

SHANGHAI MERCHANTS HOLDINGS LIMITED

上海商貿控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1104)

FORM OF PROXY FOR SPECIAL GENERAL MEETING

(OR ANY ADJOURNMENT THEREOF)

I/We¹ _____

of _____

being the registered holder(s) of² _____

shares of HK\$0.10 each in the capital of abovenamed company (the “Company”), **HEREBY APPOINT**³ the Chairman of the meeting or failing him _____

of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the special general meeting and at any adjournment thereof (the “Meeting”) of the Company to be held at 20th Floor, Central Tower, 28 Queen’s Road, Central, Hong Kong on Thursday, 4 January 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the under mentioned ordinary resolutions and special resolution as set out in the notice convening the Meeting (the “Notice”) in the manner as hereunder indicated, and, if no such indication is given, as my/our proxy thinks fit.

Number	ORDINARY RESOLUTIONS	FOR ⁴	AGAINST ⁴
1.	To approve the proposed increase in authorised share capital of the Company as set out in the ordinary resolution numbered 1 of the Notice.		
2.	To approve the Acquisition Agreement and the transactions contemplated thereunder as set out in the ordinary resolution numbered 2 of the Notice.		
3.	(i) To approve the Rights Issue and the issue of 1,259,000,000 Rights Shares of HK\$0.30 each in the issued share capital of the Company and the transactions contemplated thereunder as set out in the ordinary resolution numbered 3 of the Notice.		
	(ii) To approve the Bonus Warrants Issue and the issue of 251,800,000 Shares that fall to be issued upon exercise of the Bonus Warrants at an initial subscription price of HK\$0.30 each in the issued share capital of the Company and the transactions contemplated thereunder as set out in the ordinary resolution numbered 3 of the Notice.		
	(iii) To approve the Underwriting Agreement and the transactions contemplated thereunder as set out in the ordinary resolution numbered 3 of the Notice.		
4.	To approve the Company to repurchase not more than 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the SGM and the terms and conditions thereof as set out in the ordinary resolution numbered 4 of the Notice.		
5.	To approve the refreshment of the unused portion of a previous general mandate of approximately 15.16% to allot, issue and deal in the shares of the Company and the terms and conditions thereof as set out in the ordinary resolution numbered 5 of the Notice.		
6.	To approve a new grant of the used up portion of a previous general mandate of approximately 4.84% to allot, issue and deal in the shares of the Company and the terms and conditions thereof as set out in the ordinary resolution numbered 6 of the Notice.		
7.	To approve the Placing Agreement and the transactions contemplated thereunder as set out in the ordinary resolution numbered 7 of the Notice.		
8.	To approve and grant the specific mandate in relation to the issue of 800,000,000 new Shares pursuant to the Placing Agreement as set out in the ordinary resolution numbered 8 of the Notice.		
	SPECIAL RESOLUTION		
9.	To approve the name of the Company be changed to “APAC Resources Limited” and subject to the new English name of the Company becoming effective, “亞太資源有限公司” be adopted as its Chinese name for identification purpose only, as set out in the special resolution numbered 9 of the Notice.		

Dated this _____ day of _____ 2006.

Signature(s)⁵ _____

- Notes:
1.

Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2.

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).
3.

If any proxy other than the Chairman of the Meeting is preferred, delete the words “the Chairman of the meeting or failing him” and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4.

IMPORTANT: IF YOU WISH TO VOTE FOR ANY RESOLUTION, TICK THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST ANY RESOLUTION, TICK THE BOX MARKED “AGAINST”. Failure to tick a box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the Meeting.
5.

This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must either be executed under its common seal or under the hand of an officer or other person duly authorised.
6.

To be valid, this form of proxy, together with 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 deposited at the Hong Kong Branch Share Registrars of the Company, Secretaries Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be).
7.

Where there are joint registered holders of any share, any one of 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 so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
8.

Any member entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9.

Completion and deposit of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish. If you attend and vote at the Meeting, the authority of your proxy will be deemed to have been revoked.

*For identification purpose only