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## **SNP LEEFUNG HOLDINGS LIMITED**

**利豐雅高印刷集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 623)**

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 100,681,729 RIGHTS SHARES  
AND NOT MORE THAN 100,767,979 RIGHTS SHARES AT HK\$1.20 EACH ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY FOUR  
EXISTING SHARES HELD ON THE RECORD DATE  
AND  
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

**Financial adviser to the Company**



### **The Rights Issue**

The Company proposes to raise not less than approximately HK\$120.8 million before expenses by way of a rights issue of not less than 100,681,729 Rights Shares and not more than 100,767,979 Rights Shares at a price of HK\$1.20 per Rights Share on the basis of one Rights Share for every four existing Shares held on the Record Date.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one Rights Share in nil-paid form for every four existing Shares held on the Record Date. As at the date of this announcement, there are outstanding Exercisable Share Options entitling holders thereof to subscribe for 345,000 Shares.

The estimated net proceeds of the Rights Issue is approximately HK\$118.8 million (assuming no outstanding Exercisable Share Options are exercised on or before the Record Date) or approximately HK\$118.9 million (assuming all outstanding Exercisable Share Options are exercised in full on or before the Record Date), which is intended to be used for the Group's general working capital and repayment of existing bank loans.

As at the date of this announcement, SNP is directly interested in 282,343,988 Shares, representing approximately 70.11% of the issued share capital of the Company. SNP has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, (i) it will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by it pursuant to the terms of the Rights Issue; and (ii) it will not dispose of the Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date.

Pursuant to the Underwriting Agreement, the Underwritten Shares will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement (see sub-section headed "Termination of the Underwriting Agreement" below) or the conditions of the Rights Issue (see sub-section headed "Conditions of the Rights Issue" below) are not satisfied or waived in whole or in part by the Underwriter, the Rights Issue will not proceed. **Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser. Moreover, investors' attention is drawn to the section headed "Warning of the risks of dealing in the Shares and the nil-paid Rights Shares" below.**

The last day of dealings in the Shares on a cum-rights basis is Monday, 13 June 2005. The Shares will be dealt with on an ex-rights basis from Tuesday, 14 June 2005. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 27 June 2005 to Tuesday, 5 July 2005 (both dates inclusive). To qualify for the Rights Issue, any transfer of the Shares (together with the relevant share certificates) must be lodged for registration with the Company's branch share registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by 4:00 p.m. on Wednesday, 15 June 2005.

The last day for acceptance and payment of the Rights Shares is expected to be on Friday, 8 July 2005. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both the nil-paid and fully-paid forms.

### **The Capital Reorganisation**

In order that a sufficient number of unissued Shares are available for the Rights Issue, the Directors propose to increase the authorised share capital of the Company from HK\$50,000,000 to HK\$100,000,000 by the creation of an additional 500,000,000 Shares. An ordinary resolution to this effect will be proposed at the Special General Meeting.

### **General**

A circular containing, amongst others, details of the Capital Reorganisation and the notice convening the Special General Meeting for approving the Capital Reorganisation will be despatched to the Shareholders as soon as practicable. If the Shareholders approve the Capital Reorganisation at the Special General Meeting, the Company will then send the Prospectus containing details of the Rights Issue to the Qualifying Shareholders, and for information only, to the Excluded Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

## **THE RIGHTS ISSUE**

### **Issue statistics**

|                                     |  |
|-------------------------------------|--|
| Basis of the Rights Issue:          | One Rights Share for every four existing Shares held on the Record Date  |
| Number of existing Shares in issue: | 402,726,918 Shares as at the date of this announcement   |
| Number of Rights Shares:            | Not less than 100,681,729 Rights Shares and not more than 100,767,979 Rights Shares  |
| Underwriter:                        | Tai Fook Securities Company Limited  |
|                                     | Tai Fook Securities Company Limited and its holding company, Tai Fook Securities Group Limited, which, to the best of the Directors' knowledge and information and having made all reasonable enquiries, are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group |

Under the Rights Issue, not less than 100,681,729 nil-paid Rights Shares (assuming no Exercisable Share Options are exercised on or before the Record Date) would be provisionally allotted, representing approximately 25.00% of the existing issued share capital of the Company and approximately 20.00% of the issued share capital of the Company as enlarged by the issue of 100,681,729 Rights Shares.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued upon the exercise of the Exercisable Share Options on or before the Record Date. As at the date of this announcement, there are outstanding Share Options entitling holders thereof to subscribe for 3,285,000 Shares (of which (i) Mr. Yeo Chee Tong, the chief executive officer of the Company and an executive Director, is entitled to subscribe for 900,000 Shares; and (ii) the employees of the Group, being public Shareholders, in aggregate, are entitled to subscribe for 2,385,000 Shares). Pursuant to the Share Option Scheme, (i) 25% of the Share Options will be exercisable after the expiry of 12 months from the date of grant (the "First Exercise Date"); (ii) 25% of the Share Options will be exercisable after the expiry of each successive 12 months period from the First Exercise Date; and (iii) the options will expire after ten years from the date of grant. As at the date of this announcement, there are outstanding Exercisable Share Options entitling holders thereof to subscribe for 345,000 Shares (of which (i) Mr. Yeo Chee Tong is entitled to subscribe for 112,500 Shares; and (ii) the employees of the Group are entitled to subscribe for 232,500 Shares). If all of the subscription rights attaching to the outstanding Exercisable Share Options are exercised in full and the Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares will be increased to 403,071,918 Shares, and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 100,767,979 Rights Shares.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company's branch share registrars in Hong Kong by 4:00 p.m. (Hong Kong time) on Wednesday, 15 June 2005.

The branch share registrar of the Company in Hong Kong is:

**Tengis Limited**  
Ground Floor  
Bank of East Asia Harbour view Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

The Company will send the Rights Issue Documents, including the Prospectus, the PALs and the EAFs, to the Qualifying Shareholders. The Company will send the Prospectus only to the Excluded Shareholders for information purposes.

As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the register of members of the Company were located in 2 places outside Hong Kong, being United States of America and Singapore. In determining whether there will be Excluded Shareholders, the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Company's offering of the Rights Issue to the Excluded Shareholders in compliance with Rule 13.36(2)(a) of the Listing Rules. The Company will make further announcement regarding the Excluded Shareholders on or before the Posting Date, which is expected to be on Thursday, 23 June 2005.

### **Closure of register of members**

The register of members of the Company will be closed from Thursday, 16 June 2005 to Wednesday, 22 June 2005, both dates inclusive. No transfers of Shares will be registered during this period.

### **Subscription Price**

HK\$1.20 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 14.29% to the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on 25 May 2005, being the last trading day of the Shares on the Stock Exchange prior to the publishing of this announcement;
- (ii) a discount of approximately 15.49% to the average closing price of HK\$1.42 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 25 May 2005, being the last trading day of the Shares on the Stock Exchange prior to the publishing of this announcement;
- (iii) a discount of approximately 15.49% to the average closing price of HK\$1.42 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 25 May 2005, being the last trading day of the Shares on the Stock Exchange prior to the publishing of this announcement;
- (iv) a discount of approximately 22.58% to the average closing price of HK\$1.55 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including 25 May 2005, being the last trading day of the Shares on the Stock Exchange prior to the publishing of this announcement;
- (v) a discount of approximately 11.76% to the theoretical ex-right price of HK\$1.36 based on the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on 25 May 2005, being the last trading day of the Shares on the Stock Exchange prior to the publishing of this announcement; and
- (vi) a discount of approximately 35.83% to the audited consolidated net assets value per Share of approximately HK\$1.87 as at 31 December 2004.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

#### **Basis of Provisional Allotments**

One Rights Share (in nil-paid form) for every four existing Shares held by Qualifying Shareholders as at the close of business on the Record Date.

#### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

#### **Certificates for the Rights Shares**

Subject to the fulfillment or the waiver in whole or in part by the Underwriter of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted by Monday, 18 July 2005 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at their own risk.

#### **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

#### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at their discretion, but on a fair and reasonable basis as far as practicable, and will give preference to topping-up odd lots to whole board lots.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

## **Undertaking of SNP**

As at the date of this announcement, SNP is directly interested in 282,343,988 Shares, representing approximately 70.11% of the issued share capital of the Company. SNP has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, (i) it will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by it pursuant to the terms of the Rights Issue; and (ii) it will not dispose of the Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following:

- (a) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of the Rights Issue Documents in compliance with the Companies Ordinance (and all other documents required to be attached thereto) and the delivery and filing with the Registrar of Companies in Bermuda in accordance with the requirements of the Companies Act of the Rights Issue Documents and otherwise complying with the requirements of the Companies Ordinance, the Companies Act and the Listing Rules;
- (b) the posting on the Posting Date of copies of the Rights Issue Documents to the Qualifying Holders;
- (c) the provisional allotment of the Rights Shares to the Qualifying Shareholders by posting the Rights Issue Documents to such holders no later than the Posting Date as well as the provisional allotment of the Rights Shares, which would be provisionally allotted to the Excluded Shareholders had they been Qualifying Shareholders, to a person nominated by the Company in nil-paid form by no later than the close of business on the Posting Date;
- (d) the Listing Committee of the Stock Exchange granting approval for listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the dates specified in such approval and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (e) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of this announcement) and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (f) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof;
- (g) if required, the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares;
- (h) the Capital Reorganisation becoming effective; and
- (i) SNP having executed and honoured its obligations to take up its proportion of Rights Shares pursuant to its undertaking (see sub-section headed "Undertaking of SNP" above).



In the event that the above conditions (other than conditions (d) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date or in the event that the conditions (d), (f) and (i) have not been satisfied on or before 4.00 p.m. on the Settlement Date (or in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by the Company be borne by the Company.

### **The Underwriting Agreement**

Date: 25 May 2005

Underwriter: Tai Fook Securities Company Limited

Tai Fook Securities Company Limited and its holding company, Tai Fook Securities Group Limited, which, to the best of the Directors' knowledge and information and having made all reasonable enquiries, are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group

Number of existing Shares in issue: 402,726,918 Shares as at the date of this announcement

Number of the Rights Shares: not less than 100,681,729 Rights Shares and not more than 100,767,979 Rights Shares

SNP's entitlement: 70,585,997 Rights Shares

Number of Underwritten Shares: not less than 30,095,732 Underwritten Shares and not more than 30,181,982 Underwritten Shares

Commission: 2.0% of the Subscription Price of the Underwritten Shares

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change of a political, military, financial, economic, exchange control or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (d) any material adverse change in the financial or trading position of the Group as a whole; or
- (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (f) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (g) the imposition of economic or other sanctions, in whatever form directly or indirectly, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group,

and in the absolute opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

### Scenario 1

Assuming none of the outstanding Exercisable Share Options is exercised on or before the Record Date:

|  | As at the date of<br>this announcement |                      | Immediately after<br>completion of<br>the Rights Issue<br>on the assumption<br>as set out in Note 3 |                      | Immediately after<br>completion of<br>the Rights Issue<br>on the assumption<br>as set out in Note 4 |                      |
|--|--|----------------------|---|----------------------|---|----------------------|
|  | No. of Shares                          | %                    | No. of Shares   | %                    | No. of Shares   | %                    |
| SNP  | 282,343,988                            | 70.11                | 352,929,985   | 70.11                | 352,929,985   | 70.11                |
| Mr. Peter, Yang Sze Chen ( <i>Note 1</i> ) | 17,414,867                             | 4.32                 | 21,768,583  | 4.32                 | 17,414,867  | 3.46                 |
| The Underwriter ( <i>Note 2</i> )          | –                                      | –                    | –   | –                    | 30,095,732  | 5.98                 |
| Public Shareholders                        | 102,968,063                            | 25.57                | 128,710,079   | 25.57                | 102,968,063   | 20.45                |
| <b>Total</b>                               | <b><u>402,726,918</u></b>              | <b><u>100.00</u></b> | <b><u>503,408,647</u></b>   | <b><u>100.00</u></b> | <b><u>503,408,647</u></b>   | <b><u>100.00</u></b> |

Notes:

1. Mr. Peter, Yang Sze Chen, the chairman of the Company and an executive Director, is directly interested in 900,000 Shares and indirectly interested in 16,514,867 Shares through Team Long Development Limited, a company wholly owned by Mr. Peter, Yang Sze Chen.
2. Being the underwriter of the Underwritten Shares pursuant to the Underwriting Agreement.
3. Assuming all Shareholders take up their respective provisional allotments of the Rights Shares in full.
4. Assuming (i) none of the Shareholders (save for SNP which takes up the Rights Shares provisionally allotted to it) takes up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders (save for SNP) are taken up by the Underwriter pursuant to the Underwriting Agreement.

### Scenario 2

Assuming all the outstanding Exercisable Share Options are exercised on or before the Record Date:

|  | As at the date of<br>this announcement |                      | Immediately after<br>completion of<br>the Rights Issue<br>on the assumption<br>as set out in Note 4 |                      | Immediately after<br>completion of<br>the Rights Issue<br>on the assumption<br>as set out in Note 5 |                      |
|--|--|----------------------|---|----------------------|---|----------------------|
|  | No. of Shares                          | %                    | No. of Shares   | %                    | No. of Shares   | %                    |
| SNP  | 282,343,988                            | 70.11                | 352,929,985   | 70.05                | 352,929,985   | 70.05                |
| Mr. Peter, Yang Sze Chen ( <i>Note 1</i> ) | 17,414,867                             | 4.32                 | 21,768,583  | 4.32                 | 17,414,867  | 3.46                 |
| Mr. Yeo Chee Tong ( <i>Note 2</i> )        | –                                      | –                    | 140,625   | 0.03                 | 112,500   | 0.02                 |
| The Underwriter ( <i>Note 3</i> )          | –                                      | –                    | –   | –                    | 30,181,982  | 6.00                 |
| Public Shareholders                        | 102,968,063                            | 25.57                | 129,000,704   | 25.60                | 103,200,563   | 20.47                |
| <b>Total</b>                               | <b><u>402,726,918</u></b>              | <b><u>100.00</u></b> | <b><u>503,839,897</u></b>   | <b><u>100.00</u></b> | <b><u>503,839,897</u></b>   | <b><u>100.00</u></b> |

*Notes:*

1. Mr. Peter, Yang Sze Chen, the chairman of the Company and an executive Director, is directly interested in 900,000 Shares and indirectly interested in 16,514,867 Shares through Team Long Development Limited, a company wholly owned by Mr. Peter, Yang Sze Chen.
2. Assuming Mr. Yeo Chee Tong, the chief executive officer of the Company and an executive Director, exercises all his outstanding Exercisable Share Options before the Record Date and continues to hold these Shares up to completion of the Rights Issue.
3. Being the underwriter of the Underwritten Shares pursuant to the Underwriting Agreement.
4. Assuming all Shareholders take up their respective provisional allotments of the Rights Shares in full.
5. Assuming (i) none of the Shareholders (save for SNP which takes up the Rights Shares provisionally allotted to it) takes up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders (save for SNP) are taken up by the Underwriter pursuant to the Underwriting Agreement.

**EXPECTED TIMETABLE**

|  |  |
|--|--|
| Last day of dealings in the Shares on a cum-rights basis   | Monday, 13 June 2005   |
| Commencement of dealings in the Shares on an ex-rights basis   | Tuesday, 14 June 2005  |
| Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue   | 4:00 p.m. on Wednesday, 15 June 2005                                     |
| Register of members closes   | Thursday, 16 June 2005 to Wednesday, 22 June 2005 (both dates inclusive) |
| Special General Meeting  | Wednesday, 22 June 2005  |
| Record Date  | Wednesday, 22 June 2005  |
| Register of members re-opens   | Thursday, 23 June 2005   |
| Despatch of the Rights Issue Documents   | Thursday, 23 June 2005   |
| First day of dealings in nil-paid Rights Shares  | Monday, 27 June 2005   |
| Latest time for splitting nil-paid Rights Shares   | 4:00 p.m. on Wednesday, 29 June 2005                                     |
| Last day of dealings in nil-paid Rights Shares   | Tuesday, 5 July 2005   |
| Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares                             | 4:00 p.m. on Friday, 8 July 2005   |
| Latest time for termination of the Underwriting Agreement  | 4:00 p.m. on Thursday, 14 July 2005                                      |
| Announcement of results of the Rights Issue on newspapers  | Friday, 15 July 2005   |
| Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before | Monday, 18 July 2005   |
| Certificates for the Rights Shares expected to be despatched on or before  | Monday, 18 July 2005   |
| Dealings in fully-paid Rights Shares commence on   | Wednesday, 20 July 2005  |

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders appropriately.



## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

Existing Shares will be dealt with on an ex-rights basis from Tuesday, 14 June 2005. The Rights Shares will be dealt with in their nil-paid form from Monday, 27 June 2005 to Tuesday, 5 July 2005 (both dates inclusive). If prior to 4:00 p.m. Thursday, 14 July 2005 (or such later date as the Underwriter may agree with the Company), the Underwriter terminates the Underwriting Agreement (see sub-section headed "Termination of the Underwriting Agreement" above) or the conditions of the Rights Issue (see sub-section headed "Conditions of the Rights Issue" above) cannot be fulfilled (or, if appropriate, waived), the Rights Issue will not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (or, if appropriate, waived), and any dealings in the Rights Shares in their nil-paid form between Monday, 27 June 2005 to Tuesday, 5 July 2005, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid forms are recommended to consult their own professional advisers.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Company, through its subsidiaries, is principally engaged in the printing of books, magazines, packaging products and pop-up and touch-and-feel books.

The Group had not raised any funds by issue of equity securities of the Company in the 12 months preceding the date of this announcement.

The Rights Issue enables the Company to raise funds for the Group's general working capital and repayment of bank loans while the Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in the Company by participating in the Rights Issue. The Directors also consider that it is in the best interests of the Group and the Shareholders to enlarge the capital base of the Company and increase the number of Shares held by the public Shareholders through the Rights Issue.

The estimated net proceeds of the Rights Issue is approximately HK\$118.8 million (assuming none of the outstanding Exercisable Share Options is exercised on or before the Record Date), which is intended to be used in the following manner:

1. as to approximately HK\$59.4 million for the Group's general working capital; and
2. as to approximately HK\$59.4 million for repayment of existing bank loans.

## **ADJUSTMENT TO THE OPTIONS**

Under the terms of the Share Option Scheme, adjustments to the exercise price or number of the options granted is required upon the completion of the Rights Issue. Such adjustment(s) will be set out in the Company's announcement of results of acceptance of the Rights Issue.

## **THE CAPITAL REORGANISATION**

As at the date of this announcement, the authorized share capital of the Company is HK\$50,000,000, divided into 500,000,000 Shares, of which 402,726,918 Shares are issued and 97,273,082 Shares remain unissued and available for further allotment and issue by the Company.

In order that a sufficient number of unissued Shares are available for the Rights Issue, the Directors propose to increase the authorised share capital of the Company from HK\$50,000,000 to HK\$100,000,000 by the creation of an additional 500,000,000 Shares. An ordinary resolution to this effect will be proposed at the Special General Meeting.

## **GENERAL**

A circular containing, amongst others, details of the Capital Reorganisation and the notice convening the Special General Meeting for approving the Capital Reorganisation will be despatched to the Shareholders as soon as practicable. If the Shareholders approve the Capital Reorganisation at the Special General Meeting, the Company will then send the Prospectus containing details of the Rights Issue to the Qualifying Shareholders, and for information only, to the Excluded Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

## DEFINITIONS

|                             |   |
|-----------------------------|---|
| “Acceptance Date”           | 4:00 p.m. on Friday, 8 July 2005 (or such other time or date as the Underwriter may agree in writing with the Company as the date for acceptance of, and payment for, the Rights Shares)  |
| “associates”                | has the same meaning as ascribed to it under the Listing Rules  |
| “Board”                     | the board of Directors  |
| “Capital Reorganisation”    | the proposed increase in the authorized share capital of the Company from HK\$50,000,000 to HK\$100,000,000 comprising 1,000,000,000 Shares of HK\$0.10 each  |
| “Company”                   | SNP Leefung Holdings Limited (stock code: 623), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange  |
| “Companies Ordinance”       | Companies Ordinance (Chapter 32 of the Laws of Hong Kong)   |
| “Director(s)”               | director(s) of the Company  |
| “EAF(s)”                    | the forms of application for excess Rights Shares   |
| “Excluded Shareholders”     | Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Exercisable Share Options” | outstanding Share Options that are exercisable on or before the Record Date in accordance with the terms of the Share Option Scheme   |
| “Group”                     | the Company and its subsidiaries  |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Listing Rules”             | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “PAL(s)”                    | the provisional allotment letters   |
| “Posting Date”              | Thursday, 23 June 2005 or such other date as the Underwriter may agree in writing with the Company for the despatch of the Right Issue Documents  |
| “PRC”                       | the People’s Republic of China  |
| “Prospectus”                | the prospectus to be issued by the Company in relation to the Rights Issue  |
| “Qualifying Shareholder(s)” | Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than those Excluded Shareholders  |
| “Record Date”               | Wednesday, 22 June 2005, the record date to determine entitlements to the Rights Issue  |
| “Rights Issue”              | the issue of not less than 100,681,729 Rights Shares and not more than 100,767,979 Rights Shares at the Subscription Price on the basis of one Rights Share for every four existing Shares held on the Record Date  |
| “Rights Issue Documents”    | the Prospectus, the PALs and the EAFs   |

|                           |   |
|---------------------------|---|
| “Rights Share(s)”         | new Share(s) to be allotted and issued in respect of the Rights Issue   |
| “Settlement Date”         | Thursday, 14 July 2005, the date being the fourth business day following Friday, 8 July 2005 being the latest time for acceptance of, and payment for, Rights Shares (or such other time or date as the Underwriter and the Company may agree in writing) |
| “Share(s)”                | ordinary share(s) of HK\$0.10 each in the issued capital of the Company   |
| “Share Options”           | options granted by the Company under the Share Option Scheme  |
| “Share Option Scheme”     | the share option scheme adopted by the Company on 28 August 2003  |
| “Shareholder(s)”          | holder(s) of the Shares   |
| “SNP”                     | SNP Corporation Ltd, a company incorporated in Singapore with limited liability, the shares of which are listed on The Singapore Exchange Securities Trading Ltd  |
| “SNP’s Entitlement”       | 70,585,997 Rights Shares which will be provisionally allotted to SNP pursuant to the Rights Issue   |
| “Special General Meeting” | special general meeting of the Company to be convened on a date to be determined by the Board (currently expected to be at or around 10:00 a.m. on Wednesday, 22 June 2005 to approve the Capital Reorganisation  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Subscription Price”      | the subscription price of HK\$1.20 per Rights Share   |
| “Underwriter”             | Tai Fook Securities Company Limited, a licensed corporation to carry on regulated activities 1, 3 and 4 for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Underwriting Agreement”  | the underwriting agreement dated 25 May 2005 entered into between the Company and the Underwriter in relation to the Rights Issue   |
| “Underwritten Shares”     | all the Rights Shares, other than the SNP’s Entitlement, being not less than 30,095,732 Rights Shares and not more than 30,181,982 Rights Shares  |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong   |
| “%”                       | per cent.   |

By Order of the Board  
**SNP Leefung Holdings Limited**  
**Yeo Chee Tong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 25 May 2005

*As at the date hereof, the Board comprises seven directors, of which Mr. Yeo Chee Tong and Mr. Peter, Yang Sze Chen are executive Directors, Mr. Tay Siew Choon is a non-executive Director and Mr. Cheng Wai Wing, Edmund, Mr. John Robert Walter, Mr. Lai Ming, Joseph and Ms. Kan Lai Kuen, Alice are independent non-executive Directors.*

\* *For identification purposes only*

“Please also refer to the published version of this announcement in The Standard”