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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 16 February 2004, the Placing Agent has placed to not less than six independent Placees a total of 95,958,000 existing Shares held by the Vendor pursuant to the Placing Agreement.

Reference is made to the announcement of the Company dated 11 February 2004 on the Placing, the Subscription, and the grant of the Options. Unless otherwise specified, capitalised terms defined in that announcement shall have the same meanings in this announcement.

THE PLACING

Pursuant to the Placing Agreement dated 10 February 2004, the Placing Agent has agreed to place on a best effort basis 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 the terms and subject to the conditions of the Placing Agreement.

On 16 February 2004, the Placing Agent has placed to not less than six independent Placees a total of 95,958,000 existing Shares held by the Vendor. The 95,958,000 existing Shares actually placed by the Placing Agent represent approximately 11.36 per cent. of the existing issued share capital of the Company and approximately 10.20 per cent. of its issued share capital as enlarged by the Subscription.

DEEDS OF OPTION

Pursuant to the Deed 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 and within the period for 36 months commencing from the date of the relevant Deed of Option).

Upon the exercise in full of the subscription rights attaching to the Options by the Placees, a total of 95,958,000 Option Shares will be issued by the Company, representing approximately 11.36 per cent. of the existing issued share capital of the Company and approximately 9.26 per cent. of the issued share capital of the Company as enlarged by the Subscription and the issue of the Option Shares in full.

USE OF PROCEEDS

The net proceeds of the Subscription, which are expected to amount to approximately HK\$45.7 million, will be used as to HK\$42.0 million for funding new private construction contracts of the Group and as to the remaining balance of HK\$3.7 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\$76.77 million, are presently intended to be used for funding construction contracts to be secured in China by the Group.

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 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 (Shares)	Per cent.
The Vendor	490,934,400	58.11	394,976,400	46.75	490,934,400	52.19	490,934,400	47.36
Placees	-	-	95,958,000	11.36	95,958,000	10.20	191,916,000	18.51
Public	353,865,600	41.89	353,865,600	41.89	353,865,600	37.61	353,865,600	34.13
Total	<u>844,800,000</u>	<u>100.00</u>	<u>844,800,000</u>	<u>100.00</u>	<u>940,758,000</u>	<u>100.00</u>	<u>1,036,716,000</u>	<u>100.00</u>

SHAREHOLDING EFFECT ON THE VENDOR

The Placing will reduce the shareholding of the Vendor from approximately 58.11 per cent. to approximately 46.75 per cent. of the existing issued share capital of the Company. The Subscription will then increase the shareholding of the Vendor to approximately 52.19 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 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 47.36 per cent. of the issued share capital of the Company as enlarged by the Subscription and the issue of the Option Shares in full.

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

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.

Hong Kong, 16 February 2004