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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)

PROFIT WARNING AND LITIGATION ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. The Board wishes to inform Shareholders and potential investors that the Group is expected to record a loss for the year ended 31 March 2013. The information contained in this announcement is only based on the Company's preliminary review of the consolidated management financial statements of the Group, which have not been reviewed or audited by the Company's auditors.

Open Land Holdings Limited (hereinafter referred to the "Open Land"), the wholly-owned subsidiary of the Company, has recently received the Notice of response to action from the Nanning Intermediate Court concerning a lawsuit brought by Beihai Yinhe Industry Investment Co., Ltd. (hereinafter referred to the "Beihai Yinhe") against the Company for disagreements on termination of agreements.

1. Profit Warning

This announcement is made by Shun Cheong Holdings Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The board of directors (the "Board") of the Company wishes to inform shareholders of the Company (the "Shareholders") and potential investors that the Group is expected to record a loss for the year ended 31 March 2013. Such expected loss was mainly attributable to, among other things, the reduction of hotel revenue and increase in costs of sales, administrative and other operating expenses and finance costs during the year ended 31 March 2013.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 March 2013, the information contained in this announcement is only based on the Company's preliminary review of the consolidated management financial statements of the Group, which have not been reviewed or audited by the Company's

* *For identification purpose only*

auditors. The audited results of the Group for the year ended 31 March 2013 are expected to be published in late June 2013. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

2. Litigation Issue

According to the announcement dated 2 September 2008, on 19 August 2008, Open Land entered into the Equity Transfer Agreement with the Beihai Yinhe for acquisition of a subsidiary Guangxi Wharton International Hotel Limited. Subsequently, there were further supplemental agreements and the Debt Re-structuring Agreements arranged and signed by both parties.

Because the Beihai Yinhe and the Company had different opinions on the settlements and termination of the agreements, the Beihai Yinhe brought a lawsuit to the Nanning Intermediate Court. In March 2013, the Company received the Notice of responses to action issued by Nanning Intermediate Court together with the Civil Indictment by Beihai Yinhe. The original hearing date was 23 May 2013. In late May 2013, Open Land applied for the extension of the hearing and the Court agreed the extension of the date and it will be determined soon.

As the above case has not been heard yet, the Company is not in a position to ascertain whether the profits of the Company for the current or subsequent periods will be affected. The following documents are available for reference:

1. Notice of response to action ((2013) Nan Shi Min San Chu Zi No. 41) issued by the Nanning Intermediate Court
2. Originals of Other Related Documents

The Company will fulfill the corresponding obligation of information disclosure in time in accordance with the progress of the matter above.

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

Hong Kong, 24 June 2013

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. Deng Wei.