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SHUN CHEONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

RESULTS OF SPECIAL GENERAL MEETING

CAPITAL REORGANISATION INVOLVING AMONGST OTHERS SHARE CONSOLIDATION, CAPITAL REDUCTION, SHARE SUBDIVISION AND CANCELLATION OF SHARE PREMIUM ACCOUNT

ONGOING CONNECTED TRANSACTION

GENERAL MANDATE TO ISSUE SHARES

Financial adviser

WATTERSON ASIA LIMITED

At the SGM held on 16 September 2004, Shareholders have approved the Capital Reorganisation and the Issue Mandate. In addition, Independent Shareholders have approved the Agreement between Ever Billion Engineering Limited, a wholly-owned subsidiary of the Company, and Chinney Construction.

Following the SGM, the Capital Reorganisation has become effective at 4:00 p.m. on 16 September 2004. Dealings in the New Shares, in board lots of 10,000, will commence at 9:30 a.m. on 17 September 2004 on the Stock Exchange.

Reference is made to the announcement of the Company dated 10 August 2004 and the circular to Shareholders on 24 August 2004 (“Circular”). Terms used in this announcement have the same meaning as those in the Circular.

CAPITAL REORGANISATION

The Directors are pleased to announce that the special resolution for the approval of the Capital Reorganisation involving Share Consolidation, Capital Reduction, Share Subdivision, increase of authorised share capital, the cancellation of share premium account of the Company, the elimination of the Company’s accumulated losses and the transfer of the balance of the amount attributable to the share premium account to the contributed surplus account was approved by Shareholders at the SGM held on 16 September 2004.

Fractional entitlements of New Shares arising from the Share Consolidation will be disregarded and cancelled.

The Listing Committee of the Stock Exchange has also granted the listing of, and permission to deal in, the New Shares to be issued upon the Capital Reorganisation becoming effective. As the conditions under the Capital Reorganisation have all been fulfilled, the Capital Reorganisation has become effective at 4:00 p.m. on 16 September 2004.

Dealings in the New Shares, in board lots of 10,000 New Shares, will commence at 9:30 a.m. on 17 September 2004. Please note that original counter for the trading of Existing Shares in board lots of 2,000 will be closed on 17 September 2004 and a temporary counter under the stock code of 2936 for the trading in board lots of 500 New Shares (represented by Existing Share certificates) will open on the same day. Detailed timetable is set out below:

2004

Dealings in the New Shares to commence	Friday, 17 September
First day for the designated broker to stand in the market to provide matching services	Friday, 17 September
Original counter for trading in Existing Shares (represented by Existing Share certificates)	9:30 a.m. on Friday, 17 September
Temporary counter for trading in the New Shares (represented by Existing Share certificates)	9:30 a.m. on Friday, 17 September
First day of free exchange of Existing Share certificates for the Existing Shares for new certificates for the New Shares	Friday, 17 September
Original counter for trading in the New Shares (represented by New Shares certificates)	9:30 a.m. on Tuesday, 5 October
Parallel trading in New Shares (represented by both Existing Share and New Share certificates) begins	9:30 a.m. on Tuesday, 5 October
Temporary counter for trading in New Shares (represented by Existing Share certificates)	4:00 p.m. on Wednesday, 27 October
Parallel trading in New Shares (represented by both Existing Share and New Share certificates) ends	4:00 p.m. on Wednesday, 27 October
Last day for the designated broker to stand in the market to provide matching services	Wednesday, 27 October
Last day for free exchange of Existing Share certificates for New Share certificates	Monday, 1 November

Shareholders are recommended to submit their Existing Shares certificates for New Shares with Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for free exchange for certificates for the New Shares during 9:30 a.m. to 4:00 p.m. from 17 September 2004 up to and including 1 November 2004. If share certificates for Existing Shares are lodged with the Company's Hong Kong share registrar after 4:00 p.m. on 1 November 2004, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be charged for each new certificate issued for the New Shares. Please note that certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for New Shares at any time after 1 November 2004 at the expense of Shareholders.

ONGOING CONNECTED TRANSACTION

Details of the ongoing connected transaction were announced on 10 August 2004 and were also set out in the circular to shareholder on 24 August 2004.

The following is the result of the voting by poll of the ordinary resolution to approve the Agreement and the related annual cap amounts as set out therein. Mr. Chan Yuen Keung, Zuric, an executive Director who held 10 million Existing Shares, representing approximately 2.16% in the issued share capital of the Company as at 16 September 2004, is also an executive director of Chinney Construction and has an indirect beneficial interest in 13.95% of the issued share capital of Chinney Construction, had abstained from voting on the ordinary resolution relating to the Agreement at the SGM.

	Existing Shares voted at the SGM	
	For	Against
Ordinary resolution to approve the Agreement and the related annual cap amounts	218,290,000 Existing Shares (99.97%)	70,000 Existing Shares (0.03%)

As at the date of the SGM, the issued share capital of the Company comprises 463,721,600 Existing Shares. The total number of Existing Shares entitling to attend and vote for or against this resolution, after deducting the 10 million Existing Shares held by Mr. Chan Yuen Keung, Zuric, is 453,721,600 Existing Shares. The Directors were not aware of any Existing Shares that entitled the Shareholders to attend and vote only against the resolution at the SGM. At the SGM, a total of 218,360,000 Existing Shares were voted by poll.

Computershare Hong Kong Investor Services Limited, the Company's Hong Kong share registrars, acted as scrutineer for the poll at the SGM.

ISSUE MANDATE

At the SGM, the ordinary resolution relating to the Issue Mandate was also approved by Shareholders.

By order of the Board
Shun Cheong Holdings Limited
Wong Sai Wing, James
Chairman

Hong Kong, 16 September 2004

As at the date hereof, the Board of the Company comprises of nine Directors, of whom four are executive Directors, namely Dr. Wong Sai Wing, James, Mr. Chan Yuen Keung, Zuric, Mr. Au Shiu Wai, Frank and Mr. Au Yu Fai, Patrick; two non-executive Directors, namely Mr. Yu Sek Kee, Stephen and Mr. Hong Yiu, and three independent non-executive Directors, namely Dr. Chan Chok Ki, Mr. Ho Hin Kwan, Edmund and Mr. Yu Hon To, David.

Please also refer to the publish version of this announcement in the Standard.