

Report of Directors

REPORT OF DIRECTORS

The directors have pleasure in presenting their annual report and the audited financial statements of the Company and of the Group for the year ended 31 December 2003.

CHANGE OF NAME

Pursuant to a special resolution passed on the special general meeting held on 28 August 2003, the name of the Company was changed from "Leefung-Asco Printers Holdings Limited" to "SNP Leefung Holdings Limited" whilst the Chinese name remains unchanged.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries comprise the printing of books, magazines and packaging products.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 45.

An interim dividend of HK2 cents per ordinary share, amounting to approximately HK\$8,055,000, was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK3 cents per ordinary share to the shareholders on the register of members on 18 March 2004 amounting to approximately HK\$12,082,000 and the retention of the remaining profit for the year of HK\$2,360,000.

INVESTMENT PROPERTIES

A surplus of HK\$960,000 arose from the revaluation of the Group's investment properties at 31 December 2003. The surplus is credited to the income statement. Details of this and other movements in the Group's investment properties are set out in note 14 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred expenditure of approximately HK\$52.8 million on additions to property, plant and equipment. Details of these and other movements during the year are set out in note 15 to the financial statements.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 92. This summary does not form part of the audited financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 24 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2003, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$305,093,000, of which HK\$12,082,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$326,493,000, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers accounted for less than 30% of the Group's total turnover for the year. The five largest suppliers accounted for approximately 57% of the Group's total purchases for the year and the largest supplier accounted for approximately 26% of the total purchases.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors own more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Peter, Yang Sze Chen	(Chairman)
Yeo Chee Tong	(appointed as Chief Executive Officer on 8 July 2003)
Alain Raymond Baudant	(resigned as Chief Executive Officer and executive director on 8 July 2003 and 29 July 2003, respectively)
Lo Kin Cheung	(resigned on 29 July 2003)
Stanislaus, Tsao Kwang Ngo	(resigned on 29 July 2003)

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DIRECTORS *(Continued)*

Non-executive directors:

Maria Yang	
Tay Siew Choon	(appointed on 8 July 2003)
Koo Tse Chia	(appointed on 8 July 2003)
Edward, Yeung Yat Ming	(appointed on 9 April 2003 and resigned on 29 July 2003)
Gerard William McGann	(resigned on 29 July 2003)
Ian James Curley	(resigned on 29 July 2003)

Independent non-executive directors:

Walter, Ma King Wah	
Edmund, Cheng Wai Wing	(appointed as non-executive director on 8 July 2003 and designated as independent non-executive director on 30 July 2003)
Kyle Arnold Shaw Junior <i>(Note)</i>	
Anthony John Nevill Russell	(resigned on 1 September 2003)

Note: Mr. Kyle Arnold Shaw Junior was a non-executive director of the Company and was redesignated as independent non-executive director on 30 July 2003.

Pursuant to Clause 89 of the Company's Bye-laws, Mr. Yeo Chee Tong, Mr. Tay Siew Choon, Mr. Edmund, Cheng Wai Wing, Ms. Koo Tse Chia, who were appointed by the Board on 8 July 2003, will retire at the Company's forthcoming Annual General Meeting ("AGM") and, being eligible, offer themselves for re-election.

In accordance with Clause 97 of the Company's Bye-laws, Mr. Walter, Ma King Wah will retire and, being eligible, offer himself for re-election at the AGM.

The non-executive directors are subject to retirement by rotation in the same manner as the executive directors.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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 and United Rise Investments Limited 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 been decreased to 270,874,556 shares, representing approximately 67.26% of the existing issued shares capital of the Company.

DIRECTORS’ INTERESTS IN SHARES AND OPTIONS

As at 31 December 2003, the interests of the directors in the shares and share options of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Cap. 571) (“SFO”)) as recorded in the register maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

(1) Long positions in shares and underlying shares of the Company

(a) Ordinary shares of HK\$0.10 each of the Company

Name of directors	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
Peter, Yang Sze Chen	Beneficial owner	900,000	0.22%
	Held by controlled corporation (<i>Note</i>)	16,514,867	4.10%
		17,414,867	4.32%
Maria Yang	Beneficial owner	11,469,432	2.85%
Kyle Arnold Shaw Junior	Beneficial owner	324,000	0.08%
		29,208,299	7.25%

Note: These shares were held through Team Long Development Limited, a company that was wholly owned by Mr. Peter, Yang Sze Chen.

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(1) Long positions in shares and underlying shares of the Company *(Continued)*

(b) Share options

Name of director	Capacity	Number of share options held	Number of underlying shares
Yeo Chee Tong	Beneficial owner	450,000	450,000

(2) Long positions in shares and underlying shares of the associated corporation of the Company, SNP Corporation Ltd ("SNP")

(a) Ordinary shares of S\$0.50 each of SNP

Name of directors	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
Yeo Chee Tong	Beneficial owner	582,000	0.50%
	Held by spouse	20,000	0.02%
	Held by controlled corporate <i>(Note)</i>	100,000	0.09%
		702,000	0.61%
Edmund, Cheng Wai Wing	Beneficial owner	10,000	0.01%
Koo Tse Chia	Beneficial owner	171,500	0.15%
		883,500	0.77%

Note: These shares were held through tangerine.com Investments Pte Ltd, a company in which Mr. Yeo Chee Tong has 97% shareholdings.

(b) Share options of SNP

Name of directors	Capacity	Number of share options held	Number of underlying shares	Exercise price S\$	Exercisable period
Peter, Yang Sze Chen	Beneficial owner	1,250	1,250	1.31	15 October 2004 to 14 October 2013
		1,250	1,250	1.31	15 October 2005 to 14 October 2013
		1,250	1,250	1.31	15 October 2006 to 14 October 2013
		1,250	1,250	1.31	15 October 2007 to 14 October 2013
		5,000	5,000		

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(2) Long positions in shares and underlying shares of the associated corporation of the Company, SNP Corporation Ltd ("SNP") *(Continued)*

(b) Share options of SNP (Continued)

Name of directors	Capacity	Number of share options held	Number of underlying shares	Exercise price	Exercisable period
				S\$	
Yeo Chee Tong	Beneficial owner	10,000	10,000	0.50	23 April 2002 to 22 April 2011
		10,000	10,000	0.50	23 April 2003 to 22 April 2011
		10,000	10,000	0.50	23 April 2004 to 22 April 2011
		10,000	10,000	0.50	23 April 2005 to 22 April 2011
		10,000	10,000	0.50	11 October 2002 to 10 October 2011
		10,000	10,000	0.50	11 October 2003 to 10 October 2011
		10,000	10,000	0.50	11 October 2004 to 10 October 2011
		10,000	10,000	0.50	11 October 2005 to 10 October 2011
		20,000	20,000	0.71	17 April 2003 to 16 April 2012
		20,000	20,000	0.71	17 April 2004 to 16 April 2012
		20,000	20,000	0.71	17 April 2005 to 16 April 2012
		20,000	20,000	0.71	17 April 2006 to 16 April 2012
		20,000	20,000	0.63	23 October 2003 to 22 October 2012
		20,000	20,000	0.63	23 October 2004 to 22 October 2012
		20,000	20,000	0.63	23 October 2005 to 22 October 2012
		20,000	20,000	0.63	23 October 2006 to 22 October 2012
		20,000	20,000	0.61	15 April 2004 to 14 April 2013
		20,000	20,000	0.61	15 April 2005 to 14 April 2013
		20,000	20,000	0.61	15 April 2006 to 14 April 2013
		20,000	20,000	0.61	15 April 2007 to 14 April 2013
20,000	20,000	1.31	15 October 2004 to 14 October 2013		
20,000	20,000	1.31	15 October 2005 to 14 October 2013		
20,000	20,000	1.31	15 October 2006 to 14 October 2013		
20,000	20,000	1.31	15 October 2007 to 14 October 2013		
		400,000	400,000		
Tay Siew Choon	Beneficial owner	5,000	5,000	0.50	23 April 2002 to 22 April 2011
		5,000	5,000	0.50	23 April 2003 to 22 April 2011
		5,000	5,000	0.50	23 April 2004 to 22 April 2011
		5,000	5,000	0.50	23 April 2005 to 22 April 2011
		50,000	50,000	0.71	17 April 2003 to 16 April 2007
		50,000	50,000	0.61	15 April 2004 to 14 April 2008
		120,000	120,000		
Edmund, Cheng Wai Wing	Beneficial owner	25,000	25,000	0.71	17 April 2003 to 16 April 2007
		30,000	30,000	0.61	15 April 2004 to 14 April 2008
		55,000	55,000		

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(2) Long positions in shares and underlying shares of the associated corporation of the Company, SNP Corporation Ltd ("SNP") *(Continued)*

(b) Share options of SNP (Continued)

Name of directors	Capacity	Number of share options held	Number of underlying shares	Exercise price	Exercisable period
				US\$	
Koo Tse Chia	Beneficial owner	40,000	40,000	0.50	14 April 2000 to 12 April 2009
		70,000	70,000	1.39	30 March 2001 to 28 March 2010
		7,500	7,500	0.50	23 April 2002 to 22 April 2011
		7,500	7,500	0.50	23 April 2003 to 22 April 2011
		7,500	7,500	0.50	23 April 2004 to 22 April 2011
		7,500	7,500	0.50	23 April 2005 to 22 April 2011
		7,500	7,500	0.50	11 October 2002 to 10 October 2011
		7,500	7,500	0.50	11 October 2003 to 10 October 2011
		7,500	7,500	0.50	11 October 2004 to 10 October 2011
		7,500	7,500	0.50	11 October 2005 to 10 October 2011
		12,500	12,500	0.71	17 April 2003 to 16 April 2012
		12,500	12,500	0.71	17 April 2004 to 16 April 2012
		12,500	12,500	0.71	17 April 2005 to 16 April 2012
		12,500	12,500	0.71	17 April 2006 to 16 April 2012
		12,500	12,500	0.63	23 October 2003 to 22 October 2012
		12,500	12,500	0.63	23 October 2004 to 22 October 2012
		12,500	12,500	0.63	23 October 2005 to 22 October 2012
		12,500	12,500	0.63	23 October 2006 to 22 October 2012
		12,500	12,500	0.61	15 April 2004 to 14 April 2013
		12,500	12,500	0.61	15 April 2005 to 14 April 2013
		12,500	12,500	0.61	15 April 2006 to 14 April 2013
		12,500	12,500	0.61	15 April 2007 to 14 April 2013
		12,500	12,500	1.31	15 October 2004 to 14 October 2013
12,500	12,500	1.31	15 October 2005 to 14 October 2013		
12,500	12,500	1.31	15 October 2006 to 14 October 2013		
12,500	12,500	1.31	15 October 2007 to 14 October 2013		
		370,000	370,000		
		950,000	950,000		

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company:

(i) Shares

Name of directors and company in which interest is held	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
(a) Interest in Singapore Technologies Engineering Ltd			
Ordinary shares of S\$0.10 each			
Yeo Chee Tong	Beneficial owner	2,568	0.00%
(b) Interest in ST Assembly Test Services Ltd			
Ordinary shares of S\$0.25 each			
Tay Siew Choon	Beneficial owner	4,000	0.00%
(c) Interest in CapitaLand Limited			
Ordinary shares of S\$1.00 each			
Edmund, Cheng Wai Wing	Held by spouse	28,000	0.00%
(d) Interest in Raffles Holdings Limited			
Ordinary shares of S\$0.50 each			
Tay Siew Choon	Beneficial owner	10,000	0.00%
(e) Interest in Vertex Investment (II) Ltd			
Ordinary shares of US\$1.00 each			
Tay Siew Choon	Beneficial owner	2	0.03%

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(i) Shares (Continued)

Name of directors and company in which interest is held	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
(f) Interest in Vertex Technology Fund Ltd			
Ordinary shares of US\$1.00 each			
Tay Siew Choon	Beneficial owner	20	0.02%
(g) Interest in Vertex Technology Fund (II) Ltd			
Ordinary shares of US\$1.00 each			
Tay Siew Choon	Beneficial owner	500	0.33%
Redeemable preference shares of US\$0.01 each			
Tay Siew Choon	Beneficial owner	500	0.33%
(h) Interest in SembCorp Industries Ltd			
Ordinary shares of S\$0.25 each			
Tay Siew Choon	Beneficial owner	54,598	0.00%
(i) Interest in Singapore Food Industries Limited			
Ordinary shares of S\$0.05 each			
Tay Siew Choon	Held by spouse	531,000	0.11%

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(i) Shares (Continued)

Name of directors and company in which interest is held	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
(j) Interest in Singapore Computer Systems Limited			
Ordinary shares of S\$0.25 each			
Tay Siew Choon	Beneficial owner	271,000	0.18%
	Held by spouse	500,000	0.32%
		771,000	0.50%
(k) Interest in Singapore Airlines Ltd			
Ordinary shares of S\$1.00 each			
Edmund, Cheng Wai Wing	Held by spouse	3,000	0.00%
Koo Tse Chia	Beneficial owner	4,000	0.00%
(l) Interest in Singapore Telecommunications Ltd			
Ordinary shares of S\$0.15 each			
Tay Siew Choon	Beneficial owner	1,680	0.00%
	Held by spouse	1,540	0.00%
		3,220	0.00%
Yeo Chee Tong	Beneficial owner	6,020	0.00%
	Held by spouse	1,740	0.00%
		7,760	0.00%
Koo Tse Chia	Beneficial owner	1,690	0.00%

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(i) Shares (Continued)

Name of directors and company in which interest is held	Capacity	Number of shares held	Percentage of issued share capital as at 31 December 2003
(m) Interest in SMRT Corporation Ltd			
Ordinary shares of S\$0.10 each			
Tay Siew Choon	Beneficial owner	30,000	0.00%
(n) Interest in Hiap Moh Corporation Ltd			
Ordinary shares of S\$0.25 each			
Yeo Chee Tong	Held by spouse	1,750	0.00%
Koo Tse Chia	Beneficial owner	3,500	0.01%

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(ii) Share Options

Name of directors and company in which interest is held	Capacity	Number of share options held	Number of underlying shares	Exercise Price S\$	Exercisable period
(o) Interest in Chartered Semiconductor Manufacturing Ltd					
Tay Siew Choon	Beneficial owner	23,443	23,443	4.26	15 August 2002 to 15 August 2006
		29,304	29,304	3.46	22 February 2003 to 22 February 2007
		234,439	234,439	3.88	1 May 2002 to 1 May 2007
		46,887	46,887	1.86	30 August 2003 to 30 August 2007
		25,000	25,000	0.72	28 February 2004 to 28 February 2008
		35,000	35,000	1.10	29 August 2004 to 29 August 2008
		394,073	394,073		
(p) Interest in CapitaLand Limited					
Tay Siew Choon	Beneficial owner	13,462	13,462	2.54	13 June 2001 to 11 June 2005
		13,463	13,463	2.54	13 June 2002 to 11 June 2005
		13,462	13,462	2.54	13 June 2003 to 11 June 2005
		13,463	13,463	2.54	13 June 2004 to 11 June 2005
		12,500	12,500	2.50	19 June 2002 to 18 June 2006
		12,500	12,500	2.50	19 June 2003 to 18 June 2006
		12,500	12,500	2.50	19 June 2004 to 18 June 2006
		12,500	12,500	2.50	19 June 2005 to 18 June 2006
		10,000	10,000	1.71	11 May 2003 to 10 May 2007
		10,000	10,000	1.71	11 May 2004 to 10 May 2007
		10,000	10,000	1.71	11 May 2005 to 10 May 2007
		10,000	10,000	1.71	11 May 2006 to 10 May 2007
		4,750	4,750	1.02	1 March 2004 to 28 February 2013
		4,750	4,750	1.02	1 March 2005 to 28 February 2013
		4,750	4,750	1.02	1 March 2006 to 28 February 2013
4,750	4,750	1.02	1 March 2007 to 28 February 2013		
		162,850	162,850		

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(ii) Share Options *(Continued)*

Name of directors and company in which interest is held	Capacity	Number of share options held	Number of underlying shares	Exercise Price S\$	Exercisable period
(q) Interest in The Ascott Group Limited					
Tay Siew Choon	Beneficial owner	2,500	2,500	0.37	21 December 2001 to 20 December 2010
		2,500	2,500	0.37	21 December 2002 to 20 December 2010
		2,500	2,500	0.37	21 December 2003 to 20 December 2010
		2,500	2,500	0.37	21 December 2004 to 20 December 2010
		3,000	3,000	0.32	30 June 2002 to 29 June 2011
		3,000	3,000	0.32	30 June 2003 to 29 June 2011
		3,000	3,000	0.32	30 June 2004 to 29 June 2011
		3,000	3,000	0.32	30 June 2005 to 29 June 2011
		3,000	3,000	0.35	5 May 2003 to 4 May 2012
		3,000	3,000	0.35	5 May 2004 to 4 May 2012
		3,000	3,000	0.35	5 May 2005 to 4 May 2012
		3,000	3,000	0.35	5 May 2006 to 4 May 2012
		5,750	5,750	0.32	10 May 2004 to 9 May 2013
		5,750	5,750	0.32	10 May 2005 to 9 May 2013
		5,750	5,750	0.32	10 May 2006 to 9 May 2013
		5,750	5,750	0.32	10 May 2007 to 9 May 2013
		57,000	57,000		
(r) Interest in STT Communication Limited					
Tay Siew Choon	Beneficial owner	25,000	25,000	1.42	19 September 2001 to 18 September 2010
		25,000	25,000	1.42	19 September 2002 to 18 September 2010
		25,000	25,000	1.42	19 September 2003 to 18 September 2010
		25,000	25,000	1.42	19 September 2004 to 18 September 2010
		3,750	3,750	0.92	28 April 2002 to 27 April 2011
		3,750	3,750	0.92	28 April 2003 to 27 April 2011
		3,750	3,750	0.92	28 April 2004 to 27 April 2011
		3,750	3,750	0.92	28 April 2005 to 27 April 2011
		7,500	7,500	0.50	24 November 2002 to 23 November 2011
		7,500	7,500	0.50	24 November 2003 to 23 November 2011
		7,500	7,500	0.50	24 November 2004 to 23 November 2011
		7,500	7,500	0.50	24 November 2005 to 23 November 2011
		20,000	20,000	0.50	29 June 2003 to 28 June 2012
		20,000	20,000	0.50	29 June 2004 to 28 June 2012
		20,000	20,000	0.50	29 June 2005 to 28 June 2012
		20,000	20,000	0.50	29 June 2006 to 28 June 2012
		25,000	25,000	0.57	30 July 2004 to 29 July 2013
		25,000	25,000	0.57	30 July 2005 to 29 July 2013
		25,000	25,000	0.57	30 July 2006 to 29 July 2013
		25,000	25,000	0.57	30 July 2007 to 29 July 2013
		325,000	325,000		

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(ii) Share Options *(Continued)*

Name of directors and company in which interest is held	Capacity	Number of share options held	Number of underlying shares	Exercise Price S\$	Exercisable period
(s) Interest in SembCorp Industries Ltd					
Tay Siew Choon	Beneficial owner	500,000	500,000	2.26	20 May 2001 to 19 May 2009
		125,000	125,000	1.99	27 June 2001 to 26 June 2010
		125,000	125,000	1.99	27 June 2002 to 26 June 2010
		125,000	125,000	1.99	27 June 2003 to 26 June 2010
		125,000	125,000	1.99	27 June 2004 to 26 June 2010
		12,500	12,500	1.55	20 April 2002 to 19 April 2006
		12,500	12,500	1.55	20 April 2003 to 19 April 2006
		12,500	12,500	1.55	20 April 2004 to 19 April 2006
		12,500	12,500	1.55	20 April 2005 to 19 April 2006
		6,250	6,250	1.59	8 May 2003 to 7 May 2007
		6,250	6,250	1.59	8 May 2004 to 7 May 2007
		6,250	6,250	1.59	8 May 2005 to 7 May 2007
		6,250	6,250	1.59	8 May 2006 to 7 May 2007
		6,250	6,250	0.98	18 October 2003 to 17 October 2007
		6,250	6,250	0.98	18 October 2004 to 17 October 2007
		6,250	6,250	0.98	18 October 2005 to 17 October 2007
		6,250	6,250	0.98	18 October 2006 to 17 October 2007
		6,250	6,250	1.14	3 June 2004 to 2 June 2008
		6,250	6,250	1.14	3 June 2005 to 2 June 2008
		6,250	6,250	1.14	3 June 2006 to 2 June 2008
		6,250	6,250	1.14	3 June 2007 to 2 June 2008
		6,250	6,250	1.29	19 November 2004 to 18 November 2008
		6,250	6,250	1.29	19 November 2005 to 18 November 2008
		6,250	6,250	1.29	19 November 2006 to 18 November 2008
		6,250	6,250	1.29	19 November 2007 to 18 November 2008
		1,150,000	1,150,000		

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DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(ii) Share Options (Continued)

Name of directors and company in which interest is held	Capacity	Number of share options held	Number of underlying shares	Exercise Price S\$	Exercisable period
(t) Interest in ST Assembly Test Services Limited					
Tay Siew Choon	Beneficial owner	17,500	17,500	1.99	6 August 2004 to 5 August 2013
		17,500	17,500	1.99	6 August 2005 to 5 August 2013
		17,500	17,500	1.99	6 August 2006 to 5 August 2013
		17,500	17,500	1.99	6 August 2007 to 5 August 2013
		70,000	70,000		
(u) Interest in Singapore Food Industries Limited					
Tay Siew Choon	Beneficial owner	50,000	50,000	0.55	24 August 2002 to 23 August 2005
		50,000	50,000	0.55	24 August 2003 to 23 August 2005
		50,000	50,000	0.55	24 August 2004 to 23 August 2005
		150,000	150,000		
(v) Interest in Singapore Computer Systems Limited					
Tay Siew Choon	Beneficial owner	20,000	20,000	2.20	19 October 2001 to 18 October 2005
		20,000	20,000	2.20	19 October 2002 to 18 October 2005
		20,000	20,000	2.20	19 October 2003 to 18 October 2005
		20,000	20,000	2.20	19 October 2004 to 18 October 2005
		25,000	25,000	2.08	15 March 2002 to 14 March 2006
		25,000	25,000	2.08	15 March 2003 to 14 March 2006
		25,000	25,000	2.08	15 March 2004 to 14 March 2006
		25,000	25,000	2.08	15 March 2005 to 14 March 2006
		18,750	18,750	1.55	8 March 2003 to 7 March 2007
		18,750	18,750	1.55	8 March 2004 to 7 March 2007
		18,750	18,750	1.55	8 March 2005 to 7 March 2007
		18,750	18,750	1.55	8 March 2006 to 7 March 2007
		18,750	18,750	0.86	22 February 2004 to 21 February 2008
		18,750	18,750	0.86	22 February 2005 to 21 February 2008
		18,750	18,750	0.86	22 February 2006 to 21 February 2008
		18,750	18,750	0.86	22 February 2007 to 21 February 2008
		330,000	330,000		

DIRECTORS' INTERESTS IN SHARES AND OPTIONS *(Continued)*

(3) Long positions in shares and underlying shares of other associated corporations of the Company: *(Continued)*

(ii) Share Options (Continued)

Name of directors and company in which interest is held	Capacity	Number of share options held	Number of underlying shares	Exercise Price S\$	Exercisable period
(w) Interest in Green Dot Internet Services Pte Ltd					
Tay Siew Choon	Beneficial owner	4,156	4,156	1.00	12 March 2003 to 11 March 2013
		4,157	4,157	1.00	12 March 2004 to 11 March 2013
		4,157	4,157	1.00	12 March 2005 to 11 March 2013
		4,157	4,157	1.00	12 March 2006 to 11 March 2013
		16,627	16,627		

(iii) Conditional Awards under the Restricted Stock Plan

Name of director and company in which interest is held	Capacity	Number of Share held	Number of underlying shares
(a) Award under Green Dot Capital Restricted Stock Plan			
Interest in Singapore Computer Systems Limited			
Tay Siew Choon	Beneficial owner	400,000	400,000

Other than the interests holdings as disclosed above, none of the directors, chief executives and their associates, had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations at 31 December 2003.

Report of Directors

SHARE CAPITAL AND SHARE OPTIONS

Particulars of the Company's share capital and share option schemes are set out in note 22 and note 23 to financial statements respectively.

The following table discloses details of share options outstanding under 2003 Scheme and movements during the year.

	Number of share options		
	Outstanding at the beginning of year	Granted during year	Outstanding at the end of year
Director			
Yeo Chee Tong	–	450,000	450,000
Employees			
Tan Jin Yan	–	350,000	350,000
Lo Kin Cheung	–	400,000	400,000
Jin Ling	–	150,000	150,000
Chiang Chin Tien	–	150,000	150,000
Other eligible employees	–	460,000	460,000
	–	1,510,000	1,510,000
Total	–	1,960,000	1,960,000

The terms applicable to specific categories of options are set out in note 23 to the financial statements.

The closing price of the Company's shares on 8 October 2003, the day before the date of grant of the share options under 2003 Scheme, was HK\$1.44.

The fair value of the options granted in the current year, measured at the date of grant 9 October 2003, totalled approximately HK\$2,548,000. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

1. an expected volatility of 51%;
2. an expected dividend yield of 3.94%; and
3. the estimated expected life of the options granted during 2003 is four years. The corresponding interest rate of four-year Hong Kong Exchange Fund Notes at the date the options granted was 2.654%.

SHARE CAPITAL AND SHARE OPTIONS *(Continued)*

For the purposes of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited, due to the absence of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessary provide a reliable single measure of the fair value of the share options.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinances shows that the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of ordinary shares	%
SNP	Beneficial owner	270,874,556	67.26
Green Dot Capital Pte Ltd	Held by controlled corporation <i>(Note)</i>	270,874,556	67.26
Singapore Technologies Pte Ltd. ("STPL")	Held by controlled corporation <i>(Note)</i>	270,874,556	67.26
Temasek Holdings (Pte) Ltd	Held by controlled corporation <i>(Note)</i>	270,874,556	67.26

Note: These shares are held through SNP, a company in which Green Dot Capital Pte Ltd, a wholly owned subsidiary of STPL, has 55% shareholding. STPL is a wholly owned subsidiary of Temasek Holdings (Pte) Ltd.

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 31 December 2003.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company, or any of its holding companies, subsidiaries, or fellow subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except for the share option schemes disclosed above, at no time during the year was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

On 4 July 2003, Smurfit disposed its interest in the Company to SNP. During the period from 1 January 2003 to 4 July 2003, the Group purchased fibre based products amounting to approximately HK\$7,580,000 (1.1.2002 – 31.12.2002: HK\$5,786,000) from the group companies of Smurfit. The transactions with the group companies of Smurfit were carried out in the ordinary and usual course of business and on normal commercial terms.

In the opinion of the Company's independent non-executive directors, the transactions were entered into in the ordinary and usual course of the Group's business, conducted on normal commercial terms and were in accordance with the terms of the contracts governing such purchases. The amount of the purchases for the year did not exceed HK\$70,000,000, a condition which was set out in a circular issued by the Company to its shareholders on 30 January 2002.

Other connected party transactions are disclosed in note 32 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2003.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or articles of association or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH THE 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the accounting period covered by the annual report, 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.

AUDIT COMMITTEE

The Company has an audit committee which was established for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The audit committee, comprising two independent non-executive directors, met twice during the financial year. During the meetings, the audit committee reviewed the accounting principles and practices adopted by the Group, the interim and annual reports of the Group, connected transactions and discussed with management the auditing, internal control and financial reporting matters.

AUDITORS

During the year, Messrs. Ernst & Young, who acted as auditors of the Company for last year, resigned and Messrs. Deloitte Touche Tohmatsu were appointed as the auditors of the Company. Except for the period from 1 January 2002 to 31 December 2002, in which Messrs. Ernst & Young acted as the auditors of the Company. Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company for the past three years. A resolution will be proposed at the forthcoming Annual General Meeting of the Company to appoint Messrs. Deloitte Touche Tohmatsu as auditors.

On behalf of the Board



Peter, Yang Sze Chen
Chairman
Hong Kong

26 January 2004