



VANTAGE INTERNATIONAL (HOLDINGS) LIMITED

盈信控股有限公司

(Incorporated in Bermuda with limited liability)

PLACEMENT OF EXISTING SHARES, SUBSCRIPTION OF NEW SHARES AND GRANT OF OPTIONS TO PLACEEES

Placing Agent



博大資本國際有限公司

Partners Capital International Limited

On 10 February 2004, the Vendor and the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed to place up to 109,200,000 existing Shares held by the Vendor to not less than six independent Placees at the Placing Price of HK\$0.50 per Share on a best effort basis on the terms and subject to the conditions of the Placing Agreement. On the same day, the Company and the Vendor entered into the Top-up Subscription Agreement, pursuant to which the Vendor has conditionally agreed to subscribe for such number of new Shares as that of the Placing Shares actually placed by the Vendor pursuant to the Placing Agreement up to 109,200,000 new Shares.

The Company further entered into the Deed of Undertaking dated 10 February 2004 whereby it has given an undertaking to the Placing Agent that it shall, subject to certain conditions as detailed below, grant to each Placee the Option to subscribe for new Shares at an exercise price of HK\$0.80 per new Share (subject to adjustment), on the basis of the right to subscribe for one further new Share for every Placing Share purchased by such Placee and shall enter into with such Placee a Deed of Option.

The net proceeds of the Subscription, which are expected to amount to approximately HK\$51.9 million, will be used as to HK\$45.0 million for funding new private construction contracts of the Group and as to the remaining balance of HK\$6.9 million for the Group's expansion into the China market (including setting up of China office and hiring new staff). In the event that the Options are granted and exercised in full, the proceeds from the subscription of the Option Shares, which are expected to amount to approximately HK\$87.36 million, are presently intended to be used for funding construction contracts to be secured in China by the Group.

The Placing will reduce the shareholding of the Vendor from approximately 58.11 per cent. to approximately 45.18 per cent. of the existing issued share capital of the Company. The Subscription will then further increase the shareholding of the Vendor to approximately 51.46 per cent. of the issued share capital of the Company as enlarged by the Subscription. Pursuant to Note 6 on dispensation from Rule 26 of the Takeover Code, a waiver from the obligation to make a general offer under Rule 26 of the Takeovers Code will not be required in respect of the Subscription.

In the event that the Options are granted and exercised in full, the shareholding of the Vendor will be reduced to 46.18 per cent. of the issued share capital of the Company as enlarged by the Subscription and the issue of the Option Shares in full.

A circular containing details of the grant of the Options (which is subject to fulfillment of certain conditions including the approval by the shareholders of the Company) will be despatched to the shareholders of the Company as soon as practicable.

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange from 9:30 a.m. on 11 February 2004, pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 12 February 2004.

THE PLACING

1. Date of the Placing Agreement

10 February 2004

2. Vendor

Winhale Ltd., a company incorporated in the British Virgin Islands with limited liability and is ultimately beneficially owned by the Xyston Trust which is a discretionary family trust set up by Mr. Ngai Chun Hung, the Chairman and an executive Director of the Company, for the benefits of Mr. Ngai Chun Hung and his family members. As at the date of this announcement, the Vendor holds 490,934,400 Shares, representing approximately 58.11 per cent. of the existing issued share capital of the Company.

3. Placing Agent

Partners Capital International Limited was appointed as the Placing Agent and is independent of and not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

4. Shares to be placed

Up to 109,200,000 Shares, representing approximately 12.93 per cent. of the existing issued share capital of the Company and approximately 11.45 per cent. of its issued share capital as enlarged by the Subscription. Further announcement will be made by the Company if the number of Placing Shares actually placed by the Vendor is not 109,200,000.

The Placees will be entitled to receive all dividends and distributions which may be declared, made or paid after the date of the completion of the Placing.

5. Placing Price

HK\$0.50 per Share, which was arrived at after arm's length negotiations between the Vendor and the Placing Agent with reference to the recent trading price of the Shares on the Stock Exchange, represents (i) a discount of approximately 21.9 per cent. to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 10 February 2004, being the last trading day immediately prior to the date of this announcement; (ii) a discount of approximately 15.3 per cent. to the average closing price of approximately HK\$0.59 per Share as quoted on the Stock Exchange for the last ten trading days prior to and including 10 February 2004; and (iii) a discount of approximately 11.7 per cent. to the average closing price of approximately HK\$0.566 per Share as quoted on the Stock Exchange for the last 30 trading days prior to and including 10 February 2004. In arriving at the Placing Price, further consideration had been made with respect to the background of the potential Placees as targeted under the Placing (which are expected to be mainly international institutional investors).

6. Placees

The Placing Agent has agreed to place up to 109,200,000 existing Shares held by the Vendor to not less than six independent Placees (which will be professional or institutional or other investors) at the Placing Price of HK\$0.50 per Share on a best effort basis on the terms and subject to the conditions of the Placing Agreement.

7. Independence of the Placees

Each of the Placees, together with their beneficial owners, will be independent of and not connected with the Company, the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates (as defined in the Listing Rules). It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of their acquisition of the Placing Shares pursuant to the Placing, or otherwise further announcement will be made by the Company in this regard.

8. Completion of the Placing

Completion of the Placing is expected to take place on a date which is two trading days after the date of the Placing Agreement (i.e. 13 February 2004) or such later date as the Vendor and the Placees may agree in writing.

9. Force Majeure

The Placing Agent is entitled, on occurrence of certain events (including material breach of undertakings, warranties and/or representations set out in the Placing Agreement, and material adverse

change in the financial and trading position of the Company), to terminate the Placing Agreement by giving written notice to the Company and the Vendor at any time prior to 9:00 a.m. on the date of completion of the Placing.

DEED OF UNDERTAKING

Pursuant to the Deed of Undertaking dated 10 February 2004 entered into by the Company in favour of the Placing Agent, the Company has given an undertaking to the Placing Agent that it shall, upon receipt from the Placing Agent the form of acknowledgement returned by each Placee acknowledging the terms and conditions of the placing letter issued by the Placing Agent to such Placee in respect of the Placing, grant to such Placee the Option to subscribe for new Shares in a single exercise or multiple exercises (in each exercise, at an integral of at least 6,000,000 Option Shares) at an exercise price of HK\$0.80 per new Share (subject to adjustment and within the period for 36 months commencing from the date of the relevant Deed of Option), on the basis of the right to subscribe for one further new Share for every Placing Share purchased by such Placee and shall enter into with such Placee a Deed of Option.

The Deed of Undertaking is conditional upon:

- approval by the shareholders of the Company to allot and issue the Option Shares; and
- the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, the Option Shares.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Option Shares.

DEEDS OF OPTION

1. Grantor

The Company

2. Grantee

The Placees

3. Subject matter

Pursuant to the Deeds of Option to be entered into by the Company with each of the Placees upon fulfillment of the conditions of the Deed of Undertaking, each of the Placees will be granted an Option attaching thereto the right to subscribe for new Shares on the basis of one Option Share for every Placing Share at the exercise price of HK\$0.80 per Option Share (subject to adjustments). The Option is not transferable and is exercisable in whole or in part (in each exercise, of at least 6,000,000 Option Shares) by the Placees at any time within the period for 36 months commencing from the date of the Deeds of Option.

4. Number of the Options Shares

Upon the exercise in full of the subscription rights attaching to the Option by the Placees, up to a total of 109,200,000 Option Shares will be issued by the Company, representing approximately 12.93 per cent. of the existing issued share capital of the Company and approximately 10.27 per cent. of the issued share capital of the Company as enlarged by the Subscription and the issue of the Option Shares in full.

5. Exercise price

HK\$0.80 per Share represents (i) a premium of approximately 25.0 per cent. over the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 10 February 2004, being the last trading day immediately prior to the date of this announcement; and (ii) a premium of approximately 35.6 per cent. over the average closing price of approximately HK\$0.59 per Share as quoted on the Stock Exchange for the last ten trading days prior to and including 10 February 2004.

6. Conditions

The Company's obligations under the Deeds of Option are conditional upon:

- the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, any Option Shares in accordance with the terms and conditions of the Deeds of Option;
- approval by the shareholders of the Company to issue and allot the Option Shares in accordance with the terms and conditions of the Deeds of Option; and
- completion of the Placing having occurred pursuant to the terms of the Placing Agreement (in case where only part of the Placing Shares are successfully placed, this condition shall be satisfied in respect of that part of the Placing Shares).

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Option Shares.

Further announcement will be made by the Company upon the grant of the Options to the Placees.

THE SUBSCRIPTION

1. Date of the Top-up Subscription Agreement

10 February 2004

2. Subscriber

the Vendor

3. New Shares to be subscribed for

Such number of new Shares as that of the Placing Shares actually placed by the Vendor pursuant to the Placing Agreement.

The new Shares will be issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company on 15 August 2003.

4. Subscription price

HK\$0.50 per Share which is equal to the Placing Price.

5. Ranking of the new Shares

The new Shares, when fully paid, will rank pari passu in all respects with the issued Shares existing at the date of allotment.

6. Conditions of the Subscription

The Subscription is conditional upon:

- completion of the Placing having occurred pursuant to the terms of the Placing Agreement (in case where only part of the Placing Shares are successfully placed, this condition shall be satisfied in respect of that part of the Placing Shares); and
- listing of and permission to deal in all the new Shares to be issued pursuant to the Subscription being granted by the Listing Committee of the Stock Exchange.

In the event that the conditions set out above are not fulfilled on or prior to the date being the 12th day after the date the Placing Agreement i.e. 22 February 2004 or such later date as may be agreed between the Company and the Vendor, the Top-up Subscription Agreement shall terminate and neither of the parties to the Top-up Subscription Agreement will have any claim against the other for costs, damages, compensation or otherwise. Should completion of the Subscription fail to take place within 14 days from the date of the Placing Agreement, i.e. 24 February 2004, the Subscription will be subject to all requirements in relation to connected transactions under the Listing Rules.

7. Termination of the Top-up Subscription Agreement

The Company and/or the Vendor shall be entitled by notice given to the other party at any time prior to the date falling two business days after the date upon which the last of the above conditions have been satisfied to terminate the Top-up Subscription Agreement if, by the date of such termination notice, any of the Placing Agreement has been terminated in accordance with the term thereof.

If the termination notice is given, the Top-up Subscription Agreement shall terminate and be of no further effect and neither party shall be under any liability to any other in respect of the Top-up Subscription Agreement other than in respect of any liabilities which have arisen prior to such termination.

8. Completion of the Subscription

Completion of the Subscription will take place on the date falling two business days after the date upon which the last of the above conditions have been satisfied provided that the date of completion shall not be later than the date falling 14 days from the date of the Placing Agreement.

9. Application for listing

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares to be issued under the Subscription.

REASONS FOR THE TRANSACTIONS AND USE OF PROCEEDS

The Group is engaged in the construction, repair, maintenance, renovation and fitting out services for the public and private sector in Hong Kong.

The net proceeds of the Subscription, which are expected to amount to approximately HK\$51.9 million, will be used as to HK\$45.0 million for funding new private construction contracts of the Group and as to the remaining balance of HK\$6.9 million for the Group's expansion into the China market (including setting up of China office and hiring new staff).

In the event that the Options are granted and exercised in full, the proceeds from the subscription of the Option Shares, which are expected to amount to approximately HK\$87.36 million, are presently intended to be used for funding construction contracts to be secured in China by the Group.

No fund raising exercise was carried out by the Company within the past 12 months. The Directors consider that the Placing, the Subscription, and the grant of the Options are in the interests of the Company and its shareholders as the shareholders' base and the equity base of the Company can be enlarged. The Directors consider that the terms of the Placing Agreement, the Subscription Agreement and the Deed of Undertaking to be fair and reasonable.

The Company will bear all costs and expenses incurred in connection with the Subscription and will reimburse the Vendor all costs and expenses incurred by it in relation to the Placing and the Subscription.

SHAREHOLDING EFFECT ON THE VENDOR

The Placing will reduce the shareholding of the Vendor from approximately 58.11 per cent. to approximately 45.18 per cent. of the existing issued share capital of the Company. The Subscription will then increase the shareholding of the Vendor to approximately 51.46 per cent. of the issued share capital of the Company as enlarged by the Subscription. Pursuant to Note 6 on dispensation from Rule 26 of the Takeovers Code, a waiver from the obligation to make a general offer under Rule 26 of the Takeover Code will not be required in respect of the Subscription.

In the event that the Options are granted and exercised in full, the shareholding of the Vendor will be reduced to 46.18 per cent. of the issued share capital of the Company as enlarged by the Subscription and the issue of the Option Shares in full.

SHAREHOLDING EFFECT OF THE PLACING, THE SUBSCRIPTION AND THE POSSIBLE EXERCISE OF THE OPTIONS

The shareholdings in the Company before and after the Placing, the Subscription and the possible exercise of the Options in full are summarized as follows:

	Existing Shareholding (Shares)	Per cent.	Immediately after completion of the Placing but before the Subscription (Shares)	Per cent.	Immediately after completion of the Placing and the Subscription (Shares)	Per cent.	Immediately after completion of the Placing, the Subscription and the exercise of the Options in full (Shares)	Per cent.
The Vendor	490,934,400	58.11	381,734,400	45.18	490,934,400	51.46	490,934,400	46.18
Placees	-	-	109,200,000	12.93	109,200,000	11.45	218,400,000	20.54
Public	353,865,600	41.89	353,865,600	41.89	353,865,600	37.09	353,865,600	33.28
Total	<u>844,800,000</u>	<u>100.00</u>	<u>844,800,000</u>	<u>100.00</u>	<u>954,000,000</u>	<u>100.00</u>	<u>1,063,200,000</u>	<u>100.00</u>

GENERAL

A circular containing details of the grant of the Options (which is subject to fulfillment of certain conditions including the approval by the shareholders of the Company) will be despatched to the shareholders of the Company as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange from 9:30 a.m. on 11 February 2004, pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 12 February 2004.

DEFINITIONS

As used in this announcement, the following words and phrases have the same meanings assigned:

"Company"	Vantage International (Holdings) Limited, whose Shares are listed on the Stock Exchange
"Deed(s) of Option"	the deed(s) of option to be entered into by the Company with each of the Placees upon fulfillment of the conditions of the Deed of Undertaking
"Deed of Undertaking"	deed of undertaking entered into between the Company and the Placing Agent on 10 February 2004
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Option(s)"	the option(s) to be granted by the Company pursuant to the Deeds of Option, whereby the Placees shall be entitled and have the right to subscribe for new Shares at the option exercise price of HK\$0.80 per Option Share (subject to adjustments as shall be set out in the Deeds of Option to be signed by the Company with each of the Placees)
"Option Share(s)"	a total of 109,200,000 new Shares to be issued upon the exercise in full of the subscription rights attaching to the Options
"Placee(s)"	means any professional, institutional or other investor procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement
"Placing"	the placement of up to 109,200,000 existing Shares by the Placing Agent on behalf of the Vendor pursuant to the Placing Agreement
"Placing Agent"	Partners Capital International Limited, a licensed corporation to carry out type 1 and 6 regulated activities under the Securities and Futures Ordinance
"Placing Agreement"	the placing agreement dated 10 February 2004 between the Vendor, the Company and the Placing Agent respectively in respect of the placing of up to 109,200,000 Shares
"Placing Price"	the placing price of HK\$0.50 per Share
"Placing Shares"	means up to 109,200,000 Shares, representing approximately 12.93 per cent. of the total issued share capital of the Company at the date hereof to be sold by the Vendor pursuant to the Placing
"Share(s)"	share(s) of HK\$0.025 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription by the Vendor of up to 109,200,000 new Shares pursuant to the Top-up Subscription Agreement
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Top-up Subscription Agreement"	an agreement dated 10 February 2004 entered into between the Company and the Vendor
"Vendor"	Winhale Ltd, a company incorporated in the British Virgin Islands with limited liability
"HK\$"	Hong Kong dollars

By Order of the Board
Vantage International (Holdings) Limited
Pang Fung Ming
 Company Secretary

Hong Kong, 11 February 2004

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, 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 herein misleading.