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# VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

## CONDITIONAL VOLUNTARY CASH OFFER BY CELESTIAL CAPITAL LIMITED

### ON BEHALF OF VAN SHUNG CHONG HOLDINGS LIMITED TO REPURCHASE UP TO 53,222,263 SHARES AT AN OFFER PRICE OF HK\$0.98 PER SHARE DESPATCH OF CIRCULAR

The circular of the Company, encompassing the notice of the SGM and the offer document in relation to the Offer (the "Circular"), will be despatched to the Shareholders on Monday, 2nd December, 2002.

Shareholders should read the Circular, in particular, the respective letters from the Independent Board Committee and its independent financial adviser, Chateron Corporate Finance Limited ("Chateron"), setting out their respective recommendation and advices in respect of the Offer, carefully before taking any action in relation to the Offer. Any Shareholder who is in any doubt should consult his/her professional advisers.

If the Condition (being the approval of the Offer by the Shareholders by way of a poll at the SGM) is fulfilled, the Offer will become unconditional on Wednesday, 18th December, 2002.

**WARNING: As the Offer is subject to the Condition being fulfilled, it may or may not become unconditional. The Offer will lapse if it does not become unconditional. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares and the Warrants.**

Reference is made to the announcements of the Company dated 5th November, 2002 and 26th November, 2002 (the "Announcements") in respect of the Offer.

Terms not defined herein shall have the same meanings as those defined in the Announcements and the Circular.

#### DESPATCH OF CIRCULAR

The Circular, together with the proxy form for the SGM (the "Proxy Form") to be held on Wednesday, 18th December, 2002, will be despatched to the Shareholders on Monday, 2nd December, 2002. A Form of Acceptance was also despatched to each Qualifying Shareholder along with the Circular.

Any Shareholder may collect a copy of the Circular and (except any Excluded Shareholder) a Form of Acceptance from the Registrar (being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong) during business hours from 2nd December, 2002 up to 4:00 p.m. on the last date for submission of acceptances in respect of the Offer (which is expected to be 2nd January, 2003), both dates inclusive. Such Shareholder may also contact the Company (through the general telephone line referred to below) and request a copy of the Circular and (except any Excluded Shareholder) Form of Acceptance (as appropriate) to be sent to his/her registered address as recorded in the Register. Any Shareholder may collect a copy of the Proxy Form from the Registrar (at the address referred to above) up to 9:30 a.m. on Monday, 16th December, 2002 (Hong Kong time).

The Circular contains, inter alia (i) the detailed terms and Condition of, and the procedures to accept, the Offer; (ii) a letter from the Board; (iii) a letter from Celestial Capital; (iv) the respective letters from the Independent Board Committee and its independent financial adviser, Chateron, which have set out their respective recommendation and advices in relation to the Offer; (v) certain financial information on the Group; (vi) a notice convening the SGM to be held at 9:30 a.m. on Wednesday, 18th December, 2002 for the purpose of considering and, if thought fit, approving the Offer; and (vii) other information given in compliance with the Takeovers Code and the Repurchase Code.

#### EXPECTED TIMETABLE

The expected timetable for the Offer is set out below. All references to time are to Hong Kong time.

Announcement Date and commencement of the Offer period ..... Tuesday, 5th November, 2002

Despatch of the Circular, the Proxy Form and the Form of Acceptance ..... Monday, 2nd December, 2002

Latest time for lodging Proxy Form for the SGM ..... 9:30 a.m. on Monday, 16th December, 2002

SGM (Note 1) and, if the Condition is satisfied, the Offer becomes unconditional ... 9:30 a.m. on Wednesday, 18th December, 2002

Announcement in newspapers of the results of the SGM and whether the Offer has become unconditional ..... Thursday, 19th December, 2002

Latest Acceptance Time (Notes 2 and 3) ..... 4:00 p.m. on Thursday, 2nd January, 2003

Closing date of the Offer (Notes 2 and 3) ..... Thursday, 2nd January, 2003

Teletext announcement of the results of the Offer (indicating the aggregate number of Shares tendered under the Offer, segregating into the Assured Entitlements (as adjusted, if necessary) and the pro rata entitlements in respect of the Excess Tenders received for the Offer, subject to verification) (Notes 2 and 3) ..... 7:00 p.m. on Thursday, 2nd January, 2003

Announcement in newspapers of the results of the Offer (indicating the aggregate number of Shares tendered under the Offer, segregating into the Assured Entitlements (as adjusted, if necessary) and the pro rata entitlements in respect of the Excess Tenders received for the Offer, subject to verification) (Notes 2 and 3) ..... Friday, 3rd January, 2003

Announcement in newspapers of the verified results of the Offer (indicating the aggregate number of valid acceptances received for the Offer, segregating into the Assured Entitlements (as adjusted, if necessary) and the pro rata entitlements in respect of Excess Tenders received for the Offer) (Notes 2 and 3) ..... Monday, 6th January, 2003

Latest date for despatch of cheques to Accepting Shareholders for amounts due in respect of successful Tenders and return of Share certificates for wholly or partly unsuccessful Tenders (Notes 2 and 3) ..... on or before Saturday, 11th January, 2003

#### Notes:

- There will be no record date for ascertaining entitlements to attend and vote at the SGM. All Shareholders will be entitled to attend and vote at the SGM (whether in person or by proxy).
- Latest Acceptance Time refers to 4:00 p.m. on the later of (a) Thursday, 2nd January, 2003, and (b) the fourteenth day after the Offer has become unconditional (or such later time and date as the Company may (with the prior consent of the Executive which would only be granted in exceptional circumstances, such as an upward price adjustment) decide and announce), being the latest time for lodging of Forms of Acceptance by the Qualifying Shareholders in order to accept the Offer. The Company expects the closing date of the Offer will be Thursday, 2nd January, 2003 and such date will not be changed.
- Assuming that the Offer is approved by the Shareholders and becomes unconditional on 18th December, 2002.

#### ODD LOT ARRANGEMENTS

Qualifying Shareholders should note that acceptance of the Offer may result in their holding odd lots of Shares. Accordingly, Celestial Securities Limited of 21st Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong has been appointed by the Company as the designated broker to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks from the close of the Offer. Further details of the related arrangements will be announced after the Offer has become unconditional.

#### FINANCIAL INFORMATION ON THE GROUP

The Circular contains a statement of the adjusted net assets value ("NAV") of the Group based on the audited results of the Group for the year ended 31st March, 2002 prior to, and upon full acceptance of, the Offer.

|                                                                                                                                                                                                   | Prior to the Offer                                        | Upon full acceptance of the Offer |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------|
| Number of Shares in issue (assuming that no outstanding Warrants and outstanding Options are exercised during the period from the Latest Practicable Date up to the date of closing of the Offer) | 364,450,615<br><i>(as at the Latest Practicable Date)</i> | 311,228,352                       |
| Audited NAV as at 31st March, 2002                                                                                                                                                                | HK\$'000<br>523,310                                       | HK\$'000<br>523,310               |
| Adjustments:                                                                                                                                                                                      |                                                           |                                   |
| Dividends paid                                                                                                                                                                                    | (2,840)                                                   | (2,840)                           |
| Estimated cost of the Offer (Note)                                                                                                                                                                | -                                                         | (53,158)                          |
| Adjusted NAV                                                                                                                                                                                      | 520,470                                                   | 467,312                           |
| Adjusted NAV per Share                                                                                                                                                                            | HK\$1.428                                                 | HK\$1.502                         |

Note: Comprised cost of the Offer, professional, legal and miscellaneous expenses.

#### SGM

The SGM will be held at 52nd Floor, The Center, 99 Queen's Road Central, Hong Kong on Wednesday, 18th December, 2002 at 9:30 a.m.

#### CONDITION OF THE OFFER

Shareholders and potential investors should be aware that the Offer is subject to the Condition (being the approval of the Offer by the Shareholders by way of a poll at the SGM) being fulfilled and therefore it may or may not become unconditional. If the Condition is fulfilled, the Offer will become unconditional on Wednesday, 18th December, 2002.

**WARNING: As the Offer is subject to the Condition being fulfilled, it may or may not become unconditional. The Offer will lapse if it does not become unconditional. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares and the Warrants.**

#### ENQUIRIES HOTLINE

Should any Shareholder require any assistance in completing the Form of Acceptance or have any queries regarding the procedures for tendering and settlement or any other similar aspect of the Offer, such Shareholder may contact the Company at its hotline at (852) 2238-2218 during the period (excluding public holidays) from Monday, 2nd December, 2002 to Saturday, 11th January, 2003 (both days inclusive) between 9:30 a.m. and 5:30 p.m. (Hong Kong time) from Monday to Friday and between 9:30 a.m. and 1:00 p.m. (Hong Kong time) on Saturday.

#### GENERAL

Shareholders should read the Circular, in particular, the respective letters from the Independent Board Committee and Chateron, carefully before taking any action in relation to the Offer. Any Shareholder who is in any doubt should consult his/her professional advisers.

By Order of the Board  
Yao Cho Fai, Andrew  
Chairman

Hong Kong, 29th November, 2002

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.