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SHANG HUA HOLDINGS LIMITED

上華控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 371)

RESULTS OF SPECIAL GENERAL MEETING RESIGNATION OF DIRECTOR CHANGE OF AUDITORS AND CHANGE OF YEAR END DATE

The Board is pleased to announce that (i) the ordinary resolutions in relation to the Subscription Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll at the SGM; and (ii) the ordinary resolution in relation to the increase in authorized share capital of the Company and the special resolution in relation to the change of the name of the Company were duly passed by the Shareholders by way of show of hands at the SGM.

Ms. Guan Mei has tendered, and the Board has approved, her resignation as executive Director of the Company with effect from the conclusion of the SGM.

HLM & Co. have resigned as auditors of the Company with immediate effect.

The financial year end date of the Company will be changed from 30 June to 31 December with immediate effect.

RESULTS OF SPECIAL GENERAL MEETING

Reference is made to the circular of Shang Hua Holdings Limited (the “Company”) dated 18 February 2008 (the “Circular”) in relation to, among other things, the Subscription Agreement and the Whitewash Waiver. Unless the context requires otherwise, terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that (i) the ordinary resolutions in relation to the Subscription Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll at the SGM; and (ii) the ordinary resolution in relation to the increase in authorized share capital and the special resolution in relation to the change of the name of the Company were duly passed by the Shareholders by way of show of hands at the SGM. The branch share registrar of the Company, Tricor Tengis Limited, acted as scrutineer for vote-taking at the SGM.

As at the date of the SGM, a total of 83,285,449 Shares were in issue. The Subscriber, BEHL and parties acting in concert with any of them and their respective associates were required to abstain from voting on the ordinary resolutions in relation to the Subscription Agreement and the Whitewash Waiver at the SGM. To the best of the Directors' knowledge, information and belief, none of the abovementioned parties held any Shares on the date of the SGM. There were a total of 83,285,449 Shares held by Independent Shareholders entitled to attend and vote for or against the ordinary resolutions relating to the Subscription Agreement and the Whitewash Waiver at the SGM. There were no Independent Shareholders entitled to attend and vote only against the ordinary resolutions relating to the Subscription Agreement and the Whitewash Waiver at the SGM.

The poll results in respect of the ordinary resolutions relating to the Subscription Agreement and the Whitewash Waiver passed by the Independent Shares at the SGM are as follows:

Ordinary resolutions	For		Against	
	Number of Shares	Approximate %	Number of Shares	Approximate %
1. To approve the Subscription Agreement and the transactions contemplated thereunder.	30,134,673	100	0	0
2. To approve the Whitewash Waiver.	30,134,673	100	0	0

As more than 50% of the votes were cast in favour of each of the above ordinary resolutions, they were duly passed as ordinary resolutions of the Company.

The Company expects that Completion will take place on Friday, 7 March 2008.

CHANGE OF SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon issue and allotment of the Subscription Shares; (iii) upon full conversion of the Firm Bonds; (iv) upon full conversion of the First Option Bonds and the Second Option Bonds; and (v) upon full conversion of the Tranche 1 Bond and Tranche 2 Bond:

Shareholders	As at the date of this announcement		Upon issue and allotment of the Subscription Shares		Upon full conversion of the Firm Bonds (Note 4)		Upon full conversion of the First Option Bonds and the Second Option Bonds (Note 4)		Upon full conversion of the Tranche 1 Bond and Tranche 2 Bond (Note 5)	
	No. of Shares	% shareholding	No. of Shares	% shareholding	No. of Shares	% shareholding	No. of Shares	% shareholding	No. of Shares	% shareholding
The Subscriber and parties acting in concert with it	-	-	247,000,000	74.78	747,000,000	89.97	1,997,000,000	96	1,997,000,000	77.39
PWL (Note 1)	18,797,875	22.57	18,797,875	5.69	18,797,875	2.26	18,797,875	0.90	518,797,875	20.11
Aster Well Limited (Note 2)	13,957,000	16.76	13,957,000	4.23	13,957,000	1.68	13,957,000	0.67	13,957,000	0.54
Mr. Chase J Wong (Note 3)	394,800	0.47	394,800	0.12	394,800	0.05	394,800	0.02	394,800	0.02
Public (Note 2)	50,135,774	60.20	50,135,774	15.18	50,135,774	6.04	50,135,774	2.41	50,135,774	1.94
Sub-total (public) (Note 2)	50,135,774	60.20	82,890,649	25.10	82,890,649	9.98	82,890,649	43.98	64,092,774	2.48
Total	<u>83,285,449</u>	<u>100</u>	<u>330,285,449</u>	<u>100</u>	<u>830,285,449</u>	<u>100</u>	<u>2,080,285,449</u>	<u>100</u>	<u>2,580,285,449</u>	<u>100</u>

Note:

- PWL is ultimately and beneficially owned by Ms. Lucy Du as to 50% and Ms. Helen Zhang as to 50%. Neither PWL, its ultimate beneficial owners and their respective nominees or agents had involved in the introduction or any matter leading or ancillary to the signing of the Subscription Agreement or transactions contemplated thereunder. The Subscriber, BEHL and parties acting in concert with any of them do not have any relationship with PWL, Ms Lucy Du or Ms Helen Zhang. Pursuant to the notices under section 324 of the SFO sent by PWL to the Company, PWL disposed on market of 500,000 Shares at the average price of HK\$0.666 per Share on 7 January 2008 and 1,000,000 Shares at the average price of HK\$0.6319 on 9 January 2008.

2. Aster Well Limited is ultimately and beneficially owned by Ms. Guan Mei. Ms. Guan Mei has resigned as Director with effect from the conclusion of the SGM. Upon the resignation of Ms. Guan Mei as Director, the Shares held by Aster Well will form part of the public float under the Listing Rules. Save that Ms. Guan Mei was an executive Director and Deputy Chairman of the Company (i) neither Aster Well Limited, its ultimate beneficial owner and their respective nominees or agents had involved in the introduction or any matter leading or ancillary to the signing of the Subscription Agreement or transactions contemplated thereunder; and (ii) the Subscriber, BEHL and parties acting in concert with any of them do not have any relationship with Aster Well Limited or Ms. Guan Mei.
3. Mr. Chase J Wong is an executive Director.
4. It will be a term of the Bonds that the holder(s) of the Bonds shall not exercise any of the conversion rights attaching to the Bonds, if following such exercise, the Company's minimum public float of the Shares as required under the Listing Rules cannot be maintained.
5. Pursuant to the subscription agreement dated 12 April 2007 entered into between the Company and PWL, the Company will only issue conversion shares upon exercise of the Tranche 1 Bond and Tranche 2 Bond to the extent that there is sufficient public float of the Shares of at least 25% (or such other percentage as determined by the Stock Exchange) of the issued share capital of the Company as enlarged by the issue of such conversion shares.

RESIGNATION OF DIRECTOR

Ms. Guan Mei has tendered, and the Board has approved, her resignation as executive Director of the Company with effect from the conclusion of the SGM. Ms. Guan Mei resigned as executive Director so as to ensure the Company maintains the required public float under the Listing Rules upon completion of the Subscription Agreement. Ms. Guan Mei has confirmed that there are no matters relating to her resignation that need to be brought to the attention of the Shareholders and that she has no disagreements with the Board.

The Board takes this opportunity to express its appreciation to Ms. Guan for her contribution to the Company.

CHANGE OF AUDITORS

The Board has received a notice of resignation dated 4 March 2008 (the "Notice") from HLM & Co. ("HLM"), pursuant to which HLM notified the Company that they resign as auditors of the Company with immediate effect. In the Notice, HLM stated that (i) they resign as auditors of the Company in view of the Company's requirement to align its appointment of auditors with that of its controlling shareholder; and (ii) there are no circumstances connected with their resignation as auditors of the Company which they consider ought to be brought to the attention of the members or creditors of the Company and its subsidiaries of which they are auditors. To the best of its knowledge and belief having made all reasonable enquires, the Board is not aware of any circumstances in respect of the resignation of HLM which it considers should be brought to the attention of the Shareholders. The Company will publish an announcement in respect of appointment of auditors to fill the vacancy following the resignation of HLM in accordance with the requirements of the Listing Rules as and when appropriate.

The Company considers that the resignation of HLM as auditors of the Company will not affect the publication of the unaudited interim results announcements for the six months ended 31 December 2007 and the six months ended 30 June 2008 respectively.

CHANGE OF YEAR END DATE

The financial year end date of the Company will be changed from 30 June to 31 December with immediate effect such that its financial year will converge with that of BEHL, its parent company following the Completion.

The Company's forthcoming announcements of its financial results for the current period will be released as follows:

1. the forthcoming unaudited interim results announcement for the six months ended 31 December 2007 will be published no later than three months after 31 December 2007;
2. the unaudited interim results announcement for the six months ended 30 June 2008 will be published no later than three months after 30 June 2008; and
3. the audited financial statements for the eighteen months period from 1 July 2007 to 31 December 2008 will be published no later than four months after 31 December 2008.

On behalf of the Board of
Shang Hua Holdings Limited
Chase J Wong
Executive Director

Hong Kong, 4 March 2008

** For identification purpose only*

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Huang Flynn Xuxian (Chairman), Mr. Chase J Wong, Mr. Liu Kai and Mr. E Meng, and three independent non-executive Directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Chan Wai Kwong Peter and Mr. So Kwok Keung.

The directors of Shang Hua Holdings Limited 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.