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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF YORK STAR HOLDINGS LIMITED**

THE ACQUISITION

This announcement is made by the Company pursuant to Listing Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 24 December 2018 (after trading hours of The Stock Exchange), the Purchaser was noticed in writing that the Tender Documents it submitted to acquire the Sale Share and the Sale Loan at an aggregate Consideration of HK\$338,000,000 had been accepted by the Vendor.

As one or more of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on The Stock Exchange were halted from 9:00 a.m. on Thursday, 27 December 2018 pending the release of this announcement. An application has been made to The Stock Exchange for the resumption of trading in the Shares on The Stock Exchange with effect from 9:00 a.m. on Friday, 28 December 2018.

INTRODUCTION

This announcement is made by the Company pursuant to Listing Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 24 December 2018 (after trading hours of The Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, was noticed in writing that the Tender Documents it submitted to acquire the Sale Share and the Sale Loan at an aggregate Consideration of HK\$338,000,000 had been accepted by the Vendor.

THE CONDITIONS OF THE ACQUISITION

The principal terms of the Accepted Tender Documents are as follows:

Acceptance Date: 21 December 2018, which the Purchaser was noticed on 24 December 2018 after trading hours of The Stock Exchange

Parties to the Acquisition:

1. HSBC International Trustee Limited as trustee of The Supremo Trust, as the vendor
2. East Acton Limited, as the purchaser

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) (if applicable) are third parties independent of the Company and its respective connected persons.

Assets to be acquired

Pursuant to the terms of the Accepted Tender Documents, the Vendor shall sell and the Purchaser shall acquire the Sale Share and the Sale Loan.

According to the information made available to the Purchaser, York Star is a limited liability company incorporated in the BVI and its entire issued capital is held by the Vendor before Completion. The principal asset of York Star is the Property, which is located at No. 18 Shek O Headland, Hong Kong. The Property comprises a 2-storey waterfront house together with terrace, garden and a swimming pool erected upon a site with site area of approximately 15,400 sq. ft., comprising approximately 9,000 sq. ft of Shek O Inland Lot (“**S.O.I.L.**”) No. 65 and approximately 6,400 sq. ft. of the Extension to S.O.I.L. No. 65. It has a saleable area of approximately 3,382 sq. ft. according to Rating and Valuation Department. The Property is being held under a government lease for a term of 75 years commencing from 8 February 1960 with a right of renewal for a further term of 75 years. Upon Completion, the Property will be delivered on an “as is” basis at vacant possession.

Pursuant to the Accepted Tender Documents, the Purchaser shall execute a sale and purchase agreement for the Acquisition of the Sale Share and the Sale Loan on or before 12:00 noon of 3 January 2019.

Upon Completion, York Star will become a wholly-owned subsidiary of the Purchaser, and hence an indirect wholly-owned subsidiary of the Company.

Consideration

The total Consideration of the Sale Share and the Sale Loan is HK\$338,000,000 (subject to adjustment). The consideration for the Sale Loan shall be the face value of the shareholder's loan due and owing to the Vendor by York Star as at the Completion Date; while the consideration for the Sale Share shall be the difference between the Consideration and the face value of the Sale Loan. Based on the audited financial statements of York Star, such shareholder's loan amounted to approximately HK\$1.6 million as at 30 June 2018.

The Consideration have been and shall be paid by the Purchaser by way of cash in the following manner:

- (i) an initial security deposit of HK\$18,000,000 (the “**Security Deposit**”) was paid upon submission of the Tender Documents;
- (ii) a further deposit of aggregate HK\$15,800,000, together with the Security Deposit representing 10% of the Consideration, payable on or before 12:00 noon of 3 January 2019; and
- (iii) the balance of the Consideration of HK\$304,200,000 (subject to adjustment), being 90% of the Consideration, payable on the Completion Date.

The Consideration of the Acquisition is subject to adjustment to items (i) and (ii) below based on the audited financial information of York Star as at Completion Date, prepared in accordance with Hong Kong Financial Reporting Standards for Private Entities:

- (i) the current assets of York Star (excluding the Property and all fittings and finished fixtures, appliances and equipment therein); and
- (ii) all liabilities of York Star, excluding the Sale Loan and any deferred tax liabilities.

Further announcement will be made by the Company if the adjustment to the Consideration is significant.

The tender price, which is equal to the Consideration, was determined with reference to the market price of comparable properties, as well as the location of the Property and the overall prospect of the property market in Hong Kong. The Board considers that the terms of the Acquisition, including the Consideration, are fair and reasonable and are in the interests of the Company and its shareholders as a whole. The Group intended to finance the Acquisition by a combination of (i) internal resources of the Group, and (ii) new bank financing to the extent where available.

Conditions precedent

There is no condition precedent to the Completion of the Acquisition of the Sale Share and the Sale Loan.

Completion

Completion shall take place on the Completion Date.

INFORMATION OF YORK STAR

York Star is a company incorporated in the BVI with limited liability in 2008. It is wholly-owned by HSBC International Trustee Limited as trustee of The Supremo Trust before Completion. According to the information available to the Purchaser, the sole business of York Star is property investment in Hong Kong. Other than holding the Property, York Star did not incur in other major business since its incorporation.

Based on the audited financial statements of York Star prepared in accordance with the generally accepted accounting principles in Hong Kong as made available to the Purchaser, the historical audited financial performance of York Star is as follows:

	Year ended 30 June 2017 <i>HK\$'000</i>	Year ended 30 June 2018 <i>HK\$'000</i>
Loss before taxation	(141)	(131)
Loss after taxation	<u>(141)</u>	<u>(131)</u>

Based on the audited financial statement of York Star, as at 30 June 2018, the net asset value of the company amounted to approximately HK\$37,495,000. This amount has not been adjusted to reflect any changes in market value of the Property since it was held by York Star in 2009.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Company are investment holding and the provision of corporate management services. Its subsidiaries are principally engaged in a wide range of construction, maintenance and other contract works in public and private sectors in Hong Kong, property investment and development and money lending in Hong Kong.

In respect of the Property to be acquired through the Acquisition, it falls within an area zoned "Residential (Group C) 1" under The Tai Tam & Shek O Outline Zoning Plan No. S/H18/10 dated 6 May 2008, with a maximum plot ratio of 0.75. The Property is located in the luxury residential area of Shek O Headland, with unobstructed sea view.

The Directors are of the view that there is good potential for capital appreciation as well as providing a relax and rural environment for corporate activities, training and team building workshop purposes. Given the Property's prime location in the luxury residential area of Shek O, it is expected that the Acquisition will enhance the property portfolio of the Group.

The Board considers that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) the contract works business; (ii) the property investment and development business; and (iii) the provision of finance business.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the BVI with limited liability. As advised by the Vendor, the Vendor is principally engaged in professional trustee services, among others, it is acting as the trustee of The Supremo Trust. The Supremo Trust is a trust established under the Cayman Islands law and is not connected to the Company and its connected persons.

HSBC International Trustee Limited is also the trustee of a discretionary family trust, The Xyston Trust, which Mr. NGAI Chun Hung, the Chairman and an executive Director, is the founder and is interested in 838,760,400 Shares (representing 49.84% of the issued share capital of the Company as at the date of this announcement)

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its close associates are Independent Third Parties of the Company and its connected persons.

IMPLICATION UNDER THE LISTING RULES

As one or more of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on The Stock Exchange were halted from 9:00 a.m. on Thursday, 27 December 2018 pending the release of this announcement. An application has been made to The Stock Exchange for the resumption of trading in the Shares on The Stock Exchange with effect from 9:00 a.m. on Friday, 28 December 2018.

DEFINITIONS

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

“Acceptance Date”	the date on which the Tender Documents submitted by the Purchaser were accepted by the Vendor, which is 21 December 2018
“Accepted Tender Documents”	the tender documents submitted by the Purchaser in respect of the Sale Share of and the Sale Loan to York Star, which was accepted by the Vendor on the Acceptance Date
“Acquisition”	the acquisition of the Property through the acquisition of the Sale Share and the Sale Loan of York Star pursuant to the terms of the Accepted Tender Documents
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Company”	Vantage International (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of The Stock Exchange (stock code: 15)
“Completion”	completion of the Acquisition on the Completion Date pursuant to the terms of the Accepted Tender Documents
“Completion Date”	15 March 2019 or such other date as may be agreed between the Vendor and the Purchaser in writing
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Consideration”	HK\$338,000,000, being the tender price submitted by the Purchaser and accepted by the Vendor in respect of the Acquisition
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange

“Property”	Shek O Inland Lot No. 65 and the Extension Thereto, together with the messuages erections and buildings thereon known as No. 18 Shek O Headland, Hong Kong
“Purchaser”	East Acton Limited, a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of the Company
“Sale Loan”	the interest free shareholder loan (if any) due, owing or payable by York Star to the Vendor on the Completion Date
“Sale Share”	one (1) ordinary share of York Star, representing all the issued share capital of York Star as at the Completion Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Documents”	the tender documents in standard form submitted by the Purchaser in respect of the Sale Share and the Sale Loan of York Star, on 20 December 2018
“Vendor”	HSBC International Trustee Limited, a company incorporated under the laws of the BVI, as trustee of The Supremo Trust
“York Star”	York Star Holdings Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the Vendor as trustee of The Supremo Trust
“%”	per cent.

By Order of the Board
VANTAGE INTERNATIONAL (HOLDINGS) LIMITED
 NGAI Chun Hung
Chairman

Hong Kong, 27 December 2018

As at the date of this announcement, the composition of the Board is as follows:

Executive Directors

Mr. NGAI Chun Hung
Mr. YAU Kwok Fai
Ms. LAU Tsz Kwan, Jone

Independent Non-executive Directors

Prof. KO Jan Ming
The Hon. IP Kwok Him, *GBM, GBS, JP*
Mr. FUNG Pui Cheung, Eugene

Non-executive Director

Dr. LEE Man Piu, Albert