

VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Van Shung Chong Holdings Limited (the "Company") will be held at Rooms 4902-8, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on 31st August, 2006 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited accounts and the Reports of the Directors and Auditors for the year ended 31st March, 2006.
2. To consider and declare a final dividend of HK1.1 cents per share for the year ended 31st March, 2006.
3. To re-elect Directors and authorise the Board of Directors to fix the Directors' remuneration and to appoint new Directors from time to time.
4. To re-appoint PricewaterhouseCoopers as the Company's Auditors and authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modifications, the following resolutions as ordinary resolutions or a special resolution:

ORDINARY RESOLUTIONS

5. A. "THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the "Directors") during the Relevant Period (as defined below) of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) otherwise than pursuant to (i) a Rights Issue (as defined below) or (ii) the exercise of subscription or conversion rights under any warrants of the Company and under any securities which are convertible into shares in the capital of the Company, (iii) on the exercise of the subscription rights under share option schemes of the Company approved by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company's Bye-laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange)."

B. "THAT:

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase issued shares of HK\$0.10 each in the capital of the Company ("Shares"), subject to and in accordance with paragraph (c) below and all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined below) to procure the Company to purchase its Shares at such prices as the Directors at their discretion may determine;
- (c) the aggregate nominal amount of Shares which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company's Bye-laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting."

- C. "THAT conditional upon the passing of Resolutions nos. 5A and 5B set out in the notice convening this meeting, the aggregate nominal amount of Shares which shall have been repurchased by the Company pursuant to and in accordance with Resolution no. 5B set out in the notice convening this meeting shall be added to the aggregate nominal amount of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Resolution no. 5A set out in the notice convening this meeting, provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution."

6. "THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of, and permission to deal in, the shares of HK\$0.10 each in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the total number of shares which may be issued upon exercise of all options to be granted under the share option scheme adopted by the Company on 12 November 2001 (the "Share Option Scheme") and any other option schemes of the Company and/or its subsidiaries (excluding options previously granted under the Share Option Scheme and any other share option schemes of the Company and/or its subsidiaries) be and is hereby approved subject to a maximum limit equal to 10% of the total number of issued shares of the Company as at the date of the passing of this resolution (the "Refreshed Scheme Mandate Limit"); and that the Directors be and are hereby unconditionally authorised to grant options to subscribe for shares up to the Refreshed Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the shares pursuant to the exercise of such options."

SPECIAL RESOLUTION

7. "THAT the Bye-laws of the Company be amended in the following manner:

(a) Bye-law 1

By inserting the words "a recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or" before the words "a clearing house" in the definition of "clearing house"

(b) Bye-law 63

The existing Bye-law 63 be amended by inserting the following after the words "the Members present in person" appearing in the last sentence therein: "or (in the case of a Member being a corporation) by its duly authorised representative"

(c) Bye-law 66

The existing Bye-law 66 be deleted in its entirety and substituted by the following new Bye-law 66:

"66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

(a) by the chairman of such meeting; or

(b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

(c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

(d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or

(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member."

(d) Bye-law 68

The existing Bye-law 68 be amended by deleting the second sentence therein and substituting therefor the following:

"The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange."

(e) Bye-law 86

(i) The existing Bye-law 86(1) be amended by inserting the words "or at any special general meeting" after the words "in accordance with Bye-law 87" in the third sentence of Bye-law 86(1).

(ii) The existing Bye-law 86(4) be amended by:

(i) deleting the words "Subject to any provision to the contrary in these Bye-laws the" and replacing therewith the word "The" at the beginning of Bye-law 86(4);

(ii) deleting the word "special" before the words "resolution remove a Director" in Bye-law 86(4) and substituting therefor the word "ordinary"; and

(iii) inserting the words "to the contrary" after the words "notwithstanding anything" in the fourth line of Bye-law 86(4).

(f) Bye-law 87

Bye-law 87 be amended by:

(i) deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following:

"87.(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years."

(ii) inserting the words "and shall continue to act as a Director throughout the meeting at which he retires" after the word "re-election" in the first sentence of Bye-law 87(2)."

By Order of the Board
Tse Sau Wai
Company Secretary

Hong Kong, 27th July, 2006

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:
Rooms 4902-8, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

As at the date of this notice, the board of Directors comprised Andrew Yao Cho Fai (Chairman), Fernando Dong Sai Ming (being the executive Directors), Chow Yei Ching, Harold Richard Kahler, Kenny Tam King Ching, Xu Lin Bao (being the independent non-executive Directors).

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, a form of proxy must be deposited with the Company Secretary at the head office and principal place of business of the Company at Rooms 4902-8, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
2. The register of members of the Company will be closed from Tuesday, 29th August, 2006 to Thursday, 31st August, 2006 (both dates inclusive) during which period no transfer of Shares can be registered. In order to qualify for the final dividend which, if approved, will be payable on or before 29th September, 2006, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. (Hong Kong SAR time) on 28th August, 2006.
3. Under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the general mandate lapses unless it is renewed at each annual general meeting.
4. With respect to Resolutions nos. 5B and 5C, approval is being sought from shareholders for a general mandate to be given to the Directors to repurchase Shares and to issue Shares as a result of such repurchase. In accordance with the Listing Rules and the Code on Share Repurchases, an explanatory statement in connection with the general mandate to repurchase Shares, is included in the circular and has been despatched to shareholders together with the annual report for the year ended 31st March, 2006.