

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



SHUN CHEONG HOLDINGS LIMITED

順昌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the Company (the “**Meeting**”) will be held at United Conference Centre Limited — Room 4, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 July 2016 at 10:00 a.m. to consider and, if thought fit, pass the following resolutions:

SPECIAL RESOLUTION

1. “**THAT:**

- (a) the new bye-laws of the Company (the “**New Bye-laws**”) in the form of the document marked “A” and produced to the Meeting and for the purpose of identification signed by the chairman of the Meeting be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect; and
- (b) the authorised share capital of the Company be increased from HK\$80,000,000 divided into 8,000,000,000 ordinary shares of HK\$0.01 each (the “**Ordinary Shares**”) to HK\$130,000,000 by the creation of 5,000,000,000 restricted voting non-redeemable convertible preferred shares of HK\$0.01 each (the “**Preferred Shares**”), such Preferred Shares having the rights, privileges and restrictions as set out in the New Bye-laws, such that the authorised share capital of the Company shall become HK\$130,000,000 divided into 8,000,000,000 Ordinary Shares of HK\$0.01 each and 5,000,000,000 Preferred Shares of HK\$0.01 each, and all the existing shares of the Company in issue shall be designated as Ordinary Shares.”

* *For identification purpose only*

ORDINARY RESOLUTIONS

2. “THAT:

- (a) Subject to the passing of resolution no. 1, the subscription agreement dated 22 June 2015 and entered into between Titan Gas Technology Investment Limited; Lu Xi; Fang Chao; Hwabao.Overseas Investment Series 2 No 20 - 6 QDII Single Money Trust; Hwabao.Overseas Investment Series 2 No 20 - 7 QDII Single Money Trust; Aquarius Growth Investment Limited; New Fast Investments Limited; Real Smart Holdings Limited; Grand Empire Global Limited; True Success Global Limited; Sonic Gain Limited (collectively, the “**Original Share Subscribers**”); Prime Eagle Holdings Limited; Classictime Investments Limited; China Alpha Fund Management (HK) Limited; and Leading Global Investment Ltd. (collectively, the “**Previous Subscriber**”) as subscribers and the Company as issuer, as amended and supplemented by an amendment agreement dated 23 October 2015 and entered into among the Original Share Subscribers, the Previous Subscribers, the Company, and Haitong International Securities Company Limited, ExaByte Capital Fund L.P. and Rich Harvest Worldwide Ltd. as new subscribers (collectively, the “**New Subscribers**”), as further amended and supplemented by amendment agreements dated 20 November 2015, 28 January 2016, 23 March 2016 and 28 June 2016 respectively and entered into among the Original Share Subscribers, the Previous Subscribers, the New Subscribers and the Company (the “**Share Subscription Agreement**”), a copy of which is produced to the Meeting and marked “B” and initialed by the chairman of the Meeting for identification purpose, pursuant to which the Original Share Subscribers and the New Subscribers (collectively, the “**Subscribers**”) agreed to subscribe for an aggregate of 1,269,414,575 Ordinary Shares (the “**Subscription Ordinary Shares**”) at the issue price of HK\$0.6696 per Ordinary Share and an aggregate of 2,747,909,199 Preferred Shares (the “**Subscription Preferred Shares**”) at the issue price of HK\$0.6696 per Preferred Share be and is hereby approved, confirmed and ratified;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Subscription Ordinary Shares and the Ordinary Shares which may fall to be issued upon exercise of the conversion rights attaching to the Preferred Shares (the “**Preferred Conversion Shares**”), the directors of the Company be and are hereby authorised to allot and issue the Subscription Ordinary Shares and the Subscription Preferred Shares (or such other adjusted number of Subscription Ordinary Shares and Subscription Preferred Shares as may be necessary to fulfil the public float requirement of the Company) to the Subscribers; and the Preferred Conversion Shares upon exercise of the conversion rights attached to the Preferred Shares by the holder(s) thereof, in accordance with the terms and conditions of the Share Subscription Agreement; and
- (c) the directors of the Company be and are hereby authorised to do all such further acts and things and to take all such steps which may be necessary, appropriate, desirable or expedient to implement and/or give effect to the Share Subscription Agreement and the transactions contemplated thereunder.”

3. “**THAT:**

- (a) Subject to the passing of resolution no. 1, the subscription agreement dated 22 June 2015 (as supplemented on 20 November 2015, 28 January 2016, 23 March 2016 and 28 June 2016) and entered into between League Way Ltd. (“**League Way**”) as subscriber, the Company as issuer and Titan Gas Technology Investment Limited (the “**CN Subscription Agreement**”), a copy of which is produced to the Meeting and marked “C” and initialed by the chairman of the Meeting for identification purpose, pursuant to which League Way agreed to subscribe for a convertible note of the Company in a principal amount of HK\$250,000,000 which is convertible into Ordinary Shares at the initial conversion price of HK\$0.6696 per Ordinary Share (the “**Convertible Note**”) be and is hereby approved, confirmed and ratified;
- (b) conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Ordinary Shares which may fall to be issued upon exercise of the conversion rights attaching to the Convertible Note (the “**CN Conversion Shares**”), the directors of the Company be and are hereby authorised to issue to League Way the Convertible Note in accordance with the terms and conditions of the CN Subscription Agreement; and to allot and issue the CN Conversion Shares upon exercise of the conversion rights attached to the Convertible Note by the holder(s) thereof in accordance with the terms and conditions of the Convertible Note; and
- (c) the directors of the Company be and are hereby authorised to do all such further acts and things and to take all such steps which may be necessary, appropriate, desirable or expedient to implement and/or give effect to the CN Subscription Agreement and the transactions contemplated thereunder.”

4. “**THAT:**

- (a) the share purchase agreement dated 22 June 2015 (as supplemented on 20 November 2015, 28 January 2016, 23 March 2016 and 28 June 2016) and entered into among 上海宏博投資管理(集團)有限公司 (Shanghai Hongbo Investment Management (Group) Company Limited*) and 上海立大投資管理有限公司 (Shanghai Lida Investment Management Company Limited*) (collectively, the “**Vendors**”) as vendors, the Company as purchaser and 錫林郭勒盟宏博礦業開發有限公司 (Xilin Gol League Hongbo Mining Development Co., Ltd.*) (the “**PRC Target**”) (the “**Acquisition Agreement**”), a copy of which is produced to the Meeting and marked “D” and initialed by the chairman of the Meeting for identification purpose, pursuant to which the Company shall acquire 100% equity interests in the PRC Target from the Vendors at the total consideration of RMB558,880,000 in cash be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to do all such further acts and things and to take all such steps which may be necessary, appropriate, desirable or expedient to implement and/or give effect to the Acquisition Agreement and the transactions contemplated thereunder.”

5. “**THAT:**

- (a) subject to the consent of the Executive Director of Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) pursuant to Rule 25 of the Takeovers Code and any conditions that may be imposed thereon, the agreement dated 22 June 2015 (as supplemented on 23 October 2015, 20 November 2015, 28 January 2016, 23 March 2016 and 28 June 2016) and entered into between the Company as seller and Upsky Enterprises Limited as buyer (the “**Divestment Agreement**”), a copy of which is produced to the Meeting and marked “E” and initialed by the chairman of the Meeting for identification purpose, pursuant to which the Company shall dispose of the entire issued share capital of each of Aykens Holdings Limited and Hopland Enterprises Limited at the initial consideration of HK\$1,652,995 in cash (subject to adjustment in accordance with the terms of the Divestment Agreement) be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to do all such further acts and things and to take all such steps which may be necessary, appropriate, desirable or expedient to implement and/or give effect to the Divestment Agreement and the transactions contemplated thereunder.”

6. “**THAT**

- (a) the maximum number of directors of the Company be fixed at 15; and
- (b) the directors of the Company be and are hereby authorised to appoint from time to time such additional number of directors up to such maximum number.”

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

Hong Kong, 29 June 2016

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 deemed to be 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. Chen Zhiwu.