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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)

### CONTINUING CONNECTED TRANSACTION

On 28 February 2006, Frason, a company wholly owned by the Chairman of the Company, as landlord, and Able, a wholly-owned subsidiary of the Company, as tenant, entered into a tenancy agreement in respect of No. 155, Waterloo Road, Kowloon Tong, Kowloon, Hong Kong.

As Frason is a connected person as defined in Rule 14A.11 of the Listing Rules, the Tenancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the total annual rental payable by Able to Frason under the Tenancy Agreement represents less than 2.5% of the applicable percentage ratios of the Company, no independent shareholders' approval is required. Details of the Tenancy Agreement will be included in the annual report and accounts of the Company of each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

#### INTRODUCTION

On 28 February 2006, Frason Holdings Limited ("Frason"), a company wholly owned by Mr. Ngai Chun Hung, Chairman of the Company, as landlord, and Able Engineering Company Limited ("Able"), a wholly-owned subsidiary of the Company, as tenant, entered into a tenancy agreement ("Tenancy Agreement") in respect of No. 155, Waterloo Road, Kowloon Tong, Kowloon, Hong Kong ("Premises").

#### TENANCY AGREEMENT

Date:	28 February 2006
Landlord:	Frason Holdings Limited, which is wholly owned by Mr. Ngai Chun Hung, Chairman of the Company and engaged in property investment
Tenant:	Able Engineering Company Limited, a wholly-owned subsidiary of the Company
Subject Premises:	No. 155, Waterloo Road, Kowloon Tong, Kowloon, Hong Kong
Total Floor Area:	Around 12,000 square feet
Term:	3 years from 1 March 2006 to 28 February 2009
Rent-free Period:	2 months from 1 March 2006 to 30 April 2006
Rental:	HK\$300,000 per month (exclusive of rates, air-conditioning charges, management fee and other service charges)

The total annual rental payable by Able to Frason will be as follows:

Financial year ending 31 March:	HK\$
2006	Nil
2007	3,300,000
2008	3,600,000
2009	3,300,000

The rental under the Proposed Tenancy Agreement was determined based on arm's length negotiation with reference to prevailing market conditions.

The Company has engaged B.I. Appraisals Limited ("BI Appraisals"), independent professional surveyors, to carry out a rental valuation on the Premises. In the opinion of BI Appraisals, the market rental value of the Premises is HK\$300,000. On the basis of the advice received from BI Appraisals, the directors (including the independent non-executive directors) of the Company are of the opinion that the Tenancy Agreement is on normal commercial terms with reference to prevailing market conditions, and that it was entered into in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole.

#### REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal activities of the Group include property development and investment, and construction, maintenance and engineering contract works in Hong Kong.

Since the beginning of the second half of the financial year ending 31 March 2006, the Company has been awarded by the Architectural Services Department a number of significant maintenance 3-year term contracts which include, among others, Maintenance of Government Buildings and Lands and Other Properties in the Designated Contract Areas of Kwun Tong, Mong Kok and Yau Ma Tei (2005-2008) as well as Sham Shui Po, Tsuen Wan and Kwai Tsing (2005-2008), Term Contract for Design and Construction of Minor Works to Government and Subvented Properties at Hong Kong, Kowloon, New Territories and Outlying Islands (2006-2008). The aggregate value of these newly obtained maintenance contracts amounts to approximately HK\$1,131 million. To cope with these new significant contracts, the Company needs to employ more staff. The management considers that the Company's existing office space is insufficient to accommodate the increasing number of staff and an additional office will be needed. In addition, a large part of the areas covered in the newly obtained maintenance contracts are in Kowloon while some in New Territories and Hong Kong Island. It is considered that the Company will benefit from leasing the Premises because its size fits the Company's expansion plan and it is located in Kowloon Tong, that is easily assessable from any areas around Kowloon as well as New Territories and Hong Kong Island. Therefore, the Company has chosen the Premises among other alternatives. The Premises will be used as an additional office of the Company.

#### GENERAL

As Frason is a connected person as defined in Rule 14A.11 of the Listing Rules, the Tenancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the total annual rental payable by Able to Frason under the Tenancy Agreement represents less than 2.5% of the applicable percentage ratios of the Company, no independent shareholders' approval is required. Details of the Tenancy Agreement will be included in the annual report and accounts of the Company of each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

#### DIRECTORS

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

By order of the Board  
Vantage International (Holdings) Limited  
Yau Kwok Fai

Deputy Chairman and Chief Executive Officer

Hong Kong, 28 February 2006