

# VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

## ANNOUNCEMENT

### 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

#### Results of the Offer after final verification

After final verification, as at 4:00 p.m. on 2nd January, 2003, being the date on which the Offer was closed, valid acceptances in respect of 78,172,739 Shares 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. Out of such 78,172,739 Shares validly tendered for acceptance by the Accepting Shareholders under the Offer, 38,701,123 Shares form all or part of the Adjusted Assured Entitlements (as defined in the announcement made by the Company on 2nd January, 2003) and 39,471,616 Shares form the Excess Tenders. The Company will repurchase 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, under the Offer. The total consideration payable by the Company under the Offer is approximately HK\$52 million.

As a result of the Offer, the interest of Huge Top in the entire issued share capital of Company 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.

It is expected that, on or before 11th January, 2003, the Registrar will despatch cheques for amounts payable to successful Accepting Shareholders in respect of valid acceptances under the Offer (after deducting the seller's stamp duty at the rate of HK\$1.00 for every HK\$1,000, or part thereof, due on the repurchase of the relevant Shares).

#### INTRODUCTION

References are made to (i) the announcements by the Company dated 5th, 26th and 29th November, 2002, 18th December, 2002 and 2nd January, 2003 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.

This announcement provides additional details to the announcement made by the Company dated 2nd January, 2003 of the preliminary results of the Offer.

#### RESULTS OF THE OFFER AFTER FINAL VERIFICATION

After final verification, as at 4:00 p.m. on 2nd January, 2003, being the date on which the offer was closed, valid acceptances in respect of 78,172,739 Shares 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. Out of such 78,172,739 Shares validly tendered for acceptance by the Accepting Shareholders under the Offer, 38,701,123 Shares form all or part of the Adjusted Assured Entitlements (as defined in the announcement made by the Company on 2nd January, 2003) and 39,471,616 Shares form the Excess Tenders. The Company will repurchase 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, 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

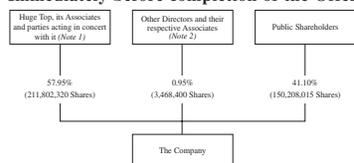
As set out in the announcement made by the Company dated 2nd January, 2003, the Adjusted Assured Entitlements are 33% of the Shares (rounded down to the nearest whole Share) owned by a Qualifying Shareholder (other than Huge Top who has undertaken not to accept the Offer in respect of 204,624,000 Shares owned by it) 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, being 38,701,123 Shares in total, will be repurchased by the Company. In addition, as the number of Shares which were validly 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 validly 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 Entitlements, 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 are 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 STRUCTURE

As a result of the Offer, the interest of Huge Top in the entire issued share capital of the Company 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.

Set out below are the shareholding structures of the Company immediately before and after completion of the Offer:

##### Immediately before completion of the Offer



##### Immediately after completion of the Offer



#### Notes:

- The parties acting in concert with Huge Top, being its shareholders and directors and their close relatives, held a total of 7,178,320 Shares immediately before completion of the Offer. A total of 6,074,320 Shares were validly tendered for acceptance by these parties acting in concert with Huge Top under the Offer, including the Tender made by Mr. Dong Sai Ming, Fernando (an executive Director) in respect of 600,000 Shares out of the total of 1,242,000 Shares held by him immediately before completion of the Offer. The Company will repurchase a total of 3,698,249 Shares from the parties acting in concert with Huge Top (assuming approximately 36.79% of the Excess Tenders tendered by one of the parties acting in concert with Huge Top through her broker would be repurchased from her), including 450,189 Shares from Mr. Dong Sai Ming, Fernando.
- Other Directors comprise Mr. Ho Sai Hou, Johnson, Mr. Ting Woo Shou, Kenneth and Dr. Shao You Bao. Immediately before completion of the Offer, (i) Mr. Ho Sai Hou, Johnson, held 466,400 Shares and he validly tendered 166,400 Shares for acceptance under the Offer; (ii) Mr. Ting Woo Shou, Kenneth held 2,402,000 Shares and he did not make any Tender in respect of any of his Shares; and (iii) Dr. Shao You Bao held 600,000 Shares and he validly tendered all such 600,000 Shares for acceptance under the Offer. The Company will repurchase 158,506 Shares and 345,890 Shares from Mr. Ho Sai Hou, Johnson and Dr. Shao You Bao, respectively.
- Total number of issued Shares immediately before and after completion of the Offer are 365,478,735 Shares and 312,256,472 Shares, respectively.
- All percentages are approximate.

#### DESPATCH OF CHEQUES AND RETURN OF SHARE CERTIFICATES

It is expected that, on or before 11th January, 2003, the Registrar will, by ordinary post at the risk of the Accepting Shareholders, inform all Accepting Shareholders of the number of Shares that would be repurchased from them under the Offer. At the same time, the Registrar will despatch cheques for amounts payable to the Accepting Shareholders in respect of such Shares repurchased from them (after deducting the seller's stamp duty at the rate of HK\$1.00 for every HK\$1,000, or part thereof, due on the repurchase of the relevant Shares). It is also expected that the Registrar will (as far as practicable), on the same date, return any share certificates representing Shares which are not repurchased.

In the case of any Accepting Shareholder where the number of Shares represented by the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) sent in connection with his or her Form of Acceptance to the Registrar in acceptance of the Offer exceeds 50,000 Shares, and he or she has, at or before 4:00 p.m. on Thursday, 9th January, 2003, made separate arrangements with the Registrar for personal collection at the Registrar's office of the remittance due to him or her in respect of the Shares accepted under the Offer, such Accepting Shareholder may collect the remittance due to him or her (after deducting the seller's stamp duty at the rate of HK\$1.00 for every HK\$1,000, or part thereof, due to the repurchase of the relevant Shares) and/or any share certificate(s) representing Shares which were not successfully tendered and/or accepted under the Offer. Personal collection should be made at the Registrar's office, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong at the times and in the manner in accordance with the relevant Shareholder's arrangements made with the Registrar. Any relevant remittance or share certificate not collected from the Registrar's office by 4:00 p.m. on 10th January, 2003 will be despatched to the relevant Accepting Shareholders by ordinary post at their own risk.

#### ODD LOTS ARRANGEMENTS

As mentioned in the Circular, 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. Celestial Securities Limited will, on a best effort basis, provide such matching services for a period of six weeks commencing on Thursday, 2nd January, 2003 and ending on Wednesday, 12th February, 2003 (or such later date as Celestial Securities Limited may agree with the Company). Holders of odd lots of Shares who wish to take advantage of this facility either to dispose of their odd lots or to top up their odd lots to whole board of 2,000 Shares may, through their respective brokers, contact Ms. Chan Mei Tak of Celestial Securities Limited at telephone number (852) 2287-8912 during normal business hours on any date on or before Wednesday, 12th February, 2003.

#### GENERAL

Should any Shareholder have any queries in respect of the despatch of cheques and/or the return of share certificates as mentioned above, the Shareholder may contact the Company at its hotline at (852) 2238-2218 up to, and including, Saturday, 11th January, 2003 (excluding public holidays) between 9:30 a.m. and 5:30 p.m. from Monday to Friday and between 9:30 a.m. and 1:00 p.m. on Saturday.

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

Hong Kong, 3rd 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.