LEEFUNG-ASCO PRINTERS HOLDINGS LIMITED

(To be renamed as SNP Leefung Holdings Limited)

(Incorporated in Bermuda with limited liability)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2003

The Board of Directors of Leefung-Asco Printers Holdings Limited (the "Company") are pleased to announce the unaudited interim results for the six months ended 30 June 2003 of the Company and its subsidiaries (the "Group") together with the comparative figures for the same period as follows:

Consolidated Profit and Loss Account

	Notes	Six months ended 30 June **2003** **(Unaudited)** ***HK$'000***	2002 (Unaudited) *HK$'000*
Turnover			
Continuing operations		**336,403**	451,635
Discontinuing operations	4	**–**	34,666
		336,403	486,301
Cost of sales		**(261,783)**	(376,533)
Gross profit		**74,620**	109,768
Other revenue		**3,047**	9,178
Distribution costs		**(15,791)**	(17,130)
Administrative expenses		**(42,916)**	(62,823)
Impairment loss of fixed assets	5	**(13,370)**	–
Profit from operations	6	**5,590**	38,993
Finance costs	7	**(1,986)**	(7,006)
Share of results of associates		**1,940**	1,174
Amortisation of goodwill in respect of acquisition of an associate		**(202)**	(201)
Profit before taxation			
Continuing operations		**5,342**	30,526
Discontinuing operations	4	**–**	2,434
		5,342	32,960
Taxation			
Continuing operations		**(4,029)**	(8,868)
Discontinuing operations	4	**–**	(400)
	8	**(4,029)**	(9,268)
Profit before minority interests		**1,313**	23,692
Minority interests		**(141)**	(3,366)
Profit attributable to shareholders		**1,172**	20,326
Interim dividend		**8,055**	8,055
Basic earnings per share	9	**HK 0.29 cents**	HK 5.05 cents
Interim dividend per share		**HK 2 cents**	HK 2 cents

Notes:

1. **Change of the Company Name**

   The Board of Directors are pleased to propose that the English name of the Company is to be changed to "SNP Leefung Holdings Limited" whilst the Chinese name remains unchanged. A special resolution has been passed on the special general meeting of the Company held on 28 August 2003 for the change of name.

2. **Basis of preparation and accounting policies**

   The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The accounting policies and basis of preparation used in preparing the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2002, except for the effect of the adoption of SSAP 12 (Revised) "Income Taxes" ("SSAP 12 (Revised)") as described in the following paragraph.

   In the current period, the Group has adopted, for the first time, SSAP 12 (Revised) " Income Taxes". The principal effect of the implementation of SSAP 12 (Revised) is in relation to the deferred taxation. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively.

   The change in such policy has resulted in a decrease of HK$2,457,000 and HK$2,457,000 in the Group's property revaluation reserve as at 1 January 2002 and 1 January 2003, respectively of which representing the amount of deferred tax liabilities in respect of the property revaluation reserve previously recognised.

3. **Business and geographical segments**

   Business segments

   Segment information of the three operating divisions are as follows:

   Six months ended 30 June 2003

	Continuing Operations		**Discontinuing Operations**			
	Printing of books and magazines ***HK$'000***	**Printing of packaging products** ***HK$'000***	**Financial printing** ***HK$'000***	**Others** ***HK$'000***	**Eliminations** ***HK$'000***	**Total** ***HK$'000***
Segment revenue						
External sales	**302,277**	**34,126**	**–**	**–**	**–**	**336,403**
Inter-segment sales	**–**	**2,730**	**–**	**–**	**(2,730)**	**–**
	302,277	**36,856**	**–**	**–**	**(2,730)**	**336,403**
Result						
Segment result	**39,432**	**(8,157)**	**–**	**–**	**–**	**31,275**
Impairment loss of fixed assets	**–**	**(13,370)**	**–**	**–**	**–**	**(13,370)**
Unallocated corporate expenses						**(12,315)**
Profit from operations						**5,590**
Finance costs						**(1,986)**
Share of results of associates	**596**	**1,344**	**–**	**–**	**–**	**1,940**
Amortisation of goodwill in respect of acquisition of an associate	**(202)**	**–**	**–**	**–**	**–**	**(202)**
Profit before taxation						**5,342**
Taxation						**(4,029)**
Profit before minority interests						**1,313**
Minority interests						**(141)**
Net profit for the period						**1,172**

Six months ended 30 June 2002

	Continuing Operations		Discontinuing Operations			
	Printing of books and magazines *HK$'000*	Printing of packaging products *HK$'000*	Financial printing *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenue						
External sales	325,472	126,163	34,666	–	–	486,301
Inter-segment sales	5,072	4,413	–	–	(9,485)	–
	330,544	130,576	34,666	–	(9,485)	486,301
Result						
Segment result	37,552	10,862	2,443	–	–	50,857
Unallocated corporate expenses						(11,864)
Profit from operations						38,993
Finance costs						(7,006)
Share of results of associates	1,200	–	–	(26)	–	1,174
Amortisation of goodwill in respect of acquisition of an associate	(201)	–	–	–	–	(201)
Profit before taxation						32,960
Taxation						(9,268)
Profit before minority interests						23,692
Minority interests						(3,366)
Net profit for the period						20,326

Geographical segments

	Turnover Six months ended 30 June **2003** **(Unaudited)** ***HK$'000***	2002 (Unaudited) *HK$'000*
Mainland China	**168,322***	270,261
Hong Kong	**23,362**	61,181
	191,684	331,442
United States of America	**103,278**	123,226
United Kingdom	**20,933**	21,984
Other areas	**20,508**	9,649
	336,403	486,301

* The drop in turnover in Mainland China is mainly due to the exclusion of sales contributed by the disposed Shanghai subsidiary for the first half of 2003 (2002: HK$98 million).

Contribution to profit by geographical market has not been presented as the contribution to profit from each market is substantially in line with the overall Group's ratio of profit to turnover.

4. **Discontinuing operations**

   On 2 August 2002, the Company had entered into a sales and purchase agreement with SNP Corporation Ltd pursuant to which the Company procured to dispose the entire interests in Vite Limited, a wholly-owned subsidiary of the Company, for a total consideration of HK$34 million. The principal activity of Vite Limited is financial printing and the segmental information of the subsidiary has been presented in note 3 to the condensed consolidated financial statements. The transaction was duly completed on 8 August 2002. For disclosure purpose, the results of the subsidiary disposed were then classified as discontinuing operations in the profit and loss account.

5. **Impairment loss of fixed assets**

   The Packaging Division in Dongguan has persistently incurred operating losses since 2001 and such adverse operating condition is expected to continue in the near future. The management then conducted a detail assessment of those divisional assets and concluded that the recoverable amount of certain machineries were less than their carrying values due to obsolescence. According to SSAP 31, "Impairment of assets", an impairment loss of HK$13.4 million has been recognised as an expense in the income statement.

6. **Profit from operations**

   The profit from operations has been arrived at after charging:

	Six months ended 30 June **2003** **(Unaudited)** ***HK$'000***	2002 (Unaudited) *HK$'000*
Staff costs, including directors' remuneration	**44,137**	58,478
Provident fund	**524**	940
Less: Forfeited contribution	**–**	(81)
Net contribution	**524**	859
Total staff costs	**44,661**	59,337
Auditors' remuneration	**500**	590
Amortisation of goodwill	**202**	201
Loss on disposal of properties, plant and equipment	**151**	756
Operating leases charges:		
Premises	**283**	1,370
Plant and machinery	**6**	529
	289	1,899
Depreciation	**22,796**	30,513
And after crediting:		
Exchange gain	**581**	47
Rental income	**225**	251
Interest income	**584**	109

7. **Finance costs**

	Six months ended 30 June **2003** **(Unaudited)** ***HK$'000***	2002 (Unaudited) *HK$'000*
Interest on bank borrowings and other loans wholly repayable within five years	**1,833**	7,006
Interest on other loans	**153**	–
	1,986	7,006

8. **Taxation**

The charge comprises of:

	Six months ended 30 June 2003 (Unaudited) *HK$'000*	2002 (Unaudited) *HK$'000*
Current tax:		
Hong Kong	**1,000**	400
Other jurisdictions	**2,514**	8,868
Taxation attributable to the Company and its subsidiaries	**3,514**	9,268
Share of tax attributable to associates	**515**	–
	4,029	9,268

Hong Kong profits tax is calculated at 17.5% (2002: 16%) of the estimated assessable profit for the year. The profits tax rate has been increased with effect from the year of assessment 2003/2004. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. **Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK$1,172,000 for the six months ended 30 June 2003 (2002: HK$20,326,000) and on the weighted average number of 402,726,918 (2002: 402,736,918) shares in issue during the period.

The Company has no dilutive potential shares in issue during the period.

10. **Reserves**

	Share premium (Unaudited) *HK$'000*	Other property revaluation reserve (Unaudited) *HK$'000*	Capital redemption reserve (Unaudited) *HK$'000*	Translation reserve (Unaudited) *HK$'000*	Other reserves (Unaudited) *HK$'000*	Retained profits (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Balance as at 1 January 2003, as previously stated	326,493	14,075	2,515	(4,636)	5,069	325,879	669,395
Recognition of deferred tax liability in respect of reserves recognised	–	(2,457)	–	–	–	–	(2,457)
At 1 January 2003, as restated	326,493	11,618	2,515	(4,636)	5,069	325,879	666,938
Recognition of deferred tax liability in respect of reserves recognised	–	(231)	–	–	–	–	(231)
Net profit for the period ended 30 June 2003	–	–	–	–	–	1,172	1,172
Proposed dividend	–	–	–	–	–	(8,055)	(8,055)
Balance as at 30 June 2003	326,493	11,387	2,515	(4,636)	5,069	318,996	659,824

11. **Comparative figures**

Certain comparative figures have been reclassified to conform with the current period's presentation.

DIVIDEND

The Board has resolved to declare an interim dividend of HK 2 cents per share (six months ended 30 June 2002: HK 2 cents) payable on Tuesday, 30 September 2003, to shareholders whose names appear on the register of members of the Company on Friday, 26 September 2003.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Wednesday, 24 September 2003 to Friday, 26 September 2003, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrars in Tengis Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 September 2003.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

In a challenging business environment for the first half year of 2003, the Company reported a profit of HK$1.1 million after a provision of HK$13.4 million impairment loss on certain machineries for the Packaging Division. The profit attributable to shareholders before impairment loss amounted to HK$14.5 million, representing a decrease of 28% over that of last period.

The primary reason for the decrease in operating profit was largely due to the significant losses incurred by the packaging operation in Dongguan plant. This packaging operation has been suffering losses over the last 2 years, and it continued to incur a direct loss of HK$8 million in the first half year of 2003, comparable to a direct loss of HK$3 million in the corresponding period in 2002. The outbreak of the Iraq War and Severe Acute Respiratory Syndrome ("SARS") made the business development of the new corrugated production line, which was fully installed and went live in September 2002, extremely difficult. At the same time, the ongoing business for Colour Box Department faced severe competition because of excess production capacity around the region. In view of such adverse operating condition, the recoverable amounts of certain machineries were less than their carrying values. According to SSAP 31, "Impairment of assets", a provision for impairment loss of HK$13.4 million against certain obsolete machineries had been made accordingly. Such provision had no cashflow impact on the Company.

At the end of June 2003, Group's sales amounted to HK$336 million, down from HK$486 million last year. After taking into account the divestment of the businesses in last year which helped to contribute HK$133 million sales last period, it represented a decrease in turnover of 3%. The sales to the export market decreased by HK$19 million, representing a drop of 12% over last corresponding period. This was mainly due to the outbreak of Iraq War and SARS in the first half of 2003 which prevented our customers from conducting proof checks in our China-based plants and hence were more cautious in placing their orders. On the other hand, our PRC business was maintaining a stable turnover as compared to that of last corresponding period despite the outbreak of SARS in major cities inside China.

Despite the very challenging and unforeseen environment resulting from Iraq war and SARS, profitability in our core printing operation for books and magazines remained strong due to the continued improvement in operational efficiencies. The overall contribution from this segment increased by HK$1.9 million as compared to last year despite the drop in turnover. This proved our cost control measures implemented last year continued to be effective. For the packaging operation in Dongguan, sales had just increased by HK$5.7 million. However, the significant increase in fixed overheads for the new corrugated production line caused a negative gross margin for the operation as a result of insufficient turnover. These two effects merely offset each other and rendered the gross profit margin for the Group being comparable for both periods which is approximately 22% on turnover.

The finance costs for the Group has significantly dropped by HK$5 million in current period as a result of the exclusion of the finance charges of the Shanghai subsidiary in the first half of 2003 (2002: HK$2.6 million). The restructuring of the long term loans in the second half of 2002, the further fall in interest rates and effective treasury management enabled the Group to benefit from the resulting lower finance costs.

Despite the overall decrease in profitability, the Company's operating cashflow position continued to improve. As reflected by the six months cashflow statement, the operating cashflow has improved from an outflow of HK$3 million to an inflow of HK$39 million for the same periods under review. An interim dividend of HK 2 cents is proposed which is the same as that of last year.

Financial Review

The Group's net assets was generally financed by internal resources through share capital and reserves. As at 30 June 2003, the Group's cash and bank balances amounted to HK$95 million while the total assets and the net assets were approximately HK$1,123 million and HK$ 708 million respectively and were comparable to the balances as at 31 December 2002. The current ratio as at 30 June 2003 has decreased from 1.95 to 1.69 due to the inclusion of declared dividend as current liabilities and the increase in the short term portion of bank borrowings. As at 30 June 2003, the total borrowings from banks include term loans, trust receipts loans, overdrafts amounted to approximately HK$192 million, of which 40.09%, 31.25% and 28.66% were repayable within one year, the second year and the third to five years respectively. Of the total borrowings, approximately HK$2 million was denominated in US dollars and HK$ 190 million was denominated in Hong Kong dollars.

As at 30 June 2003, the Group's net gearing ratio based on total debts to equity was 13.7%, decreased from 15% as at 31 December 2002. The Group currently has aggregate banking facilities of approximately HK$696 million, of which HK$247 million has been utilised as at 30 June 2003. The Group's borrowings are denominated in either Hong Kong dollars or US dollars and principally on a floating rate basis. When appropriate, hedging instruments including swaps are used in managing the interest rate exposure.

Employees policy

At the end of June 2003, the Group employed a total of approximately 80 employees in Hong Kong and a workforce of approximately 2,800 in the PRC.

The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. In addition to salaries, the Group provides staff benefits including medical insurance, contributions to staff's provident fund and discretionary training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the directors and depending upon the financial performance of the Group.

Pledge of assets

As at 30 June 2003, the Group did not pledge any of its investment properties (2002: HK$4 million), land and buildings (2002: HK$185 million) respectively as securities for generating banking facilities granted to the Group.

Contingent liabilities

The Group did not have material contingent liabilities as at the period end dates.

Change of shareholdings

On 17 June 2003, the Company and SNP Corporation Ltd ("SNP") jointly announced that SNP had entered into a Share Purchase Agreement with S.I. Holdings Limited whose entire capital is indirectly owned by Smurfit International B.V. ("Smurfit"), Randburg Limited ("Randburg") and United Rise Investments Limited ("United Rise") to acquire altogether 227,220,495 shares of the Company, representing approximately 56.42% of the existing issued share capital for a total consideration of approximately HK$323 million. The Share Purchase Agreement was duly completed on 4 July 2003. Immediately following the completion, SNP had been obliged under Rule 26 of the Takeovers Code to make a mandatory unconditional cash offer to acquire all the issued shares other than those already owned by SNP and parties acting in concert with it at HK$1.42 per share. The offer period ended on 29 July 2003 with valid acceptances of 82,654,061 shares. Together with the 227,220,495 shares, SNP's total equity interests was 309,874,556 shares, representing approximately 76.94% of the existing issued share capital of the Company. Immediately following the closing of the offer period, SNP procured a placing agent for the placement of shares to independent third parties to ensure that the Company can maintain at least 25% minimum public float as required by the Listing Rules. On 19 August 2003, 39,000,000 shares were being placed and SNP's interests in shares in the Company has decreased to 270,874,556 shares, representing approximately 67.26% of the existing issued shares capital of the Company.

PROSPECTS

With the end of the Iraq War and the problems stemming from SARS in Asia, we witnessed an increase in demand from overseas customers for order fulfilment in the third quarter this year. At the same time, there is a gradual recovery in consumer confidence in the China market and the order level for the PRC business has started to pick up again from July onwards. Concerning the packaging operation in Dongguan, the management team is in the process of formulating a new business strategy with the aim to turn around the operation. The new management team is negotiating with US-based packaging design companies to form strategic alliances for providing packaging solution to US consumer customers in the Southern part of China.

As explained in the Section headed "Change of shareholdings", the Company is now a 67.26% subsidiary company of SNP. SNP is a leading printing and publishing Company based in Singapore with printing operations in Singapore, Malaysia, Thailand, Hong Kong and Australia, etc. The objective of SNP is to build the Company to be a leading regional printing and packaging group with Hong Kong as its headquarter. Together with SNP, there will be operational synergies between the two companies including but not limited to improved purchasing power, cross selling opportunities and centralization of marketing services. Integration work has begun and we are confident that the synergy effects will be evident in the near future. Going forward, in addition to organic growth, the Company will also look into merger and acquisition opportunities in the commercial printing area to support further expansion. We believe that with our solid foundation and committed focus under the leadership of the new management team, the Company is well-equipped to enhance its competitiveness and to meet the new challenges within the marketplace.

Furthermore, in order to improve corporate governance, the Company will start to have quarterly financial reporting. This will provide more timely and transparent information to the investing community. Overall, the Company has a very positive outlook for the second half of the year.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited financial statements for the six months ended 30 June 2003.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the period, except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement and re-election at each annual general meeting of the Company in accordance with the bye-laws of the Company.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE'S WEBSITE

A detailed results announcement containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited will be subsequently published on the Stock Exchange's website in due course.

ACKNOWLEDGEMENT

On behalf of the board, I would like to express my sincere gratitude to all our staff for their dedication, hard work and contribution during the period. In addition, we would like to thank all our shareholders for their support of the Group and our customers for their business.

By Order of the Board
Yeo Chee Tong
Appointed Chief Executive Officer on 8 July 2003

Hong Kong
28 August 2003