
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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****順昌集團有限公司****(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, 20 September 2007, at 11:00 a.m. in the Falcon Room, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong is set out on pages 7 to 9 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.

27 August 2007

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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, 20 September 2007, at 11:00 a.m. in the Falcon Room, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong and notice of which is set out on pages 7 to 9 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
“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”	23 August 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



SHUN CHEONG HOLDINGS LIMITED

順昌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

Executive Directors:

Cao Jing (*Executive Chairman*)

Mo Tianquan

Independent non-executive Directors:

Yu Hon To, David

Ye Jianping

Zhang Shaohua

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Head office and

Principal Place of Business:

Suite 2302, Wing On Centre,

111 Connaught Road Central,

Hong Kong

27 August 2007

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, 20 September 2007, at 11:00 a.m., notice of which is set on pages 7 to 9 of this circular.

* For identification purposes only

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Bye-Laws, Mr. Mo Tianquan will retire from office at the Annual General Meeting and, being eligible, offer himself for re-election.

On 16 September 2006, Mr. Zhang Shaohua has been appointed as an independent non-executive Director. In accordance with the Bye-Laws, Mr. Zhang Shaohua will retire and, being eligible, offer himself for re-election at the Annual General Meeting.

Biographical details, interests in the Shares and remuneration of Mr. Mo Tianquan and Mr. Zhang Shaohua are set out in the Appendix to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 September 2006, an ordinary resolution was passed granting a general mandate authorising the Directors to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at that date of passing such resolution.

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 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 27 August 2007 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 7 to 9 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
Cao Jing
Executive 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.

MO Tianquan

Aged 43, was appointed as a Director on 2 May 2006. He 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. He holds a Bachelor's Degree in Mechanical Engineering from South China University of Technology, a Master's Degree in Engineering from Tsinghua University, the People's Republic of China ("PRC") and a Degree of Master of Arts from Indiana University, the United States of America ("USA"). He was an independent non-executive director of Chinney Alliance Group Limited, a company listed on the Stock Exchange and had resigned on 4 October 2006. He is a director and chief executive officer of SouFun Holdings Limited, a wholly foreign owned company conducting real estate internet business in the PRC. Mr. Mo is also a director of and has beneficial interests in all the issued share capital of Upsky Enterprises Limited, the ultimate holding company of the Company holding 70,178,249 Shares, representing approximately 50.51% of the issued share capital of the Company as at the Latest Practicable Date. He is the spouse of Ms. Cao Jing.

As at the Latest Practicable Date, Mr. Mo had a corporate interest in 70,178,249 Shares within the meaning of Part XV of the SFO, representing approximately 50.51 per cent. of the issued share capital of the Company. Save as disclosed above and other than his capacity as a Director, he did not hold any directorships in other listed companies in the last three years and he does not have any 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. Mo. 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. Mo's remuneration will be determined by the Board. Save as disclosed, there are no information concerning Mr. Mo to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

ZHANG Shaohua

Aged 43, was appointed as an independent non-executive director of the Company on 16 September 2006. He is an entrepreneur with over 17 years of experiences in starting up, developing and managing businesses in various industry sectors. He is the founder of and has been the managing director of Beijing Beyondal Electric Co. Ltd. since 2003, a company which has certain market share in setting up internet data centre in the PRC. He has worked as the General Manager (China) for GE Digital Energy and in other companies in the areas of power quality and precision environmental control industry for many years. He holds a Bachelor's degree in Science from the South China University of Technology and a Master's Degree in Business Administration from the Capital University of Economics and Business.

As at the Latest Practicable Date, Mr. Zhang does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above and other than his capacity as a Director, he did not hold any directorships in other listed companies in the last three years and he does not have any 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. Zhang. 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. Zhang is entitled to a director's fee of HK\$60,000 per annum plus reimbursement of out of pocket expenses which is based on the Company's remuneration policy adopted for independent non-executive Directors. Save as disclosed, there are no information concerning Mr. Zhang to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.



SHUN CHEONG HOLDINGS LIMITED

順昌集團有限公司*

(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 in Falcon Room, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Thursday, 20 September 2007, 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 2007.
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 or 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

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NOTICE OF ANNUAL GENERAL MEETING

specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% 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
Ngan Mei Fan
Company Secretary

Hong Kong, 27 August 2007

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 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.
3. 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).
4. 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.
5. As at the date hereof, the directors of the Company comprises of five directors, of whom two are executive directors, namely Ms. Cao Jing and Mr. Mo Tianquan; and three are independent non-executive directors, namely Mr. Yu Hon To, David, Prof. Ye Jianping and Mr. Zhang Shaohua.