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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)

CONNECTED TRANSACTION ACQUISITION OF EQUITY INTERESTS IN SOUFUN HOLDINGS LIMITED

On 30 September 2011 (the US time), the Company acquired in aggregate 25,000 shares in SouFun at the aggregate consideration of US\$284,410 (approximately equivalent to HK\$2,218,000) through various on-market transactions on the New York Stock Exchange. The equity interests acquired represent approximately 0.03% of the total issued share capital of SouFun as at the date of this announcement.

As Mr. Mo is the substantial shareholder and director of SouFun, beneficially holding approximately 32.4% in the total issued share capital of SouFun, and Mr. Mo is also a controlling shareholder and non-executive director of the Company, SouFun is regarded as a connected person of the Company and hence the Acquisition is considered as a connected transaction for the Company under Chapter 14A of the Listing Rules. As the consideration for the Acquisition exceeds HK\$1,000,000 and the applicable percentage ratios of the Acquisition calculated in accordance with Rule 14.07 of the Listing Rules exceed 0.1% but are less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE ACQUISITION

On 30 September 2011 (the US time), the Company acquired in aggregate 25,000 shares in SouFun at the aggregate consideration of US\$284,410 (approximately equivalent to HK\$2,218,000), which will be

* *For identification purpose only*

settled in cash on the basis of the third business day after the transaction date (i.e. T+3 basis), through various on-market transactions on the New York Stock Exchange, details of which are set out below:

Number of shares acquired	Consideration (price per share)
5,000	US\$57,369 (US\$11.4737 per share)
5,000	US\$56,434 (US\$11.2868 per share)
5,000	US\$57,454 (US\$11.4907 per share)
5,000	US\$56,746 (US\$11.34926 per share)
5,000	US\$56,407 (US\$11.28147 per share)

The Acquisition was on normal commercial terms and without any restrictions which apply to the subsequent sale of the shares. The consideration was based on the prevailing market prices quoted on the New York Stock Exchange. The Company did not hold any equity interests in SouFun immediately prior to the Acquisition. The equity interests acquired represent approximately 0.03% of the total issued share capital of SouFun as at the date of this announcement.

INFORMATION ON THE COMPANY

The principal activity of the Company is investment holding and the principal activities of its subsidiaries consisted of hotel and restaurant operations in the PRC.

INFORMATION ON SOUFUN

SouFun is a company incorporated in Cayman Islands conducting real estate internet business in the PRC, the shares of which are listed on the New York Stock Exchange. The audited consolidated total assets and net asset value as at 31 December 2009 and 2010 and the audited consolidated revenue and net profits before and after taxation and extraordinary items (excluding minority interests) of SouFun for the years ended 31 December 2009 and 2010 as disclosed in its annual reports are set out as follows:

	2010	2009
	US\$'000	US\$'000
Total assets	293,767	154,494
Net asset value	122,667	24,501
Revenue	224,490	127,049
Net profits before taxation and extraordinary items (excluding minority interests)	81,370	50,411
Net profits after taxation and extraordinary items (excluding minority interests)	63,148	52,610

REASONS FOR AND BENEFITS OF THE ACQUISITION

As the recent share price of SouFun was traded substantially lower than its annual high by more than 60% and the share price has also been down by approximately 40% for the past one month, the directors of the Company considered that the existing share price of SouFun was attractive given that there was no significant change in the fundamental factors of SouFun. For the purpose of better cash management of the Company, it was a good opportunity for the Company to invest in SouFun for short-term benefits. The Acquisition was funded by internal resources of the Company.

Accordingly, the directors of the Company, including the independent non-executive directors, consider that the Acquisition is fair and reasonable and on normal commercial terms and is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As Mr. Mo is the substantial shareholder and director of SouFun, beneficially holding approximately 32.4% in the total issued share capital of SouFun, and Mr. Mo is also a controlling shareholder and non-executive director of the Company, SouFun is regarded as a connected person of the Company and hence the Acquisition is considered as a connected transaction for the Company under Chapter 14A of the Listing Rules. As the consideration for the Acquisition exceeds HK\$1,000,000 and the applicable percentage ratios of the Acquisition calculated in accordance with Rule 14.07 of the Listing Rules exceed 0.1% but are less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Mo and Ms. Cao Jing, an executive chairman and executive director of the Company and is the associate of Mr. Mo, had a material interest in the Acquisition and they have abstained from voting on the board resolution approving the Acquisition.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of 25,000 shares in aggregate in SouFun by the Company through various on-market transactions on the New York Stock Exchange on 30 September 2011 (the US time)
“associate”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of directors of the Company

“Company”	Shun Cheong Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange
“connected person”	shall have the meaning as ascribed to it under the Listing Rules
“connected transaction”	shall have the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	shall have the meaning as ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Mo”	Mr. Mo Tianquan, a controlling shareholder and a non-executive director of the Company
“PRC”	the People’s Republic of China
“SouFun”	SouFun Holdings Limited, a company incorporated in Cayman Islands, of which the shares are listed on the New York Stock Exchange, conducting real estate internet business in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	shall have the meaning as ascribed to it under the Listing Rules
“US”	the United States of America
“US\$”	United States dollar, the lawful currency of the US
“%”	per cent.

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

Hong Kong, 4 October 2011

As at the date hereof, the Board comprises 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. Palaschuk Derek Myles and Mr. Yao Xusheng.