

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China Silver Dragon Group Limited (the “Company”) will be held at 9:30 a.m. on 1 September 2003 at Gun Room, Royal Hong Kong Yacht Club, Kellett Island, Causeway Bay, Hong Kong for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2003;
2. To elect Directors and to authorise the Board to fix Directors’ remuneration;
3. To appoint Messrs Ernst and Young as Auditors and to authorize the Board to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following as Ordinary Resolutions:

(A) **“THAT** the directors of the Company be and are hereby granted an unconditional general mandate to allot and issue additional shares in the capital of the Company, and to make or grant offers, agreements and options respect thereof, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period (defined in paragraph (c) below) save that the Directors might during the Relevant Period make or grant offers, agreements and options which might required the exercise of such powers after the end of the Relevant Period;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) (otherwise than pursuant to (i) a Rights Issue (defined in paragraph (c) below); (ii) the grant or exercise of options issued under any other option scheme adopted by the Company; or (iii) an issue of shares expressly approved by shareholders of the Company in general meeting; or (iv) any scrip dividend schemes) shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution;
- (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 the Bye-laws of the Company or the laws of Bermuda to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors 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 stock exchange in any territory inside or outside Hong Kong).”

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- (B) **“THAT** the directors of the Company be and are hereby granted an unconditional general mandate to repurchase issued shares in the capital of the Company in accordance with the Bye-laws of the Company and the laws of Bermuda, and subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period (defined in paragraph (c) below);
 - (b) the aggregate nominal amount of shares of the Company to be purchased by the directors pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution; 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 the Bye-laws of the Company or the laws of Bermuda to be held; and
 - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution in general meeting.”
- (C) **“THAT** conditional upon the passing of Resolutions (A) and (B) above, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot and issue shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to Resolution (A) above be and is hereby extended by the additional thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution (B) referred to above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution.”

By Order of the Board
China Silver Dragon Group Limited
Duan Chuan Liang
Chairman

Hong Kong, 30 July 2003

Notes:

1. A member of the Company, who is the holder of two or more shares of the Company, entitled to attend and vote at the above-mentioned Annual General Meeting may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.