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VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

BONUS ISSUE OF WARRANTS, TERMINATION OF THE OLD SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

At the special general meeting of Van Shung Chong Holdings Limited (the "**Company**") held on 12th November, 2001 (the "**Special General Meeting**"), the shareholders of the Company (the "**Shareholders**") passed a resolution approving the issue of warrants by way of bonus issue to subscribe up to HK\$41,887,425.24 in aggregate for shares of HK\$0.10 each in the capital of the Company at an initial subscription price of HK\$1.18 per share, subject to adjustments, at any time from 19th November, 2001 to 18th November, 2004, both dates inclusive.

At the Special General Meeting, the Shareholders also passed resolutions to approve the termination of the share option scheme of the Company adopted on 22nd January, 1994 (the "**Old Share Option Scheme**") and to approve the adoption of a new share option scheme (the "**New Share Option Scheme**") and to grant options and to allot and issue new shares pursuant to the exercise of options.

On 5th October, 2001, the directors of the Company announced that a bonus issue of warrants (the "**Bonus Issue**"), the termination of the Old Share Option Scheme and the adoption of the New Share Option Scheme would be proposed at the Special General Meeting.

At the Special General Meeting, the resolution approving the Bonus Issue was duly passed by the Shareholders. Under the Bonus Issue, the Company will create 35,497,818 warrants to subscribe up to HK\$41,887,425.24 in aggregate for shares of HK\$0.10 each in the capital of the Company at an initial subscription price of HK\$1.18 per share, subject to adjustments,

at any time from 19th November, 2001 to 18th November, 2004, both dates inclusive (the "**Warrants**") and issue the Warrants by way of bonus on the basis of one Warrant for every ten existing shares in the Company held by the Shareholders whose names appear on the register of members of the Company at the close of business on 12th November, 2001, except those Shareholders whose addresses, as shown on the register of members of the Company on 12th November, 2001, are outside Hong Kong.

Application has been made to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for granting: (a) the listings of, and permission to deal in, the Warrants and any new shares in the capital of the Company falling to be issued upon exercise of the subscription rights attaching to the Warrants and the options that may be granted under the New Share Option Scheme; and (b) approval of the New Share Option Scheme and the granting of options under the New Share Option Scheme. Certificates for the Warrants are expected to be posted at the risk of those entitled thereto on or before 14th November, 2001. It is expected that dealings in the Warrants will commence on 19th November, 2001 and will be traded in board lots of 10,000 units.

Details of the terms of the Bonus Issue are contained in a circular sent to the Shareholders on 27th October, 2001 (the "**Circular**").

At the Special General Meeting, the Shareholders also approved the termination of the Old Share Option Scheme and the adoption of the New Share Option Scheme. Details of the terms of the New Share Option Scheme are contained in the Circular. The New Share Option Scheme complies with Chapter 17 of the Rules Governing the Listing of the Securities on the Stock Exchange.

By order of the board
Ho Sai Hou, Johnson
Company Secretary

Hong Kong, 12 November, 2001

Please also refer to the published version of this announcement in the Hong Kong i-Mail.