SHUN CHEONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The Board of Directors (the "Board") of Shun Cheong Holdings Limited (the "Company") announces that the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*2*	**74,302**	108,068
Cost of maintenance		**(71,452)**	(99,275)
Gross profit		**2,850**	8,793
Other revenue and gains	*3*	**926**	624
Administrative expenses		**(7,963)**	(8,273)
Other operating expenses		**(932)**	(1,609)
Finance costs	*4*	**(129)**	(76)
LOSS BEFORE TAX	*5*	**(5,248)**	(541)
Tax	*6*	**(29)**	(28)
LOSS FOR THE PERIOD		**(5,277)**	(569)
ATTRIBUTABLE TO:			
Equity holders of the parent		**(4,996)**	(577)
Minority interests		**(281)**	8
		(5,277)	(569)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic	*7*	**(4.24 cent)**	(0.50 cents)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2007 (Unaudited) HK$'000	31 March 2007 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,500**	2,614
CURRENT ASSETS			
Gross amount due from contract customers		**22,742**	28,446
Trade and other receivables	*8*	**42,106**	55,357
Retention money receivables		**651**	652
Prepayments, deposits and other assets		**665**	466
Due from a related company		**1,176**	299
Cash and cash equivalents		**49,879**	33,319
Total current assets		**117,219**	118,539
CURRENT LIABILITIES			
Gross amount due to contract customers		**16,769**	13,213
Trade payables	*9*	**13,627**	17,341
Retention money payables		**696**	1,552
Other payables and accruals		**5,345**	21,531
Due to related companies		**16,503**	13,690
Tax payable		**28**	14
Total current liabilities		**52,968**	67,341
NET CURRENT ASSETS		**64,251**	51,198
NET ASSETS		**66,751**	53,812
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**1,389**	1,159
Reserves		**64,635**	51,645
		66,024	52,804
Minority interests		**727**	1,008
TOTAL EQUITY		**66,751**	53,812

NOTES:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2007 have been prepared in accordance with the applicable disclose requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2007.

Accounting policies

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended 31 March 2007, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRS") (which also include HKASs and interpretations) issued by the HKICPA that affect the Group and are adopted the first time for the current period's financial statements:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC)-Int 8	Scope of HKFRS 2
HK (IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK (IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK (IFRIC)-Int 11	HKFRS 2-Group and Treasury Share Transactions

The adoption of these new and revised accounting standards has had no material impact on the accounting policies of the Group and the methods of computation in the Group's unaudited condensed consolidated interim financial statements.

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited condensed consolidated interim financial statements.

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Agreement[2]

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 January 2008.

2. SEGMENT INFORMATION

(a) Business segments

The Group's revenue is principally derived from the provision of building related maintenance services. The Group has only one business segment.

(b) Geographical segments

No geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Hong Kong, and over 90% of the Group's assets are located in Hong Kong.

3. OTHER REVENUE AND GAINS

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	672	624
Other	254	–
	926	624

4. FINANCE COSTS

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**129**	76

No interest was capitalised by the Group in both periods.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging the following:

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of maintenance and installation	**71,452**	99,275
Depreciation	**105**	112
Minimum lease payments under operating leases in respect of land and buildings	**375**	271
Staff costs (including directors' emoluments)	**4,852**	5,812
Impairment of trade and other receivables	**932**	1,609

6. TAX

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**29**	28
	29	28

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in or derived from Hong Kong during the period.

7. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of loss per share amounts is based on the net loss for the period attributable to equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of basis loss per shares is based on:

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS:		
Loss attributable to equity holders of the parent used in the basic loss per share calculation	**(4,996)**	(577)
SHARES		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**117,941,329**	115,930,400

Diluted loss per share amounts for the six months ended 30 September 2007 and 2006 have not been presented as no diluting events existed during either period.

8. TRADE AND OTHER RECEIVABLES

	30 September 2007 (Unaudited) *HK$'000*	31 March 2007 (Audited) *HK$'000*
Trade receivables	**27,064**	32,986
Other receivables	**15,042**	22,371
	42,106	55,357

An aged analysis of the trade receivables as at 30 September 2007, based on the invoice date and net of impairment of trade receivables, is as follows:

	30 September 2007 (Unaudited) *HK$'000*	31 March 2007 (Audited) *HK$'000*
0 to 30 days	**9,020**	10,385
31 to 60 days	**3,565**	3,630
61 to 90 days	**2,268**	2,659
Over 90 days	**12,211**	16,312
	27,064	32,986

The Group grants to its trade customers credit periods normally ranging from cash on delivery to 60 days. A longer credit period is granted to a few customers with long business relationships with the Group and with strong financial positions. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

9. TRADE PAYABLES

An aged analysis of the trade payables as at 30 September 2007, based on the invoice date, is as follows:

	30 September 2007 (Unaudited) *HK$'000*	31 March 2007 (Audited) *HK$'000*
0 to 30 days	**6,525**	5,742
31 to 60 days	**1,420**	368
Over 60 days	**5,682**	11,231
	13,627	17,341

The trade payables are non-interest bearing and are normally settled on 60-day terms.

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 September 2007 (2006: NIL).

REVIEW OF OPERATIONS

The Group's revenue for the six months ended 30 September 2007 was HK$74.3 million (2006: HK$108.1 million) and loss for the period was HK$5.3 million (2006: net loss of HK$0.6 million).

Consolidated revenue of HK$74.3 million for the six months ended 30 September 2007, showing a 31.2% decrease from HK$108.1 million for the pervious period. The decrease in business volume was primarily due to the decrease in work orders received from the Hong Kong Government and the Hong Kong Housing Authority.

The loss for the period was mainly attributable to the decrease in gross profit where higher subcontracting charges and material costs were incurred.

BUSINESS PROSPECT

With a tighter labour market, the volatility of metal prices, the weakness of the US dollars and the appreciation of Renminbi, there will be pressure in further increase of costs of business. While the Group intends to carry on the existing building related maintenance services business, the Board is currently conducting a review of the financial position and operations of the Group with a view to determining the future strategy of the Group's business activities.

The rise of the China market has created many opportunities to investors. The performance of the Chinese economy will remain strong in 2008 as anticipated by general market analysts. Driven by the real estate and heavy industries, the Chinese economy will continue to grow at an annual average rate of seven to eight percentages in the coming 10 years. In view of the current market circumstance and the general global trend, the Group keeps a close eye on any possible potential projects but yet no suitable investment opportunities have been identified at the moment.

POST BALANCE SHEET EVENTS

On 29 October 2007, the Company (as issuer), Tanisca Investments Limited ("Tanisca" – subscriber) entered into the Subscription Agreement pursuant to which the Company conditionally agreed to issue and Tanisca conditionally agreed to subscribe for the Bond in an aggregate principal amount of HK$ 120 million. The Bond bears an interest of 1% per annum, being payable semi-annually, and will mature on the fifth anniversary of the date of its issue. The conversion price of the Bond was set at HK$ 0.60 per Conversion Share. Tanisca is wholly-owned by Mr. Mo Tianquan ("Mr. Mo"), who is a Director and was also interested in approximately 50.51% of the total issued share capital of the Company through its 100% equity interest in Upsky Enterprises Limited, the ultimate holding company of the Company. Mr. Mo is thus a connected person (as defined under the Listing Rules) of the Company and therefore the issue of the Bond constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Details of the transaction were disclosed in a circular dated 21 November 2007 to all shareholders of the Company. The ordinary resolution approving the Connected Transaction and Subscription Agreement was duly passed by the Independent Shareholders at the Special General Meeting by way of poll on 7 December 2007.

FINANCIAL REVIEW

Liquidity and financial resources

The Group's total bank balances are mostly in Hong Kong dollar. As at 30 September 2007, the Group had unpledged cash and bank deposits balances of approximately HK$49.9 million (2006: HK$33.3 million). As at 30 September 2007, the Group had no outstanding bank borrowing (2006: Nil). The gearing ratio of the Group, as measured by the total bank borrowings to the equity attributable to equity holders of the parent, was nil (2006: Nil). As the Group's transactions are mostly settled in Hong Kong dollars, the use of financial instruments for hedging purposes is not considered necessary.

Funding and treasury policy

The assets and liabilities of the Group are mainly denominated in Hong Kong dollars. Accordingly, the Group has minimal exposure to foreign exchange fluctuation. However, the Group will closely monitor the overall currency and interest rate exposures. When considered appropriate, the Group will hedge against currency exposure as well as interest rate exposure.

Pledge of assets

The Group did not have any pledged assets as at 30 September 2007 (2006: Nil) to secure general banking facilities.

Contingent liability

As at 30 September 2007, the Group had no significant contingent liabilities.

Employees and remuneration policies

The Group employed approximately 90 staff in Hong Kong as at 30 September 2007. Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually depending on individual merits. The Group also provides other benefits including retirement benefits scheme, medical insurance and educational subsidies to all eligible staff.

CORPORATE GOVERNANCE

Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 of the Listing Rules of the Stock Exchange of Hong Kong Limited. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2007.

Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited during the interim period, except that:

1. CG Code provision A.2.1 stipulates that roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed a chief executive officer and Ms. Cao Jing, Chairman of the Company is responsible for the management of the Board. In view of the size of the Group, it is considered unnecessary to appoint a chief executive officer of the Company.

2. CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election. All the existing non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

3. CG Code provision A.4.2 stipulates every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Board will ensure the retirement of each director, other than those hold office as Executive Chairman or Managing Director, by rotation at least once every three years in order to comply with the CG Code. The Board presently considered that the continuity of office of the Executive Chairman or Managing Director provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group.

4. CG Code provision B.1.3 stipulates that the terms of reference of the remuneration committee should include, as minimum those specific duties as set out in the CG Code provisions. The Company has adopted the terms of reference of the remuneration committee on 21 December 2005, which was subsequently amended. Pursuant to the terms of reference for the remuneration committee, it is stipulated that the Remuneration Committee has the duty to "review" as opposed to "determine" the specific remuneration packages of executive directors and senior management.

The remuneration of the executive directors and senior management of the Company is reviewed by the Remuneration Committee and recommended to the Board and the Chairman of the Board respectively for determination, taking into account of market pay and individual performance. In the opinion of the directors, the current practice serves the same purpose as laid down by the CG Code.

The Company had only two independent non-executive directors after the resignation of Mr. Yu Hon To on 24 October 2007. According to the Rule 3.10(1) and Rule 3.11 of the Listing Rules which require that every board of directors of a listed issuer must include at least three independent non executive directors, and that the Board shall appoint a sufficient number of independent non executive directors within three months from the effective date of the resignation of Mr. Yu Hon To of 24 October 2007 to meet the minimum number required.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

All directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period ended 30 September 2007.

Audit Committee

Regular meetings have been held by the Audit Committee of the Company since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 September 2007 has not been audited, but has been reviewed by the Audit Committee.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

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

Hong Kong, 12 December 2007

At the date of this announcement, the Board comprises of four directors, of whom two are executive directors, namely Ms. Cao Jing (Executive Chairman) and Mr. Mo Tianquan; and two are independent non-executive directors, namely Professor Ye Jianping and Mr. Zhang Shaohua.