. 73, Section 13, Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan bearing postal address No. 9, Jalan Kemajuan 12/18, 46200 Petaling Jaya, Selangor Darul Ehsan with a land area of approximately 78,801 square feet together with a 4 ½ storey building of a total built-up area of approximately 78,720 square feet, a substantial section of which currently houses a Nissan showroom, spare parts store and service workshop.
Proposals	:	Proposed Share Buy-Back, Proposed Shareholders' Mandate and Proposed Acquisition 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 TCMH Group to enter into RRPT with Related Party
Proposed Acquisition	:	Proposed acquisition by TCM, a wholly-owned subsidiary of TCMH of the Property from TP, a wholly-owned subsidiary of WTCH to be fully satisfied in cash
Rahim & Co	:	Rahim & Co Chartered Surveyors Sdn Bhd
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
Renault	:	Renault sas
Renault Group	:	Renault and its subsidiaries
RM and sen	:	Ringgit Malaysia and sen respectively
RRPT	:	Related Party Transactions of a revenue or trading nature which are recurrent and necessary for the day-to-day operations and in the ordinary course of business
SC	:	Securities Commission
Shareholders' Mandate	:	Shareholders' general mandate pursuant to Paragraph 10.09 of the LR in respect of RRPT
TCC	:	Tan Chong Consolidated Sdn Bhd
TCEC	:	TC Euro Cars 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

**DEFINITIONS (Cont'd)**

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
TP or Vendor	:	Tung Pao Sdn Bhd
WTCH	:	Warisan TC Holdings Berhad
WTCH Group	:	WTCH and its subsidiaries

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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

28 April 2005

## Board of Directors:

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

Dear Shareholders:

- PART I**            **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**
- PART II**           **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- PART III**          **PROPOSED ACQUISITION BY TAN CHONG & SONS MOTOR COMPANY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TAN CHONG MOTOR HOLDINGS BERHAD, OF ALL THAT PARCEL OF LEASEHOLD LAND (EXPIRING ON 6 SEPTEMBER 2065) HELD UNDER TITLE NUMBER PN 4914, LOT NO. 73, SECTION 13, TOWN OF PETALING JAYA, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN BEARING POSTAL ADDRESS NO. 9 JALAN KEMAJUAN 12/18, 46200 PETALING JAYA, SELANGOR DARUL EHSAN WITH A LAND AREA OF APPROXIMATELY 78,801 SQUARE FEET TOGETHER WITH A 4½ STOREY BUILDING OF A TOTAL BUILT-UP AREA OF APPROXIMATELY 78,720 SQUARE FEET, A SUBSTANTIAL SECTION OF WHICH CURRENTLY HOUSES A NISSAN SHOWROOM, SPARE PARTS STORE AND SERVICE WORKSHOP FROM TUNG PAO SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WARISAN TC HOLDINGS BERHAD**

## 1. INTRODUCTION

At the Company's Extraordinary General Meeting ("EGM") held on 19 May 2004, the Directors had obtained shareholders' approval for:

- (a) the Directors to purchase on Bursa Malaysia up to 10% of the issued and paid-up share capital of the Company as at 31 March 2004 or up to 65,172,000 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 approvals shall, in accordance with the LR, lapse at the conclusion of the forthcoming AGM unless fresh approvals are obtained.

The Company had announced on 28 February 2005 that it would seek new shareholders' mandate on the following proposals at the forthcoming AGM to be held on 20 May 2005:

- 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.

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

In addition, the Company had announced on 27 April 2005 that it will seek shareholders' approval at the forthcoming AGM to acquire the Property from TP through its wholly-owned subsidiary, TCM, and to give authority to the independent directors of TCM to negotiate for the purchase on such commercially acceptable terms and conditions as they may deem fit in the interest of the Company.

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

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

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

The Board proposes to seek authority from its shareholders to purchase up to 65,172,000 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 2,028,000 TCMH Shares already purchased and held as treasury shares as at 31 March 2005 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 Bursa Malaysia. 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 RM50 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 2004 was approximately RM82 million. The Company did not have any share premium as at 31 December 2004.

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 Bursa Malaysia, or both, depending on the availability of, amongst 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 Bursa Malaysia 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 or not less than 5% below the weighted average market price for the five (5) market days immediately prior to the resale provided that (i) the resale takes place no earlier than thirty (30) days from the date of purchase and (ii) the resale price is not less than the cost of purchase of the shares being resold.

As at 31 March 2005, the public shareholding spread of the Company was approximately 45.15%.

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 at 31 March 2005 is expected to be approximately 35.45%.

## **2.2 POTENTIAL ADVANTAGES AND DISADVANTAGES**

### **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 Bursa Malaysia 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.

## **2.3 PURCHASE, CANCELLATION AND RE-SALE IN THE PREVIOUS 12 MONTHS**

TCMH had not purchased any of its own shares in the 12 months preceding the date of this Circular. The total number of shares bought back as at 31 March 2005 was 2,028,000, all of which are currently held as treasury shares.

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

In the event that the Company purchases 65,172,000 TCMH Shares 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 2005 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 2005	( 2,0280,000)	( 1,014,000)
Proposed Share Buy Back if the maximum no. of shares are purchased	(65,172,000)	( 32,586,000)
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.

Based on the audited accounts as at 31 December 2004, the NTA of the TCMH Group is RM1.57 per share.

**(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 2004, TCMH declared an interim dividend of 5% tax exempt and proposed a final dividend of 10 % 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 2005 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 Heng Chew	12,017,062	1.79	304,266,662	45.41 <sup>(1)</sup>	12,017,062	1.99	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>
Dato' Tan Kim Hor	3,074,834	0.46	304,266,662	45.41 <sup>(1)</sup>	3,074,834	0.51	304,266,662	50.31 <sup>(1)</sup>
Tan Boon Pun	20,427	<sup>(2)</sup>	304,266,942	45.41 <sup>(3)</sup>	20,427	<sup>(2)</sup>	304,266,942	50.31 <sup>(3)</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>	304,266,662	45.41 <sup>(1)</sup>	10,000	<sup>(2)</sup>	304,266,662	50.31 <sup>(1)</sup>
Tan Beng Keong	-	-	304,266,662	45.41 <sup>(1)</sup>	-	-	304,266,662	50.31 <sup>(1)</sup>
Dr. Tan Ban Leong	266,400	0.04	304,266,662	45.41 <sup>(1)</sup>	266,400	0.04	304,266,662	50.31 <sup>(1)</sup>
Tan Chee Keong	29,000	<sup>(2)</sup>	304,266,662	45.41 <sup>(1)</sup>	29,000	<sup>(2)</sup>	304,266,662	50.31 <sup>(1)</sup>
<b>Directors</b>								
Ahmad bin Abdullah	-	-	-	-	-	-	-	-
Dato' Tan Heng Chew	12,017,062	1.79	304,266,662	45.41 <sup>(1)</sup>	12,017,062	1.99	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	20,000	<sup>(2)</sup>	-	-	20,000	<sup>(2)</sup>	-	-
Dato' Ng Mann Cheong	-	-	-	-	-	-	-	-
Dato' Haji Kamaruddin @ Abas bin Nordin	2,992	<sup>(2)</sup>	-	-	2,992	<sup>(2)</sup>	-	-
Larry Seow Thiam Fatt	-	-	-	-	-	-	-	-

**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 and Progroup Nominess Sdn Bhd ("PNSB") 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 2005 to 50.31% 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.

## 2.5 SHARE PRICES

The monthly highest and lowest prices of TCMH Shares traded on Bursa Malaysia for the last 12 months from April 2004 to March 2005 were as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2004</b>		
April	1.40	1.29
May	1.38	1.15
June	1.30	1.20
July	1.34	1.23
August	1.40	1.27
September	1.48	1.35
October	1.50	1.44
November	1.71	1.45
December	1.69	1.60
<b>2005</b>		
January	1.87	1.65
February	1.85	1.73
March	1.87	1.77

The last transacted price of TCMH Shares on 31 March 2005, being the latest practicable date prior to the printing of this Circular RM1.84

*(Source: The Star)*

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

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.

## **2.7 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 proposed resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

## **3. PART II 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 at the EGM held on 19 May 2004 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 arm's 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 BURSA MALAYSIA**

Under Paragraph 10.09 of the LR, 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 LR are as set out in the Definitions section.

The estimated transaction values for the financial year ending 31 December 2005 as set out in section 3.2 are based on the projected business volume for the current financial year ending 31 December 2005. 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 LR in the Annual Report of the Company for the financial year ending 31 December 2005 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 certain 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 2005, 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 2005 (RM' 000)</b>
Purchase of goods	The TCMH Group purchases from the NML Group products comprised mainly of knocked-down kits, engines and components.	964,699
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.	3,838
Sale of goods	The TCMH Group supplies components to other Nissan vehicle assemblers in the South East Asia region and Taiwan.	18,270

#### 3.2.2 Renault Group

Renault is a worldwide leading automobile manufacturer of utility and passenger vehicles under the brand name "Renault". Its products include related auto components.

Via an agreement with Renault in May 2003, the TCMH Group acquired the exclusive right to import, distribute and/or assemble and manufacture vehicles of Renault brand in Malaysia. The TCMH Group purchases the vehicles in the form of completely built-up (CBU) and knocked-down kits (CKD) units as well as components.

Transactions between the TCMH Group and Renault Group may be deemed as recurrent related party transactions under Chapter 10 of the LR by virtue of the 44.4% shareholding of Renault in NML which in turn owns 5.57% of the equity interest in TCMH. As such, NML is regarded as interested in all transactions which may be entered into between the TCMH Group and the Renault Group.

The terms of the said RRPT, including pricing, are negotiated between the senior management of the TCMH Group and Renault, 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. The TCMH Group purchases from the Renault Group products comprising mainly CBU and CKD vehicles, spare parts and components estimated at RM70,000,000 for financial year ending 31 December 2005.

### 3.2.3 Related Parties arising from the internal re-organisation and de-merger 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 de-merger 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 3.2.3.1 to 3.2.3.3.

#### 3.2.3.1 WTCH Group

WTCH is an investment holding company which provides management services to its subsidiaries, including Tung Pao Sdn Bhd which distributes cosmetics under brand names such as Shiseido, Za and Shiseido Professional, TCIM Sdn Bhd which distributes heavy equipment and machinery under brand names such as Nissan, John Deere and Sumitomo and Mayflower Acme Tours Sdn Bhd which provides 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 2005 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	12,017,062	1.79	304,266,662	45.41 <sup>(2)</sup>	Director	581,983	0.87	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>	-	70,000	0.10	28,653,333	42.64 <sup>(3)</sup>
Tan Boon Pun	-	20,427	<sup>(4)</sup>	304,266,942	45.41 <sup>(5)</sup>	-	205,221	0.31	28,653,347	42.64 <sup>(6)</sup>
Dr. Tan Kang Leong	-	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	-	-	304,266,662	45.41 <sup>(2)</sup>	-	1,000	<sup>(4)</sup>	28,653,333	42.64 <sup>(3)</sup>
Dr. Tan Ban Leong	-	266,400	0.04	304,266,662	45.41 <sup>(2)</sup>	Director <sup>(7)</sup>	30,000	0.04	28,653,333	42.64 <sup>(3)</sup>
Dato' Haji Nadzam bin Haji Mohd. Din	Director	-	-	-	-	Director	95,000	0.14	-	-
Dato' Tan Kim Hor	-	3,074,834	0.46	304,266,662	45.41 <sup>(2)</sup>	-	153,741	0.23	28,653,333	42.64 <sup>(3)</sup>
Tan Hoe Pin	-	10,000	<sup>(4)</sup>	304,266,662	45.41 <sup>(2)</sup>	-	8,000	0.01	28,653,333	42.64 <sup>(3)</sup>
Tan Chee Keong	-	29,000	<sup>(4)</sup>	304,266,662	45.41 <sup>(2)</sup>	-	15,000	0.02	28,653,333	42.64 <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 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 and PNSB pursuant to Section 6A of the Act.  
(6) Deemed interest by virtue of interests in TCC, Parasand and PNSB pursuant to Section 6A of the Act.  
(7) Director of a subsidiary of WTCH to which the relevant RRPT relate.

The RRPT between the TCMH Group and the WTCH Group, which are carried out at arm's 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 2005 (RM' 000)
Sale of goods and services	The TCMH Group sells motor vehicles and provides after sales services to the WTCH Group.	15,468
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.	344
Administrative services	TCMH provides administration and secretarial services to the WTCH Group.	90
Travel agency and car rental services	The TCMH Group uses the air ticketing and car rental services provided by the WTCH Group.	1,825
Purchase of goods and services	The TCMH Group purchases agriculture machinery, forklifts, and generators and receives after sales services from the WTCH Group.	6,868
	The TCMH Group acts as the dealer for the machinery division of the WTCH Group in East Malaysia.	
Rental income	The TCMH Group rents space in the following premises and properties to the WTCH Group: <ul style="list-style-type: none"> <li>a) Office premises at Jalan Berserah, Kuantan, Pahang Darul Makmur;</li> <li>b) Office premises at Jalan Kuala Kangsar, Ipoh, Perak Darul Ridzuan</li> <li>c) Office premises at Victoria Street, Penang;</li> <li>d) Office premises at Jalan Angkasa Mas 6, Kawasan Perindustrian Tebrau II, Johor Bahru, Johor Darul Takzim;</li> <li>e) Office premises at Juru Industrial Park, Juru Seberang Prai Tengah, Penang;</li> <li>f) Office and factory premises at Jalan Segambut, Kuala Lumpur;</li> <li>g) Office premises at Jalan Tun Perak, Melaka; and</li> <li>h) Office premises at Jalan Ipoh, Kuala Lumpur.</li> </ul>	188

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.

Types of transaction	Details	Estimated amount for the financial year ending 31 December 2005 (RM' 000)
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Rental expense	The TCMH Group rents space for showroom, office and workshop at Jalan Kemajuan, Petaling Jaya, Selangor Darul Ehsan from the WTCH Group.	727
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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.

### 3.2.3.2 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 2005 are as follows:

Related Party	TCMH					APM				
	Directorship in the TCMH Group	Shareholding in TCMH				Directorship in the APM Group	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	12,017,062	1.79	304,266,662	45.41 <sup>(2)</sup>	Director	1,980,649	0.98	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	-	20,427	-( <sup>4</sup> )	304,266,942	45.41 <sup>(5)</sup>	-	28,064	0.01	86,156,541	42.79 <sup>(6)</sup>
Dr. Tan Kang Leong	-	10,000	-( <sup>4</sup> )	304,266,662	45.41 <sup>(2)</sup>	-( <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	-	-	304,266,662	45.41 <sup>(2)</sup>	-	-	-	86,138,499	42.78 <sup>(7)</sup>
Dr. Tan Ban Leong	-	266,400	0.04	304,266,662	45.41 <sup>(1)</sup>	-	90,000	0.04	86,138,499	42.78 <sup>(7)</sup>
Ahmad bin Abdullah	Director	-	-	-	-	Director	-	-	-	-
Azman bin Badrillah	Director	20,000	-( <sup>4</sup> )	-	-	Director	1,547,000	0.77	-	-
Dato' Haji Kamaruddin @ Abas bin Nordin	Director	2,992	-( <sup>4</sup> )	-	-	Director	9,448	-( <sup>4</sup> )	-	-
Dato' Tan Kim Hor	-	3,074,834	0.46	304,266,662	45.41 <sup>(2)</sup>	-	461,225	0.23	85,959,999	42.69 <sup>(3)</sup>
Tan Hoe Pin	-	10,000	-( <sup>4</sup> )	304,266,662	45.41 <sup>(2)</sup>	-	5,000	-( <sup>4</sup> )	86,138,499	42.78 <sup>(7)</sup>
Tan Chee Keong	-	29,000	-( <sup>4</sup> )	304,266,662	45.41 <sup>(2)</sup>	-	14,000	0.01	85,959,999	42.69 <sup>(3)</sup>
Tan Eng Hwa	Director	4,455,058	0.66	11,000	-( <sup>8</sup> )	Director	669,908	0.33	1,650	-( <sup>8</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 and PNSB pursuant to Section 6A of the Act.  
(6) Deemed interest by virtue of interests in TCC, Parasand, PNSB, Exepro Sdn Bhd (ESB) and Magic Rooms Sdn Bhd pursuant to Section 6A of the Act.  
(7) Deemed interest by virtue of interests in TCC, Parasand and ESB pursuant to Section 6A of the Act.  
(8) Less than 0.01%; deemed interest by virtue of interest in Solomon House Sdn Bhd ("Solomon") pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and the APM Group, carried out at arm's 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 2005 (RM' 000)
Sale of goods and services	The TCMH Group sells motor vehicles and provides after sales services to the APM Group	1,000
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.	116,519
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.	339
Administrative services	TCMH provides administration services to the APM Group	36
Rental income	The TCMH Group rents space in the following premises and properties to the APM Group: <ul style="list-style-type: none"> <li>(a) Office premises at Jalan Kemajuan, Pending Industrial Estate, Kuching Sarawak;</li> <li>(b) Workshop, warehouse, office and factory premises at Batu Caves, Selangor Darul Ehsan; and</li> <li>(c) Workshop 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>	951
Rental expenses	The TCMH Group rents from the APM Group portions of vacant lands at Lot 1 and Lot 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor for use as vehicle storage yard. <p>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>	378

### 3.2.3.3 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, industrial equipment distribution in Thailand 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 2005 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	12,017,062	1.79	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Tan Eng Soon	Director	2,628,000	0.39	304,266,662	45.41 <sup>(2)</sup>	Director	4,200,000	0.21	1,014,379,986	50.38 <sup>(6)</sup>
Tan Boon Pun	-	20,247	-(4)	304,266,942	45.41 <sup>(7)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Dr. Tan Kang Leong	-	10,000	-(4)	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Tan Kheng Leong	-	-	-	304,266,662	45.41 <sup>(2)</sup>	Director	2,205,000	0.11	913,009,986	45.35 <sup>(3)</sup>
Tan Beng Keong	Director	-	-	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Dato' Tan Kim Hor	-	3,074,834	0.46	304,266,662	45.41 <sup>(2)</sup>	Director	9,224,502	0.46	912,890,958	45.34 <sup>(3)</sup>
Tan Hoe Pin	-	10,000	-(4)	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Dr. Tan Ban Leong	-	266,400	0.04	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>
Tan Chee Keong	-	29,000	-(4)	304,266,662	45.41 <sup>(2)</sup>	-	(5)	(5)	912,799,986 <sup>(5)</sup>	45.34 <sup>(5)</sup>

**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 and PNSB pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and the TCIL Group are carried out at arm's 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 motor vehicles to a subsidiary of the TCIL Group operating in Malaysia as an authorised dealer of new Nissan motor vehicles estimated at RM2.5 million, 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 RM1.636 million per annum and the purchase of other automotive components from the TCIL Group estimated at RM0.2 million per annum.

### 3.2.4 Auto Dunia

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

Apart from being an appointed authorised dealer of new Nissan motor vehicles in several locations in Malaysia, Auto Dunia is an importer of Renault CBU vehicles for the sole and exclusive sale to the TCMH Group pursuant to a Tripartite Agreement with Renault. The TCMH Group may further enter into other arrangements with Auto Dunia Group in relation to the importation of other CBU vehicles and/or to purchase from Auto Dunia CBU and locally assembled vehicles for sale by the TCMH Group from time to time. The TCMH Group also rents the premises belonging to Auto Dunia for its after-sales service operation.

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 disclosed that they are Major Shareholders and Directors of Auto Dunia. Tan Eng Hwa, a Director of subsidiaries of TCMH has disclosed that he is a director of Auto Dunia.

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with Auto Dunia Group and the nature of their interests as at 31 March 2005 are as follows:

Related Party	TCMH					Type of interests
	Directorship in the TCMH Group	Shareholding in TCMH				
		Direct	%	Indirect	%	
Dato' Tan Heng Chew	Director	12,017,062	1.79	304,266,662	45.41 <sup>(1)</sup>	Person connected to Auto Dunia
Tan Eng Soon	Director	2,628,000	0.39	304,266,662	45.41 <sup>(1)</sup>	Person connected to Auto Dunia
Tan Boon Pun	-	20,427	_(2)	304,266,662	45.41 <sup>(3)</sup>	Person connected to Auto Dunia
Dr. Tan Kang Leong	-	10,000	_(2)	304,266,662	45.41 <sup>(1)</sup>	Person connected to Auto Dunia
Ahmad bin Abdullah	Director	-	-	-	-	Director and Major Shareholder <sup>(4)</sup>
Azman bin Badrillah	Director	20,000	_(2)	-	-	Director and Major Shareholder <sup>(5)</sup>
Tan Eng Hwa	Director	4,455,058	0.66	11,000	_(6)	Director
Dato' Tan Kim Hor	-	3,074,834	0.46	304,266,662	45.41 <sup>(1)</sup>	Person connected to Auto Dunia
Tan Hoe Pin	-	10,000	_(2)	304,266,662	45.41 <sup>(1)</sup>	Person connected to Auto Dunia

**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 and PNSB pursuant to Section 6A of the Act.

<sup>(4)</sup> Ahmad bin Abdullah has 35,000 shares or 35% shareholding in Auto Dunia.

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

<sup>(6)</sup> Less than 0.01%; deemed interest by virtue of interest in Solomon pursuant to Section 6A of the Act.

The RRPT between the TCMH Group and Auto Dunia Group are carried out at arm's length, on normal commercial terms of the TCMH Group which are not more favourable to Auto Dunia than those generally available to the public, where applicable (see explanatory note in paragraph 3.3 below) and are not to the detriment of the minority shareholders. The description of the transactions presently envisaged to be carried out are as detailed below:

<b>Types of transaction</b>	<b>Details</b>	<b>Estimated amount for the financial year ending 31 December 2005 (RM' 000)</b>
Sale of goods and services	The TCMH Group sells motor vehicles and provides after sales service to Auto Dunia.	5,036
Purchase of goods & Services	The TCMH Group purchases parts and engine oil and receives after sales service from Auto Dunia.	6
Purchase of vehicles	The TCMH Group has entered into an arrangement with Auto Dunia in relation to the importation of CBU vehicles for the sole and exclusive sale by the TCMH Group.	26,000
	The TCMH Group may further enter into other arrangements with the Auto Dunia Group in relation to the importation of other CBU vehicles and/or for the purchase of CBU or locally assembled vehicles for sale by the TCMH Group from time to time	20,000
Rental expenses	The TCMH Group rents space at Jalan Kilang, Petaling Jaya from Auto Dunia for its after-sales service workshop operation.	198
	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.	

### **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 Renault 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**

Disclosure will be made in accordance with the LR in the Annual Report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandates during the financial year ending 31 December 2005.

### **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 arm's 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 arm's 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 arm's 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 arm's 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**

The RRPT envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of the TCMH Group and are undertaken at arm's 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 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.

### **3.6 EFFECTS**

The Proposed Shareholders' Mandates 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.

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

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 renewal of certain of the proposed resolutions relating to the Shareholders' Mandate for RRPT.

Tan Beng Keong, Dato' Haji Nadzam bin Haji Mohd Din and Tan Eng Hwa who are also directors of certain subsidiaries of TCMH together with Dato' Tan Kim Hor, Tan Boon Pun, Tan Kheng Leong, Tan Hoe Pin, Dr. Tan Ban Leong and Tan Chee Keong have equity interest in the relevant companies involved in the RRPT with the TCMH Group. NML and TCC have equity interest in TCMH and, in the case of TCC also in equity interest in the relevant companies involved in the RRPT with the TCMH Group, and hence they are deemed interested in certain of the proposed resolutions 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' Mandates to be tabled at the forthcoming AGM.

### **3.8 DIRECTORS' RECOMMENDATION**

The Board, with the exception of the Interested Directors as disclosed in section 3.7, is of the opinion that the Proposed Shareholders' Mandate are fair, reasonable and in the best interest of the Company and therefore recommends that you vote in favour of the proposed resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **4. PART III PROPOSED ACQUISITION**

The Proposed Acquisition falls within the ambit of Section 132E of the Act and hence requires the prior approval of the shareholders of TCMH at a general meeting. Section 132E of the Act prohibits a company from entering into any arrangement or transaction with a director of the company or its holding company or with a person connected with such a director in respect of the acquisition from or disposal to such director or connected person of any non-cash assets of the "requisite value" without the prior approval of the company in general meeting and, if the director or connected person is a director of its holding company or person connected with such a director, the prior approval of the holding company in general meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if at the time of the arrangement or transaction, its value is not less than RM10,000 but (subject to that) exceeds RM250,000 or ten per centum of the company's asset value.

### **4.1 PARTICULARS OF THE PROPERTY**

The Property is all that parcel of leasehold land held under title number PN 4914, Lot No. 73, Section 13, Town of Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan bearing postal address No. 9 Jalan Kemajuan 12/18, 46200 Petaling Jaya, Selangor Darul Ehsan with a land area of approximately 78,801 square feet together with a 4½ storey building of a total built-up area of approximately 78,720 square feet. The expiry date of the lease is 6 September 2065.

The Vendor has rented approximately 42,143 square feet of the built-up area of the Property to the TCMH Group to house its Petaling Jaya showroom for Nissan cars, spare parts store and after-sales service centre as well as its offices. The Group has been operating from this location as a sales outlet since 1982 whereas the after-sales service centre started operation in 1990.

The remaining built-up area is occupied presently by the Vendor as its main office and warehouse.

#### **4.2 PURCHASE CONSIDERATION AND TERMS OF PROPOSED ACQUISITION**

As prior approval from the shareholders of TCMH at a general meeting is required for the Proposed Acquisition, the purchase consideration, which will be satisfied by way of cash, as well as the terms and conditions for the acquisition of the Property will only be negotiated by the independent directors of TCM upon shareholders' approval having been obtained at the forthcoming AGM.

The independent directors will negotiate, and if they deem fit agree to the Proposed Acquisition, at such purchase consideration and on such commercially acceptable terms and conditions as they may deem fit in the interest of the Company.

The Proposed Acquisition is estimated to be completed within six (6) months from the date of shareholders' approval.

#### **4.3 VALUATION**

Based on the valuation carried out on 23 February 2005 by the independent valuers, Rahim & Co, the Property has a market value of RM13 million. The "comparison method" was adopted in formulating the opinion of the current market value. A copy of the valuation letter dated 28 February 2005 is attached as Appendix 2.

The Group has a NTA of RM1,050 million as at 31 December 2004 and total market value of all its ordinary shares of RM1,236 million or RM1.84 per share at 31 March 2005. Paragraph 10.08 (2) of the LR is not applicable to the Proposed Acquisition as the market value of the Property does not exceed 5% of any of the percentage ratios defined in the LR. Nevertheless relevant information is provided in this paragraph 4 to assist the shareholders of the Company to make an informed decision.

Pursuant to paragraph 3.1 (c) of Practice Note No. 14/2002 issued by Bursa Malaysia the Proposed Acquisition once approved by the shareholders of TCMH will not be aggregated with subsequent transactions within a period of 12 months for the purposes of determining whether the total percentage ratio is equal to or exceeds 5% under paragraph 10.11 of the LR.

#### **4.4 DETAILS OF VENDOR**

TP was incorporated as a private limited company under the Act on 28 April 1977. Its present authorized share capital is RM15,000,000 comprising 15,000,000 ordinary shares of RM1.00 each of which 14,300,000 are issued and fully paid-up. It is a wholly-owned subsidiary of WTCH. TP distributes cosmetic and hair care products under the brand names Shiseido, Za and Shiseido Professional.

The directors of TP are Yeoh Keong Lian, Ngu Ew Look, Dato' Lee Eng Guan, Ismail Rautin Ibrahim and Chan Yoke-Lin. As at 31 March 2005, Ngu Ew Look and Dato' Lee Eng Guan each holds 10,000 shares and 8,000 shares respectively in WTCH. None of the other directors holds any shares in WTCH.

#### **4.5 SOURCE OF FUNDING**

The Proposed Acquisition will be financed by the financial resources of the Group, which include external borrowings.

#### 4.6 RATIONALE

The Petaling Jaya Nissan showroom located on the Property has been operating from this location for more than 23 years. Due to the good accessibility and visibility of this location, it has been proposed that the outlet be transformed into the flagship outlet for the Nissan business in the central region. The showroom will be upgraded to further incorporate the requirements of the Nissan Retail Visual Image concept and used exclusively for the distribution of Nissan vehicles and its related activities.

The present after-sales service centre will be expanded with the first floor being turned into another workshop/service area. A four storey car park will be added for the convenience of our customers who visit our showroom and service centre and as parking area for new cars awaiting delivery.

The first phase, which is to convert the first floor into a workshop/service bay area, is expected to commence immediately after conclusion of the Proposed Acquisition and on vacant possession of the premises occupied by the Vendor. It is envisaged that the whole upgrading project will be completed by end of 2006.

Total renovation cost, funded by external borrowings, is estimated at RM3.6 million. With the upgrading plans involving a heavy investment, it would be more advantages to purchase the Property from the Vendor than to continue with the tenancy arrangement.

#### 4.7 PROSPECTS AND RISK FACTORS/PARTICULARS OF LIABILITIES ASSUMED

The upgrading plans on the Property will enhance further the image of the Group to help improve sales performance. However, there is no assurance that it will result in higher sales.

There are no other risks associated with the Proposed Acquisition nor liabilities assumed.

#### 4.8 EFFECTS

The purchase consideration has yet to be negotiated. However using the market value of the Property as determined by the independent valuer as a guide, the Proposed Acquisition will not have any material effect on the earnings and cash flow of TCMH. The Proposed Acquisition, when completed, will result in a reduction in rental expense but an increase in financial expense and depreciation charge of the Group.

#### 4.9 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

TCC is a major shareholder of TCMH and WTCH. Dato' Tan Heng Chew, a director of TCMH and WTCH, by virtue of his shareholding in TCC is deemed a major shareholder of TCMH and WTCH. Dato' Tan Heng Chew is also a director of TCC. Tan Eng Soon, a director of TCMH, by virtue of his shareholding in TCC is deemed a major shareholder of TCMH and WTCH. He is also a director of TCC and a brother of Dato' Tan Heng Chew. WTCH and TP are persons connected with Dato' Tan Heng Chew and Tan Eng Soon by virtue of the provisions of Section 122A of the Act.

The shareholdings of the Directors and/or Major Shareholder/s who are deemed interested in the Proposed Acquisition as at 31 March 2005 are as follows:

Interested Parties	TCMH				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	12,017,062	1.79	304,266,662	45.41 <sup>(2)</sup>	581,983	0.87	28,653,333	42.64 <sup>(3)</sup>
Tan Eng Soon	2,628,000	0.39	304,266,662	45.41 <sup>(2)</sup>	70,000	0.10	28,653,333	42.64 <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.



The Directors who are interested in the Proposed Acquisition 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 Proposed Acquisition at the relevant meetings of the Board.

The Directors and major shareholders who are interested in the Proposed Acquisition 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 resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming AGM.

#### **4.10 DIRECTORS' RECOMMENDATION**

The Board, with the exception of the Directors who are interested in the Proposed Acquisition as disclosed in section 4.9 is of the opinion that the Proposed Acquisition is fair, reasonable and in the best interest of the Company and recommends that you vote in favour of the proposed resolution in relation to the Proposed Acquisition to be tabled at the forthcoming AGM.

### **5. APPROVALS REQUIRED**

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

The Proposed Acquisition is not subject to the approval of the Foreign Investment Committee but a notification will be required if the purchase consideration is less than RM20 million but above RM10 million.

### **6. AGM**

The AGM, the notice of which is set out in the 2004 Annual Report, will be held at the Grand Ballroom, Grand Seasons Hotel, 72, Jalan Pahang, 53000 Kuala Lumpur on Friday, 20 May 2005 at 3:00 p.m., for the purpose of considering and, if thought fit, passing the proposed resolutions on the ordinary businesses and the special businesses of the AGM which include the proposed resolutions on the Proposals.

If you are unable to attend the AGM in person, please return the completed Form of Proxy attached to the 2004 Annual Report 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 AGM. 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 AGM should you subsequently find that you are able to do so.

### **7. ADDITIONAL INFORMATION**

Shareholders are requested to refer to the Appendix 1 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 CONTRACTS**

Apart from the agreements entered into with Renault s.a.s, agreements of which are in the ordinary course of business and saved as disclosed below, 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 2005:-

- (i) Sale and Purchase Agreement dated 26 January 2004 between Tan Chong & Sons Motor Company Sdn Bhd ("TCSM") and Panasonic Malaysia Sdn Bhd ("PMSB") in relation to the acquisition by TCSM from PMSB of all that piece of freehold land (zoned for commercial and industrial use) known as Lot No.9586, Mukim 12, Daerah Barat Daya, Pulau Pinang and comprised in Geran (First Grade) No.57825 (formerly known as No. P.T 3088, No. HS(D) 8682) together with a double storey administrative office building and a lofty single storey with a mezzanine floor warehouse annex measuring approximately 9,721 square metres in area for a purchase consideration of RM13,000,000.
- (ii) Sale and Purchase Agreement dated 13 May 2004 between TCSM and Temasya Development Co. Sdn Bhd ("TDC") in relation to the acquisition by TCSM from TDC of a freehold industrial land held under Title Lot No. H.S. (D) No. 102187 P.T. No. 16000, Mukim of Damansara, Dearah Petaling, State of Selangor measuring approximately 5,580 square metres in area for a purchase consideration of RM7,207,680.
- (iii) Sale and Purchase Agreement dated 18 October 2004 between TCSM and Alliance Network Sdn Bhd ("ANSB") in relation to the acquisition by TCSM from ANSB of a freehold vacant commercial land held under Title No. H.S. (D) No. 331740 Lot No. PTD 166367, Mukim of Plentong, District of Johor Bahru, Johor measuring approximately 8,717 square metres in area for a purchase consideration of RM9,100,000.
- (iv) Agreement for Sale and Purchase of Shares dated 17 January 2005 between Tan Chong Trading (Malaysia) Sdn Bhd ("TCT") and Teo Chee Cheong and Gnan Yuet Ling (collectively "the Vendors") in relation to the acquisition by TCT from the Vendors an aggregate of 10,200,000 fully paid ordinary shares of RM1.00 each representing the entire issued and paid-up share capital in Constant Knight (M) Sdn Bhd for a purchase consideration of RM7,600,000.

**3. MATERIAL LITIGATION**

The Company and its wholly-owned subsidiary, TC Euro Cars Sdn Bhd (TCEC) were served with a Writ of Summons on 11 July 2003 filed by Inokom Corporation Sdn Bhd and Quasar Carriage Sdn Bhd as plaintiffs in Kuala Lumpur High Court Civil Suit No. S 22-822-2003. The first defendant in the suit is Renault S.A. while the Company and TCEC are the second and third defendants respectively.

The main claim made by the plaintiffs that is relevant to the Company and TCEC is the claim for "General Damages in the sum of RM150,000,000.00 against all the defendants for conspiracy to injure" in relation to the Renault Kangoo project as alleged in the Statement of Claim. The plaintiff also claimed costs and any other relief to be awarded by the High Court. The applications by the Company and TCEC to the High Court for the suit to be struck out with costs were granted on 16 January 2004. The Plaintiffs have filed an appeal to the Judge in Chambers and the same was allowed by the Judge with costs in the cause on 20 May 2004.

Apart from the above, neither TCMH nor its subsidiaries as at 31 March 2004 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.

#### **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 AGM:

- (i) Memorandum and Articles of Association of TCMH;
- (ii) Financial statements of the TCMH Group for the two (2) financial years ended 31 December 2004;
- (iii) Report and Valuation of the Property by Rahim & Co dated 28 February 2005; and
- (iv) Cause papers in respect of material litigation referred to in section 3.

#### **5. CONSENT**

Rahim & Co has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and letter and all references thereto in the form and context in which they appear.

Asia - Hong Kong - Beijing - Guangzhou - Shanghai -  
Bangkok - Kuala Lumpur - Manila - Seoul - Singapore

Australia - Sydney - Adelaide - Brisbane - Gold Coast -  
Hobart - Melbourne - Perth - Sunshine Coast

Europe - United Kingdom - Belgium - Finland - France -  
Germany - Greece - Ireland - Italy - Netherlands - Spain

South Africa

USA

Our Ref : 30V050140

28<sup>th</sup> February 2005

Tan Chong & Sons Motor Co. Sdn Bhd  
Property Department  
62-28, Jalan Ipoh  
51200 Kuala Lumpur

Dear Sirs,

**RE : REPORT AND VALUATION OF PN 4914, LOT NO. 73, SECTION 13, TOWN OF  
PETALING JAYA, DISTRICT OF PETALING, STATE OF SELANGOR DARUL  
EHSAN BEARING POSTAL ADDRESS NO. 9, JALAN KEMAJUAN 12/18, 46200  
PETALING JAYA, SELANGOR DARUL EHSAN**

We thank you for your instruction to assess the Market Value of the abovementioned property for **PURCHASE NEGOTIATION** purposes.

We are pleased to report that in our opinion, the Market Value of the leasehold interest in the subject property as at **23<sup>rd</sup> February 2005, in its existing condition, free from all encumbrances, with the title being good, marketable and registrable as well as with vacant possession is RM13,000,000/-.**  
(Ringgit Malaysia : Thirteen Million Only).

Our full Report and Valuation is contained herein.

This Report and Valuation is subject to the Limiting Conditions stated on the back page of this report.

Thank you.

Yours faithfully,  
**RAHIM & CO CHARTERED SURVEYORS SDN BHD**



**CHEE KOK THIM, FISM**  
Senior General Manager  
Registered Valuer (V 325)

**Rahim & Co Chartered Surveyors Sdn. Bhd.** (69437-W)

Level 17, Menara Uni.Asia, 1008 Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia.

Tel: 603-2691 9922 Fax: 603-2691 9992

e-mail: rccs@po.jaring.my

website: www.rahim-co.com

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Kota Kinabalu - Kuala Terengganu - Kuantan - Kuching -  
Malacca - Penang - Petaling Jaya - Seremban -  
Sungai Petani - Temerloh

Board Reg. No. VE110065

