
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

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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 REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Shun Cheong Holdings Limited to be held on Friday, 26 September 2008, at 10 a.m. in the Plaza V, Lower Lobby, Novotel Century, Hong Kong is set out on pages 12 to 15 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.

25 August 2008

* *For identification purposes only*

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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 Friday, 26 September 2008, at 10 a.m. in the Plaza V, Lower Lobby, Novotel Century, Hong Kong and notice of which is set out on pages 12 to 15 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”	20 August 2008, 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
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong

LETTER FROM THE BOARD



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*)

Zhang Shaohua (*Managing Director*)

Non Executive Director:

Mo Tianquan

Independent Non-executive Directors:

Ye Jianping

Derek Palaschuk

Yao Xusheng

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

25 August 2008

To Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information relating to the proposed resolutions at the Annual General Meeting so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation thereto.

The resolutions include (i) the re-election of retiring Directors; and (ii) the granting to the Directors of general mandates for the issue and repurchase of the Company's Shares up to 20% and 10% respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolutions.

* *For identification purposes only*

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Bye-Laws, Messrs. Mo Tianquan, and Ye Jianping will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

On 25 February 2008, Mr. Derek Palaschuk has been appointed as independent non-executive directors. On 6 March 2008, Mr. Yao Xusheng has been appointed as independent non-executive directors. In accordance with the Bye-Laws, Messrs. Derek Palaschuk and Yao Xusheng will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Biographical details, interests in the Shares and remuneration of Mr. Mo Tianquan, Prof. Ye Jianping, Mr. Derek Palaschuk and Mr. Yao Xusheng are set out in the Appendix I to this circular.

GENERAL MANDATES

(a) General Mandate to Repurchase Shares

Ordinary Resolution no. 4 will be proposed at the Annual General Meeting to grant the Board a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of Shares not exceeding 10 per cent. of the Company's issued share capital as at the date of such resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as state in the resolution) ("Repurchase Mandate").

An explanatory statement required under the Share Repurchase Rules providing the requisite information in respect of the Repurchase Mandate is set out in Appendix II to this circular.

(b) General Mandate to Issue Shares

Ordinary Resolution no. 5 will be proposed at the Annual General Meeting to grant the Board a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding 20 per cent. of the Company's issued share capital as at the date of such resolution (as adjusted in accordance with the resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) ("General Mandate"). As at the Latest Practicable Date, there were in issue an aggregate of 347,326,000 Shares. Exercise in full of the mandate on the basis that no further shares are issued or repurchased prior to the date of Annual General Meeting, could accordingly result in upto 69,465,200 Shares being issued by the Company.

Conditional upon the passing of Ordinary Resolution nos. 4 and 5 to grant the Repurchase Mandate and the General Mandate, ordinary resolution no. 6 will be further proposed at the Annual General Meeting granting authorisation to the Board to exercise all powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the General Mandate in respect of the aggregate nominal amount of share capital in the Company repurchased by the Company.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to re-elect retiring Directors and to approve the general mandate to issue and repurchase Shares, is set out on pages 12 to 15 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.

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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the proposals for the re-election of retiring Directors and the general mandate to issue and repurchase 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.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

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 44, was appointed as a director of the Company on 2 May 2006. He has over 10 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 (the "PRC") and a Degree of Master of Arts from Indiana University, the United States of America ("USA"). 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 approximately 59.02% of the issued share capital of the Company as at the Latest Practicable Date. He is the spouse of Ms. Cao Jing.

At the Latest Practicable Date, Mr. Mo had a corporate interest in 205,003,489 Shares within the meaning of Part XV of the SFO, representing approximately 59.02 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 with regard to his duties and responsibilities with the Company and will be subject to review by the Board from time to time. 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.

YE JIANPING

Aged 47, was appointed as an independent non-executive director of the Company on 29 July 2006. He has been teaching in the Renmin University of China since 1985 and is the professor and department head of the Department of Land and Real Estate Management of the Renmin University of China. He is also a council member of the China Land Science Society and the vice chairman of the China Institute of Real Estate Appraisers and Agents. He holds a Bachelor's Degree in Engineering from the Wuhan University, a Master's Degree in Economics and Doctorate in Management from the Renmin University of China. He is also a fellow member of The Royal Institute of Chartered Surveyors, a China Real Estate Appraiser and a China Land Appraiser.

As at the Latest Practicable Date, Prof. Ye did 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 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 Prof. Ye. 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. Prof. Ye is entitled to a director's fee of HK\$100,000 per annum plus reimbursement of out of pocket expenses which is based on the Company's remuneration policy adopted for independent non-executive Directors and determined with reference to prevailing market rate. Save as disclosed, there are no information concerning Prof. Ye 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.

PALASCHUK DEREK

Aged 44, was appointed as an independent non-executive director of the Company on 25 February 2008. He has been chief financial officer of Longtop Financial Technologies since September 2006, a New York Stock Exchange listed company. He was previously the chief financial officer of eLong Inc, a China-based Nasdaq-listed company, from April 2004 until July 2006. Prior to this, he worked with Sohu.com, a China-based Nasdaq-listed company, from July 2000 to March 2004 in various financial positions including chief financial officer. He also worked as an audit manager with PricewaterhouseCoopers in Hong Kong and Beijing. He holds a Bachelor of Commerce degree in accounting from the University of Saskatchewan, and an LLB from the University of British Columbia in Canada. He is also a Canadian Chartered Accountant.

As at the Latest Practicable Date, Mr. Palaschuk did 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. Palaschuk. 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. Palaschuk is entitled to a director's fee of HK\$180,000 per annum plus reimbursement of out of pocket expenses which is based on the Company's remuneration policy adopted for independent non-executive Directors and determined with reference to prevailing market rate. Save as disclosed, there are no information concerning Mr. Palaschuk 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.

YAO XUSHENG

Aged 46, was appointed as an independent non-executive director of the Company on 6 March 2008. He has been chairman of Shanghai K Land Investments Company Limited since 2005, a company is registered in Shanghai. He was previously the chief executive officer of Asia Pulp and Paper (“APP”) China, from 2001 to 2005 and was chief financial officer of APP from 1999 to 2001, APP is one of the world’s leading pulp and paper companies. Prior to this, he is an assistant professor in Tsinghua University, China from 1986 to 1990. He holds a Master’s Degree in Business Administration from the University of California Berkeley in USA, Master Degree in Economics from Clemson University in USA, Master Degree in economic and management and Bachelor Degree in Electrical Engineering both from Tsinghua University, China.

As at the Latest Practicable Date, Mr. Yao 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. Yao. 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. Yao is entitled to a director’s fee of HK\$100,000 per annum plus reimbursement of out of pocket expenses which is based on the Company’s remuneration policy adopted for independent non-executive Directors and determined with reference to prevailing market rate. Save as disclosed, there are no information concerning Mr. Yao 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.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders to make an informal decision on whether to vote for or against the resolutions to be proposed at the AGM in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were in issue an aggregate of 347,326,000 Shares. Exercise in full of the mandate, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, could accordingly result in up to 34,732,600 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

2. REASON FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders.

3. SOURCE OF FUNDING

Repurchases will be funded entirely from the funds legally available for that purpose accordance with the Bye-laws and the applicable laws of Bermuda. Under the Companies Act, a company may only repurchase its securities out of the capital on the shares to be repurchased or out of the funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares of the Company made for the purpose.

Any amount of premium payable on the purchase over the par value of the Shares of the Company to be purchased must be out of either the profits otherwise available for dividend or out of the Company's share premium account or out of contributed surplus.

Pursuant to the generate mandate to repurchase Shares, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the applicable laws of Bermuda and Bye-laws for the purpose.

On the basis of the consolidated financial position of the Company as at 31 March 2008 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that purchase of all the Shares the subject of the Repurchase Mandate were to be carried out in full during the Repurchase Mandate period. No purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

4. UNDERTAKING

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the proposal is approved by Shareholders, to sell Shares to the Company.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the resolution for approving the grant of the Repurchase Mandate is passed.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchase pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

5. TAKEOVERS CODES

A repurchase of shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Codes on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Upsky Enterprises Limited (“Upsky”), a company wholly-owned by Mr. Mo Tianquan and was interested in Shares, representing approximately 59.02% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of Upsky in the Company would be increased to approximately 65.58% of the issued share capital of the Company. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Directors have no present intention to repurchase shares to such extent which will result in the amount of Shares held by the public of being reduced to less than 25%.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
August	0.796 <i>(Note)</i>	0.584 <i>(Note)</i>
September	0.804 <i>(Note)</i>	0.692 <i>(Note)</i>
October	1.072 <i>(Note)</i>	0.736 <i>(Note)</i>
November	0.980 <i>(Note)</i>	0.700 <i>(Note)</i>
December	1.084 <i>(Note)</i>	0.788 <i>(Note)</i>
2008		
January	0.888 <i>(Note)</i>	0.700 <i>(Note)</i>
February	0.940 <i>(Note)</i>	0.792 <i>(Note)</i>
March	0.960 <i>(Note)</i>	0.800 <i>(Note)</i>
April	0.876 <i>(Note)</i>	0.564 <i>(Note)</i>
May	0.640 <i>(Note)</i>	0.500 <i>(Note)</i>
June	0.540	0.440
July	0.465	0.390
August (up to Latest Practicable Date)	0.460	0.350

Note: This price has been adjusted as shown on the Stock Exchange website: www.hkex.com.hk.

7. SHARES REPURCHASED MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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 Plaza V, Lower Lobby, Century Novotel, Hong Kong on Friday, 26 September 2008, at 10 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 2008.
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 hereunder the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase shares of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditional approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval be limited accordingly; and

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

(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.”

5. 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 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

NOTICE OF ANNUAL GENERAL MEETING

(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).”

6. 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** the aggregate number of shares in the share capital of the Company which shall have been repurchased by the Company subsequent and pursuant to the passing of resolution no. 4 (up to a maximum of 10 per cent. of the issued shares at the date of passing resolution no. 5) shall be added to the aggregate numbers of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no. 5 above.”

By Order of the Board
Shun Cheong Holdings Limited
Cao Jing
Executive Chairman

Hong Kong, 25 August 2008

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 six directors, of whom two are executive directors, namely Ms. Cao Jing (executive chairman) and Mr. Zhang Shaohua (managing director), one is non-executive director, namely Mr. Mo Tianquan, and three are independent non-executive directors, namely Prof. Ye Jianping, Mr. Derek Palaschuk and Mr. Yao Xusheng.