

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shanghai Merchants Holdings Limited (the “**Company**”) will be held at Chater Room 1, B/3, Regal Hongkong Hotel of 88 Yee Wo Street, Causeway Bay, Hong Kong on 27 May 2005 (Friday) 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 31 December 2004;
2. To re-elect the retiring directors and to fix the remuneration of directors;
3. To re-appoint auditors and to authorize the board of directors of the Company to fix their remuneration;

As special business, to consider and, if thought fit, pass with or without amendments, each of the following resolutions 4, 5 and 6 as an Ordinary Resolution:

4. **“THAT:**
  - (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (defined as below) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange recognised, for this purpose by the Securities and Futures Commission and the Stock Exchange, subject to and in accordance with all applicable laws and requirements, 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 at the date of passing this Resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this Resolution:

“Relevant Period” means the period from the time of 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 laws to be held; and
    - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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5. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, 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 defined below) to make or grant offers, agreements and options which might require the exercise of such powers 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 pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares upon the exercise of subscription rights or conversion rights under any warrants of the Company or any securities of the Company which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees, directors or such persons as may be specified under the share option scheme of the Company and/or any of its subsidiaries of shares in the capital of the Company or rights, to acquire shares in the capital of the Company shall not exceed aggregate of (i) 20 per cent. of the nominal amount of the share capital of the Company in issue as at the date of this Resolution; plus (ii) in addition, subject to the passing of Resolution No. 6 below, all those number of shares which may from time to time be purchased by the Company pursuant to the general mandate granted under Resolution No. 4 above, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the time of passing of this Resolution until whichever is the earlier 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 laws to be held; and

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- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the directors of the Company to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (whether or not there may be imposed any 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 of any stock exchange in, any territory outside Hong Kong).

- 6. **“THAT** conditional upon the passing of Resolution Nos. 4 and 5 above set out in the notice of the meeting of which this resolution forms part, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 4 above shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with Resolution No. 5 above, provided that such additional amount 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 passing this Resolution.”

By Order of the Board of  
**Shanghai Merchants Holdings Ltd**  
**Yue Jialin**  
*Chairman*