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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 Shun Cheong Holdings Limited, you should at once hand this circular together with the enclosed form of proxy 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.

**SHUN CHEONG HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATE TO ISSUE SHARES****AND****NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Shun Cheong Holdings Limited to be held on Thursday, 15 September 2005, at 11:00 a.m. at the Fung Shui Room, 6th Floor, The Macro Polo Hong Kong Hotel, Harbour City, Kowloon, Hong Kong is set out on pages 6 to 8 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment of the meeting should you so wish.

18 August 2005

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 15 September 2005, at 11:00 a.m. at the Fung Shui Room, 6th Floor, The Marco Polo Hong Kong Hotel, Harbour City, Kowloon, Hong Kong and notice of which is set out on pages 6 to 8 of this circular
“Board”	the board of Directors
“Bye-Laws”	the Bye-laws of the Company
“Company”	Shun Cheong Holdings Limited, an exempted company incorporated in Bermuda with limited liability and registered in Hong Kong under Part XI of the Companies Ordinance, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 August 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of Share(s)
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company



SHUN CHEONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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Executive Directors:

Chan Yuen Keung, Zuric (*Chairman*)
Hong Yiu (*Deputy Chairman*)
Yu Sek Kee, Stephen (*Managing Director*)
Au Shiu Wai, Frank
Au Yu Fai, Patrick

Independent Non-executive Directors:

Chan Chok Ki
Ho Hin Kwan, Edmund
Yu Hon To, David

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and

Principal Place of Business:

Flat 201, 2nd Floor
Premier Centre
20 Cheung Shun Street
Lai Chi Kok
Kowloon
Hong Kong

18 August 2005

To Shareholders

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATE TO ISSUE SHARES**

AND

NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the re-election of retiring Directors and general mandate to issue Shares to assist you in deciding on whether to vote for or against the resolutions in connection with such matters to be proposed at the Annual General Meeting to be held on Thursday, 15 September 2005, notice of which is set on pages 6 to 8 of this circular.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Bye-Laws, Messer. Au Shiu Wai, Frank and Ho Hin Kwan, Edmund shall retire from office at the Annual General Meeting and, being eligible, offer themselves for re-election. Details of such Directors are set out in the Appendix to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the special general meeting of the Company held on 16 September 2004, an ordinary resolution was passed granting a general mandate authorising the Directors to allot, issue and deal with the Shares not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution. The Directors have not exercised the mandate up to the Latest Practicable Date, which mandate will lapse at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Directors a fresh general mandate to exercise the power of the Company during the Relevant Period (as defined in ordinary resolution no. 4 as set out in the notice convening the Annual General Meeting) to allot, issue and deal with the Shares up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution.

ANNUAL GENERAL MEETING

A notice dated 18 August 2005 convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to re-elect retiring Directors and to approve the general mandate to issue Shares, is set out on pages 6 to 8 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the meeting or any adjournment of the meeting should you so wish.

The Directors are not aware of any shareholders who are required to abstain from voting on any particular resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Bye-Law 70, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares in the Company 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 Shares conferring that right.

A demand by a person as proxy for a Shareholder or by a duly authorised corporate representative shall be deemed to be the same as a demand by a Shareholder.

RECOMMENDATION

The Directors believe that the proposals for the re-election of retiring Directors and the general mandate to issue Shares are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that you should vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board
Shun Cheong Holdings Limited
Chan Yuen Keung, Zuric
Chairman

In accordance with the Bye-Laws, the following Directors shall retire from office at the Annual General Meeting and, being eligible, offer themselves for re-election.

AU Shiu Wai, Frank

Aged 81, was appointed as a director of the Company in 1994. He has over 52 years of experience in building services engineering and is currently responsible for the building services installation and maintenance business of the Group. Mr. Au is a Chartered Engineer and Registered Professional Engineer and is a fellow of the Institution of Electrical Engineers (United Kingdom), the Chartered Institution of Building Services (United Kingdom) and the Hong Kong Institution of Engineers.

At the Latest Practicable Date, Mr. Au had a personal interest in 150,000 Shares within the meaning of Part XV of the SFO, representing approximately 0.13 per cent. of the issued share capital of the Company. He is also the directors of certain subsidiaries of the Company. Save as disclosed above, Mr. Au did not hold any directorships in other listed companies in the last three years and he does not have any business relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Au has a service contract with the Company. The service contract is without a fixed period of employment and shall continue until terminated by either party by giving three-month prior written notice to the other party. Pursuant to the terms of the service contract, Mr. Au is entitled to a monthly salary of HK\$80,000 and a double pay payment equivalent to one month's salary at the end of the Chinese Calendar Year. He is also entitled to a discretionary bonus determined by reference to his performance. Mr. Au's remuneration is determined with reference to his experience and duties as well as the prevailing market conditions.

HO Hin Kwan, Edmund,

Aged 58, was appointed as an independent non-executive director of the Company in 2003. Mr. Ho is the Chief Operation Officer of DTZ Debenham Tie Leung Limited. He is also a member of the Advisory Board of the Hong Kong Housing Society, vice president of the Hong Kong Institute of Real Estate Administration and a member of the Advisory Committee on the Department of Building and Real Estate of Hong Kong Polytechnic University. He received his Master of Science Degree in Business Information Technology from Middlesex University, United Kingdom and School of Professional and Continuing Education of the Hong Kong University. He is a fellow member of the Hong Kong Institute of Real Estate Administration, a fellow member of the Hong Kong Institute of Surveyors and a fellow member of the Royal Institution of Chartered Surveyors.

As at the Latest Practicable Date, Mr. Ho did not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, he did not hold any directorships in other listed companies in the last three years and he does not have any business relationship with any directors, senior management or substantial or controlling shareholders of the Company.

No service contract has been signed between the Company and Mr. Ho. He was not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-Laws. Mr. Ho is entitled to a monthly director's fee of HK\$10,000 which is based on the Company's remuneration policy adopted for independent non-executive directors of the Company.

NOTICE OF ANNUAL GENERAL MEETING



SHUN CHEONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of Shun Cheong Holdings Limited (the “Company”) will be held at Fung Shui Room, 6th Floor, The Macro Polo Hong Kong Hotel, Harbour City, Kowloon, Hong Kong on Thursday, 15 September 2005, at 11:00 a.m. for the following purposes:

1. To receive and consider the audited Consolidated Financial Statements and Reports of the Directors and the Auditors for the year ended 31 March 2005.
2. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution of the Company:

“THAT:

- (a) subject to sub-paragraph (b) of this resolution, the exercise of 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, including warrants and securities convertible or exercisable into shares of the Company, which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or the exercise of subscription of conversion rights under the terms of any warrants of the Company or any securities which are convertible or exercisable into shares of the Company or any share option scheme or any scrip dividends 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 Bye-laws of the Company or a specific

NOTICE OF ANNUAL GENERAL MEETING

authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of the 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 Bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares in the Company, or any offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the directors of the Company to holders of shares on the register 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, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By Order of the Board
Shun Cheong Holdings Limited
Lo Yun Sang
Company Secretary

Hong Kong, 18 August 2005

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
- (2) A member being a corporation, in addition to any letter of authorisation from a recognised clearing house (if applicable), may by resolution of its directors authorise such person, as it deems appropriate, to act as its representative (the “corporate representative”) to attend and vote on its behalf and for the number of shares it represents. Any member wishing to appoint such corporate representative for the purposes of the Meeting are required to produce and lodge with the 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 duly certified true copies of the resolution of the board of directors of the member authorising the appointment of the corporate representative not less than 48 hours before the time for holding the Meeting or any adjourned Meeting at which the corporate representative named in such resolution proposes to vote.
- (3) A form of proxy for use for the aforesaid purpose will be delivered forthwith together with a copy of this original notice to the registered address of the members entitled to vote at the Meeting. In order to be valid, the said form of proxy, together with a 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 lodged with the 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 not less than 48 hours before the time for holding the Meeting or any adjourned Meeting at which the person named in such instrument proposes to vote.
- (4) Whether or not you propose to attend the Meeting in person, you are strongly urged to complete and return the said form of proxy in accordance with the instructions printed thereon. Completion and return of such form of proxy will not preclude you from attending the Meeting and voting in person if you so wish (in which case any appointment of proxy for the purpose of the Meeting will be automatically revoked).
- (5) For joint registered holders of any share attending the Meeting on the same occasion, the vote of the holder whose name stands first on the register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (6) As at the date hereof, the directors of the Company comprises of eight directors, of whom five are executive directors, namely Chan Yuen Keung, Zuric, Hong Yiu, Yu Sek Kee, Stephen, Au Shiu Wai, Frank and Au Yu Fai, Patrick; and three are independent non-executive directors, namely Chan Chok Ki, Ho Hin Kwan, Edmund and Yu Hon To, David.



SHUN CHEONG HOLDINGS LIMITED

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Form of proxy for use by shareholders at the Annual General Meeting (the “Meeting”) to be held on Thursday, 15 September 2005 at 11:00 a.m.

I/We, ⁽¹⁾ _____
of _____
being the registered holder(s) of ⁽²⁾ _____ shares of
HK\$0.01 each in the capital of Shun Cheong Holdings Limited (the “Company”), **HEREBY APPOINT** ⁽³⁾ the
Chairman of the Meeting or ⁽³⁾ _____
of _____

as my/our proxy to act for me/us and on my/our behalf at the Meeting (or at any adjournment thereof) of the Company to be held in Fung Shui Room, 6th Floor, The Marco Polo Hong Kong Hotel, Harbour City, Kowloon, Hong Kong on Thursday, 15 September 2005 at 11:00 a.m. to consider and, if thought fit, pass the resolutions as set out in the notice convening the Meeting and at such Meeting (or at any adjournment thereof) to vote for me/us in my/our name(s) in respect of the said resolutions specified below in the manner indicated:

	ORDINARY RESOLUTIONS	FOR ⁽⁴⁾	AGAINST ⁽⁴⁾
1.	To receive and consider the audited Consolidated Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2005.		
2a.	To re-elect Au Shiu Wai, Frank as director.		
2b.	To re-elect Ho Hin Kwan, Edmund as director.		
2c.	To authorise the board of directors to fix the directors’ remuneration.		
3.	To re-appoint Ernst & Young as the auditors of the Company and authorise the board of directors to fix their remuneration.		
4.	To grant a general mandate to the directors to allot, issue and deal with additional shares not exceeding 20 per cent. of the aggregate nominal amount of the existing issued share capital of the Company.		

Dated _____

Signed ⁽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) to which the proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, please strike out “the Chairman of the Meeting or” and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, TICK IN THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK IN THE BOX MARKED “AGAINST”.** Failure to tick either box will entitle your proxy to cast your vote at his discretion.
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 attorney duly authorised.
6. You are requested to lodge this form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, with the 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 not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof.
7. In the case of joint 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 is 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. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and return of this form of proxy will not preclude you from attending and voting in person at the Meeting if you so wish. In the event of your attending the Meeting, this form of proxy will be deemed to be revoked.