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Lee & Man Holding Limited
理文集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 746)

GRANT OF SHARE OPTIONS

This announcement is made in accordance with Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of Lee & Man Holding Limited (the “**Company**”) hereby announces that on 23 April 2010, pursuant to the share option scheme adopted by the Company on 14 December 2001, the Company had granted, subject to shareholder approval, to Mr. Lee Man Yan, an executive director of the Company (the “**Grantee**”) share options (the “**Options**”) to subscribe for an aggregate of 82,500,000 ordinary shares of the Company of HK\$0.10 each (the “**Shares**”).

The grant of the Options was approved by all the independent non-executive directors of the Company on 23 April 2010 pursuant to Rule 17.04(1) of the Listing Rules. As the number of Shares which fall to be issued to the Grantee pursuant to the exercise of the Options in full exceeds 1% of the total issued share capital of the Company, the grant of the Options is subject to the approval by shareholders who are independent of the Grantee and his associates (“**Independent Shareholders**”) at the extraordinary general meeting of the Company convened for the purpose of approving the Options (“**EGM**”) pursuant to the notes to Rules 17.03(4) and 17.04(1) of the Listing Rules. The Grantee and his associates will abstain from voting at the EGM.

The Grantee is entitled to subscribe for 82,500,000 new Shares in the share capital of Company upon full exercise of the Options at an exercise price of HK\$6.69 per share, which represents the higher of (i) the closing price of the Shares of HK\$6.69 per share as stated in the daily quotation sheet issued by the Stock Exchange on 23 April 2010, the date of granting the Options (the “**Date of Grant**”); (ii) the average closing price of the Shares of HK\$6.15 per share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the par value of the Shares of HK\$0.10 per share.

The Options vest , in tranches, over a period commencing 23 April 2011 and ending on 22 April 2015. The Grantee shall pay the Company HK\$1.00 upon acceptance of the Option, subject to Independent Shareholder approval at the EGM.

The aggregate proceeds to be received by the Company upon full exercise of these Options is HK\$551,925,000.

A summary of the material terms of the Options is as follows :

<u>Name</u>	<u>Relationship between Grantee and the Company</u>	<u>Number of Shares subject to the Options</u>
Lee Man Yan	Executive director	82,500,000

Note : Fortune Star Tradings Limited (“Fortune Star”) holds 618,750,000 Shares, comprising 75% of the issued Shares as at the date of this announcement. The Grantee holds a 45% interest in Fortune Star and is therefore, for the purposes of the Securities and Futures Ordinance, deemed to be interested in all the Shares held by Fortune Star. As a term of the grant of the Options, the Grantee has undertaken not to exercise the Options if, immediately after the exercise of the Options, the Company would not comply with the public float requirements under the Listing Rules.

The Options, subject to the Independent Shareholders’ approval at the EGM, will be granted in accordance with the terms of the Share Option Scheme:

Vesting Period and related performance targets

The Options will vest during the period up to and including 22 April 2015. They will be exercisable by the Grantee, in tranches, from 23 April 2011 to 22 April 2015 if the Group achieves the following performance targets:

(i) up to one-third of the Options (i.e. Options for an aggregate of 27,500,000 Shares) will be exercisable from 23 April 2011 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2010 equals or exceeds 115% of the Net Profit for the financial year ended 31 December 2009. The Net Profit for the year ended 31 December 2009 was HK\$233,823,000;

(ii) up to two-thirds of the Options (i.e. Options for an aggregate of 55,000,000 Shares) will be exercisable from 23 April 2012 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2011 equals or exceeds 130% of the Net Profit for the financial year ended 31 December 2009;

(iii) all of the Options (i.e. Options for an aggregate of 82,500,000 Shares) will be exercisable from 23 April 2013 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2012 equals or exceeds 145% of the Net Profit for the financial year ended 31 December 2009;

(iv) to the extent any Options have not become exercisable by 23 April 2014 (i.e. Options for an aggregate of 82,500,000 Shares), they will be exercisable from 23 April 2014 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2013 equals or exceeds 160% of the Net Profit for the financial year ending 31 December 2009.

Reasons for the grant of the Options

The Options are granted, subject to the Independent Shareholders' approval at the EGM, to the Grantee in recognition of his outstanding performance in development and management of the chemical business which has contributed a significant growth in Group's net profit in 2009 and as an incentive for his continuing commitment and contribution to the Group in the future.

By order of the board of
Lee & Man Holding Limited
Ms Wai Siu Kee
Chairman

Hong Kong, 26 April 2010

At the date hereof, the Board comprises four executive Directors, namely Ms Wai Siu Kee, Ms Poon Lai Ming, Mr Lee Man Yan and Mr Kung Phong, and three independent non-executive Directors, namely Mr. Heng Kwoong Seng, Mr Wong Kai Tung, Tony and Mr Wan Chi Keung, Aaron JP.

** For identification only*