



## VANTAGE INTERNATIONAL (HOLDINGS) LIMITED

盈信控股有限公司

(Incorporated in Bermuda with limited liability)  
(Stock Code: 15)

### MAJOR TRANSACTION – ACQUISITION OF PROPERTIES

Great Business, a wholly-owned subsidiary of the Company entered into the Provisional Agreement dated 1 October 2004 whereby Great Business agreed to acquire from an independent party the Properties for a consideration of HK\$180,000,000.

The acquisition of the Properties contemplated under the Provisional Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is subject to the shareholders' approval in accordance with the Chapter 14 of the Listing Rules. However, pursuant to Rules 14.44 of the Listing Rules, as no shareholder of the Company has a material interest in this transaction, no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of this transaction. In addition, a written shareholders' approval has been obtained by the Company from Winhale Ltd., a substantial shareholder of the Company who as at the date of this announcement holds 490,934,400 shares in the issued capital of the Company representing 52.18% of the nominal value of the securities giving the right to attend and vote at that meeting to approve this transaction. Therefore no general meeting of the Company will be convened for the purpose of the acquisition of the Properties. Application has been made to the Stock Exchange for a waiver from the requirement for holding a special general meeting.

A circular containing further details of the acquisition of the Properties will be dispatched to the shareholders of the Company as soon as practicable.

At the request of the Company, trading of the shares of the Company has been suspended with effect from 9:30 am on 4 October 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares in the Company with effect from 9:30 am on 6 October 2004.

#### PROVISIONAL AGREEMENT

**Date:** 1 October 2004

#### Parties:

**Vendor:** Honnex Development Limited, which together with its ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent third parties not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)

The Company has been informed that the Vendor is engaged in property investment.

**Purchaser:** Great Business Limited, a wholly-owned subsidiary of the Company

#### Properties:

Shop Nos. G29A2, G28, G65, G64A, G64B, G27A, G27B, G26A and G26B on Ground Floor of Portion B, Argyle Centre Phase 1, No. 688 Nathan Road, Kowloon, altogether occupying a total gross floor area of 4,521 sq. ft.

The Properties are currently leased to several tenants (who together with its ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent third parties not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)) for retail purposes.

The Properties shall be sold subject to the existing tenancy, which will expire in February to March 2005.

**Completion:** On or before 13 January 2005

**Consideration:** The Consideration is HK\$180,000,000, which was determined after arm's length negotiations between the parties, by reference to information available to the Company based on discussions made with several banks about the valuation of the Properties. Since the implementation of the Individual Visit Scheme in October 2003, the retail markets as well as the retail rentals in Hong Kong have substantially recovered. Therefore, the Directors believe that the rentals of the Properties will increase considerably when the existing tenancy agreements are renewed or new tenancy agreements are entered into in February to March 2005. Based on the valuation information available from several banks and the potential in increase in the rental values of the Properties, the Directors consider that the Consideration is fair and reasonable and is in the interests of the shareholders of the Company as a whole.

An initial deposit of HK\$6,000,000 was paid by the Purchaser to the Vendor's solicitors as stakeholders upon signing of the Provisional Agreement. The formal agreement for sale and purchase shall be signed and a further deposit in the sum of HK\$12,000,000 shall be paid on or before 15 October 2004. Balance of the Consideration in the sum of HK\$162,000,000 shall be paid upon Completion on or before 13 January 2005.

The Company plans to finance the acquisition of the Property as to 30% by internal resources of the Company and 70% by bank financing.

#### REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is engaged in building construction, repair, maintenance, renovation and fitting out, civil engineering and other contract works in Hong Kong. As the conditions for the construction industry in Hong Kong remain difficult, the Directors have actively been exploring opportunities to diversify the Group's business.

The Company intends to hold the Properties for long-term investment purposes. Based on the existing tenancy of the Properties, the existing total rental income attributable to the Properties amounts to approximately HK\$600,000 per month, which represents a yield of approximately 4%. Since the implementation of Individual Visit Scheme, which allows mainlanders to visit Hong Kong on an individual basis, in October 2003, the retail market in Hong Kong has experienced substantial rebounds. As a result, the retail shop rental rates have also increased considerably. As the existing tenancy for the Properties were all entered into by the Vendor before October 2003 and are due to expire in February to March 2005, the Directors expect that there will be increases in the rental for the Properties when the existing tenancy agreements are renewed or new tenancy agreements are negotiated. The Directors believe that as the Properties will provide a steady and satisfactory income source for the Company, taking into account the expected increase in rental and the current rate of bank financing cost, the terms of the transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

#### GENERAL

The acquisition of the Properties contemplated under the Provisional Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is subject to the shareholders' approval in accordance with the Chapter 14 of the Listing Rules. However, pursuant to Rules 14.44 of the Listing Rules, as no shareholder of the Company has a material interest in this transaction, no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of this transaction. In addition, a written shareholders' approval has been obtained by the Company from Winhale Ltd., a substantial shareholder of the Company who as at the date of this announcement holds 490,934,400 shares in the issued capital of the Company representing 52.18% of the nominal value of the securities giving the right to attend and vote at that meeting to approve this transaction. Therefore no general meeting of the Company will be convened for the purpose of the acquisition of the Properties. Application has been made to the Stock Exchange for a waiver from the requirement for holding a special general meeting.

A circular containing further details of the acquisition of the Properties will be dispatched to the shareholders of the Company as soon as practicable. While a valuation report from an independent professional valuer has not yet been available as at the date of this announcement, the Company will procure that such valuation report be included in the circular. As the Company will include the Properties as investment properties in its consolidated balance sheet, if there is any material difference between the Consideration for the acquisition of the Properties and the valuation amount that will be stated in the valuation report, such difference will be reflected in the Company's consolidated financial statements as revaluation surplus in reserves or will be recognized as an expense, as appropriate.

Reference is also made to the announcement of the Company dated 10 August 2004 in respect of a non-legally binding framework agreement. While there has been no material development in this relation, further announcement will be made should there be any.

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#### DIRECTORS

As at the date of this announcement, the executive Directors comprise Mr Ngai Chun Hung, Mr Yau Kwok Fai, Mr Shek Yu Ming Joseph and Mr. Li Chi Pong, and the independent non-executive Directors comprise Professor Ko Jan Ming, Mr Ip Kwok Him, J.P and Mr. Fung Pui-Cheung Eugene.

#### DEFINITIONS

"Company"	Vantage International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Properties"	Shop Nos. G29A2, G28, G65, G64A, G64B, G27A, G27B, G26A and G26B on Ground Floor of Portion B, Argyle Centre Phase 1, No. 688 Nathan Road, Kowloon
"Provisional Agreement"	the provisional agreement for sale and purchase entered into between Honnex Development Limited as vendor and Great Business as purchaser on 1 October 2004
"Purchaser" or "Great Business"	Great Business Limited, a wholly-owned subsidiary of the Company, incorporated in Hong Kong with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Honnex Development Limited, a company incorporated in Hong Kong with limited liability
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong

By order of the Board  
**Vantage International (Holdings) Limited**  
Yau Kwok Fai  
Chief Executive Officer

Hong Kong, 5 October 2004