NOTICE OF ANNUAL GENERAL MEETING

SHANGHAI INDUSTRIAL HOLDINGS LIMITED
(Incorporated in Hong Kong under the Companies Ordinance)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT

1. The register of members of the Company will be closed from 29th May, 2002, (Wednesday) to 31st May, 2002, (Friday), both dates inclusive, during which period no transfers will be accepted. In order to qualify for the dividend to be approved at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Secretaries, by 4:00 p.m. on 28th May, 2002, (Tuesday).

2. A form of proxy for use at the meeting is enclosed.

3. The Annual General Meeting of Shanghai Industrial Holdings Limited (the "Company") will be held in the Conference Room of the Company at 26/F., Harcourt House, 39 Gloucester Road, Hong Kong, on 15th June, 2002 at 2:00 p.m. for the purpose of considering and if thought fit, passing the resolutions set out in the notice convening this meeting.

4. The resolutions to be proposed at this Annual General Meeting are as follows:

   A. subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary Shares in the capital of the Company from any person for cash at any time and in any manner on such terms and conditions as the Directors of the Company think fit. For the purposes of this Resolution, "the Relevant Period" means the period from the passing of this Resolution to the conclusion of the next annual general meeting of the Company.

   B. the aggregate nominal amount of Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution."

   C. for the purpose of this Resolution:

      i. the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

      ii. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and

      iii. the date on which the authority given under this Resolution is revoked or varied by an extraordinary resolution of the shareholders of the Company in general meeting.

5. All Shareholders are requested to make their nominations for the number of Directors to be elected at the next Annual General Meeting.

6. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolutions as an Ordinary Resolution:

   A. subject to paragraph (B) of this Resolution, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.

5. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolutions as an Ordinary Resolution:

   A. subject to paragraph (B) of this Resolution, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.

6. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolutions as an Ordinary Resolution:

   A. subject to paragraph (B) of this Resolution, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.

7. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

   A. subject to the following provisions of this Resolution and pursuant to Section 57B of the Companies Ordinance, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.

8. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolutions as an Ordinary Resolution:

   A. subject to paragraph (B) of this Resolution, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.

9. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolutions as an Ordinary Resolution:

   A. subject to the following provisions of this Resolution and pursuant to Section 57B of the Companies Ordinance, 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 in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period; and

   B. the aggregate amount of all such shares which the Company is authorised to allot, issue and deal with pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate amount of the outstanding Warrants to subscribe for Shares in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

   C. for the purpose of this Resolution:

      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 Articles of Association of the Company or any applicable laws of Hong Kong to be held.