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VANTAGE INTERNATIONAL (HOLDINGS) LIMITED

盈信控股有限公司

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

NON-LEGALLY BINDING FRAMEWORK AGREEMENT PROPOSED ACQUISITION

The Board is pleased to announce that on 9 August 2004, the Company entered into a Framework Agreement with Beijing Municipal Engineering Group Co., Ltd. (the "Beijing Co.") whereby the Company proposed to acquire 20% equity interest in the Beijing Co. for the consideration of new Shares to be issued by the Company.

The Framework Agreement is subject to a number of conditions precedent and is not legally binding on the parties thereto. No formal agreement in relation to the Framework Agreement has yet been signed as at the date of this announcement.

If the conditions precedent of the Framework Agreement are fulfilled and the proposed acquisition of 20% equity interest in the Beijing Co. proceeds, it will constitute a notifiable transaction of the Company according to the Listing Rules.

THE FRAMEWORK AGREEMENT

Date of the Framework Agreement

9 August 2004

Parties to the Framework Agreement

1. The Company
2. Beijing Municipal Engineering Group Co., Ltd. (the "Beijing Co."), which and its ultimate beneficial owner are independent of, not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective Associates.

Proposed Acquisition and Consideration

Pursuant to the Framework Agreement, the Company has in principle agreed to acquire 20% equity interest in the Beijing Co. for the consideration of new Shares ("Consideration Shares") of an equivalent aggregate value to be issued by the Company to the Beijing Co.

The price and the number of Consideration Shares to be issued have not yet been determined and are not specified in the Framework Agreement.

Information About the Beijing Co.

The Beijing Co. is a state-owned enterprise registered in the People's Republic of China and is primarily engaged in the design, construction, engineering, consulting and management of various large-scale projects, including road and bridge, waterworks, sewerage treatment plants, underground works, city squares (such as Tiananmen Square), airport runways, stadiums, garbage treatment plants, Beijing subway and railway and other infrastructure projects in China and other countries (such as Pakistan, Sri Lanka, etc.). The Beijing Co. possesses the government license issued by the Ministry of Construction to carry out the infrastructure, public utilities, airport runways, road and city railway engineering and construction projects in China.

Summary of financial information of the Beijing Co. based on its management accounts as of and for the year ended 31 December 2003 is as follows:

	Total RMB'000 (Unaudited)	Attributable to the equity capital proposed to be acquired RMB'000 (Unaudited)
Total assets	2,329,582	465,916
Net assets	419,171	83,834
Total revenue	1,808,861	361,772
Net profit after taxation	27,206	5,441

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 Beijing Co. has proven track record, experience as well as qualification in large-scale infrastructure projects in Mainland China and, in particular, Beijing. In view of the 2008 Olympic Games to be held in Beijing, the Board holds a positive view about the construction market in Beijing. Therefore, the proposed acquisition of the Beijing Co. provides an exceptional opportunity for the Group to expand its business to Mainland China and to broaden its earning base.

POSSIBLE NOTIFIABLE TRANSACTION AND FURTHER ANNOUNCEMENT

If the conditions precedent of the Framework Agreement are fulfilled and the proposed acquisition of 20% equity interest in the Beijing Co. proceeds, it will constitute a notifiable transaction of the Company according to the Listing Rules.

The Company will make further announcement in compliance with the Listing Rules upon the entering into of a formal agreement in relation to the Framework Agreement or any material development in this relation.

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 and Mr Ip Kwok Him, J.P.

DEFINITIONS

"Associate(s)"	has the meaning ascribed to it under the Listing Rules
"Beijing Co."	Beijing Municipal Engineering Group Co., Ltd., which is a state-owned enterprise registered in the People's Republic of China
"Board"	the board of Directors
"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
"Framework Agreement"	the framework agreement dated 9 August 2004 entered into between the Company and the Beijing Co.
"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
"Shares"	ordinary shares of HK\$0.025 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"RMB"	Renmibi, the legal currency in the People's Republic of China

By order of the Board
Vantage International (Holdings) Limited
Ngai Chun Hung
Chairman