



VANTAGE INTERNATIONAL (HOLDINGS) LIMITED

盈信控股有限公司

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

MAJOR TRANSACTION – DISPOSAL OF PROPERTY RESUMPTION OF TRADING IN SHARES

As advised in the Company's announcement dated 5 February 2007, the Company had been in negotiation with an independent third party for the disposal of the Company's property. On 6 February 2007, an indirectly wholly owned subsidiary of the Company entered into the Agreement to dispose of the Property for a consideration of HK\$113,000,000.

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. A written shareholder's approval for the Disposal has been obtained by the Company from a substantial shareholder of the Company holding 52.18% of the total nominal value of the issued shares of the Company. A circular containing details of the Disposal will be despatched to the shareholders of the Company as soon as practicable.

Trading in the shares of the Company was suspended with effect from 11:11 am on 6 February 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the shares of the Company with effect from 9:30 am on 7 February 2007.

THE AGREEMENT

Date: 6 February 2007

Vendor: Excelskill Limited, an indirectly wholly owned subsidiary of the Company

Purchaser: Talent View Limited, a company incorporated in Hong Kong, which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is engaged in investment, and, together with its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company. Other than the Agreement, the Group did not have any previous transaction with the Purchaser.

Property: No. 36 Jardine's Bazaar, Causeway Bay, Hong Kong, that is sold subject to the existing tenancies on "as is" basis

Sale Price: HK\$113,000,000 in cash, payable as follows:

- A deposit of HK\$3,000,000 was paid on the signing of the Agreement and held by the Vendor's solicitors as stakeholders;
- A further deposit of HK\$8,300,000 shall be paid upon the signing of the formal agreement for sale and purchase on or before 15 March 2007; and
- The balance of the Sale Price being HK\$101,700,000 shall be paid upon completion on or before 30 May 2007.

The Property was last valued as of 31 March 2006 by DTZ Debenham Tie Leung Limited, an independent qualified valuer, at HK\$96,000,000 on market value, existing use basis. The Company will engage an independent property valuer to provide a valuation report on the Property as of the date of the Agreement for inclusion in the circular to be despatched by the Company in compliance with the Listing Rules. However, no adjustment will be made to the Sale Price as a result of the valuation report.

The Sale Price was determined based on the arm's length negotiations between the parties through their respective agents having regard to the prevailing property market conditions and with reference to the information provided by the property agent on the actual prices of recent sale and purchase transactions of similar properties in Causeway Bay. In addition, the Directors have also taken into account the valuation of the Property as of 31 March 2006 in accepting the Sale Price. The Directors (including the Independent Non-executive Directors) consider that the Sale Price is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Completion: The Agreement shall be completed on or before 30 May 2007.

The Agreement is unconditional.

INFORMATION ON THE PROPERTY

The Property was acquired by the Group on 10 May 2005 for a consideration of HK\$96,000,000. It was stated as an investment property at a carrying value of HK\$96,000,000 in the Group's unaudited balance sheet as of 30 September 2006 that was included in the Group's last published interim report for the six months ended 30 September 2006. The Property comprises a 3-storey plus a cockloft building erected on a site with an area of approximately 1,134 square feet. The gross floor area of the Property is approximately 2,800 square feet. The Property is currently let under various tenancies to various independent third parties as retail shops and offices. Based on the existing tenancies, the Property generates a monthly gross rental income of HK\$424,000.

Whilst holding and letting of the Property comprise the only business of Excelskill, the net loss before and after taxation of Excelskill for the two financial years immediately preceding the Disposal are as follows:

	Year ended 31 March 2005 HK\$'000 (audited)	Year ended 31 March 2006 HK\$'000 (audited)	6 months ended 30 September 2006 HK\$'000 (unaudited)
Loss before taxation	Nil	8,476	15
Loss after taxation	Nil	8,476	15

As Excelskill only commenced its business from the acquisition of the Property in May 2005, it had no income or expenditure for the year ended 31 March 2005. The loss of Excelskill for the year ended 31 March 2006 was stated based on the Group's audited consolidated accounts as included in the Company's annual report for that year; whereas the loss of Excelskill for the six months ended 30 September 2006 was based on the Group's unaudited accounts as included in the Group's interim report for that period. The Group's accounts for the year ended 31 March 2006 and the six months ended 30 September 2006 were prepared in accordance with Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards) issued by the Hong Kong Institute of Certified Public Accountants.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

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

Based on the Group's unaudited interim financial statements as of 30 September 2006, the total carrying value of the Group's investment properties stood at HK\$518,790,000. The Property represented 18.5% of the Group's total investment properties in terms of their carrying value as of 30 September 2006. Immediately upon completion of the Disposal and assuming there would be no further acquisition or disposal of property before the completion of the Disposal, the Group would still have investment properties having an aggregate carrying value of HK\$422,790,000 on hand.

In addition, as disclosed in the Company's interim report for the six months ended 30 September 2006, the aggregate outstanding value of the Group's substantial construction, maintenance and engineering contracts on hand was approximately HK\$2,693 million as of 30 September 2006. Up to the date of this announcement, these contracts have been progressing satisfactorily and on schedule.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As a result of the Disposal, it is estimated that the Group will record an unaudited gain on disposal of approximately HK\$16,350,000 (being the Sale Price less the unaudited net book value of the Property as of 30 September 2006, property agency commission of HK\$565,000 and estimated legal fees and other direct costs of approximately HK\$85,000 to be incurred on the Disposal).

In view of the gain to be accrued to the Group and that the proceeds from the Disposal could be applied in other more effective ways as well as reduce the gearing ratio of the Group, the Directors consider that this is a prime opportunity to realise the Property. The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Disposal are on normal commercial terms, are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INTENDED USE OF PROCEEDS

Approximately HK\$63,532,000 of the proceeds from the Disposal will be applied to fully repay the bank loan of approximately HK\$63,532,000 secured by the Property, and the remaining balance of approximately HK\$48,818,000 of the proceeds (after payment of property agency commission, legal fees and other direct costs to be incurred) will be used as general working capital of the Group. The bank loan bearing interest at HIBOR plus 1% and repayable by instalments up to May 2025 was obtained for the sole purpose of the acquisition of the Property.

WRITTEN SHAREHOLDER'S APPROVAL

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to shareholders' approval in accordance with Chapter 14 of the Listing Rules. However, pursuant to Rule 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 to approve this transaction. A written shareholder's 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 given 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 Disposal.

A circular containing, among other things, the valuation report on the Property and further information of the Disposal will be despatched to the shareholders of the Company as soon as practicable.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended with effect from 11:11 am on 6 February 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the shares of the Company with effect from 11:11 am on 7 February 2007.

DEFINITIONS

In this announcement, unless the context otherwise defines, the following terms have the following meanings:

"Agreement"	the preliminary sale & purchase agreement dated 6 February 2007 between the Vendor and the Purchaser in relation to the sale and purchase of the Property
"Company"	Vantage International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	directors of the Company
"Disposal"	the disposal of the Property
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency in Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	No. 36, Jardine's Bazaar, Causeway Bay, Hong Kong
"Purchaser"	Talent View Limited, a company incorporated in Hong Kong
"Sale Price"	the price at which the Vendor has agreed to sell the Property to the Purchaser pursuant to the Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor" or "Excelskill"	Excelskill Limited, a company incorporated in Hong Kong and indirectly wholly owned by the Company

As at the date of this announcement, the directors of the Company comprise:

<i>Executive Directors:</i>	<i>Non-executive Director:</i>	<i>Independent Non-executive Directors:</i>
Mr. Ngai Chun Hung	Mr. Shek Yu Ming Joseph	Professor Ko Jan Ming
Mr. Yau Kwok Fai		Mr. Ip Kwok Him, GBS, JP
Mr. Li Chi Pong		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, 6 February 2007