
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

**PROPOSED GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF THE 2008 ANNUAL GENERAL MEETING**

A notice convening the 2008 Annual General Meeting of Shanghai Industrial Holdings Limited to be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 30th May 2008 at 3:00 p.m., is set out on pages 12 to 15 of this circular.

Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the 2008 Annual General Meeting if you so wish.

This circular contains all the information required pursuant to the Listing Rules to be given to the Shareholders.

28th April 2008

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

Term	Meaning
“2008 Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 30th May 2008 at 3:00 p.m. at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong ;
“Annual Report”	the annual report 2007 of the Company being despatched to the Shareholders on or before Wednesday, 30th April 2008;
“Company”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 363);
“Connected Person”	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules);
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) with an aggregate nominal value not exceeding 20 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“Latest Practicable Date”	22nd April 2008 which is the latest practicable date prior to the printing of this circular for ascertaining certain information contained in it;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Notice”	the notice convening the 2008 Annual General Meeting dated 28th April 2008 as set out on pages 12 to 15 of this circular;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	the general and unconditional mandate to exercise all powers of the Company to repurchase issued and fully-paid Shares not exceeding 10 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s);
“SIIC”	Shanghai Industrial Investment (Holdings) Co. Ltd., a company incorporated in Hong Kong with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

LETTER FROM THE CHAIRMAN



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

Directors

Executive Directors:

Mr. Cai Lai Xing (*Chairman*)

Mr. Cai Yu Tian

(Vice Chairman & Chief Executive Officer)

Mr. Lu Ming Fang

Mr. Ding Zhong De

Mr. Zhou Jie (*Executive Deputy CEO*)

Mr. Qian Shi Zheng (*Deputy CEO*)

Mr. Yao Fang

Mr. Tang Jun

Registered Office:

26th Floor, Harcourt House,
39 Gloucester Road,
Wanchai, Hong Kong

Independent Non-Executive Directors:

Dr. Lo Ka Shui

Prof. Woo Chia-Wei

Mr. Leung Pak To, Francis

28th April 2008

To all Shareholders

Dear Sir or Madam,

PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

AND

RE-ELECTION OF RETIRING DIRECTORS

AND

NOTICE OF THE 2008 ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Repurchase Mandate, the Issue Mandate and the re-election of retiring Directors and to seek your approval at the 2008 Annual General Meeting in connection with, inter alia, such matters.

LETTER FROM THE CHAIRMAN

2. PROPOSED GENERAL MANDATES TO REPURCHASE THE COMPANY'S OWN SHARES AND TO ISSUE SHARES

At the annual general meeting held on 30th May 2007, general mandates were given to the Directors: (i) to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) not exceeding 20 percent of the issued share capital of the Company at the date of passing of the ordinary resolution and (ii) to exercise the powers of the Company to repurchase Shares up to a maximum of 10 percent of the issued share capital of the Company at the date of passing of the ordinary resolution. Such mandates will lapse at the conclusion of the 2008 Annual General Meeting.

An ordinary resolution set out in the Notice will be proposed at the 2008 Annual General Meeting to grant the Repurchase Mandate to the Directors.

The Issue Mandate and the Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held or until the Issue Mandate and the Repurchase Mandate are revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

Two additional ordinary resolutions will also be proposed at the 2008 Annual General Meeting to grant the Issue Mandate to the Directors and to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate respectively. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,075,136,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2008 Annual General Meeting, the Company would be allowed under the Issue Mandate to issue a maximum of 215,027,200 Shares, representing 20 percent of the issued Shares as at the Latest Practicable Date.

The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Articles 92 and 101 of the Articles of Association of the Company and the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, Mr. Cai Lai Xing, Mr. Zhou Jie, Mr. Qian Shi Zheng, Dr. Lo Ka Shui and Prof. Woo Chia-Wei shall retire at the 2008 Annual General Meeting and among them, Mr. Zhou Jie, Mr. Qian Shi Zheng, Dr. Lo Ka Shui and Prof. Woo Chia-Wei, being eligible, have offered themselves for re-election.

Their biographical details which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

4. 2008 ANNUAL GENERAL MEETING

At the 2008 Annual General Meeting, ordinary resolutions will be proposed to approve the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate.

The Notice is set out on pages 12 to 15 of this circular. Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy for use at the 2008 Annual General Meeting in accordance with the instructions printed thereon.

5. DEMAND FOR POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Article 73 of the Articles of Association of the Company, at any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded. A poll may be demanded:

- (a) by the Chairman; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by any member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

6. RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate and the re-election of retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the 2008 Annual General Meeting.

On behalf of the Board
CAI LAI XING
Chairman

This explanatory statement contains all the information required under the Listing Rules for you to consider the Repurchase Mandate.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,075,136,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2008 Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 107,513,600 Shares, representing 10 percent of the issued Shares as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE OF SHARES

The Directors have no present intention to repurchase any Shares and, whilst it is not possible to anticipate in advance those circumstances in which the Directors might think it appropriate to repurchase Shares, Shares would only be purchased in circumstances where the Directors consider that the purchase would be in the interests of the Company and the Shareholders. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of earnings per Share.

3. SOURCE OF FUNDS

It is proposed that repurchases of Shares under the Repurchase Mandate would be financed from internal funds and available banking facilities of the Company. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with all applicable laws of Hong Kong and the Company's memorandum and Articles of Association.

4. WORKING CAPITAL OR GEARING

If the Repurchase Mandate was exercised in full at any time during the proposed repurchase period, it would not have a material adverse effect on the working capital requirements of the Company or its gearing levels (as compared with the position disclosed in the Company's accounts for the year ended 31st December 2007). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels (as compared with the position disclosed in the Company's accounts for the year ended 31st December 2007) which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND THEIR ASSOCIATES

None of the Directors, nor to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined under the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

6. CONNECTED PERSONS

No Connected Persons have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company or have undertaken not to sell any of the Shares held by them (in issue or to be issued to them) to the Company, in the event that the Company is authorized to make repurchases of Shares.

7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Hong Kong and the regulations set out in the memorandum and Articles of Association of the Company.

8. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provisions may otherwise apply as a result of any such increase.

As at the Latest Practicable Date, SIIC through its wholly-owned subsidiaries, namely Shanghai Investment Holdings Ltd., SIIC Capital (B.V.I.) Ltd., SIIC Trading Co. Ltd. and SIIC CM Development Ltd. held 466,644,371, 80,000,000, 150,000 and 10,000 Shares respectively, and is accordingly deemed to be interested in the respective Shares held by the aforementioned companies, representing approximately 50.86 percent of the total issued share capital of the Company.

Assuming no changes in the aforementioned shareholdings of the respective companies, in the event that the Directors exercise in full the power to repurchase the Shares, the shareholding of SIIC would be increased from approximately 50.86 percent to approximately 56.51 percent. Such increase would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. So the Directors do not aware of any consequences of any repurchase which would arise under the Takeovers Code. The Company will not purchase its Shares which will reduce the aggregate amount of the share capital of the Company in public hands to below 25 percent.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months from the Latest Practicable Date are as follows:

Month	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
April	20.55	18.18
May	24.00	21.45
June	30.00	22.00
July	35.95	29.70
August	34.10	27.90
September	38.80	33.20
October	46.20	38.40
November	45.50	33.50
December	36.85	31.60
2008		
January	33.75	26.80
February	32.25	28.55
March	31.40	26.25
April (up to the Latest Practicable Date)	31.85	29.40

10. SHARE REPURCHASES

No repurchases has been made by the Company of its Shares in the last six months prior to the Latest Practicable Date.

The followings are the biographical details of Mr. Zhou Jie, Mr. Qian Shi Zheng, Dr. Lo Ka Shui and Prof. Woo Chia-Wei, all of whom shall retire at the 2008 Annual General Meeting in accordance with Articles 92 and 101 of the Articles of Association of the Company and, being eligible, have offered themselves for re-election.

Mr. ZHOU Jie, aged 40, joined the Company in January 2002 and was appointed an Executive Director and the Executive Deputy CEO of the Company in November 2007. He is also the executive vice president of SIIC and a director of Shanghai Industrial Pharmaceutical Investment Co. Ltd., Chia Tai Qingchunbao Pharmaceutical Co. Ltd., Shanghai Sunway Biotech Co. Ltd., The Wing Fat Printing Co. Ltd. and Shanghai Information Investment Inc., a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co. Ltd., and the chairman of the supervisory committee of Bright Dairy and Food Co. Ltd. Mr. Zhou graduated from Shanghai Jiaotong University with a master's degree in management science and engineering. He was formerly the deputy general manager of the investment banking head office of Shanghai Wanquo Holdings Ltd. (now Shenyin & Wanguo Securities Co. Ltd.). He joined SIIC in May 1996 and previously held the positions of the chairman and general manager of Shanghai S.I. Capital Co. Ltd. He has over 10 years' experience in investment banking and capital markets operation.

As at the Latest Practicable Date, Mr. Zhou has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 307,000 Shares and 220,000 share options altogether representing 0.05% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Zhou has a service agreement with the Company commencing 1st January 2008, of which he is entitled to receive a basic salary of approximately HK\$1,847,160. The agreement shall be terminated by either party giving to the other prior written notice. For the year ended 31st December 2007, he received from the Company a total basic salary of approximately HK\$1,606,220, of which HK\$1,418,828 was paid to him in respect of his capacity as a Deputy CEO of the Company covering the period from 1st January 2007 to 18th November 2007, and approximately HK\$187,392 was paid to him in respect of his capacity as an Executive Director and the Executive Deputy CEO of the Company covering the period from the date of his appointment as Director on 19th November 2007 to the year end date. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, industry benchmark and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, prevailing market conditions and job responsibilities.

Mr. QIAN Shi Zheng, aged 55, was appointed an Executive Director and a Deputy CEO of the Company in January 2002. He is also a director of Shanghai Urban Development (Holdings) Co. Ltd. He graduated from Fudan University with a master's degree in economics and a doctorate degree in management. He was the deputy head and associate professor of the faculty of accountancy at Fudan University. He joined SIIC in January 1998, and served as chief accountant and the general manager of the internal audit department. Currently, he is a vice president of SIIC, the vice chairman of Haitong Securities Co. Ltd. and a director of Shanghai Pudong Development Bank Co. Ltd. He has over 20 years' experience in theory and practice of finance and accounting.

As at the Latest Practicable Date, Mr. Qian has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 479,000 Shares and 200,000 share options altogether representing 0.06% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Qian has a service agreement with the Company commencing 17th February 2006, which shall be terminated by either party giving to the other prior written notice. He received from the Company a basic salary of approximately HK\$1,796,690 for the year ended 31st December 2007. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, industry benchmark and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, prevailing market conditions and job responsibilities.

Dr. LO Ka Shui, aged 61, was appointed an Independent Non-Executive Director of the Company in March 1996. He graduated with Bachelor of Science Degree from McGill University and a M. D. from Cornell University. He is also certified in Cardiology. He has more than 28 years' experience in property and hotel development and investment both in Hong Kong and overseas. He is the Chairman and Managing Director of Great Eagle Holdings Limited and the Non-Executive Chairman of Eagle Asset Management (CP) Limited (Manager of the publicly listed Champion Real Estate Investment Trust). He is also a Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, Phoenix Satellite Television Holdings Limited, China Mobile Limited and some other publicly listed companies in Hong Kong. He is also a Vice President of The Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research and a Board Member of the Airport Authority.

As at the Latest Practicable Date, Dr. Lo has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and has no interest in the Shares within the meaning of Part XV of the SFO. His appointment as an Independent Non-Executive Director of the Company shall continue for a term of three years until 31st December 2010 subject to the provisions of the Company's Articles of Association or any other applicable laws. For the year ended 31st December 2007, Dr. Lo received from the Company a director's fee of HK\$172,095 and fees for serving on the Audit Committee and Remuneration Committee of the Company respectively totaling HK\$132,000 per annum. Such fees are determined by reference to the industry benchmark as reviewed by the Remuneration Committee from time to time.

Prof. WOO Chia-Wei, aged 70, was appointed an Independent Non-Executive Director of the Company in March 1996. He is currently Senior Advisor of Shui On Holdings Limited and President Emeritus of the Hong Kong University of Science and Technology. In 2007, he served on the Commission on Strategic Development and the Chinese People's Political Consultative Conference. In addition, Prof. Woo is an independent non-executive director of First Shanghai Investments Ltd., Lenovo Group Limited, IDT International Limited and Synergis Holdings Ltd. (all listed on the Hong Kong Stock Exchange).

As at the Latest Practicable Date, Prof. Woo has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and has no interest in the Shares within the meaning of Part XV of the SFO. His appointment as an Independent Non-Executive Director of the Company shall continue for a term of three years until 31st December 2010 subject to the provisions of the Company's Articles of Association or any other applicable laws. For the year ended 31st December 2007, Prof. Woo received from the Company a director's fee of HK\$172,095 and fees for serving on the Audit Committee and Remuneration Committee of the Company respectively totaling HK\$120,000 per annum. Such fees are determined by reference to the industry benchmark as reviewed by the Remuneration Committee from time to time.

Save for the information disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in respect of the Directors proposed to be re-elected at the 2008 Annual General Meeting.

NOTICE OF THE 2008 ANNUAL GENERAL MEETING



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Shanghai Industrial Holdings Limited (the “Company”) will be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 30th May 2008 at 3:00 p.m. for the following purposes:–

1. To receive and consider the audited consolidated Financial Statements of the Company for the year ended 31st December 2007 together with the Reports of the Directors and the Auditor thereon.
2. To declare a final dividend.
3. To re-elect retiring Directors and authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint Auditor and authorise the Board of Directors to fix the Auditor’s remuneration.

To consider as special business, and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:**
 - 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 (“Shares”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - B. the aggregate nominal amount of the Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 percent of the aggregate nominal amount of the Shares in issue at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

NOTICE OF THE 2008 ANNUAL GENERAL MEETING

C. for the purpose 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 Articles of Association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

6. **“THAT:**

- A. subject to paragraph (C) 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 be and is hereby generally and unconditionally approved;
- B. the approval in paragraph (A) of this Resolution shall authorise the Directors of the Company during the Relevant Period 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;
- C. the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of the subscription or conversion rights attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares of the Company, (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF THE 2008 ANNUAL GENERAL MEETING

D. for the purpose 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 Articles of Association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

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

7. “**THAT**, conditional upon the passing of Resolutions numbered 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are repurchased or otherwise acquired by the Company pursuant to Resolution numbered 5 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution numbered 6, provided that such an amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

By Order of the Board
Wong Mei Ling, Marina
Company Secretary

Hong Kong, 28th April 2008

Registered Office:
26th Floor, Harcourt House,
39 Gloucester Road,
Wanchai, Hong Kong.

NOTICE OF THE 2008 ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf. The proxy need not be a Shareholder of the Company.
2. In order to be valid, a 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 that power of attorney or authority, must be deposited at the registered office of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person if he is subsequently able to be present and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The Register of Members of the Company will be closed from Wednesday, 28th May 2008 to Friday, 30th May 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the final dividend and be entitled to attend the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 27th May 2008.
4. The Board of Directors has recommended a final dividend for the year ended 31st December 2007 of HK43 cents per share (2006: HK30 cents per share). Together with the interim dividend of HK37 cents per share (2006: HK22 cents per share), the total dividend for the year amounts to HK80 cents per share (2006: HK52 cents per share).
5. Concerning Resolution numbered 3 above, Mr. Cai Lai Xing, Mr. Zhou Jie, Mr. Qian Shi Zheng, Dr. Lo Ka Shui and Prof. Woo Chia-Wei will retire by rotation and among them, Mr. Zhou Jie, Mr. Qian Shi Zheng, Dr. Lo Ka Shui and Prof. Woo Chia-Wei, being eligible, have offered themselves for re-election at the Annual General Meeting and their biographical details together with other information are set out in Appendix II to the circular to Shareholders dated 28th April 2008 (the "Circular"). None of the Directors being proposed for re-election at the Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. Details of Directors' emoluments are set out in note 12 to the consolidated financial statements in the Annual Report 2007. Details of Directors' years of services and term are set out in the corporate governance report in the Annual Report 2007.
6. Concerning Resolutions numbered 5 and 6 above, the Directors wish to state that there are no immediate plans to repurchase any existing shares or to issue any new shares or warrants. The Explanatory Statement containing the information necessary to enable the Shareholders to make an informed decision on whether to vote for or against the Resolution numbered 5 to approve the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in Appendix I to the Circular.
7. Proxy forms for use at the Annual General Meeting will be sent to Shareholders together with the Annual Report 2007 on or before Wednesday, 30th April 2008. The proxy form will be published on the HKExnews website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and can also be downloaded from the Company's website at www.sihl.com.hk.