

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 May 2010, Frason, a wholly-owned subsidiary of the Company, as landlord, and Lanon, a company controlled by Mr. WY Ngai, as tenant, entered into a tenancy agreement in respect of the Group's property at No. 157 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong.

75% equity interest in Lanon is beneficially owned by Mr. WY Ngai, who is the son of Mr. Ngai Chun Hung, Chairman of the Board, and a deemed connected person under Rule 14A.11 of the Listing Rules. Hence, the Tenancy Agreement is deemed to constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Based on the total annual rental receivable by Frason from Lanon under the Tenancy Agreement, each of the applicable percentage ratios is less than 2.5%. Hence, no independent shareholders' approval is required under Rule 14A.34 of the Listing Rules. 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 May 2010, Frason, as landlord, and Lanon, as tenant, entered into the Tenancy Agreement.

#### **Principal Terms of the Tenancy Agreement**

Date:	28 May 2010
Landlord:	Frason, which primarily engages in property investment
Tenant:	Lanon, which primarily engages in construction, maintenance and civil engineering contract works
Premises:	the Property
Gross Floor Area:	Around 5,600 square feet

Lease Term: 3 years from 1 June 2010 to 31 May 2013

Rental: HK\$142,000 per month (exclusive of rates, air-conditioning charges, management fee and other service charges, which shall be borne and paid by the Tenant)

The maximum aggregate annual value of this transaction is the total annual rental receivable by Frason from Lanon as follows:

<u>Financial year ending 31 March:</u>	<i>HK\$</i>
2011	1,420,000
2012	1,704,000
2013	1,704,000
2014	284,000

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

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

The Group completed the acquisition of the Property on 28 January 2010 with the original intention to refurbish the Property and use it as an additional office for the Group, so that the Group would relocate its staff now working at rented premises located in other areas to the Property. However, after the completion of acquisition of the Property, the Company has re-evaluated and compared the current rentals of its existing rented premises against the rental yield of the Property. The Company has concluded that the rental income from the Tenancy Agreement will generate a higher value to the Group than the savings of rental expense will do should the Group's staff be relocated to the Property from other rented premises.

The rental under the Tenancy Agreement was determined based on arm's length negotiation, according to the rateable value of the Property as stated on the demand for rates and Government rent for the Property for the quarter from 1 April to 30 June 2010, and with reference to prevailing market conditions. Therefore, the Directors (including the Independent Non-executive Directors) of the Company consider that the Tenancy Agreement are on normal commercial terms, 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.

## **LISTING RULES IMPLICATION**

75% equity interest in Lanon is beneficially owned by Mr. WY Ngai, who is the son of Mr. Ngai Chun Hung, Chairman of the Board, and a deemed connected person under Rule 14A.11 of the Listing Rules. Hence, the Tenancy Agreement is deemed to constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Based on the total annual rental receivable by Frason from Lanon under the Tenancy Agreement, each of the applicable percentage ratios is less than 2.5%. Hence, no independent shareholders' approval is required under Rule 14A.34 of the Listing Rules. 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.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Vantage International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Frason”	Frason Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Lanon”	Lanon Development Limited, which is a company incorporated in Hong Kong, and 75% equity interest in which is beneficially owned by Mr. WY Ngai
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. WY Ngai”	Mr. Ngai Wing Yin, who is over the age of 18 years and a son of Mr. Ngai Chun Hung, the Chairman of the Board
“Property”	No. 157 Waterloo Road, Kowloon (the Remaining Portion of New Kowloon Inland Lot No. 914)
“Tenancy Agreement”	the tenancy agreement dated 28 May 2010 between Frason and Lanon in relation to the lease of the Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DIRECTORS

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

<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		The Hon. Ip Kwok Him, GBS, JP
Mr. Li Chi Pong		Mr. Fung Pui Cheung, Eugene
Mr. Mak Hon Kuen Peter		

By order of the Board  
**Vantage International (Holdings) Limited**  
**Li Chi Pong**  
Director

Hong Kong, 28 May 2010