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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)**

**ANNOUNCEMENT  
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,  
RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION  
PROVISIONS UNDER PART XIVA OF  
THE SECURITIES AND FUTURES ORDINANCE  
AND  
RESUMPTION OF TRADING**

This announcement is made by Shun Cheong Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 23 April 2015 in relation to certain discussions with some potential investors and third parties with respect to investment opportunities (the “**Announcement**”) and the announcement dated 15 May 2015 in relation to inside information and unusual movement in the price of the Company. Unless otherwise stated, capitalised terms used herein shall have same meanings as those defined in the Announcement.

The Board would like to inform the shareholders of the Company that:

- (a) Mr. Mo Tianquan (a non-executive director of the Company and the major shareholder of the Company) (the “**Major Shareholder**”) and the Company are in current discussions with an independent third party (the “**Potential Investor**”) in respect of a possible acquisition of ordinary shares in the Company and part of the convertible bonds issued by the Company held by companies wholly-owned by the Major Shareholder by the Potential Investor (the “**Possible Transfer**”) which, if proceeds,

\* *For identification purpose only*

may lead to a change in control of the Company and the making of a mandatory general offer under the Takeovers Code for all the issued shares and the outstanding securities of the Company (other than those already owned by or agreed to be acquired by the Potential Investor and parties acting in concert with them) (the “**Possible Takeover Offer**”);

- (b) the Company and the Potential Investor are in current discussions in respect of a possible subscription of new ordinary and preferred shares in the Company by the Potential Investor and other independent third parties (the “**Possible Subscription**”);
- (c) the Potential Investor has referred an opportunity to the Company in respect of a possible acquisition of a new business by the Company from independent third parties who are not connected persons of the Company or are not associates of the Potential Investor (the “**Possible Acquisition**”); and the Company and the Potential Investor (in the capacity as the future majority shareholder of the Company upon completion of the Possible Transfer) are in discussions and negotiations in respect of (i) the Possible Acquisition, and (ii) in connection with the Possible Acquisition, an affiliated company of one of the vendors under the Acquisition will subscribe for a new convertible note in the Company (the “**Possible CN Subscription**”); and
- (d) the Major Shareholder, the Company and the Potential Investor (in the capacity as the future majority shareholder of the Company upon completion of the Possible Transfer) are in current discussions and negotiations in respect of a possible disposal of the Company’s business by the Company to a company wholly-owned by the Major Shareholder and the Potential Investor has also suggested certain proposals to the Company and the Major Shareholder regarding the payment of the consideration for the disposal (the “**Possible Disposal Arrangements**”), together with the Possible Transfer, the Possible Takeover Offer, the Possible Subscription, the Possible CN Subscription and the Possible Acquisition, the “**Possible Transactions**”).

It is currently proposed that the Possible Transfer will be conditional on, among other things, approvals of the Possible Subscription, the Possible Acquisition, the Possible CN Subscription and the Possible Disposal Arrangements by the Company’s shareholders, the Stock Exchange and the Securities and Futures Commission (to the extent necessary).

It is also proposed that the Possible CN Subscription will be conditional on, among other things, completion of the Possible Acquisition. The Possible Subscription, the Possible Acquisition and the Possible Disposal Arrangements are inter-conditional and shall be completed simultaneously.

The Possible Acquisition and the Possible Disposal Arrangements if proceed may constitute notifiable transactions for the Company under the Listing Rules. The Possible Disposal Arrangements will also constitute connected transactions for the Company. Accordingly, the Possible Acquisition and the Possible Disposal Arrangements may be subject to approvals of the Company’s shareholders and the Stock Exchange (to the extent necessary). The Possible Subscription and the Possible CN Subscription involve a possible issue of new shares under specific mandates and thus will also require approvals from the Company’s shareholders and the Stock Exchange.

The Possible Disposal Arrangements may constitute special deals under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any of its delegate(s)) and approval from the independent shareholders of the Company.

Mr. Mo wholly owns Upsky Enterprises Limited (“Upsky”) and Tanisca Investments Limited (“Tanisca”). As at the date of this announcement, Upsky held 209,753,409 ordinary shares of the Company representing an approximately 60.39% interest in the Company whilst Tanisca held convertible bonds with an aggregate principal amount of HK\$120 million convertible into 324,763,193 new ordinary shares at the current conversion price of HK\$0.3695 per ordinary share of the Company (the “Convertible Bonds”). The Convertible Bonds were issued by the Company on 28 March 2008.

Discussions are still in progress, and no agreement regarding any of the Possible Transactions has been entered into. The Major Shareholder, the Company and the Potential Investor are proposing entering into an exclusivity agreement. The Company will make a separate announcement as soon as practicable if any exclusivity agreement is entered into among the Company, the Major Shareholder and the Potential Investor.

The structure of the Possible Transactions currently under negotiations may change. The Company would like to remind its shareholders and other prospective investors that the Possible Takeover Offer and/or the Possible Transactions may or may not proceed.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which contains inside information.

Monthly announcement(s) setting out the progress of the discussions with the Potential Investor leading to the Possible Takeover Offer will be made until the announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the offer.

As at the date of this announcement, the Company has in issue a total of 347,326,000 shares and convertible bonds which carry rights to convert into 324,763,193 shares in full based on the existing conversion price. Save as aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The associates of the Company (including shareholders having interests of more than 5% in the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

## **Responsibilities of stockbrokers, banks and other intermediaries**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**There is no assurance that any of the Possible Takeover Offer and the Possible Transactions mentioned in this announcement will materialize or eventually be consummated, Shareholders and the public investors are urged to exercise extreme caution when dealing in the Shares.**

In the event that any transaction mentioned in this announcement materializes, the Company will comply with all applicable requirements under the Takeovers Code and the Listing Rules.

At the request of the Company, trading in the Company’s shares on The Stock Exchange of Hong Kong Limited was halted with effect from 11:21 a.m. on 15 May 2015 pending the release of this announcement. Application has been made by the Company for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on 9 June 2015.

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

Hong Kong, 8 June 2015

*As at the date of this announcement, the Board comprises the Executive Directors of the Company is Ms. Cao Jing (executive chairman) and Mr. Zhang Shaohua (managing director), the Non-executive Director is Mr. Mo Tianquan and the Independent Non-executive Directors are Prof. Ye Jianping and Mr. Palaschuk Derek Myles.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*