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VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DISCLOSURE PURSUANT TO PRACTICE NOTE 19

This announcement is made by the Company in compliance with the disclosure requirements under paragraph 3.7.1 of Practice Note 19 of the Listing Rules.

This announcement is made by Van Shung Chong Holdings Limited (the "**Company**") in compliance with the disclosure requirements under paragraph 3.7.1 of Practice Note 19 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Tomahawk Capital Limited (the "**Borrower**") is a wholly-owned subsidiary of the Company. By an agreement dated October 27, 2003 (the "**Facility Agreement**") entered into by, among others, the Borrower, the Company and a syndicate of banks, the banks have agreed to grant a term loan facility (the "**Facility**") of up to the principal sum of HK\$250,000,000 (equivalent to approximately 15.9% of total bank facilities of the Company and its subsidiaries before the Facility) to finance the general corporate funding requirements of the Borrower.

The Facility is for a term of three years and is jointly and severally guaranteed by the Company and its wholly-owned subsidiaries including Van Shung Chong Hong Limited, VSC Building Products Company Limited, VSC Steel Company Limited, VSC Steel Products Company Limited and Van Shung Chong International Steel Products Company Limited. Save for the guarantee, the Facility is unsecured. The Facility Agreement contains a requirement that Mr. Andrew Cho Fai Yao ("**Mr. Yao**") and his direct related family members (i.e. Mr. Yao, Ms. Miriam Che Li Yao and Mrs. Yao Lin Shiu Mei, their spouses and their children (the "**Core Family**")) shall continue to remain as the single largest shareholder of the Company with at least 30% shareholding of the issued share capital of the Company and Mr. Yao shall maintain the position of Chairman and management control of the Company and its subsidiaries. A breach of such requirement will constitute an event of default under the Facility Agreement, and as a result, the Facility is liable to be declared immediately due and payable.

As at the date hereof, Mr. Yao and the Core Family together beneficially own approximately 40.34% of the issued share capital of the Company. The directors of the Company undertake to comply with the continuing disclosure requirements under paragraph 3.9 of the Practice Note 19 of the Listing Rules, namely, to include such disclosures in future interim and annual reports of the Company.

By order of the Board

Andrew Cho Fai Yao

Chairman and Chief Executive Officer

Hong Kong, October 27, 2003