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VSC万顺昌

VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

The Board announces that on 6 August 2010, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$19,500,000.

Pursuant to the terms of the Provisional Agreement, the Formal Agreement shall be entered into between the Purchaser and the Vendor on or before 10 August 2010.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE PROVISIONAL AGREEMENT

Date:

6 August 2010

Parties:

Vendor : First Concord Industrial Limited

Purchaser : China Steel Case (CAMP) Co. Ltd.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Assets to be acquired:

- (i) Residential Property: Flat B on 5th Floor of Tower 6, One Beacon Hill, No. 1 Beacon Hill Road, Kowloon

The Residential Property has a total gross floor area of approximately 1,424 square feet and is currently leased by the Vendor to a third party independent of and not connected with the Company and its connected persons for residential purpose under an existing tenancy

agreement, which will be expired on 31 January 2011. The monthly rental for such existing tenancy agreement was HK\$30,000 during the period from 1 February 2009 to 31 January 2010, and had been increased to HK\$35,000 since 1 February 2010 for the remaining term.

- (ii) Car Parking Space: Car Parking Space No. 17 on Carpark A, One Beacon Hill, No. 1 Beacon Hill Road, Kowloon

The Car Parking Space is currently leased by the Vendor to a third party independent of and not connected with the Company and its connected persons for car parking purpose under an existing tenancy agreement for a monthly rental of HK\$3,200, which will be expired on 28 February 2011.

Upon the completion of the Acquisition, the Property will be sold on “as is” basis and with the existing tenancies.

Consideration

The consideration for the Acquisition is HK\$19,500,000, which will be satisfied in the following manner:

- (i) an initial deposit of HK\$600,000 shall be paid by the Purchaser to the Vendor upon signing of the Provisional Agreement;
- (ii) a further deposit of HK\$1,350,000 shall be paid by the Purchaser to the Vendor on or before 10 August 2010; and
- (iii) the balance of HK\$17,550,000 shall be paid by the Purchaser to the Vendor upon completion of the Acquisition.

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor with reference to the prevailing market value such as the price of similar properties in the proximity of the Property. The Consideration will be satisfied by the Group’s internal resources and banking facility.

Completion

Completion of the Acquisition shall take place on or before 28 October 2010.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is currently the intention of the Directors that, after expiration of the existing tenancies of the Property, the Group shall use the Property for investment purpose to strengthen its income base. With the improving economic conditions of Hong Kong and its current low interest environment, the Directors believe that the residential property market in Hong Kong will continue to boom and consider that it is an opportune time to acquire the Property for investment purpose.

The Directors consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP AND THE VENDOR

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

The Vendor is an investment holding company.

DEFINITIONS

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor as provided in the Provisional Agreement
“Board”	board of Directors
“Car Parking Space”	Car Parking Space No. 17 on Carpark A, One Beacon Hill, No. 1 Beacon Hill Road, Kowloon
“Company”	Van Shung Chong Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning given to it by the Listing Rules
“Consideration”	the consideration of HK\$19,500,000 for the Acquisition
“Directors”	directors of the Company
“Formal Agreement”	the final and formal contract to be entered into between the Purchaser and the Vendor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the Residential Property and the Car Parking Space
“Provisional Agreement”	the provisional agreement dated 6 August 2010 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	China Steel Case (CAMP) Co. Ltd., a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company

“Residential Property”	Flat B on 5th Floor of Tower 6, One Beacon Hill, No. 1 Beacon Hill Road, Kowloon, with a total gross floor area of approximately 1,424 square feet
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	First Concord Industrial Limited, a company incorporated in Hong Kong

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

Hong Kong, 6 August 2010

As at the date of this announcement, the Board comprises Mr. Andrew Cho Fai Yao (chairman), Mr. Fernando Sai Ming Dong and Mr. Kern Lim (being the executive directors), Mr. Harold Richard Kahler, Mr. Kenny King Ching Tam and Mr. Xu Lin Bao (being the independent non-executive directors).