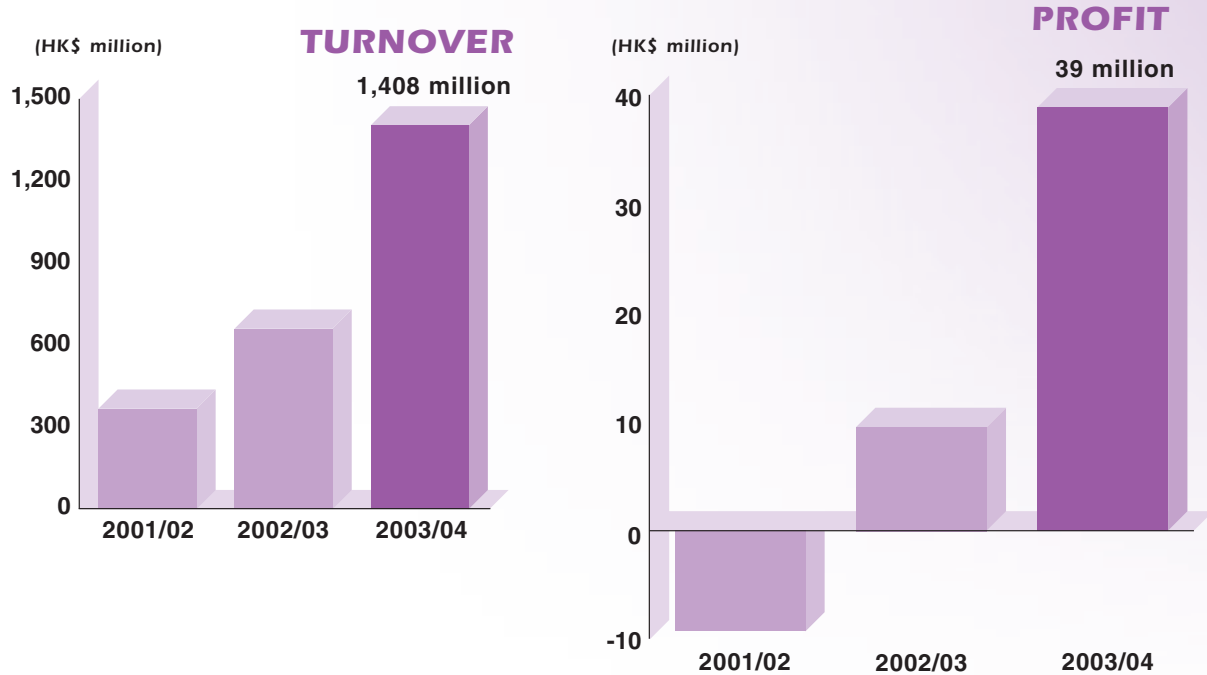


CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

I am pleased to report another successful year for Vantage in which turnover doubled and profit was four times the respective corresponding figures for last year.



HIGHLIGHTS:

- Turnover up 113% to HK\$1,408 million (2003: HK\$661 million)
- Net profit up 307% to HK\$39 million (2003 restated: HK\$9.6 million)
- Gross profit margin dropped slightly to 4.6% (2003: 5.2%)
- Final dividend of HK0.5 cent per share recommended (2003: HK0.5 cent)
- Earnings per share (EPS) up 318% to HK4.6 cent (2003 restated: HK1.1 cent)

CHAIRMAN'S STATEMENT

RESULTS AND DIVIDENDS

Net profit from ordinary activities attributable to shareholders was HK\$39,020,000 (2003 restated: HK\$9,578,000). Earnings per share was HK4.6 cents (2003 restated: HK1.1 cents).

The Board proposes a final dividend of HK0.5 cent per ordinary share, subject to shareholders' approval at the Annual General Meeting to be held on 20 August 2004. Upon shareholders' approval, the final dividend will be paid on 27 August 2004.

BUSINESS REVIEW

The growth in turnover and profit for the year was largely attributable to the satisfactory performance of the works and term maintenance contracts. Those maintenance contracts commenced in 2002 and are providing steady income for the Group.

During the year, the Group successfully completed the following significant contracts:

- Construction of Two Primary Schools and One Secondary School in Area 36A, Fanling
- Construction of Two Secondary Schools at Lee On Road, Kwun Tong
- Construction of Two Secondary Schools at Tokwawan Reclamation
- Redevelopment of Former of School Premises of Chuen Yuen Second School
- Several contracts for the Conversion and Extension to Existing Aided Schools
- District Term Contract for the Maintenance and Vacant Flat Refurbishment for Sau Mau Ping District
- Construction of Tung Wah Group of Hospitals Wong Tai Sin Hospital Chinese Medicine Clinical Research and Services Centre
- Redecoration of Chun Shek Estate
- Contract No. 00/8020 for the Construction and Maintenance of Cable Works in the Areas of Hong Kong, Ap Lei Chau and Outlying Islands for HEC Ltd.
- Spalling Concrete Repair and Extension Re-decoration Works on Main Block and Senior Staff Quarters at Ruttonjee Hospital

As quality of works, site safety and environmental protection are always our primary focus, our performance has earned the Group high recognition within the construction industry.

CHAIRMAN'S STATEMENT

During the year, we secured from the HKSAR Government the following significant contracts with an aggregate gross value of HK\$495 million:

- Construction of District Open Space in Tung Chung
- Construction of an ambulance depot with ambulance command & fire safety command headquarters at Anchor Street, Mongkok
- Conversion and Extension to Existing Aided Schools – Group 5, Final Phase, Package 4
- Conversion and Extension to Existing Aided Schools – Group 6, Final Phase, Package 2
- Construction of a Primary School and a Secondary School in Area 38A, Shatin
- Term Contract for the Maintenance and Repair of Buildings and Lands and Other Properties for Which the Electrical and Mechanical Services Department (Health Section Division) is Responsible for in Designated Contract Area: Kowloon West

In view of the difficult market conditions in the public sector caused by the cut in the Government's budget in capital expenditure, we are actively exploring job opportunities in the private sector. During the year, the Group successfully secured the following significant contracts with an aggregate gross value of HK\$848 million from the private sector:

- Contract No. 03/8006 for the Construction and Maintenance of Cable Works in the Areas of Hong Kong, Ap Lei Chau and Outlying Islands for HEC Ltd.
- Proposed Residential Development at Tin Shui Wai Lot No. 24 Area 33 N.T. Temporary Public Transport Terminus (PTT) and Public Access Road Contract Works
- Extension of Oi Kwan Road Baptist Church at 36 Oi Kwan Road, Wanchai
- Pile Cap and Superstructure Works for La Salle College under School Improvement Programme, Final Phase
- Carcass Contract for Tiu Keng Leng Station Development at Tseung Kwan O
- Main Building Works for Proposed International Christian Quality Music Secondary and Primary School
- School Improvement Works to Group 2 Schools of the Hong Kong Council of the Church of Christ in China

All of the above contracts commenced on schedule and are progressing satisfactorily.

As of 31 March 2004, the total and outstanding values of the Group's substantial contracts on hand were approximately HK\$3,397 million and HK\$2,137 million respectively. These contracts will be completed in around two years' time.

CHAIRMAN'S STATEMENT

BOARD CHANGES

Mr. Li Chi Pong was appointed to the Board of the Company as an Executive Director on 17 May 2004. Mr. Li has been with Excel Engineering Company Limited, one of our major subsidiaries, since 1979 and is primarily responsible for estimation, contracts management, subcontracting and procurement.

On 19 July 2004, Mr. Yau Kwok Fai was appointed Chief Executive Officer of the Company. Mr. Yau has been Deputy Chairman of the Company since 2000 and is responsible for the day-to-day overall management and administration of the Group's operations. Mr. Yau is the brother-in-law of Mr. Ngai Chun Hung, Chairman of the Company.

PROSPECTS

Despite the recent recovery of the property market, the market conditions for construction industry in Hong Kong remain difficult. The suspension of public housing projects continues to put pressure on the construction market. Tendering prices remain very competitive. To maintain our competitive edge, the Group will keep up its cautious approach in project management and cost control. In the meantime, we are also actively exploring possibilities to diversify the Group's business.

In June 2004, the Group, through one of its wholly-owned subsidiaries, acquired from an independent third party a residential property for a consideration of HK\$40,000,000. The property is situated at a prime residential area in Kowloon Tong and currently comprises a 3-storey residential detached house with a site area of approximate 3,964 sq. feet and a plot ratio of 5. We intend to demolish the existing house on this property and redevelop it into residential units for sale and/or rental, depending on the market condition.

Over the past years, we have been engaged as main contractors for various property development projects in Hong Kong. Building on our experience and expertise in architectural, civil and structural works, the Directors consider that the acquisition of the property in Kowloon Tong provides a good opportunity for the Group to diversify its business into property development. We are confident that this will in turn broaden the Group's revenue base as well as enhance its profitability.

APPRECIATION

On behalf of the Board, I am pleased to extend our gratitude and sincere appreciation to all management and staff members for their hard work and dedication and the Company's shareholders for their support.

On behalf of the Board

Ngai Chun Hung

Chairman

Hong Kong, 19 July 2004