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**If you have sold or transferred** all your shares in Tan Chong International Limited, you should at once hand this statement to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## **Tan Chong International Limited**

(Incorporated in Bermuda with limited liability)

### **Proposed General Mandates to Issue Shares and Repurchase Shares and Amendments to the Bye-laws**

#### **Explanatory Statement**

A notice convening an 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 Friday, 17 May 2002 at 11 a.m. is set out in the annual report. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company in Hong Kong at Unit 3001, 30th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting if they so wish.

## DEFINITIONS

*In this statement, unless the context otherwise requires, the following expressions shall have the following meanings:*

"Annual General Meeting"	the annual general meeting of the Company to be held on 17 May 2002 at 11 a.m., or any adjournment thereof.
"Code"	the Hong Kong Code on Takeovers and Mergers
"Company"	Tan Chong International Limited
"Companies Act"	the Companies Act 1981 of Bermuda
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong "	The Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	28 March 2002, being the latest practicable date prior to the printing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Proposed Repurchase Mandate"	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase shares not exceeding 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting the Proposed Repurchase Mandate
"Share(s)"	share(s) of HK\$0.50 each in the capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TCC"	Tan Chong Consolidated Sdn. Bhd., the controlling shareholder of the Company
"\$" and "cents"	Hong Kong dollars and cents



## **INTRODUCTION**

On 14 March 2002 the Directors of Tan Chong International Limited (the "Company") announced the audited consolidated results of the Company for the year ended 31 December 2001 and the proposal to seek general mandates at the Annual General Meeting to be held on 17 May 2002 for the Directors to issue shares and repurchase shares. The Directors also take the opportunity to put forward to the Shareholders, a special resolution to amend the Bye-laws of the Company. This statement gives you details of the proposed resolutions and seeks your approval of such resolutions at the Annual General Meeting.

## **GENERAL MANDATE TO ISSUE SHARES**

In order to ensure flexibility and discretion to the Directors, in the event that it becomes desirable to issue any share, approval is to be sought from members, pursuant to the Listing Rules, for a general mandate to issue shares. At the Annual General Meeting, an ordinary resolution No.1 will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new shares in the share capital of the Company up to 20 per cent of the aggregate nominal amount of the issued share capital of the Company immediately after the passing of the resolution in relation to such general mandate. In addition, subject to a separate approval of the ordinary resolution No.3, the number of Shares purchased by the Company under ordinary resolution No.2 will also be added to the 20 per cent general mandate as mentioned in the ordinary resolution No.1. The Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to such general mandate.

## **GENERAL MANDATE TO REPURCHASE SHARES**

In addition, an ordinary resolution will be proposed to approve the granting of a Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase shares representing up to 10 per cent of the aggregate nominal amount of the issued share capital of the Company immediately after the passing of the resolution in relation to such Proposed Repurchased Mandate.

This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

## **AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

In view of the recent amendments to the Listing Rules by the Stock Exchange, a special resolution will be proposed to amend the Company's Bye-laws to permit the Company and the Shareholders to take advantage of the new Listing Rules which enables the Company to offer Shareholders the choice to receive a Summary Financial Report in place of the Consolidated Financial Statements and the choice to forego receipt of a printed copy of either the Summary Financial Report or the Consolidated Financial Statements in favour of relying on the versions of those documents published on the Company's website. Even if Shareholders vote in favour of the special resolution, they will still be able to choose to receive printed copies of the Consolidated Financial Statements. If this special resolution is passed and as soon as the Directors consider appropriate, the Company will send a letter to the Shareholders to ascertain their preferences and to explain the arrangements.

## **FORM OF PROXY**

A form of proxy for use at the Annual General Meeting is enclosed in this annual report. Whether or not you intend to be present at the meeting, you are requested to complete the form of proxy and return it to the Company in accordance with the instruction printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not prevent the Shareholders from attending, and voting at the Annual General Meeting if they so wish.

## **RECOMMENDATION**

The Directors consider that the proposed resolutions for the granting to the Directors of the general mandate to issue shares the Proposed Repurchase Mandate and for the amendment to the Company's Bye-laws are in the interests of the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

## LISTING RULES FOR REPURCHASE OF SHARES

The relevant sections of the Listing Rules which permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange, subject to certain restrictions, are summarised below:

- **Shareholders approval**

The Listing Rules provide that all proposed repurchase of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

- **Source of funds**

Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's memorandum of association, bye-laws and the applicable laws of Bermuda. Under Bermuda law, any repurchases by the company may be made out of capital paid up on the shares to be repurchased, or out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose and, in the case of premiums payable on repurchases, funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

- **Trading restrictions**

The shares proposed to be repurchased by a company must be fully paid up.

A maximum of 10 per cent of the fully paid up issued share capital of the Company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

All repurchases of shares on the Stock Exchange in any calendar months are limited to a maximum of 25 per cent of the trading volume of such shares on the Stock Exchange in the immediate preceding calendar month. The Listing Rules also prohibit a company from repurchasing its shares on the Stock Exchange if the repurchase would result in the number of listed shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Listing Rules, being not less than 25 per cent. Furthermore, a company is not allowed to repurchase its shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

- **Subsequent issue of shares**

A company may not issue or announce an issue of new shares for a period of 30 days immediately following a repurchase, other than an issue of shares pursuant to an exercise of warrants, share options or similar instruments (if any) requiring the company to issue shares which were outstanding prior to such repurchase, without the prior approval of the Stock Exchange.

- **Status of repurchased shares**

The Listing Rules provide that the listing of all repurchased shares are automatically cancelled and the Company must ensure that the certificates for the repurchased shares are cancelled and destroyed as soon as reasonably practicable following the settlement of any such repurchase. Under Bermuda law, all shares repurchased shall be treated as cancelled.

- **Suspension of repurchases**

The Listing Rules prohibit any repurchase of shares at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding either the preliminary announcement of a company's annual results or publication of a company's interim report, the Company may not repurchase its shares on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit repurchase of shares on the Stock Exchange if a company has breached the Listing Rules.

## LISTING RULES FOR REPURCHASE OF SHARES (Continued)

- **Reporting requirements**

Under the Listing Rules, repurchases of shares on the Stock Exchange must be reported to the Stock Exchange not later than 9:30 a.m. (Hong Kong time) on the following business day. In addition, the Company's annual report is required to disclose details regarding repurchases of shares (on a monthly basis) made during the year, including the reasons for making such repurchases, the number of shares repurchased and the aggregate prices paid. The directors' report shall contain reference to the repurchases made during the year and the directors' reasons for making such repurchases. Furthermore, the Company shall procure that any broker appointed by it to effect the repurchase of shares shall disclose to the Stock Exchange such information with respect to repurchase made on behalf of the Company as the Stock Exchange may request.

- **Connected parties**

The Listing Rules prohibit a company from knowingly repurchasing shares on the Stock Exchange from connected persons, which include Directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or their associates, as defined in the Listing Rules. Also, a connected person shall not knowingly sell his shares to the company.

## SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,013,309,000 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 201,330,900 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

## REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. If such a repurchase is made, the Directors propose to use the Company's internal cash surplus to fund such repurchase.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the current prevailing market value, it could have a material adverse impact on the working capital but not the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2001, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months.

Month	Highest trade price \$	Lowest trade price \$
<b>2001</b>		
March	1.040	0.940
April	0.980	0.920
May	1.200	1.030
June	1.260	1.060
July	1.170	1.070
August	1.170	1.060
September	1.140	0.910
October	1.030	0.960
November	1.130	0.980
December	1.210	1.110
<b>2002</b>		
January	1.400	1.140
February	1.440	1.260
March	1.440	1.330

Source: *The Stock Exchange of Hong Kong Limited*

## GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their associates currently intend to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, TCC is interested in approximately 45.34 per cent of the existing issued share capital of the Company. In the event that the Directors should exercise in full the Proposed Repurchase Mandate, the shareholding of TCC in the Company will be increased to approximately 50.38 per cent of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Code. The Directors have no present intention to repurchase the Shares to the extent that it will trigger the obligations under the Code to make a mandatory offer.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

## SHARE PURCHASE MADE BY THE COMPANY

The Company had not purchased any Share (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

# Tan Chong International Limited

## Notice of Annual General Meeting

We invite our shareholders to the Fifth 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 Friday, 17 May 2002 at 11 a.m..

### AGENDA

#### As ordinary business

1. To receive and adopt the audited consolidated financial statements for the year ended 31 December 2001 and the reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To authorise 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)."

## Tan Chong International Limited

### Notice of Annual General Meeting (continued)

#### (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 Hong Kong 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 Share 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 conditional upon the passing of the Ordinary Resolutions numbered 1 and 2 as set out in the notice of this meeting, 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."

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 definition in Bye-law 1 immediately following the definition "dollars" and "\$":-

"Electronic communication" a communication sent by electronic transmission in any form through any medium.

- (b) By adding the following definition in Bye-law 1 immediately following the definition "Statutes":-

"Summary financial report" a financial report which must comply with provisions set out in section 141CF(1) of the Companies Ordinance of Hong Kong and in the Companies (Summary Financial Reports of Listed Companies) Regulation.



## Tan Chong International Limited

### Notice of Annual General Meeting (continued)

(c) By adding in Bye-law 2(e) after the words "visible form" the words "and shall include an electronic communication".

(d) By renumbering the existing Bye-law 153 as Bye-law 153(a) and adding in such Bye-law after the words "Subject to Section 88 of the Act" the words "and Bye-laws 153(b) and 153(c)", and adding the following as Bye-laws 153(b) and 153(c):-

"153(b) The requirement to send to a person referred to in Bye-law 153(a) the documents referred to in that Bye-law, whether under the Act or that Bye-law, shall be deemed satisfied where, in accordance with the rules of any Designated Stock Exchange, a copy of a Summary financial report is sent to such person, and that person has agreed or is deemed to have agreed to treat the receipt of such Summary financial report as discharging the Company's obligation to send to him a copy of the documents referred to in Bye-law 153(a).

153(c) The requirement to send to a person referred to in Bye-law 153(a) the documents referred to in that Bye-law or a Summary financial report, whether under the Act or that Bye-law, shall be deemed satisfied where, in accordance with the rules of any Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 153(a) and, if applicable, a Summary financial report, on the Company's computer network or in any other permitted manner (including by sending them in any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

(e) By replacing and renumbering the existing Bye-law 160 with the following Bye-law 160(a):-

"160(a) Any Notice from the Company to a Member shall be given in writing or by an electronic communication or by cable, telex or facsimile transmission message and any such Notice and (where appropriate) any other document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or by sending it in accordance with the rules of any Designated Stock Exchange as an electronic communication to the member at his electronic address or by publishing it in accordance with the rules of any Designated Stock Exchange on the Company's computer network. In the case of joint holders of a share all notices or documents shall be given to that one of the joint holders whose name stands first in the Register and notice or document so given shall be deemed a sufficient service on or delivery to all the joint holders."

(f) By adding the following Bye-law 160(b) after Bye-law 160(a):-

"160(b) Subject to the rules of any Designated Stock Exchange, any notice or document, including the documents referred to in Article 153(a) and a Summary financial report, may be given to a member either in the English language or the Chinese language."

## **Tan Chong International Limited**

### **Notice of Annual General Meeting (continued)**

(g) By renumbering the existing Bye-law 161(b) as Bye-law 161(c) and by adding the following as Bye-law 161(b):-

"161(b) if served or sent as an electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent; and in proving such service or delivery it shall be sufficient to prove that any notice or document published on the Company's computer network on the day following that on which a notification is sent to the member that the notice or document is available on the Company's computer network shall be conclusive evidence thereof; and"

(h) By adding in Bye-law 162(1) after the words "left at the registered address of any Member" the words "or by electronic communications".

By Order of the Board

**Teo Siok Ghee**

Company Secretary

Hong Kong, 14 March 2002

*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) 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.
- (ii) 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.
- (iii) 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.
- (iv) The Transfer Books and Register of Members will be closed from 13 May 2002 to 17 May 2002, both days inclusive, during which period no share transfers can be registered.

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

**FORM OF PROXY**

I / We (Name) \_\_\_\_\_ (Block capitals, please)

of (Address) \_\_\_\_\_

being the holder(s) of \_\_\_\_\_

(see Note 1) Shares in Tan Chong International Limited hereby appoint the Chairman of the Meeting (see Note 2) (Name) \_\_\_\_\_

of (Address) \_\_\_\_\_ or failing him

(Name) \_\_\_\_\_

of (Address) \_\_\_\_\_

as my/our proxy to attend and vote for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company to be held at The Dynasty Club, 7/F South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on Friday, 17 May 2002 at 11 a.m., and at any adjournment thereof or on any resolution or motion which is proposed thereat.

My/our proxy is authorised and instructed to vote as indicated (see Note 3) in respect of the undermentioned resolutions :-

	<b>Resolution</b>	<b>For</b>	<b>Against</b>
1.	To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2001 and the reports of the Directors and Auditors thereon.		
2.	To declare a final dividend.		
3.	To re-elect the following persons as Directors of the Company :-		
	(i) Mr. Lee Han Yang		
	(ii) Mr. Liu Kwei Ming		
4.	To authorise Directors to fix Directors Fees.		
5.	To re-appoint KPMG as Auditors and authorise the Directors to fix their remuneration.		
6.	(A) <b>As Ordinary Resolution No. 1</b> To give a general mandate to the Directors of the Company to allot, issue and deal with unissued shares.		
	(B) <b>As Ordinary Resolution No. 2</b> To give a general mandate to the Directors to repurchase the shares of the Company.		
	(C) <b>As Ordinary Resolution No. 3</b> To add repurchased shares of the Company to the shares issue general mandate.		
7.	To amend the Bye-laws of the Company.		

\_\_\_\_\_  
Signature (s)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2002



**Notes :**

1. Please insert the number of Shares registered in your name(s); if no number is inserted, this form of proxy will be deemed to relate to all the Shares in the capital of the Company registered in your name(s).
2. A member may appoint more than one proxy of his own choice. If such an appointment is made, delete the words the "Chairman of the Meeting", and insert the name(s) of the person(s) appointed proxy in space provided. Any alteration made to this form of proxy must be initialled by the person who signs it.
3. Please indicate with an 'X' in the appropriate space beside each of the resolutions how you wish the proxy to vote on your behalf. In the absence of any such indication, the proxy will vote for or against the resolution or will abstain at his discretion.
4. If the appointor is a corporation, this form must be under common seal or under the hand of an officer, attorney, or other person duly authorised on that behalf.
5. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated.
6. To be valid, this proxy form must be completed, signed and 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 for holding the Meeting.
7. A proxy need not be a member of the Company.

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**Tan Chong International Limited**  
Unit 3001, 30th Floor Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong

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