



[For immediate release]

**VISION GRANDE GROUP HOLDINGS LIMITED
ANNOUNCES MAIN BOARD LISTING DETAILS**

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**OFFERS 80,000,000 NEW SHARES AT
HK\$1.91 – HK\$2.35 PER SHARE
TO RAISE NET PROCEEDS OF APPROXIMATELY HK\$153,000,000**

Investment Highlights

- Huge demand for quality cigarette packaging with unique designs and anti-counterfeiting features in the PRC
- Outstanding financial performance
- Long term and strong strategic relationships with cigarette manufacturers
- Efficient vertical integration
- Advanced technology in product research and development
- High dividend payout ratio: 40% - 60% for FY 2004 and FY 2005

(Hong Kong, 15 March 2004) – Cigarette package printer and laminated paper manufacturer – Vision Grande Group Holdings Limited (“Vision Grande” or the “Group”) – today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”).

Vision Grande will offer 80,000,000 New Shares by way of Placing and Public Offer, comprising 72,000,000 Placing Shares to be placed to professional, institutional and other investors, while the remaining 8,000,000 Shares will be offered to the general public. The price of the Offer Shares will be not more than HK\$2.35 per Share and is expected to be not less than HK\$1.91 per Share. The net proceeds from the Share Offer, after deducting related expenses, are estimated to be approximately HK\$153 million based on an Offer Price of HK\$2.13 per Share (the mid-point of the indicative Offer Price range).

Net proceeds of the Offer will be used, among others, for expanding production facilities for the printing of cigarette packages and manufacturing laminated papers, research and development of new printing and laminating technologies, as well as sales and marketing activities in the PRC.

The Public Offer will open at 9:00 a.m. on 16 March 2004 (Tuesday) and close at 12:00 noon on 19 March 2004 (Friday). Allotment results are expected to be announced on 25 March 2004 (Thursday). Dealings in the shares of Vision Grande on the Main Board of the HKSE are expected to commence on 26 March 2004 (Friday) under the stock code 2300.

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Tai Fook Capital Limited is the Sponsor of the Share Offer, while Tai Fook Securities Company Limited is the Sole Coordinator, Bookrunner and Lead Manager.

Upon listing, the largest shareholder of Vision Grande, Mr Li Wei Bo – Founder and Chairman of the Group, will hold an approximate 73.62% equity interest. The Group is also very honoured to have New World Development Company Limited and Tai Fook Securities Group Limited as strategic investors, which hold equity interests of about 2.98% and 1% respectively. The other public will hold 21.6% equity interest of the Group.

Commenting on this significant move for the Group, **Mr. Li Wei Bo, Chairman of Vision Grande** said, “I am very pleased to witness this important milestone for the Group. Within the short period of 5 years’ time, Vision Grande has established solid foundations in cigarette package printing and laminated paper manufacturing market in the PRC. Upon its listing on the Main Board of the HKSE, Vision Grande’s business expansion will continue to accelerate.”

Vision Grande was established in 1998. It is engaged in the manufacturing of laminated papers and the printing of cigarette packages through the vertically integrated production system of its wholly-owned subsidiary – Victory Honest Industries (Shenzhen) Co., Ltd. (“Victory Shenzhen”) – and its 48% owned associated company – Nanjing Sanlong Packaging Co., Ltd. (“Nanjing Sanlong”).

The Group has achieved outstanding results over the past few years. For the year ended 31 December 2002, the Group recorded a turnover of approximately HK\$190,762,000, representing an increase of 53.7% over 2001. Profit attributable to shareholders increased by 13.3% to about HK\$67,346,000. The Group’s gross profit margin was maintained at about 35%.

The Group expects to achieve a profit of not less than HK\$85,000,000 for the year ended 31 December 2003. Additionally, the Group has committed itself to a dividend payout ratio of 40% to 60% for the years 2004 and 2005.

The Group’s large-scale production lines and manufacturing plants are made up of production facilities purchased from reputable manufacturers around the world. Currently, Victory Shenzhen’s annual production capacity for laminated papers has reached 18,000 tonnes, whereas that of cigarette packages has reached 300,000 cartons. The Group’s associated company – Nanjing Sanlong – doubled its annual production capacity to 600,000 cartons of cigarette packages towards the end of 2003.

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Vision Grande's major customers are mostly large cigarette manufacturers identified by the State Tobacco Monopoly Administration of the PRC for on-going development. Out of the 36 key cigarette manufacturers identified, 6 of them are customers of Victory Shenzhen and Nanjing Sanlong. Through years of commitment and hard work, Victory Shenzhen and Nanjing Sanlong has gained the support and trust of its customers. Nanjing Sanlong, in particular, has built strong strategic relationships with Nanjing Cigarette Factory and Huaiyin Cigarette Factory. It has successfully entered into long term procurement agreements expiring in April 2018 with the two factories, providing fast growing revenues for Nanjing Sanlong.

To maintain its competitiveness, the Group has a strong team of professionals committed to the research and development of unique and advanced printing and laminating technologies. To date, the Group has invented 5 printing and processing technologies. These include sharp calendaring printing, mould-processing holographic text and picture printing, mould-processing holographic text and picture positioning, holographic printing for flexographic method systems, and metallised materials positioning transfer processing. The Group is currently in the process of patenting these technologies. These developments by the Group have not only reduced production costs and improved quality, they have also created new and innovative products with greater emphasis on environmental protection.

Continuing the Group's innovative thinking, Vision Grande will keep on enhancing its research and development capabilities, product qualities and design, as well as the technologies used in production. The Group's objective is to become the leading printer of cigarette packages and manufacturer of laminated papers on the mainland, meeting the huge demand for quality cigarette packages in the PRC market.

Mr. Li Wei Bo concluded, "Leveraging on our strong research and development capabilities, successful vertical integration and solid relationships with our customers, there is no doubt that Vision Grande's business performance will further improve. Along with the huge potential in the PRC cigarette market, Vision Grande will continue to grasp every business opportunity, bringing satisfactory returns to its shareholders."

About Vision Grande

Vision Grande is a fast growing printer of cigarette packages and manufacturer of laminated papers for cigarette packages in the PRC. The Group operates its factory in Shenzhen and a joint venture factory in Nanjing. Possessing expertise in the cigarette industry and in unique printing technologies, the Group has been able to secure strategic relationships with large-scale cigarette manufacturers in the PRC. Furthermore, riding on the synergies brought about by the vertical integration of production in its laminated papers and cigarette packages, Vision Grande has established a solid position in the PRC market within five years.

OFFERING STRUCTURE

Number of Offer Shares	80,000,000 Shares (subject to over-allotment option)
Number of Public Offer Shares	8,000,000 Shares (subject to reallocation)
Number of Placing Shares	72,000,000 Shares (subject to reallocation and over-allotment option)
Offer Price	HK\$1.91 – HK\$2.35 per Share
Market Capitalization	HK\$764 million – HK\$940 million
Forecast Earnings per Share	HK 21.25 cents
P/E Multiple	
- Weighted Average	Approx. 6.94 – 8.54 times
- Fully Diluted	Approx. 8.99 – 11.06 times

USE OF PROCEEDS

The net proceeds from the Share Offer, after deducting related expenses, are estimated to be approximately HK\$153 million based on an Offer Price of HK\$2.13 per share (the mid-point of the indicative Offer Price range). The net proceeds will be utilized as follows:

Expanding production facilities for the printing and manufacturing of cigarette packages and laminated papers (including 1 new laminated paper production line and 2 cigarette package production lines)	Approx. HK\$62 million
Research and development of new printing and laminating technologies	Approx. HK\$15 million
Sales and marketing activities in the PRC	Approx. HK\$15 million
Repayment of bank borrowings	Approx. HK\$25 million
General working capital	Remaining balance

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TRACK RECORD

The following is a summary of the combined audited results of the Group for the financial years 2001, 2002 and the nine months ended 30 September 2003:

HK\$ ' 000	Year ended 31 Dec 2001	Year ended 31 Dec 2002	% change	9 mths ended 30 Sep 2003	Year ended 31 Dec 2003 (Estimated)
Turnover	124,083	190,762	+53.7%	155,932	---
Gross Profit	41,270	66,655	+61.5%	57,010	---
Share of Results after Taxation of Nanjing Sanlong	37,420	34,688	-7.3%	25,211	---
Net Profit	59,443	67,346	+13.3%	53,196	Not less than 85,000
Gross Profit Margin for Laminated Papers	37.2%	38.5%	---	37.2%	---
Gross Profit Margin for Cigarette Packages	3.3%	24.6%	---	35.9%	---

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