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UPSKY ENTERPRISES LIMITED

(Incorporated in the British Virgin Islands with limited liability)

SHUN CHEONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 650)

Voluntary conditional cash offer by



on behalf of Upsky Enterprises Limited

to acquire all the issued shares in the capital of Shun Cheong Holdings Limited (other than those already owned by Upsky Enterprises Limited and parties acting in concert with it)

DESPATCH OF THE COMPOSITE DOCUMENT

Financial adviser to Upsky Enterprises Limited



Independent financial adviser to the Independent Board Committee and the Shun Cheong Independent Shareholders

ALTUS CAPITAL LIMITED

The Composite Document containing, *inter alia*, details of the terms of the Offer together with the relevant Form of Acceptance, will be despatched to the Shun Cheong Shareholders on 12 June 2006.

Shun Cheong Shareholders are advised to peruse the Composite Document carefully before making any decision in relation to the Offer.

Shun Cheong Shareholders and investors should note that the Offer is subject to certain conditions which may or may not be fulfilled. Therefore, the Offer may or may not become unconditional. Shun Cheong Shareholders and investors should therefore exercise caution when dealing in the Shun Cheong Shares.

Reference is made to the joint announcement issued by Shun Cheong and the Offeror dated 16 May 2006. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the composite document of Shun Cheong and the Offeror to be despatched to the Shun Cheong Shareholders on 12 June 2006 (the "Composite Document").

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, *inter alia*, details of the terms of the Offer together with the relevant Form of Acceptance, will be despatched to the Shun Cheong Shareholders on 12 June 2006.

Shun Cheong Shareholders are advised to peruse the Composite Document carefully, and in particular, all the financial information, letter from the Shun Cheong Board, letter from the Independent Board Committee, letter from Quam Capital and the letter from Altus Capital (the independent financial adviser) contained therein, before making any decision in relation to the Offer.

The Offer is subject to a number of conditions, including valid acceptance of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on Monday, 3 July 2006 (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of the Shun Cheong Shares, which together with the Shun Cheong Shares held by the Offeror and parties acting in concert with it constitute more than 50% of the entire issued share capital of Shun Cheong as at the Closing Date and such Shun Cheong Shares carrying more than 50% of the voting rights normally exercisable at general meetings of Shun Cheong.

The Offer will lapse if the conditions are not fulfilled (or if applicable, save for the abovementioned condition, waived by the Offeror in its sole discretion) on or before the Closing Date or such later date as the Offeror may agree and, if required by the Takeovers Code, the Executive may approve. Except with the consent of the Executive, all conditions must be fulfilled or the Offer must lapse within 21 days of the Closing Date or of the date on which the abovementioned condition becomes unconditional, whichever is the later and in any event, except with the consent of the Executive, the abovementioned condition may not become or be declared unconditional after 7:00 p.m. on the 60th day after the posting of the Composite Document.

EXPECTED TIMETABLE

	<i>Date</i>
Despatch date of the Composite Document	Monday, 12 June 2006
Offer opens	Monday, 12 June 2006
Latest time for acceptance of the Offer on the Closing Date (<i>Note 1</i>)	4:00 p.m. on Monday, 3 July 2006
Announcement of the results of the Offer, as at the Closing Date, through the Stock Exchange	By 7:00 p.m. on Monday, 3 July 2006
Announcement of the results of the Offer, as at the Closing Date, in the newspapers in Hong Kong	Tuesday, 4 July 2006
Latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptance received on or before the Closing Date (assuming the Offer is declared unconditional on the Closing Date) (<i>Note 2</i>)	Thursday, 13 July 2006
Latest time and date for acceptance assuming the Offer is declared unconditional on the Closing Date (<i>Note 3</i>)	4:00 p.m. on Monday, 17 July 2006

Latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances received on or before 4:00 p.m. on 17 July 2006 (*Note 2*) Thursday, 27 July 2006

Latest time and date by which the Offer can become or be declared unconditional as to acceptances (*Note 4*) 7:00 p.m. on Friday, 11 August 2006

Notes:

1. Unless the Offer becomes or is declared unconditional as to acceptance or the Offeror revises or extends the Offer in accordance with the Takeovers Code, the Offer will be closed at 4:00 p.m. on Monday, 3 July 2006.
2. Under the terms of the Offer, payment will be made within ten days of the later of the date on which the Offer become, or is declared, unconditional and the date on which the Shun Cheong Shares are tendered under the Offer.
3. Pursuant to the Takeovers Code, where the Offer is declared unconditional, it will remain open for acceptance for not less than 14 days thereafter. The Offeror will make an announcement as and when the Offer becomes unconditional.
4. Pursuant to the Takeovers Code, except with the consent of the Executive, the Offer (whether revised or not) may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the despatch of the Composite Document.

Acceptance of the Offer shall be subject to the right of withdrawal in compliance with Rule 17 of the Takeovers Code which provides that an acceptor shall be entitled to withdraw his acceptance after 21 days from the Closing Date, if the Offer has not by then become unconditional as to acceptances or in the circumstances set out in the paragraph headed "Right of withdrawal" in Appendix I to the Composite Document.

All time references above refer to Hong Kong time.

GENERAL

Shun Cheong Shareholders and investors should note that the Offer is subject to certain conditions which may or may not be fulfilled. Therefore, the Offer may or may not become unconditional. Shun Cheong Shareholders and investors should therefore exercise caution when dealing in the Shun Cheong Shares.

As at the date of this announcement, the Shun Cheong Board comprises eight directors, of which six are executive directors, namely Mr. Chan Yuen Keung, Zuric, Mr. Mo Tian Quan, Ms. Cao Jing, Mr. Hong Yiu, Mr. Yu Sek Kee, Stephen, and Mr. Au Yu Fai, Patrick; and two are independent non-executive directors, namely Mr. Ho Hin Kwan, Edmund and Mr. Yu Hon To, David.

By order of the board of
Upsky Enterprises Limited
Mo Tian Quan
Director

By order of the board of
Shun Cheong Holdings Limited
Chan Yuen Keung, Zuric
Chairman

Hong Kong, 9 June 2006

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Shun Cheong Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Shun Cheong Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than those relating to the Shun Cheong Group) misleading.

The Shun Cheong Directors accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than those relating to the Offeror) misleading.

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