



Notice of Annual General Meeting

We invite our shareholders to the Seventh Annual General Meeting of Tan Chong International Limited to be held at The Dynasty Club, 7/F South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 12 May 2004 at 11:00a.m.

AGENDA

As ordinary business

1. To receive and adopt the audited consolidated financial statements for the year ended 31 December 2003 and the reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To authorise the Directors to fix Directors Fees.
5. To re-appoint KPMG as Auditors and authorise the Directors to fix their remuneration.

As special business

6. To consider and, if thought fit, pass the following resolutions:-

(A) As Ordinary Resolution No. 1

“That:-

- (i) Subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and/or options which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

- (iii) the aggregate nominal amount of unissued shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Directors of the Company during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to a Rights Issue or the exercise of subscription rights attaching to any warrants issued by the Company, shall not exceed the aggregate of 20 per cent of the aggregate nominal amount of shares in the capital of the Company in issue as at the date of passing this Resolution;
- (iv) for the purpose of this Resolution:-
 - (a) “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and
 - (3) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (b) “Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the Directors of the Company to holders of shares in the capital of the Company whose names appear on the Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) As Ordinary Resolution No. 2

“That:-

- (i) Subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange

of Hong Kong Limited, be and is hereby generally and unconditionally approved;

- (ii) the aggregate nominal amount of the Shares which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this Resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this Resolution:- “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and
 - (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) As Ordinary Resolution No. 3

“That the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company pursuant to the Ordinary Resolution numbered 1 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution numbered 2 above, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.” (Note i)

7. To consider and, if thought fit, pass the following resolution as a **Special Resolution**:-

“**That** the Bye-laws of the Company be and are hereby amended in the following manner:-

- (A) By adding the following definitions in Bye-law:-
“Associates”

as defined from time to time by any Designated Stock Exchange

- (B) By deleting existing Bye-law 63 and substituting the following new Bye-law 63 therefor:

“63 The chairman of the Board or, if he is absent or declines to take the chair at such meeting, the deputy chairman or, if he is absent or declines to take the chair, the managing director shall take the chair at every general meeting, or, if at any general meeting neither the chairman, deputy chairman or managing director is present within fifteen (15) minutes after the time appointed for holding such meeting, any one Director present shall act, or if only one Director is present, he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.”

- (C) By adding the following new Bye-law 77A after the Bye-law 77:

“77A Where a Member is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution as specified by the applicable rules of any Designated Stock Exchange, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

- (D) By deleting existing Bye-law 87(1) and substituting the following new Bye-law 87(1) therefor:

“87(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third in number of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not greater than one-third) shall retire from office by rotation.”

- (E) By adding the words “and retirement by rotation” after the words “this Bye-law shall be subject to the same provisions as to removal” in Bye-law 90.”

- (F) By deleting the existing Bye-law 103 (1) and substituting with the following new Bye-law 103(1) therefor:

“103(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of them or obligations incurred or undertaken by him or any of them

at the request of or for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is / are or is / are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is / are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his / their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and any of his associate(s) are in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of his associate(s) is derived);
- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the persons to which such scheme or fund relates.”

By Order of the Board
Teo Siok Ghee
Company Secretary

Hong Kong, 18 March 2004

Registered Office: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Principal Office in Hong Kong: Unit 3001, 30th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong

Notes:

- (i) This resolution will be proposed to Shareholders for approval provided that Ordinary Resolutions Nos. 1 and 2 are passed by the Shareholders.
- (ii) The proposed resolution of item 7 is to bring the Bye-laws of the Company in line with the recent amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (which will come into effect on 31 March 2004), to enhance corporate governance of the Company and provide the shareholders an opportunity to re-elect each and every director of the Company and to streamline the proceedings at general meetings.
- (iii) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote for him in accordance with the bye-laws of the Company; a proxy need not be a shareholder of the Company.
- (iv) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (v) In order to be valid, a form of proxy must be deposited at Unit 3001, 30th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.
- (vi) The Transfer Books and Register of Members will be closed from 27 April 2004 to 12 May 2004, both days inclusive, during which period no share transfers can be registered.

Tan Chong International Limited
(Incorporated in Bermuda with limited liability)

Please also refer to the published version of this announcement in South China Morning Post.