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VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Unconditional 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

Preliminary Results of the Offer

The Offer closed at 4:00 p.m. on 2nd January, 2003. As at that time, Tenders in respect of 78,172,739 Shares (subject to final verification) had been received by the Company from Accepting Shareholders, representing approximately 21.39% of the entire issued share capital of the Company as at 2nd January, 2003 and approximately 146.88% of the maximum number of Shares to be repurchased under the Offer. Subject to final verification, the total number of Shares for which acceptances were received and which form all or part of the Adjusted Assured Entitlements (as defined below) of Accepting Shareholders were 38,701,123 Shares, while those forming the Excess Tenders of Accepting Shareholders were 39,471,616 Shares.

Subject to final verification, all 38,701,123 Shares which form the Adjusted Assured Entitlements, and 14,521,140 Shares, being approximately 36.79% of the 39,471,616 Shares which form the Excess Tenders, will be repurchased under the Offer. The total consideration payable by the Company under the Offer is approximately HK\$52 million.

Based on the preliminary results of the Offer (which are subject to final verification) and assuming the Company repurchases and cancels the Tenders of 53,222,263 Shares pursuant to the Offer, the interest of Huge Top in the entire issued share capital of Company (being 364,450,615 Shares as at the Announcement Date and 312,256,472 Shares immediately upon completion of the Offer) will be increased from approximately 56.15% as at the Announcement Date to approximately 65.53% upon completion of the Offer. The shareholding of Huge Top will remain at 204,624,000 Shares upon completion of the Offer.

After verification, the Company will make a more detailed announcement concerning, among other things, the results of the Offer, which indicate the aggregate number of valid acceptances received for the Offer segregating into the Adjusted Assured Entitlements and the Excess Tenders, on Friday, 3rd January, 2003.

INTRODUCTION

References are made to (i) the announcements by the Company dated 5th, 26th and 29th November, 2002 and 18th December, 2002 and (ii) the circular of the Company dated 2nd December, 2002 (the "Circular"), in each case in relation to the Offer. Terms used in this announcement shall have the same meanings as those defined in the Circular, unless otherwise stated.

PRELIMINARY RESULTS OF THE OFFER

The Offer closed at 4:00 p.m. on 2nd January, 2003. As at that time, Tenders in respect of 78,172,739 Shares (subject to final verification) had been received by the Company from Accepting Shareholders, representing approximately 21.39% of the entire issued share capital of the Company as at 2nd January, 2003 and approximately 146.88% of the maximum number of Shares to be repurchased under the Offer. Subject to final verification, the total number of Shares for which acceptances were received and which form all or part of the Adjusted Assured Entitlements (as defined below) of Accepting Shareholders were 38,701,123 Shares, while those forming the Excess Tenders of Accepting Shareholders were 39,471,616 Shares.

Subject to final verification, all 38,701,123 Shares which form the Adjusted Assured Entitlements, and 14,521,140 Shares, being 36.79% of the 39,471,616 Shares which form the Excess Tenders, will be repurchased under the Offer. The total consideration payable by the Company under the Offer is approximately HK\$52 million.

ADJUSTED ASSURED ENTITLEMENTS, EXCESS TENDERS AND SCALING DOWN

During the period from the Announcement Date to the close of the Offer at 4:00 p.m. on 2nd January, 2003, a total of 1,028,120 Shares were issued upon exercise of 1,028,000 Options and 120 Warrants by the holders thereof. Accordingly, the total number of issued Shares were increased from 364,450,615 Shares as at the Announcement Date to 365,478,735 Shares as at 2nd January, 2003. Based on the ratio (the "Ratio") of the maximum number of 53,222,263 Shares to be repurchased under the Offer to a total of 365,478,735 Shares in issue as at 2nd January, 2003 and after taking into account the undertaking of Huge Top not to accept the Offer in respect of the 204,624,000 Shares owned by it, the Assured Entitlements would be adjusted from 33.3% as set out in the Circular to 33% (the "Adjusted Assured Entitlements", being a rounded figure of the Ratio) of the Shares (rounded down to the nearest whole Share) owned by a Qualifying Shareholder (other than Huge Top) as at the Latest Acceptance Time. Hence, all Shares in respect of which the Offer was validly accepted by Qualifying Shareholders and which form either all or part of their respective Adjusted Assured Entitlements will be repurchased. In addition, as the number of Shares which were tendered and which form the Excess Tenders (i.e. 39,471,616 Shares) exceeded the maximum number of Shares to be repurchased under the Offer (i.e. 53,222,263 Shares) less the number of Shares which were tendered and which form the Adjusted Assured Entitlements (i.e. 38,701,123 Shares), the Company will repurchase from each Accepting Shareholder who validly accepted the Offer in excess of his or her Adjusted Assured Entitlement, approximately 36.79% of his or her Excess Tenders. Such scaling down is in accordance with the formula set out in the Circular (save that the Assured Entitlements referred to therein is replaced by the Adjusted Assured Entitlements). The Company may in its absolute discretion round such figure up or down with the intention of avoiding (as far as practicable) Shares being held by any Accepting Shareholder in odd lots or fractional entitlements. The decision of the Company as to any scaling down of acceptances of the Offer in excess of the Adjusted Assured Entitlements and as to the treatment of odd lots or fractional entitlements will be conclusive and binding on all Shareholders.

SHAREHOLDING INTEREST OF CONTROLLING SHAREHOLDER

Based on the preliminary results of the Offer (which are subject to final verification) and assuming the Company repurchases and cancels the Tenders of 53,222,263 Shares pursuant to the Offer, the interest of Huge Top in the entire issued share capital of Company (being 364,450,615 Shares as at the Announcement Date and 312,256,472 Shares immediately upon completion of the Offer) will be increased from approximately 56.15% as at the Announcement Date to approximately 65.53% upon completion of the Offer. The shareholding of Huge Top will remain at 204,624,000 Shares upon completion of the Offer.

FURTHER INFORMATION AFTER FINAL VERIFICATION OF THE RESULTS OF THE OFFER

After final verification of the results of the Offer, the Company will make a more detailed announcement concerning, among other things, the results of the Offer, which indicate the aggregate number of valid acceptances received for the Offer segregating into the Adjusted Assured Entitlements and the Excess Tenders received for the Offer, on Friday, 3rd January, 2003.

All acceptances under the Offer are subject to final verification.

On behalf of the Board
Van Shung Chong Holdings Limited
Yao Cho Fai, Andrew
Chairman

Hong Kong, 2nd January, 2003

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 statements in this announcement misleading.