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LEEFUNG-ASCO PRINTERS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ONGOING CONNECTED TRANSACTION

The Board refers to the announcement of the Company dated 29 July 2003.

Following the completion of the share purchase agreement on 4 July 2003 between SNP, S.I. Holdings Limited, Randburg Limited and United Rise Investments Limited and the general offer by SNP for all the issued shares of the Company on 29 July 2003, SNP became a substantial shareholder of the Company, holding approximately 76.94% of the issued share capital of the Company.

The Board announces that, on 7 August 2003, the Company has entered into the Agreement with SNP. Pursuant to the Agreement, the Leefung Group has agreed from time to time to buy from and/or sell to the SNP Group the Goods. The sale and purchase will constitute ongoing connected transactions for the Company under the Listing Rules, but is not subject to shareholders' approval requirements.

The Agreement dated 7 August 2003

PARTIES

- (i) SNP
- (ii) the Company

TERMS OF THE AGREEMENT

Under the Agreement, the Leefung Group has agreed to buy from and/or sell to the SNP Group, the Goods in its ordinary course of business, subject to a maximum amount of HK\$20,000,000 per calendar year for a term of 3 years to 31 December 2005, on terms no less favourable than those available to/from independent third parties. As the Agreement lasts for more than 1 year, appropriate announcement will be made pursuant to Rule 14.25(1) of the Listing Rules each year. The Consideration was arrived at after arm's length negotiation between SNP and the Company on normal commercial terms and by references to the sales and purchases of the top five independent third party suppliers and customers respectively of the Leefung Group in 2002. All sales and purchases of Goods will be settled in cash.

Certain customers of the Leefung Group sometimes request for Goods from the Leefung Group which the Leefung Group had, prior to the Agreement, acquired from independent third parties. After the Agreement, the Leefung Group can purchase such Goods from the SNP Group. The type of Goods which the SNP Group is expected to sell to the Leefung Group include handwork related children's books and related products. Certain customers of the SNP Group sometimes request for Goods from the SNP Group which the SNP Group had, prior to the Agreement, acquired from independent third parties. After the Agreement, the SNP Group can purchase such Goods from the Leefung Group. The type of Goods which the Leefung Group is expected to sell to the SNP Group include case-bound books, magazines and paper related products.

As the Consideration is less than 3% of the book value of the net tangible assets of the Company as disclosed in the latest published audited accounts of the Company for the year ended 2002, the transaction falls under Rule 14.25(1) of the Listing Rules. The Company will include details of the sales and purchases in its next published annual report and accounts but no shareholders' approval is required.

RELATIONSHIP BETWEEN THE PARTIES

Following the completion of the share purchase agreement on 4 July 2003 between SNP, S.I. Holdings Limited, Randburg Limited and United Rise Investments Limited and the general offer by SNP for all the issued shares of the Company on 29 July 2003, SNP became a substantial shareholder of the Company, holding approximately 76.94% of the entire issued share capital of the Company, and as such is a connected person of the Company under the Listing Rules. An announcement regarding the public float shareholding was announced on 29 July 2003.

REASONS FOR THE TRANSACTION

The Directors consider that as the SNP Group is a leading regional printing and publishing company based in Singapore with printing operations in Singapore, Malaysia, Thailand, Hong Kong and Australia specialising in, inter alia, children's pop-up and board books, the sales and purchases by the Leefung Group of paper and paper related products to/from the SNP Group will enable, inter alia, the Leefung Group to obtain certain products and at competitive prices.

The Directors, including the independent non-executive Directors, are of the view that the transactions contemplated by the Agreement are entered into on normal commercial terms and in the ordinary and usual course of business of the Company and on terms that are fair and reasonable and in the best interests of the Company and its shareholders as a whole and upon terms no less favourable than those available to or from independent third parties.

The Leefung Group carries on the business of printing of case-bound books, children's books, magazines and packaging products and related services. It has offices in Hong Kong, production facilities in the People's Republic of China and sales agent in the United States of America.

DEFINITIONS

In this Announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Agreement”	the agreement dated 7 August 2003 entered into between SNP and the Company
“Board”	board of director of the Company
“Company”	Leefung-Asco Printers Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Stock Exchange
“Consideration”	the consideration of HK\$20,000,000 per calendar year
“Directors”	the directors of the Company
“Goods”	paper and paper related products such as books and semi-finished printed sheets
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Leefung Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SNP”	SNP Corporation Ltd.
“SNP Group”	SNP and its subsidiaries

By order of the Board
LO KIN CHEUNG
Company Secretary