



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0093)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Termbray Industries International (Holdings) Limited (the “Company”) will be held at Flat B, 8th Floor, Waylee Industrial Centre, 30-38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong on Friday, 27th August, 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2004.
2. To re-elect the retiring director and to authorise the directors to fix the remuneration of directors.
3. To re-appoint auditors and to authorize the directors to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) 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 HK\$0.08 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

5. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) 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 and deal with additional shares of HK\$0.08 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (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 applicable to the Company).”

6. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions set out in items 4 and 5 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to the Resolution set out in item 5 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Resolution set out in item 4 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the said Resolution.”

7. As special business, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION

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

(A) Bye-law 1

- (i) By deleting the existing definition of “associates” and substituting therefor the following new definition:

“associates” in relation to a Director, shall have the meaning attributed to it in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

- (ii) By deleting the word “daily” in the definition of “Newspaper”.

(B) Bye-law 15

By deleting the words “within ten business days” and substituting therefor the words “within such period as may be prescribed by the Companies Act or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited”.

(C) Bye-law 36

By deleting the words “and may be under hand only” in Bye-law 36 and substituting therefor the following words:

“or in a form prescribed by The Stock Exchange of Hong Kong Limited and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time”.

(D) Bye-law 70

- (i) By adding the words “unless a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or” immediately before the words “unless a poll is” in the first paragraph of Bye-law 70.

- (ii) By adding the words “a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or unless” immediately after the word “Unless” in the second paragraph of Bye-law 70.

(E) Bye-law 80

By adding the following as new Bye-law 80 (C):

- (C) Where the Company has knowledge that any member is, under any applicable laws or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(F) Bye-law 87A

By deleting the existing Bye-law 87A in its entirety.

(G) Bye-laws 87(B)

By deleting the existing Bye-law 87(B) in its entirety and substituting therefor the following new Bye-law 87(B):

- “87(B). Where a member is a Clearing House (or its nominees(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of members provided that the authorisation or instrument of proxy shall specify the number and class of shares in respect of which each such person is so authorised or appointed. Each person so authorised or appointed under the provisions of this Bye-law shall be deemed to have been duly authorised or appointed without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the Clearing House (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation or instrument of proxy including the right to vote individually on a show of hands.”

(H) Bye-law 98(H)

By deleting the existing Bye-law 98(H) in its entirety and substituting therefor the following new Bye-law 98(H):

“98.(H) A Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is/are materially interested and if he shall do so his vote shall not be counted nor shall he be counted in the quorum on such resolution of the Board, 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 his associate(s) or obligations incurred or undertaken by him or any of his associates 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 himself/themselves assumed responsibility in whole or in part and 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 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 or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent., or more of the issued shares of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights; or
- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including 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 the Director, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.”

(I) Bye-law 98(I)

By deleting the existing Bye-law 98(I) in its entirety and substituting therefor the following new Bye-law 98(I):

“98. (I) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph, there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorized unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.”

(J) Bye-law 98(J)

By deleting the existing Bye-law 98(J) in its entirety and substituting therefor the following new Bye-law 98(J):

“98. (J) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.”

(K) Bye-law 98(K)

By adding the words “and/or his associates” before the words “concerned as known to such Director”.

(L) Bye-law 103

By deleting the existing Bye-law 103 in its entirety and substituting therefor the following new Bye-law 103:

“103. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(M) Bye-law 165

By deleting the existing Bye-law 165 in its entirety and substituting therefor the following new Bye-law 165:

“165. A person other than a retiring Auditors shall not be capable of being appointed Auditor at an annual general meeting unless notice of an intention to nominate that person to the office of Auditor has been given to the Company not less than twenty-one days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members not less than seven days before the annual general meeting provided that the above requirements may be waived by notice in writing by the retiring Auditor to the Secretary.”

(N) Bye-law 168

By deleting the last sentence in Bye-law 168 and substituting therefor the following new sentence:

“Where the registered address of the member is outside the Relevant Territory, any notice or document to be given or issued under these Bye-laws or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited shall be sent, where applicable, by prepaid airmail or an equivalent service that is no slower, as determined by the Board.”

By Order of the Board
LO Tai On
Secretary

Hong Kong, 22nd July, 2004

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at Flat B, 8th Floor, Waylee Industrial Centre, 30-38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors:

Mr. Lee Lap, Chairman & CEO
Mdm. Leung Lai Ping
Mr. Wong Shiu Kee

Independent Non-Executive Directors:

Dr. Lee Tung Hai, Leo, G.B.S., LL.D., J.P.
Mr. Lee Ka Sze, Carmelo