SHUN CHEONG HOLDINGS LIMITED
順昌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The Board of Directors (the "Board") of Shun Cheong Holdings Limited (the "Company") announces that the preliminary consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2010, together with comparative figures for the last financial year are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
REVENUE	3	**153,774**	73,572
Cost of sales		**(101,211)**	(66,349)
Gross profit		**52,563**	7,223
Other income	3	**746**	2,472
Administrative expenses		**(26,178)**	(17,826)
Other expenses		**(2,585)**	(300)
Excess over the cost of a business combination		**–**	4,089
Finance costs	5	**(24,011)**	(8,439)
PROFIT/(LOSS) BEFORE TAX	4	**535**	(12,781)
Income tax expense	6	**(34)**	(9)
PROFIT/(LOSS) FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**501**	(12,790)
ATTRIBUTABLE TO:			
Owners of the parent	7	**633**	(12,684)
Minority interests		**(132)**	(106)
		501	(12,790)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic		**0.18 cents**	(4.14) cents
Diluted		**0.18 cents**	(4.14) cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**488,154**	509,637
Deferred tax assets		**1,025**	1,025
Total non-current assets		**489,179**	510,662
CURRENT ASSETS			
Inventories		**3,126**	3,556
Gross amounts due from contract customers		**547**	3,111
Trade receivables	*8*	**15,825**	22,661
Retention money receivables		**–**	255
Prepayments, deposits and other receivables		**9,497**	24,159
Tax recoverable		**–**	19
Cash and cash equivalents		**86,901**	72,560
Total current assets		**115,896**	126,321
CURRENT LIABILITIES			
Gross amounts due to contract customers		**6,046**	12,789
Trade payables	*9*	**7,320**	11,831
Retention money payables		**–**	696
Other payables and accruals		**45,775**	48,036
Advance from a shareholder		**–**	22,600
Interest-bearing bank borrowing – current portion		**3,390**	3,390
Total current liabilities		**62,531**	99,342
NET CURRENT ASSETS		**53,365**	26,979
TOTAL ASSET LESS CURRENT LIABILITIES		**542,544**	537,641
NON-CURRENT LIABILITIES			
Convertible bonds		**91,113**	83,321
Interest-bearing bank borrowing		**253,120**	256,510
Total non-current liabilities		**344,233**	339,831
Net assets		**198,311**	197,810
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**3,473**	3,473
Equity component of convertible bonds		**43,272**	43,272
Reserves		**150,301**	149,668
		197,046	196,413
Minority interests		**1,265**	1,397
Total equity		**198,311**	197,810

Notes:

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKFRS 8 Amendment*	Amendment to HKFRS 8 *Operating Segments: Disclosures – Information about segment assets (early adopted)*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009)

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a subsidiary*, which is effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of the HKFRS 8, HKFRS 8 Amendment, and HKAS 1 (Revised), the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

(a) HKFRS 8 *Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 2 to the financial statements.

The Group has early adopted in these financial statements the Amendment to HKFRS 8 issued in *Improvements to HKFRSs 2009* which clarifies that segment assets need only to be reported when those assets are included in measures that are used by the chief operating decision maker.

(b) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the building services contracting and maintenance business consists of the provisions of building related maintenance services; and

(b) the hotel business consists of the hotel and restaurant operations in the PRC.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted operating profit/(loss) before tax.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 March 2010	Building services contracting and maintenance business HK$'000	Hotel business HK$'000	Total HK$'000
Segment revenue:			
Sales to external customers	**21,948**	**131,826**	**153,774**
Other revenue	**166**	**533**	**699**
Revenue	**22,114**	**132,359**	**154,473**
Segment results	**284**	**15,810**	**16,094**
Reconciliation			
Interest income			**47**
Unallocated expenses			**(6,602)**
Finance costs			**(9,004)**
Profit before tax			**535**
Segment assets	**17,953**	**574,011**	**591,964**
Reconciliation			
Unallocated assets			**13,111**
Total assets			**605,075**
Segment liabilities	**13,176**	**300,766**	**313,942**
Reconciliation			
Unallocated liabilities			**92,822**
Total liabilities			**406,764**
Other segment information:			
Depreciation	**139**	**29,612**	**29,751**
Capital expenditure	**–**	**8,268**	**8,268**
Impairment losses of other receivables recognised in profit or loss	**363**	**–**	**363**
Impairment losses of trade receivables reversed in profit or loss	**(118)**	**–**	**(118)**

Year ended 31 March 2009	Building services contracting and maintenance business HK$'000	Hotel business HK$'000	Total HK$'000
Segment revenue:			
Sales to external customers	58,270	15,302	73,572
Other revenue	9	13	22
Revenue	58,279	15,315	73,594
Segment results	(4,370)	(941)	(5,311)
Reconciliation			
Interest income			2,446
Excess over the cost of a business combination			4,089
Unallocated expenses			(5,780)
Finance costs			(8,225)
Loss before tax			(12,781)
Segment assets	40,076	534,367	574,443
Reconciliation			
Unallocated assets			62,540
Total assets			636,983
Segment liabilities	27,766	325,710	353,476
Reconciliation			
Unallocated liabilities			85,697
Total liabilities			439,173
Other segment information:			
Depreciation	189	4,706	4,895
Capital expenditure	–	1,191	1,191
Impairment losses of trade receivables recognised in profit or loss	–	389	389
Impairment losses of trade receivables reversed in profit or loss	(178)	–	(178)

Geographical information

(a) *Revenue from external customers*

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**21,948**	58,270
Mainland China	**131,826**	15,302
	153,774	73,572

The revenue information above is based on the location of the customers.

(b) *Non-current assets*

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**2,153**	2,291
Mainland China	**486,001**	507,346
	488,154	509,637

The non-current assets information above is based on the location of the assets and excludes deferred tax assets and other assets.

3. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of services rendered of contract revenue from building services contracting and maintenance businesses and income from hotel and restaurant operations during the year.

An analysis of the Group's revenue and other income is as follows:

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Building services contracting and maintenance businesses	**21,948**	58,270
Hotel and restaurant operations	**131,826**	15,302
	153,774	73,572
Other income		
Bank interest income	**47**	2,450
Others	**699**	22
	746	2,472

4. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2010	2009
	HK$'000	*HK$'000*
Cost of maintenance	**18,846**	59,618
Cost of services provided	**82,365**	6,731
	101,211	66,349
Depreciation	**29,751**	4,895
Minimum lease payments under operating leases in respect of land and buildings	**127**	292
Auditors' remuneration	**950**	850
Employee benefit expense (including directors' remuneration):		
Wages, salaries and bonuses	**14,076**	6,823
Pension scheme contributions*	**83**	676
	14,159	7,499
Less: Amount capitalised in contract costs	**–**	(1,926)
Amounts charged to administrative expenses	**14,159**	5,573
Impairment/(write back of impairment) of trade receivables#	**(118)**	211
Impairment of other receivables#	**2,703**	–
Loss on disposal of items of property, plant and equipment#	**–**	9

* *As at 31 March 2010, the Group did not have significant forfeited contributions available to reduce its contributions to the pension schemes in future years (2009: Nil).*

These items are included in "Other expenses" on the face of the consolidated statement of comprehensive income.

5. FINANCE COSTS

An analysis of finance cost is as follows:

	2010	2009
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**15,007**	220
Interest on convertible bonds	**8,992**	8,175
Others	**12**	44
	24,011	8,439

6. INCOME TAX

The Company is exempt from tax in Bermuda until 2016. Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2010	2009
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**34**	34
Overprovision in prior years	**–**	(25)
Total tax charge for the year	**34**	9

A reconciliation of the tax charge/(credit) applicable to profit/(loss) before tax at the statutory rate in Hong Kong to the tax charge for the year as follows:

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) before tax	**535**	(12,781)
Tax at the statutory tax rate of 16.5% (2009: 16.5%)	**88**	(2,109)
Different tax rate enacted by local authority	**1,345**	(61)
Adjustments in respect of current tax of previous years	**–**	(25)
Income not subject to tax	**(888)**	(1,107)
Expenses not deductible for tax	**2,577**	2,335
Tax losses not recognised	**149**	964
Tax losses utilised from previous periods	**(3,269)**	–
Others	**32**	12
Tax charge for the year	**34**	9

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 347,326,000 (2009: 306,217,827) in issue during the year.

The calculation of diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2010 and 2009 in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2010	2009
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent	**633**	(12,684)
Interests on convertible bonds	**8,992**	8,175
Profit/(loss) attributable to ordinary equity holders of the parent before interests on convertible bonds	**9,625***	(4,509)*

	Number of shares	
	2010	2009
Shares		
Weighted average number of shares in issue during the year used in the basic earnings/(loss) per share calculation	**347,326,000**	306,217,827
Effect of dilution of the convertible bonds on the weighted average number of shares	**324,763,193**	324,763,193
	672,089,193*	630,981,020*

* *For the year ended 31 March 2010, because the diluted earnings per share amount increased when taking the convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share amount is based on the profit for the year of HK$633,000 and the weighted average number of ordinary shares of 347,326,000 in issue during the year.*

* *For the year ended 31 March 2009, because the diluted loss per share amount decreased when taking the convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic loss per share for the year and were ignored in the calculation of diluted loss per share. Therefore, diluted loss per share amount was based on the loss for that year of HK$12,684,000 and the weighted average number of ordinary shares of 306,217,827 in issue during that year.*

8. TRADE RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**19,085**	26,270
Impairment	**(3,260)**	(3,609)
	15,825	22,661

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.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment of trade receivables, is as follows:

	2010	2009
	HK$'000	*HK$'000*
0 to 30 days	**5,084**	7,045
31 to 60 days	**2,107**	1,495
61 to 90 days	**286**	2,333
Over 90 days	**8,348**	11,788
	15,825	22,661

9. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Current to 30 days	**2,343**	6,080
31 to 60 days	**2,294**	2,048
Over 60 days	**2,683**	3,703
	7,320	11,831

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group had revenue of HK$153.8 million for the year ended 31 March 2010 (2009: HK$73.6 million) and profit for the year of HK$0.5 million (2009: loss for the year of HK$12.8 million).

Consolidated revenue of HK$153.8 million for the year ended 31 March 2010, increased 109.0% from HK$73.6 million as comparing with previous year. The increase in business volume was primarily due to the contribution from the Guangxi Nanning Wharton International Hotel Limited ("the Nanning Hotel") which was acquired in January 2009.

The Nanning Hotel reported an average room rate of HK$548 (2009: HK$533) and an occupancy rate of 72% (2009: 59%) during the year.

As at 31 March 2010, net asset value attributable to equity holders amounted to approximately HK$197.0 million, 0.3% higher than the amount of HK$196.4 million in 2009.

Business Prospects

After the acquisition of the Nanning Hotel in January 2009, the Group is planning on expanding and broadening its business in the PRC. The Nanning Hotel is now the Group's principal business as it contributed more than 86% of the Group's revenue in fiscal 2010. Although the Company intends to carry on the building maintenance services business, the size of the business is decreased as comparing with previous year. Recognising the efforts of the PRC government in promoting the economies of the less developed regions and the rapid development of local tourism industry in the second tier cities in the PRC, the Board is also looking to business opportunities in the PRC for development and expansion.

Financial Review

Liquidity and financial resources

The Group's cash and bank balances are mostly in Hong Kong dollars and Renminbi. As at 31 March 2010, the Group had unpledged cash and bank deposit balances of approximately HK$86.9 million (2009: HK$72.6 million). As at 31 March 2010, the Group had outstanding bank borrowings of HK$256.5 million. (2009: HK$259.9 million). The gearing ratio of the Group which represented the total bank borrowings to the equity attributable to equity holders of the parent, was 44% (2009: 49%).

Treasury and funding policy

The assets and liabilities of the Group are mainly denominated in Hong Kong dollars and Renminbi. The Group's bank borrowing is on a floating rate at the prime rate of the People's Bank of China. The maximum bank borrowing granted by bank given to the Group and a subsidiary is HK$361.6 million (2009: HK$361.6 million). Taking into account of cash in hand and available credit facilities, the Group has sufficient working capital for its present requirements. The Renminbi has been pegged to a basket of currencies. Accordingly, the Group has minimal exposure to foreign exchange fluctuation.

Pledge of assets

At 31 March 2010, the hotel properties held with an aggregate net book value of approximately HK$302.7 million (2009: HK$313.6 million) were mortgaged to a bank to secure banking facilities granted to the Group.

Employees and remuneration policy

The Group employed approximately 610 employees as at 31 March 2010 (2009: 595). 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.

FINAL DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year (2009: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the year.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance that properly protect and promote the interests of its shareholders. The monitoring and assessment of certain governance matters are allocated to three committees: Audit Committee, Remuneration Committee and Nomination Committee which operate under the defined terms of reference and are required to report to full Board on a regular basis.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 March 2010, except for code provisions A.1.1, A.4.1, A.4.2, B.1.3 and E.1.2, details of which are discussed in this announcement.

CG Code provision A.1.1 stipulates that the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year, four board meetings were held to review and discuss the annual and interim results together with all corporate transactions happened during the year. Although the board meetings held during the year were not convened on a quarterly basis, the directors considered that sufficient meetings had been held to cover all aspects of the Company's business.

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.

CG Code provision A.4.2 stipulates that 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.

CG Code provision B.1.3 stipulates that the terms of reference of the Remuneration Committee should include, as a minimum, those specific duties as set out in the CG Code provisions. The Company has adopted the terms of reference for the Company's Remuneration Committee on 21 December 2006, 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 code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting ("AGM") of the Company. The Chairman did not attend the 2009 AGM due to other business engagement. An executive director had chaired the 2009 AGM and answered questions from the shareholders.

The AGM also provides a useful and convenient forum for shareholders to exchange views with the Board, and with each other. At the 2009 AGM, the chairperson of the AGM and chairman/member of the Audit Committee, Remuneration Committee and Nomination Committee were available to answer the questions raised by shareholders.

Director's 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 year ended 31 March 2010.

Audit Committee

The audit committee of the Company ("Audit Committee") comprises three directors, all of which are independent non-executive directors, namely Mr. Palaschuk Derek Myles (Chairman), Professor Ye Jianping and Mr. Yao Xusheng.

The terms of reference for the Audit Committee have been adopted in line with the CG Code. Regular meetings have been held by the Audit Committee since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management the financial reporting matters, internal controls and the annual results for the year ended 31 March 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT

The result announcement is published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.irasia.com/listco/hk/shuncheong. The annual report will be despatched to the shareholders of the Company and will be published on the above website in due course.

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

Hong Kong, 23 July 2010

As at the date hereof, the directors of the Company comprises of 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. Yao Xusheng.