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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)

UPDATE ON LITIGATION MATTER

This announcement is made by the Shun Cheong Holdings Limited (“the Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Open Land Holdings Limited (hereinafter referred to the “Open Land”), the wholly owned subsidiary of the Company, has recently received the civil judgment for the second instance from the Higher People’s Court of Guangxi Zhuang Autonomous Region (hereinafter referred to the “Guangxi Higher People’s Court”).

References are made to the Company’s announcement made on 24th June 2014 and the announcement made on 26th June 2013 (the “Announcement”). Unless otherwise defined, capitalized terms used in this announcement have the same meaning as defined in the Announcement.

RESULTS OF THE CIVIL JUDGMENT FOR SECOND INSTANCE

According to the civil judgement (2014) Gui Min Si Zhong Zi No. 65 issued by the Guangxi Higher People’s Court, the results of the judgment are as follows:

1. dismiss the appeal of Open Land and sustain the original judgement;
2. the legal costs of the lawsuit for second instance of RMB650,853 shall be born by the Open Land;
3. debt obligations of the case shall be fulfilled within ten days from the delivery date of the civil judgment of the second instance; and
4. this judgment is the final judgment.

* *For identification purpose only*

The management of the Company has specifically recognized and made appropriate provision for the litigation issue in the financial report for the financial year ended 31st March 2014 according to the accounting principles and the prudence principle.

DOCUMENTS FOR REFERENCE

- (1) The Civil Judgement ((2014) Gui Min Si Zhong Zi No. 65) of the Higher People's Court of Guangxi Zhuang Autonomous Region
- (2) The Civil Judgement ((2013) Nan Shi Min San Chu Zi No. 41) of the Intermediate People's Court of Guangxi Zhuang Autonomous Region.

The Company will make further announcement if and when there is any significant development in respect of this matter.

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

Hong Kong, 18th December 2014

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. Wu Jiahong.