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VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

Discloseable Transaction Disposal of a Property

On 13th July 2009, Pulsar Enterprises Limited, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Wide View Limited, an independent third party to dispose of a property registered in the Land Registry as Section B of Lot No. 529, the Remaining Portion of Lot No. 529 and the Remaining Portion of Lot No. 530 all in Demarcation District No. 130 at a consideration of HK\$24,000,000 (the “Disposal”).

The Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 13th July 2009

Parties:

- (i) Vendor : Pulsar Enterprises Limited (the “Vendor”), an indirect wholly-owned subsidiary of Van Shung Chong Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”); and
- (ii) Purchaser : Wide View Limited (the “Purchaser”), an investment company

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) of the Company.

Property to be sold:

A property registered in the Land Registry as Section B of Lot No. 529, the Remaining Portion of Lot No. 529 and The Remaining Portion of Lot No. 530 all in Demarcation District No. 130 (the “Property”). The Property is held by the Group as an investment property.

Consideration:

The consideration of HK\$24,000,000 were determined after arm's length negotiation with reference to the current property market conditions in Hong Kong. No professional valuation of the Property has been made by the Vendor for the purpose of the Disposal.

The consideration shall be payable in cash as follow:

- (i) an initial deposit of HK\$2,000,000 was paid on the signing of the provisional sale and purchase agreement;
- (ii) a further deposit of HK\$5,200,000 will be paid on or before 16th July 2009; and
- (iii) the balance of HK\$16,800,000 will be paid on completion of the sale and purchase at or before 4:00p.m. of 17th August 2009.

Financial effect of the Disposal:

Based on the unaudited management account of the Vendor as at 31st March 2008, the carrying value of the Property was HK\$29,000,000. The carrying value is made reference to professional valuation conducted as at 31st March 2008. Professional valuation of the Property had been conducted as at 31st March 2009 for audit purpose and the market value as at 31st March 2009 was HK\$13,000,000. The profit, computed with reference to the carrying value of the Property as at 31st March 2009, expected to accrue to the Group upon the Disposal after deducting all relevant expenses is approximately HK\$10,450,000.

According to the unaudited management account of the Vendor, for the financial year ended 31st March 2008, net profit attributable to the Property before taxation and extraordinary items were approximately HK\$977,000 and net profit attributable to the Property after taxation and extraordinary items were approximately HK\$938,000. For the financial year ended 31st March 2009, net loss attributable to the Property before taxation and extraordinary items were approximately HK\$15,981,000 and net loss attributable to the Property after taxation and extraordinary items were approximately HK\$13,341,000.

Completion:

Completion of the sale and purchase of the Property shall take place on or before 4:00 p.m. of 17th August 2009.

Reasons for the Disposal and use of sale proceeds:

The Board considers that the Disposal is in the interest of the Company and the shareholders of the Company as it represents a good opportunity for the Company to realize its investment in the Property. The sale proceeds from the Disposal will be used for working capital of the Group.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in distribution and stockholding of construction materials such as steel products, sanitary ware and kitchen cabinets, and plastic resins distribution.

The directors of the Company are of the view that the Disposal is on normal commercial terms which are fair and reasonable and is in the interest of the Company and its shareholders as a whole.

The Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

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

Hong Kong, 13th July 2009

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