



SHANGHAI MERCHANTS HOLDINGS LIMITED

上海商貿控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1104)

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 22 September 2004 at 11 a.m. (or at the soonest time thereafter as the Special General Meeting of the Company convened on the same date and place shall have been concluded or adjourned) for the following purposes:

1. To receive and consider the financial statements and the reports of the directors (**“the Directors”**) and auditors of the Company (**“the Auditors”**) for the year ended 31 December 2003;
2. To re-elect Directors and to fix their remunerations;
3. To re-appoint Auditors and to authorize the Directors to fix their remunerations;
4. As special business, to grant a general mandate to the Directors:
 - (i) to repurchase shares of the Company (**“the Shares”**) not exceeding 10% of its issued share capital (**“the Repurchase Mandate”**) as at the date of passing of the relevant resolution;
 - (ii) to issue additional Shares not exceeding 20% of its issued share capital as at the date of passing of the relevant resolution (**“the Issued Mandate”**); and
 - (iii) to extend the limit under such Issue Mandate by the addition thereto of such number of securities representing the aggregate nominal amount of capital repurchased by the Company under the Repurchase Mandate (**“the Extension Mandate”**).
5. As special business, to consider and, if thought fit, passed with or without modification, an ordinary resolution of the Company conditionally adopting a new share option scheme of the Company (**“the New Share Option Scheme”**) terminating with contemporaneous effect the existing share option scheme of the Company which was adopted on 7 June 2002 and authorizing the Directors to allot and issue shares of the Company (**“the Shares”**) pursuant to the exercise of any options which may fall to be granted under the New Share Option Scheme.
6. As special business, to consider and, if thought fit, pass the necessary resolution(s) as special resolution(s) of the Company amending the existing bye-laws of the Company in accordance with the proposed amendments made in the full text (**“the Amendment of Bye-laws”**) in order to conform with the Rules Governing the Listing of Securities the Stock Exchange effective as of 31 March 2004.

The full text of the proposed resolutions referred to above is available for inspection at the principal place of business of the Company in Hong Kong at Room 1225, 12/F, Prince's Building, 10 Chater Road, Central, Hong Kong from the date hereof to the date of the Annual General Meeting and a circular containing the same will be delivered together with a copy of this notice and the 2003 Annual Report to the registered shareholders of the Company.

By order of the board of Directors

Yue Jialin

Chairman

Hong Kong, 16 August 2004

Notes:

- (1) A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
- (2) Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons to present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's Hong Kong branch share registrar, Secretaries Limited at 28th Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (4) Completion and delivery of the form of proxy will not preclude members from attending and voting at the meeting convened, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) A circular containing the explanatory statement regarding the Repurchase Mandate and the full text on the proposed Amendment of Bye-laws and summary of the terms of the New Share Option Scheme will be accompanying the 2003 Annual Report of the Company.

As at the date of this announcement, the Directors currently comprises of Mr. Yue Jialin and Mr. Lau Yau Cheung Brent, both of whom are executive Directors and Mr. Wong Wing Kuen, Albert, Mr. Tsui Robert Che Kwong and Wu Guo Jian, all of them are independent non-executive Directors.

“Please also refer to the published version of this announcement in The Standard”