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建聯集團有限公司
Chinney Alliance Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 385)



SHUN CHEONG HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 650)

**DISPOSAL OF 32,000,000 SHARES IN
SHUN CHEONG HOLDINGS LIMITED**

CHANGE OF SUBSTANTIAL SHAREHOLDER

DISCLOSEABLE AND CONNECTED TRANSACTION

On 12 April 2006, CAG has sold 32,000,000 SCH Shares, representing approximately 27.6% interest in the issued share capital of SCH to Upsky Enterprises Limited for a cash consideration of HK\$9.6 million.

The SCH Directors have been informed by CAG, a substantial shareholder of SCH, that it has disposed 32,000,000 SCH Shares to Upsky Enterprises Limited.

Upsky Enterprises Limited is a company controlled by Mr. Mo, an existing independent non-executive director of CAG. So far as CAG is concerned, the Sale is regarded as an exempted connected transaction and a discloseable transaction under the Listing Rules. CAG will dispatch to the CAG Shareholders a circular containing the particulars of the Sale as soon as practicable.

Trading in the CAG Shares and SCH Shares were suspended from 9:30 a.m. on 13 April 2006 at the request of CAG and SCH pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in both CAG Shares and SCH Shares from 9:30 a.m. on 18 April 2006.

THE SALE

Date

12 April 2006

Parties

Vendor : CAG, a substantial shareholder of SCH, beneficially holding 34,697,500 SCH Shares, representing approximately 29.93% of the issued share capital of SCH

Purchaser : Upsky Enterprises Limited

Upsky Enterprises Limited is owned as to 100% by Mr. Vincent Tian-Quan Mo ("Mr. Mo"). Mr. Mo is an independent non-executive director of CAG and thus Upsky Enterprises Limited is a connected person of CAG under the Listing Rules.

Consideration

The Consideration of HK\$9.6 million under the Sale was arrived at by the CAG Board after arm's length negotiation with the Purchaser, after considering the loss making track record of the Remaining SCH Group and the historical share price performance of SCH.

The Consideration is equivalent to HK\$0.30 per SCH Share under the Sale (the "Sale Price") which represents a discount of 1.6% to the closing SCH Share price of HK\$0.305 as at 12 April 2006, being the day prior to trading suspension of the SCH Shares pending the release of this announcement (the "Pre-suspension Date"). The Sale Price also represents a discount of 3.5% to the 20-day average closing SCH Share price of HK\$0.311 ending on the Pre-suspension Date.

As at the date of this announcement, the Consideration has been fully received by CAG.

Reasons for and benefits to CAG from the Sale

Following the disposal of the building related contracting business in March 2006, details of which were set out in the circular of SCH dated 10 March 2006 (the "SCH Circular"), SCH Group is principally engaged in building related maintenance services that involve the maintenance of electrical equipment, water pump and fire services equipment, air-conditioning systems as well as plumbing and drainage systems in buildings.

According to the SCH Circular, assuming the disposal of the building related contracting business mentioned above had been completed on 1 April 2004, the pro forma unaudited loss of the Remaining SCH Group for the year ended 31 March 2005 would have been approximately HK\$44.5 million. Of this amount, approximately HK\$31.2 million were due to the pro forma losses on disposal of the contracting business by SCH whereas the balance was primarily attributable to operating losses of the building related maintenance services currently left with the Remaining SCH Group. The pro forma unaudited consolidated net assets of the Remaining SCH Group as at 30 September 2005 (being the latest published unaudited balance sheet), assuming the disposal of the building related contracting business mentioned above had been completed on 30 September 2005, amounted to approximately HK\$54.2 million.

Based on the carrying value of the SCH Shares under the Sale as included in the consolidated balance sheet of the CAG Group as at 31 December 2005, the Sale is expected to bring about a loss of approximately HK\$7.1 million for the CAG Group. Following the Sale, CAG continues to hold 2,697,500 SCH Shares, representing approximately 2.33% of the issued share capital of SCH.

The CAG Board is of the view that the Sale is beneficial to the CAG Group as it allows CAG to focus its resources on its existing businesses in the trading of plastics and chemicals, industrial products and equipment, electrical and mechanical engineering and related businesses.

The CAG Board also considers that the Sale was entered on normal commercial terms and is in the interests of CAG Shareholders as a whole.

Intended use of proceeds by CAG

The CAG Board intends to use the net proceeds of approximately HK\$9.5 million from the Sale for working capital requirements.

Information on the Purchaser

Upsky Enterprises Limited is a company incorporated in British Virgin Islands and is owned as to 100% by Mr. Mo.

Mr. Mo is currently an independent non-executive director of CAG and does not hold any SCH Share prior to the Sale. Mr. Mo is the director and chief executive officer of Soufun Holdings Limited, a company conducting real estate internet business in China. Mr. Mo has over ten years of experience in the provision of on-line information and analysis on the trading, leasing, financing and valuation of real estate properties. Mr. Mo holds a Bachelor's degree in Mechanical Engineering from South China University of Technology, a Master's degree in Economics and Management from Tsinghua University and a Master's degree in Economics from Indiana University, USA.

Information on CAG Group and SCH Group

CAG Group is principally engaged in the trading of plastics and chemicals, industrial products and equipment, electrical and mechanical engineering and related businesses.

SCH Group is principally engaged in building related maintenance services that involve the maintenance of electrical equipment, water pump and fire services equipment, air-conditioning systems as well as plumbing and drainage systems in buildings.

Requirements of the Listing Rules

Upsky Enterprises Limited is owned as to 100% by Mr. Mo (being an independent non-executive director of CAG) and thus Upsky Enterprises Limited is a connected person of CAG under the Listing Rule.

As each of the percentage ratios (other than the profit ratio) (as defined in Rule 14.07 of the Listing Rules) is less than 25% and the Consideration is less than HK\$10,000,000, the Sale constitutes an exempted connected transaction for CAG and is only subject to the reporting and announcement requirements in accordance with Rule 14A.32 of the Listing Rules. As the Sale constitutes a discloseable transaction for CAG under the Listing Rules, CAG will dispatch to the CAG Shareholders a circular containing the particulars of the Sale as soon as practicable.

Change of substantial shareholder of SCH

The SCH Directors have been informed by CAG, a substantial shareholder of SCH, that it has disposed 32,000,000 SCH Shares to the Purchaser.

The Purchaser has indicated to the SCH Board that it intends to continue with the existing business of the SCH Group but will undertake a review of its business activities and assets with a view to enhance the profitability of the SCH Group.

Set out below is the change of shareholding structure of SCH, so far as the SCH Board is aware, immediately before and after the completion of the Sale:

Shareholder	Shareholding before the Sale		Shareholding after the Sale	
	No. of Shares	%	No. of Shares	%
CAG	34,697,500	29.93	2,697,500	2.33
Zuric Yuen-Keung Chan	2,500,000	2.16	2,500,000	2.16
Yiu Hong	6,805,000	5.87	6,805,000	5.87
Patrick Yu-Fai Au	88,500	0.08	88,500	0.08
Upsky Enterprises Limited (<i>Note</i>)	–	–	32,000,000	27.60
Public	71,839,400	61.96	71,839,400	61.96
	<u>115,930,400</u>	<u>100.00</u>	<u>115,930,400</u>	<u>100.00</u>

Note: Upsky Enterprises Limited is owned as to 100% by Mr. Mo.

Following the Sale, the aggregate shareholding percentage of CAG and Upsky Enterprises Limited (and parties acting in concert with it) in SCH remains at 29.93%.

General

Trading in the CAG Shares and SCH Shares were suspended from 9:30 a.m. on 13 April 2006 at the request of CAG and SCH pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in both CAG Shares and SCH Shares from 9:30 a.m. on 18 April 2006.

As at the date of this announcement, the SCH Directors and CAG Directors are:

CAG:

Executive Directors:

Dr. James Sai-Wing Wong (*Chairman*)
Mr. Stephen Sek-Kee Yu
Mr. Frank Kwok-Kit Chu

Non-executive Director:

Mr. Herman Man-Hei Fung

Independent Non-executive Directors:

Mr. William Gage McAfee
Mr. David Chung-Shing Wu
Mr. Vincent Tian-Quan Mo

SCH:

Executive Directors:

Mr. Zuric Yuen-Keung Chan (*Chairman*)
Mr. Yiu Hong
Mr. Stephen Sek-Kee Yu
Mr. Patrick Yu-Fai Au

Independent Non-executive Directors:

Dr. Chok-Ki Chan
Mr. Edmund Hin-Kwan Ho
Mr. David Hon-To Yu

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“CAG”	Chinney Alliance Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 385)
“CAG Board”	the board of CAG Directors
“CAG Director(s)”	the director(s) of CAG
“CAG Group”	CAG and its subsidiaries
“CAG Shareholder(s)”	holder(s) of CAG Shares
“CAG Shares”	share(s) of HK\$0.25 each in the capital of CAG
“Completion”	the completion of the Sale
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$9.6 million under the Sale
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Upsky Enterprises Limited, a company incorporated in British Virgin Islands with limited liability
“Remaining SCH Group”	the remaining SCH Group after the disposal of the entire issued share capital of Shun Cheong Investments Limited to Chinney Alliance Trading (BVI) Limited, a wholly-owned subsidiary of CAG, pursuant to a sale and purchase agreement dated 26 January 2006
“Sale”	the sale of 32,000,000 SCH Shares by CAG to the Purchaser
“SCH”	Shun Cheong Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 650)
“SCH Board”	the board of SCH Directors
“SCH Director(s)”	the director(s) of SCH
“SCH Group”	SCH and its subsidiaries
“SCH Shareholder(s)”	holder(s) of SCH Shares
“SCH Share(s)”	share(s) of HK\$0.01 each in the capital of SCH

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers

By Order of the Board
Chinney Alliance Group Limited
James Sai-Wing Wong
Chairman

By Order of the Board
Shun Cheong Holdings Limited
Zuric Yuen-Keung Chan
Chairman

Hong Kong, 13 April 2006

“Please also refer to the published version of this announcement in The Standard”