

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
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Shun Cheong Holdings Limited to be held on Friday, 5 September 2014 at 10 a.m. at Suite 2302, Wing On Centre, 111 Connaught Road Central, Hong Kong is set out on pages 6 to 8 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 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

* *For identification purposes only*

28 July 2014

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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, 5 September 2014, at 10 a.m. at Suite 2302, Wing On Centre, 111 Connaught Road Central, Hong Kong and notice of which is set out on pages 6 to 8 of this circular
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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”	25 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



SHUN CHEONG HOLDINGS LIMITED

順昌集團有限公司*

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(Stock Code: 650)

Executive Directors:

Cao Jing (*Executive Chairman*)

Zhang Shaohua (*Managing Director*)

Non-executive Director:

Mo Tianquan

Independent Non-executive Directors:

Ye Jianping

Palaschuk Derek Myles

Wu Jiahong

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

28 July 2014

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 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 mandate for the issue of the Company's Shares up to 20% 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. Palaschuk Derek Myles is an independent non-executive Directors, will retire and, being eligible, offer himself for re-election at the forthcoming Annual General Meeting. As Mr. Palaschuk has provided the Company with his confirmation of independence pursuant to Rule 3.13 of the Listing Rules, the Board considers that they are independent.

Biographical details, interests in the Shares and remuneration of Mr. Palaschuk Derek Myles is set out in the Appendix to this circular. Based on these biographical information, the Board believes that his re-election is in the best interests of the Company and its Shareholders as a whole.

GENERAL MANDATE TO ISSUE SHARES

Ordinary Resolution no. 4 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% 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 stated in the resolution) ("General Mandate"). As at the Latest Practicable Date, there were an aggregate of 347,326,000 Shares in issue. Exercise in full of the General Mandate on the basis that no further shares are issued or repurchased prior to the date of Annual General Meeting, could accordingly result in up to 69,465,200 Shares being issued by the Company.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice of the Annual General Meeting is set out on pages 6 to 8 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 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The Directors are not aware of any shareholders who are required to abstain from voting on any particular resolutions at the Annual General Meeting.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the proposals for the re-election of retiring Director 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.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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.

Mr. Palaschuk Derek Myles (“Mr. Palaschuk”)

Aged 50, was appointed as an independent non-executive director of the Company on 25 February 2008. Mr. Palaschuk is also the chairman of the Audit Committee of the Company and the member of the Nomination Committee of the Company. He was chief financial officer of Longtop Financial Technologies, a New York Stock Exchange listed company from September 2006 to May 2011. 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. Other than disclosed above and his capacity as a Director, he did not hold any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

No service contract has been entered into between the Company and Mr. Palaschuk. He was not appointed for any specific term or proposed term of service 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\$186,750 per annum plus reimbursement of out of pocket expenses which is based on the Company’s remuneration policy and determined with reference to prevailing market conditions and his expected contribution to the Company. Save as disclosed above, there is no other information concerning Mr. Palaschuk which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



SHUN CHEONG HOLDINGS LIMITED

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NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Shun Cheong Holdings Limited (the “Company”) will be held at Suite 2302, Wing On Centre, 111 Connaught Road Central, Hong Kong on Friday, 5 September 2014, at 10 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and reports of the directors and the auditors of the Company for the year ended 31 March 2014.
2. a) To re-elect Mr. Palaschuk Derek Myles as the director of the Company.
2. b) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint SHINEWING as auditors of the Company and to authorise the board of directors of the Company 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 by 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

NOTICE OF ANNUAL GENERAL MEETING

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

(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
Cao Jing
Executive Chairman

Hong Kong, 28 July 2014

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 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 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. Wu Jiahong.