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VSC万顺昌

VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

MAJOR TRANSACTION

DISPOSAL OF 20% EQUITY INTEREST IN AN ASSOCIATED COMPANY

THE AGREEMENT

Pursuant to the Agreement entered into between the Parties on 3 June 2010 after trading hours, CAMP BVI has conditionally agreed to sell and, Ryerson China has conditionally agreed to repurchase the Sale Shares, representing the 20% equity interests in Ryerson China beneficially owned by CAMP BVI, at the Sale Price of US\$17,500,000 (equivalent to approximately HK\$136,500,000).

GENERAL

As one of the applicable percentage ratios as defined in the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Ryerson, Ryerson China and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and no Shareholder has a material interest in the Disposal other than through their interests in the Company. No Shareholder is required to abstain from voting on the resolution in respect of the Agreement at the SGM.

A circular containing, among other things, details of the Disposal and the notice of the SGM will be dispatched to the Shareholders as soon as practicable under the requirement of the Listing Rules.

THE AGREEMENT

Date: 3 June 2010, after trading hours

Parties: (i) the Company;
(ii) CAMP BVI;
(iii) Ryerson; and
(iv) Ryerson China

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Ryerson, Ryerson China and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Assets to be disposed of

Pursuant to the Agreement, CAMP BVI has conditionally agreed to sell and, Ryerson China has conditionally agreed to repurchase the aggregate of 300 shares of US\$10 each in the capital of Ryerson China legally and beneficially owned by the CAMP BVI, representing 20% of the issued share capital of Ryerson China as at the date of the Agreement.

Consideration

The Sale Price for the Disposal is US\$17,500,000 (equivalent to approximately HK\$136,500,000) and shall be satisfied by Ryerson China in cash on the Completion Date.

The Directors confirmed that the Sale Price was determined after arm's length negotiation between the Parties with reference to, among other things, (i) the unaudited consolidated net asset value of the Ryerson China Group; (ii) the management fees to be paid to the Group in relation to its provision of assistance to Ryerson China Group in obtaining bank financing or any other services or support to Ryerson China Group; (iii) the future profitability of the Ryerson China Group; and (iv) the current suppliers and customers network of the Ryerson China Group.

Conditions precedent to the Agreement

Completion is conditional upon the following conditions being fulfilled or waived (as the case may be) by Ryerson China on or before the Long Stop Date:

- (a) approval having been given by the Shareholders, in accordance with the Listing Rules approving the transfer of the Sale Shares to Ryerson China (and/or its nominees);
- (b) the warranties, representations and undertakings of CAMP BVI and Ryerson China contained in the Agreement, remaining true and correct in all material respects as at the Completion Date as though made on such date; and
- (c) Ryerson China having received any documents necessary for the compliance by Ryerson China with applicable laws in respect of the share repurchase under the Agreement and the incurrence of debt in relation to finance such repurchase (other than any guarantee or loan to be given by the Company and/or CAMP BVI) which are required to be made executed by the Company and/or CAMP BVI.

Ryerson China may at any time on or before the Long Stop Date waive the condition (b) above in respect of the warranties, representations and undertakings of CAMP BVI either in whole or in part.

If any of the above conditions have not been fulfilled or waived (for condition (b) in respect of the warranties, representations and undertakings of CAMP BVI only) by Ryerson China by the Long Stop Date, the Agreement shall cease and determine and none of the Parties shall have any claim against the other for costs, damages, compensation or otherwise, save for those arising from antecedent breaches of the terms thereof.

Completion

Completion shall take place on the fifth Business Day after the fulfillment or waiver (as the case may be) of the conditions precedent above (or such other date as the Parties may agree). Upon Completion, Ryerson China will be wholly-owned by the Ryerson Parties and ceased to be an associated company of the Group.

No Competition Undertaking

Each of the Company and CAMP BVI agrees with Ryerson and Ryerson China that, for a period of 2 years commencing from the Completion Date:

- (a) the Company shall not engage in any commercial activity in the PRC that is directly or indirectly competing with the Ryerson China's Business; and
- (b) none of the Company, its holding companies, its subsidiaries and any individual/entity that hold 20% or more of the equity interest of the Company shall not enter into new business opportunities designed for holding or processing steel or aluminum for customers in the PRC or customers with business in the PRC that will reasonably be considered by Ryerson to be in direct competition or indirect competition with the Ryerson China's Business.

Management of Ryerson China

Pursuant to the Agreement, at Completion, the director in Ryerson China nominated by the Company shall resign as a director of Ryerson China with effect from the Completion Date.

FURTHER INFORMATION IN RELATION TO THE DISPOSAL

Termination Agreement

At Completion, the Parties and Ryerson LLC will enter into the Termination Agreement to terminate the Investors' Rights Agreement. Principal terms of the Investors' Rights Agreement, among other things, were set out in the announcements of the Company dated 11 September 2006 and 18 November 2008 respectively.

REASONS FOR THE DISPOSAL

Reference is made to (i) the announcement and circular respectively dated 11 September 2006 and 29 September 2006; (ii) the announcement dated 27 October 2008; and (iii) the announcement and circular respectively dated 18 November 2008 and 6 December 2008 in relation to the respective disposal of 40%, 20% and 20% equity interests of Ryerson China by the Group to the Ryerson Parties. As at the date of this announcement, the Company, through CAMP BVI holding 20% of the equity interest in Ryerson China, is a minority shareholder. Through this Disposal, the Company is able to realize its minority investment in Ryerson China Group and obtain additional liquidity for its own future development by using the net proceeds of approximately HK\$135,750,000 as general working capital of the Group. Taken into account the benefits of the Disposal, the Directors are of the view that the terms of the Agreement, including the Sale Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the Sale Price of US\$17,500,000 (equivalent to approximately HK\$136,500,000); the unaudited consolidated net asset value of the Ryerson China Group attributable to 20% equity interest in Ryerson China to be disposed of approximately HK\$99,198,000 (calculated based on the unaudited consolidated net asset value after minority interest of the Ryerson China Group of approximately HK\$495,988,000 as at 31 March 2010 multiplied by 20%) as at 31 March 2010; and the estimated professional fees and related expenses of approximately HK\$750,000 arisen for the Disposal, it is estimated that upon the Completion, the Group will record a gain of approximately HK\$36,552,000 as a result of the Disposal for the year ending 31 March 2011.

As at the date of this announcement and immediately before the Completion, the Company, through CAMP BVI, and the Ryerson Parties respectively holds 20% and 80% of the equity interest in Ryerson China. Immediately after the Completion, Ryerson China will be wholly-owned by the Ryerson Parties and ceased to be an associated company of the Group.

INFORMATION ON RYERSON CHINA GROUP

As at the date of this announcement, the Company, through CAMP BVI, and the Ryerson Parties respectively holds 20% and 80% of the equity interest in Ryerson China. Ryerson China is an investment holding company and its subsidiaries are principally engaged in the Ryerson China's Business. The following table shows the unaudited consolidated financial information of the Ryerson China Group for the two years ended 31 March 2009 and 31 March 2010, which has been prepared according to the Hong Kong Financial Reporting Standards.

	For the year ended 31 March	
	2009	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before tax	4,320	5,697
Net loss after tax	(6,134)	(1,338)
	As at 31 March	
	2009	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net asset value	523,742	524,509
Net asset value after minority interest	497,757	495,988

INFORMATION ABOUT THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the stockholding and trading of construction materials such as steel products, sanitary wares and kitchen cabinets and home furniture, plastics resins, and installation work of kitchen cabinets.

As at the date of this announcement, CAMP BVI is a wholly-owned subsidiary of the Company and is an investment holding company.

INFORMATION ABOUT RYERSON PARTIES

Ryerson is a leading North American processor and distributor of metals, with operations in the United States, Canada and Mexico, as well as in China. Ryerson distributes and processes various kinds of metals, including stainless and carbon steel and aluminum products.

Ryerson LLC is an investment holding company incorporated in the United States and a wholly-owned subsidiary of Ryerson.

Ryerson China is an investment holding company and its subsidiaries are principally engaged in the Ryerson China's Business.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined in the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Ryerson, Ryerson China and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and no Shareholder has a material interest in the Disposal other than through their interests in the Company. No Shareholder is required to abstain from voting on the resolution in respect of the Agreement at the SGM.

A circular containing, among other things, details of the Disposal and the notice of the SGM will be dispatched to the Shareholders as soon as practicable under the requirement of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Agreement”	the conditional share repurchase agreement dated 3 June 2010 entered into between the Parties in relation to the repurchase of Sale Shares by Ryerson China from CAMP BVI
“Board”	the board of Directors
“Business Day”	a day, other than a Saturday, Sunday or Hong Kong public holiday, on which banks are open in Hong Kong to the general public for business
“BVI”	British Virgin Islands
“CAMP BVI”	CAMP (B.V.I.) Holdings Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“Company”	Van Shung Chong Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Agreement pursuant to the terms thereof
“Completion Date”	the fifth Business Day after the fulfillment or waiver (as the case may be) of the conditions precedent as set out in the paragraph headed “Conditions precedent to the Agreement” of this announcement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Directors”	the directors, including the independent non-executive directors, of the Company
“Disposal”	the repurchase of the Sale Shares by Ryerson China from CAMP BVI pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investors’ Rights Agreement”	the investors’ rights agreement dated 31 October 2006, as supplemented by two supplemental agreements respectively dated 31 October 2006 and dated 14 November 2008, all entered into among, inter alia, the Parties and Ryerson LLC for the purpose of regulating the affairs relating to the management and the rights of the shareholders of Ryerson China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the expiry date of 4 months after the date of the Agreement
“Parties”	the parties to the Agreement, namely the Company, CAMP BVI, Ryerson and Ryerson China
“PRC”	the People’s Republic of China
“Ryerson”	Ryerson Inc., a company incorporated in the State of Delaware, the United States and a wholly-owned subsidiary of Ryerson Holding
“Ryerson China”	Ryerson China Limited, a company incorporated in the BVI with limited liability and an associated company of the Company
“Ryerson China Group”	Ryerson China and its subsidiaries
“Ryerson China’s Business”	the business carried on by the Ryerson China Group, including the business of storing, handling, distribution, processing, fabrication and procurement of the following metals: <ul style="list-style-type: none"> (a) flat rolled carbon steel; (b) carbon and alloy plate; (c) carbon and alloy tubing and pipe; (d) flat rolled stainless steel; (e) stainless steel bar, tubing and pipe; (f) stainless steel plate;

- (g) flat rolled aluminum;
- (h) aluminum bar, tubing and pipe;
- (i) aluminum plate;
- (j) copper;
- (k) bronze;
- (l) nickel; and
- (m) alloy round bar

“Ryerson Holding”	Ryerson Holding Corporation, a company incorporated in the State of Delaware, the United States and the holding company of Ryerson
“Ryerson LLC”	Ryerson Pan-Pacific LLC, a company incorporated in the State of Delaware, the United States and a wholly-owned subsidiary of Ryerson
“Ryerson Parties”	Ryerson LLC, Ryerson and Ryerson Holding (or any wholly-owned subsidiary of each of them)
“Sale Price”	US\$17,500,000, being the consideration payable by Ryerson China for the repurchase of the Sale Shares pursuant to the Agreement
“Sale Shares”	the aggregate of 300 shares of US\$10 each in the capital of Ryerson China legally and beneficially owned by CAMP BVI, representing 20% of the issued share capital of Ryerson China as at the date of the Agreement
“Share(s)”	Ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	an agreement to be executed by the Parties and Ryerson LLC at Completion, to terminate the Investors’ Rights Agreement
“United States”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“US\$” United States dollars, the lawful currency of the United States

“%” per cent

In this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.80.

By Order of the Board
Van Shung Chong Holdings Limited
Andrew Cho Fai Yao
Chairman

Hong Kong, 3 June 2010

As at the date of this announcement, the Board comprises Mr. Andrew Cho Fai Yao (Chairman), Mr. Fernando Sai Ming Dong (being the Executive Directors), Mr. Harold Richard Kahler, Mr. Kenny King Ching Tam and Mr. Xu Lin Bao (being the Independent Non-executive Directors).