

SNP Leefung Holdings Limited

利豐雅高印刷集團有限公司



04

Interim Report 2004
二零零四年中期業績報告



SNP Leefung Holdings Limited

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INTERIM RESULTS

The Board of Directors of SNP Leefung Holdings Limited (the "Company") is pleased to announce the unaudited interim results for the six months ended 30 June 2004 of the Company and its subsidiaries (the "Group") together with the comparative figures for the same period as follows:

Consolidated Profit and Loss Account

| | <i>Notes</i> | Six months ended 30 June | |
|--|--------------|--|--|
| | | 2004 (Unaudited) <i>HK\$'000</i> | 2003 (Unaudited) <i>HK\$'000</i> |
| Turnover | | 380,829 | 336,403 |
| Cost of sales | | (291,936) | (261,783) |
| Gross profit | | 88,893 | 74,620 |
| Other operating income | | 1,555 | 3,047 |
| Distribution costs | | (31,257) | (21,159) |
| Administrative expenses | | (40,081) | (37,548) |
| Impairment loss recognised in respect of plant and machinery | <i>3</i> | – | (13,370) |
| Profit from operations | <i>4</i> | 19,110 | 5,590 |
| Finance costs | <i>5</i> | (831) | (1,986) |
| Share of results of associates | | 2,654 | 1,940 |
| Amortisation of goodwill arising from the acquisition of an associate | | (202) | (202) |
| Profit before tax | | 20,731 | 5,342 |
| Income tax expenses | <i>6</i> | (3,582) | (4,029) |
| Profit after tax | | 17,149 | 1,313 |
| Minority interests | | (141) | (141) |
| Net profit attributable to shareholders | | 17,008 | 1,172 |
| Interim dividend | | 8,055 | 8,055 |
| Basic earnings per share | <i>7</i> | HK4.22 cents | HK0.29 cents |
| Interim dividend per share | | HK 2 cents | HK 2 cents |

Consolidated Balance Sheet

| | <i>Notes</i> | 30 June 2004 (Unaudited) HK\$'000 | 31 December 2003 (Audited) HK\$'000 |
|--|--------------|--|--|
| Non-current assets | | | |
| Investment properties | | 10,420 | 10,420 |
| Property, plant and equipment | | 517,353 | 530,152 |
| Interests in associates | | 82,124 | 81,386 |
| | | 609,897 | 621,958 |
| Current assets | | | |
| Inventories | | 128,229 | 111,538 |
| Trade receivables | 8 | 246,275 | 244,231 |
| Prepayments, deposits and other receivables | | 37,976 | 35,910 |
| Bank balances and cash | | 84,152 | 80,760 |
| | | 496,632 | 472,439 |
| Current liabilities | | | |
| Trade and bills payables | 9 | 121,025 | 106,130 |
| Other payables and accruals | | 65,268 | 50,863 |
| Tax liabilities | | 8,959 | 8,262 |
| Amount due to SNP Group | | 277 | 1,545 |
| Amounts due to associates | | 13,338 | 17,861 |
| Bank borrowings – due within one year | 10 | 20,000 | 47,000 |
| | | 228,867 | 231,661 |
| Net current assets | | 267,765 | 240,778 |
| Total assets less current liabilities | | 877,662 | 862,736 |
| Non-current liabilities | | | |
| Bank borrowings – due after one year | 10 | 135,000 | 125,000 |
| Deferred tax liabilities | | 13,605 | 13,605 |
| | | 148,605 | 138,605 |
| Minority interests | | 2,410 | 2,410 |
| | | 726,647 | 721,721 |
| CAPITAL AND RESERVES | | | |
| Share capital | 11 | 40,273 | 40,273 |
| Reserves | 12 | 686,374 | 681,448 |
| | | 726,647 | 721,721 |

Condensed Consolidated Cash Flow Statement

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2004 | 2003 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Net cash inflow from operating activities | 39,898 | 39,499 |
| Net cash outflow from investing activities | (6,653) | (26,406) |
| Net cash outflow from financing activities | (29,853) | (12,606) |
| Increase in cash and cash equivalents | 3,392 | 487 |
| Cash and cash equivalents at 1 January | 80,760 | 94,607 |
| Cash and cash equivalents at 30 June | 84,152 | 95,094 |
| Analysis of the balance of cash and cash equivalents | | |
| Bank balances and cash | 84,152 | 95,094 |
| | 84,152 | 95,094 |

Condensed Consolidated Statement of Changes in Equity

| | Six months ended 30 June | |
|--|---------------------------------|--------------------|
| | 2004 | 2003 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Total shareholders equity at 1 January, as previously stated | 721,721 | 721,750 |
| Recognition of deferred tax liability in respect of reserves previously recognised | – | (2,184) |
| Total shareholders equity at 1 January, as restated | 721,721 | 719,566 |
| Net profit for the period | 17,008 | 1,172 |
| Dividend paid | (12,082) | – |
| Dividend declared | – | (12,082) |
| Total shareholders equity at 30 June | 726,647 | 708,656 |

Notes to the Condensed Consolidated Financial Statements

1. 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. The accounting policies and basis of preparation used in preparing the interim financial statements are the same as those adopted in preparing the annual financial statements for the year ended 31 December 2003.

2. Business and geographical segments

(a) Business segments

Segment information of the two operating divisions are as follows:

Six months ended 30 June 2004

| | Printing of books and magazines HK\$'000 | Printing of packaging products HK\$'000 | Eliminations HK\$'000 | Consolidated HK\$'000 |
|--|---|--|--------------------------|--------------------------|
| Segment revenue | | | | |
| External sales | 340,539 | 40,290 | – | 380,829 |
| Inter-segment sales | – | 2,966 | (2,966) | – |
| Total | 340,539 | 43,256 | (2,966) | 380,829 |
| Result | | | | |
| Segment result | 39,448 | (4,171) | – | 35,277 |
| Unallocated corporate expenses | | | | (16,167) |
| Profit from operations | | | | 19,110 |
| Finance costs | | | | (831) |
| Share of results of associates | 1,310 | 1,344 | – | 2,654 |
| Amortisation of goodwill arising from the acquisition of an associate | (202) | – | – | (202) |
| Profit before tax | | | | 20,731 |
| Income tax expenses | | | | (3,582) |
| Profit after tax | | | | 17,149 |
| Minority interests | | | | (141) |
| Net profit attributable to shareholders | | | | 17,008 |

2. Business and geographical segments (continued)

(a) Business segments (continued)

Six months ended 30 June 2003

| | Printing of books and magazines HK\$'000 | Printing of packaging products HK\$'000 | Eliminations HK\$'000 | Consolidated HK\$'000 |
|--|---|--|--------------------------|--------------------------|
| Segment revenue | | | | |
| External sales | 302,277 | 34,126 | – | 336,403 |
| Inter-segment sales | – | 2,730 | (2,730) | – |
| Total | 302,277 | 36,856 | (2,730) | 336,403 |
| Result | | | | |
| Segment result | 39,432 | (8,157) | – | 31,275 |
| Impairment loss recognised in respect of plant and machinery | – | (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 arising from the acquisition of an associate | (202) | – | – | (202) |
| Profit before tax | | | | 5,342 |
| Income tax expenses | | | | (4,029) |
| Profit after tax | | | | 1,313 |
| Minority interests | | | | (141) |
| Net profit attributable to shareholders | | | | 1,172 |

(b) Geographical segments

| | Turnover | |
|------------------------------|---|---------------------------------|
| | Six months ended 30 June 2004 (Unaudited) HK\$'000 | 2003 (Unaudited) HK\$'000 |
| The PRC, excluding Hong Kong | 186,596 | 168,322 |
| Hong Kong | 9,949 | 23,362 |
| | 196,545 | 191,684 |
| The United States of America | 110,586 | 103,278 |
| United Kingdom | 39,020 | 20,933 |
| Australia | 27,403 | 16,225 |
| Other areas | 7,275 | 4,283 |
| | 380,829 | 336,403 |

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.

3. Impairment loss recognised in respect of plant and machinery

The Packaging Division in Dongguan has been incurring operating losses since 2001. In connection to this, the management of the Company conducted a detail assessment of its plant and machinery and concluded that the recoverable amount of certain machineries were less than their carrying values due to obsolescence. Accordingly, an impairment loss of HK\$13.4 million has been recognised as an expense in the income statement in June 2003.

4. Profit from operations

| | Six months ended 30 June | |
|--|--------------------------|-------------|
| | 2004 | 2003 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Profit from operations has been arrived at after charging : | | |
| Staff costs, including directors' remuneration | | |
| – Salaries, wages and other benefits | 46,635 | 42,312 |
| – Retirement benefit scheme contributions, net of forfeited contributions of nil (2003: HK\$14,000) | 2,203 | 2,349 |
| Total staff costs | 48,838 | 44,661 |
| Auditors' remuneration | 538 | 500 |
| Amortisation of goodwill | 202 | 202 |
| Depreciation | 22,409 | 22,796 |
| Exchange loss, net | 664 | – |
| Loss on disposal of properties, plant and equipment | – | 151 |
| Minimum lease payment under operating leases: | | |
| – Land and buildings | 615 | 283 |
| – Plant and machinery | 50 | 6 |
| | 665 | 289 |
| And after crediting: | | |
| Rental income | 141 | 225 |
| Less: outgoings | (12) | (12) |
| Net rental income | 129 | 213 |
| Interest income | 456 | 584 |
| Exchange gain, net | – | 581 |
| Gain on disposal of properties, plant and equipment | 238 | – |

5. Finance costs

| | Six months ended 30 June | |
|--|--------------------------|-------------|
| | 2004 | 2003 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Interest on bank and other borrowings wholly repayable within five years | 831 | 1,986 |

6. Income tax expenses

The charge comprises:

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2004 (Unaudited) HK\$'000 | 2003 (Unaudited) HK\$'000 |
| Current tax: | | |
| Hong Kong | 1,068 | 1,000 |
| Other jurisdictions | 1,781 | 2,514 |
| | 2,849 | 3,514 |
| Share of taxation attributable to associates | 733 | 515 |
| | 3,582 | 4,029 |

Hong Kong profits tax is calculated at 17.5% (2003: 17.5%) of the estimated assessable profit for the period. Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

7. Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$17,008,000 for the six months ended 30 June 2004 (2003: HK\$1,172,000) and on the weighted average number of 402,726,918 (2003: 402,726,918) shares in issue during the period.

No dilutive earnings per share has been presented because the exercise price of the Company's options was higher than the average market price for shares for the current period.

8. Trade receivables

The Group allows different credit periods to its trade customers depending on the type of printing services provided. Credit periods vary from 90 to 180 days in accordance with the industry practice.

An aged analysis of the trade receivables as at 30 June 2004, based on payment due date, and net of allowance, is as follows:

| | 30 June | 31 December |
|----------------------|---------------------------------|-------------------------------|
| | 2004 (Unaudited) HK\$'000 | 2003 (Audited) HK\$'000 |
| Within credit period | 205,623 | 179,354 |
| 0 – 30 days | 27,513 | 31,901 |
| 31 – 60 days | 4,619 | 17,499 |
| 61 – 90 days | 6,187 | 8,492 |
| Over 90 days | 2,333 | 6,985 |
| | 246,275 | 244,231 |

9. Trade and bills payables

An aged analysis of the trade and bills payables as at 30 June 2004, based on payment due date, is as follows:

| | 30 June 2004 (Unaudited) HK\$'000 | 31 December 2003 (Audited) HK\$'000 |
|---------------|--|--|
| 0 – 30 days | 106,485 | 84,555 |
| 31 – 60 days | 8,390 | 10,531 |
| 61 – 90 days | 2,812 | 7,393 |
| 91 – 120 days | 1,837 | 2,641 |
| Over 120 days | 1,501 | 1,010 |
| | 121,025 | 106,130 |

10. Bank Borrowings

| | 30 June 2004 (Unaudited) HK\$'000 | 31 December 2003 (Audited) HK\$'000 |
|--|--|--|
| Unsecured bank loans | 155,000 | 172,000 |
| The above amounts bear interest at prevailing market rates and are repayable as follows: | | |
| Within one year | 20,000 | 47,000 |
| In the second year | 55,000 | 40,000 |
| In the third to fifth years inclusive | 80,000 | 85,000 |
| | 155,000 | 172,000 |
| Less: Amount due for settlement within one year (shown under current liabilities) | (20,000) | (47,000) |
| Amount due for settlement after one year | 135,000 | 125,000 |

11. Share capital

| | No. of shares | Nominal value HK\$'000 |
|------------------------------------|---------------|---------------------------|
| Ordinary shares of HK\$0.10 each | | |
| Authorised: | | |
| At 1 January 2004 and 30 June 2004 | 500,000,000 | 50,000 |
| Issued and fully paid: | | |
| At 1 January 2004 and 30 June 2004 | 402,726,918 | 40,273 |

12. Reserves

| | Share premium (Unaudited) <i>HK\$'000</i> | Property revaluation reserve (Unaudited) <i>HK\$'000</i> | Capital redemption reserve (Unaudited) <i>HK\$'000</i> | Translation reserve (Unaudited) <i>HK\$'000</i> | Reserve fund (Unaudited) <i>HK\$'000</i> | Dividend reserve (Unaudited) <i>HK\$'000</i> | Retained profits (Unaudited) <i>HK\$'000</i> | Total (Unaudited) <i>HK\$'000</i> |
|---|--|--|--|--|---|---|---|---|
| At 1 January 2004 | 326,493 | 11,686 | 2,515 | (4,636) | 5,069 | 12,082 | 328,239 | 681,448 |
| Net profit for the period ended 30 June 2004 | – | – | – | – | – | – | 17,008 | 17,008 |
| Final 2003 dividend paid | – | – | – | – | – | (12,082) | – | (12,082) |
| Proposed 2004 interim dividend | – | – | – | – | – | 8,055 | (8,055) | – |
| At 30 June 2004 | 326,493 | 11,686 | 2,515 | (4,636) | 5,069 | 8,055 | 337,192 | 686,374 |

13. Capital commitments

| | 30 June 2004 (Unaudited) <i>HK\$'000</i> | 31 December 2003 (Audited) <i>HK\$'000</i> |
|---|---|---|
| Contracted but not provided in the financial statement | | |
| – acquisition of property, plant and equipment | 41,825 | 5,356 |
| – acquisition of interests in subsidiaries of SNP Group | 404,100* | – |
| | 445,925 | 5,356 |
| Authorised but not contracted for | | |
| – acquisition of property, plant and equipment | 132 | 35 |
| | 446,057 | 5,391 |

* Please refer to the paragraph “Proposed acquisition of SNP Excel and SNP SPrint (Thailand)” for details.

14. Contingent liabilities

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

15. Related party transactions

- (a) On 4 July 2003, Smurfit International B.V. ("Smurfit") disposed of its interest in the Company to SNP Corporation Ltd ("SNP"). During the six months ended 30 June 2003, the Group purchased fibre based products amounting to approximately HK\$7,580,000 from the group companies of Smurfit. The transactions with the group companies of Smurfit were determined between the Group and the vendor in accordance with the terms of the agreement.
- (b) During the period, the Group paid subcontracting fees amounting to approximately HK\$20,744,000 (six months ended 30 June 2003: HK\$18,374,000) to Beijing SNP Leefung Changcheng Printers Co., Ltd., an indirect 47% owned associate. The subcontracting fees were determined at the rates fairly negotiated between both parties.
- (c) During the period, the Group also entered the following transactions with SNP Group.

| | Six months ended 30 June | |
|-------------------------------|---------------------------------|---------------------------------|
| | 2004 (Unaudited) HK\$'000 | 2003 (Unaudited) HK\$'000 |
| Nature of transactions | | |
| Services fee paid | 470 | – |
| Subcontracting fee paid | 242 | – |
| Sales of goods | 84 | – |

The transactions were carried out at the terms agreed by both parties.

16. 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 HK2 cents per share for the six months ended 30 June 2004 (six months ended 30 June 2003: HK2 cents) payable on Wednesday, 25 August 2004, to shareholders whose names appear on the register of members of the Company on Friday, 20 August 2004.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Wednesday, 18 August 2004 to Friday, 20 August 2004, 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, 17 August 2004.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

For the first half of 2004, the Company reported a turnover of HK\$380.8 million. This represented an increase of 13.2% over 2003's turnover of HK\$336.4 million. The profit attributable to shareholders amounted to HK\$17.0 million which is 17.0% higher than the profit attributable to shareholders before impairment loss of HK\$14.5 million in 2003.

The primary reason for the increase in turnover was largely due to the recovery of overseas market and the new marketing effort developed early this year. The increase in operating profit out-performed the increase in turnover as the performance of the Packaging Division continued to improve and was able to reduce losses during the current period.

At the end of June 2004, Group's sales amounted to HK\$380.8 million, up from HK\$336.4 million last year. The sales to export market increased by HK\$33.9 million, representing an increase of 25.1% over last corresponding period. During the first half year, the Company had successfully set-up new sales forces in Europe and US. This has started to create value for the Company in expanding overseas sales. Our PRC business was maintaining a stable turnover as compared to that of last year. This was primarily due to the fact that our capacity has almost reached saturation. With the effort of the new management team, the turnover of the Packaging Division has achieved a growth of 18.1% as compared to 2003. The overall increase in book and magazine printing has helped to improve the profitability in our core printing operation. However, such improvement was partly offset by the increase in paper prices during the period under review. The overall contribution from this segment maintained at approximately HK\$39.4 million despite the increase in turnover during the period under review. Concerning the Packaging Division, better management has helped to improve efficiency and the losses has been reduced by HK\$3.9 million. The finance costs for the Group has further dropped by HK\$1.2 million in current period. This was the result of better treasury management and the entitlement of better credit rating for being a SNP group company.

As reflected by the six months cashflow statement, the operating cash inflow remained strong at HK\$39.9 million (2003: HK\$39.5 million) for the same period under review. With the improvement in profitability, the Company's operating cashflow position continued to improve. An interim dividend of HK2 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 2004, the Group's cash and bank balances amounted to HK\$84.2 million while the total assets and the net assets were approximately HK\$1,106.5 million (31 December 2003: HK\$1,094.4 million) and HK\$726.6 million (31 December 2003: HK\$721.7 million) respectively. The current ratio as at 30 June 2004 was 2.17 which was comparable to 2.04 at 31 December 2003. As at 30 June 2004, the total borrowings from banks including term loans amounted to approximately HK\$155 million, of which 12.9%, 35.5% and 51.6% were repayable within the first year, the second year and the third to fifth years respectively. Of the total borrowings, all of the borrowings were denominated in Hong Kong dollars and are principally on a floating rate basis. When appropriate, hedging instruments including swaps are used in managing the interest rate exposure.

The Group's net gearing ratio based on net debts to equity has improved from 13% as at 31 December 2003 to 9.7% at 30 June 2004. In view of the Group's ability to generate cash from its operations, together with approximately HK\$423.3 million unutilized bank facilities at 30 June 2004, the Board considers that the Group has sufficient financial resources to finance future capital expenditure plans.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

Employees policy

At the end of June 2004, 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 2004, the Group did not pledge any of its investment properties (2003: nil), land and buildings (2003: nil) respectively as securities for generating banking facilities granted to the Group.

Proposed acquisition of SNP Excel and SNP SPrint (Thailand)

On 3 May 2004, the Company and the holding company, SNP Corporation Ltd ("SNP"), has entered into two Acquisition Agreements pursuant to which the Company conditionally agreed to acquire the entire issued share capital of SNP Excel United Company Limited ("Excel"), approximately 94.93% of the voting issued share capital of SNP SPrint (Thailand) Co., Ltd ("SPrint") and approximately 98.93% of the voting issued share capital of CTT & Associates Limited ("CTT") from SNP for a total consideration of S\$88 million (equivalent to approximately HK\$404.1 million). Both Excel and SPrint are principally engaged in the production of pop-up and touch-and-feel books. CTT's sole asset is its shareholding of common and preference shares in the issued share capital of SPrint. For the year ended 31 December 2003, Excel recorded an audited consolidated net profit of approximately HK\$34.1 million and SPrint recorded an audited net profit of approximately Baht45.3 million (equivalent to approximately HK\$8.5 million). The consideration for the Acquisition of S\$88 million (equivalent to approximately HK\$404.1 million) represents an effective price-earnings multiple of approximately 9.5 times of the combined audited net profit of Excel and SPrint for the year ended 31 December 2003 of approximately HK\$42.6 million.

Since the aggregate audited consolidated profits of the Acquired Companies (including Excel, SPrint and CTT collectively) for the year ended 31 December 2003 exceeds 100% of the audited consolidated profits of the Company for the year ended 31 December 2003, the Acquisition constitutes a very substantial acquisition pursuant to Rule 14.06(5) of the Listing Rules. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has indicated to the Company that it will treat the Company as a new listing applicant pursuant to the Listing Rules if the Acquisition proceeds. A new listing application in respect of the Acquisition has been made to the Listing Committee of the Stock Exchange.

As SNP is the controlling shareholder of the Company, the Acquisition also constitutes a connected transaction pursuant to Rule 14A.13 of the Listing Rules and is conditional upon approval by the Independent Shareholders at a special general meeting.

The Circular containing the detailed information of the acquisition is required to be dispatched to the shareholders within 21 days after publication of the Announcement dated 3 May 2004 under Rule 14.38 of the Listing Rules. Application has been made to the Stock Exchange by the Company for the extension of the time for the dispatch of the Circular to within 7 days of the date on which the Listing Committee approves the Company's new listing application. As of the date of this report, the Listing Committee is still processing the new listing application of the Company.

PROSPECTS

The recovery of the export markets is expected to continue in the second half year. With our fully integrated sales force, increase in demand from overseas customers is expected in the third quarter this year. Concerning our PRC business, the Company has already contracted new printing machines to further increase our production capacity. The installation of those new printing machines will be finished in the fourth quarter and the benefit will be realized in early 2005. Due to better operational management, the Packaging Division should be able to continue its improvement in its bottom line in the second half year. As explained in the section headed "Proposed Acquisition of SNP Excel and SNP SPrint (Thailand)", the Company is in the process of expanding the scope of business into pop-up books and touch-and-feel books. The objective of the acquisition is to build the Company to be a leading regional printing and packaging group with Hong Kong as its headquarters. Following the acquisition, there will be operational synergies between the existing export business and the acquired companies. At the same time, the acquisition will enable the Company to become one of the largest pop-up book printers in the world. Overall, the management is optimistic about the future development of the Company.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at 30 June 2004, 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 Mode 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 |
|----------------------|---|-----------------------|------------------------------------|
| Yang Sze Chen, Peter | Beneficial owner Held by controlled corporation (<i>Note 1</i>) | 900,000 | 0.22% |
| | | 16,514,867 | 4.10% |
| | | 17,414,867 | 4.32% |
| Kyle Arnold Shaw Jr. | Beneficial owner | 324,000 | 0.08% |
| | | 17,738,867 | 4.40% |

Note:

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

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

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

(b) Share options of the Company

| 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 |
|------------------------|------------------|-----------------------|------------------------------------|
| Yeo Chee Tong | Beneficial owner | 870,553 | 0.75% |
| | Held by spouse | 20,000 | 0.02% |
| | | 890,553 | 0.77% |
| Edmund, Cheng Wai Wing | Beneficial owner | 35,000 | 0.03% |
| | | 925,553 | 0.80% |

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

| 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 | 1.29 | 15 October, 2004 to 14 October, 2013 |
| | | 1,250 | 1,250 | 1.29 | 15 October, 2005 to 14 October, 2013 |
| | | 1,250 | 1,250 | 1.29 | 15 October, 2006 to 14 October, 2013 |
| | | 1,250 | 1,250 | 1.29 | 15 October, 2007 to 14 October, 2013 |
| | | 5,000 | 5,000 | | |
| 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 | 0.69 | 17 April, 2003 to 16 April, 2012 |
| | | 20,000 | 20,000 | 0.69 | 17 April, 2004 to 16 April, 2012 |
| | | 20,000 | 20,000 | 0.69 | 17 April, 2005 to 16 April, 2012 |
| | | 20,000 | 20,000 | 0.69 | 17 April, 2006 to 16 April, 2012 |
| 20,000 | 20,000 | 0.61 | 23 October, 2003 to 22 October, 2012 | | |

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 S\$ | Exercisable period |
|-------------------|------------------|------------------------------|-----------------------------|--------------------|--------------------------------------|
| Yeo Chee Tong | Beneficial owner | 20,000 | 20,000 | 0.61 | 23 October, 2004 to 22 October, 2012 |
| | | 20,000 | 20,000 | 0.61 | 23 October, 2005 to 22 October, 2012 |
| | | 20,000 | 20,000 | 0.61 | 23 October, 2006 to 22 October, 2012 |
| | | 20,000 | 20,000 | 0.59 | 15 April, 2004 to 14 April, 2013 |
| | | 20,000 | 20,000 | 0.59 | 15 April, 2005 to 14 April, 2013 |
| | | 20,000 | 20,000 | 0.59 | 15 April, 2006 to 14 April, 2013 |
| | | 20,000 | 20,000 | 0.59 | 15 April, 2007 to 14 April, 2013 |
| | | 20,000 | 20,000 | 1.29 | 15 October, 2004 to 14 October, 2013 |
| | | 20,000 | 20,000 | 1.29 | 15 October, 2005 to 14 October, 2013 |
| | | 20,000 | 20,000 | 1.29 | 15 October, 2006 to 14 October, 2013 |
| | | 20,000 | 20,000 | 1.29 | 15 October, 2007 to 14 October, 2013 |
| | | 20,000 | 20,000 | 1.19 | 21 April, 2005 to 20 April, 2014 |
| | | 20,000 | 20,000 | 1.19 | 21 April, 2006 to 20 April, 2014 |
| | | 20,000 | 20,000 | 1.19 | 21 April, 2007 to 20 April, 2014 |
| | | 20,000 | 20,000 | 1.19 | 21 April, 2008 to 20 April, 2014 |
| | | | | 480,000 | 480,000 |

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 S\$ | Exercisable period |
|------------------------|------------------|------------------------------|-----------------------------|-----------------------|----------------------------------|
| 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 | 0.69 | 17 April, 2003 to 16 April, 2007 |
| | | 50,000 | 50,000 | 0.59 | 15 April, 2004 to 14 April, 2008 |
| | | 70,000 | 70,000 | 1.19 | 21 April, 2005 to 20 April, 2009 |
| | | 190,000 | 190,000 | | |
| Edmund, Cheng Wai Wing | Beneficial owner | 30,000 | 30,000 | 0.59 | 15 April, 2004 to 14 April, 2008 |
| | | 50,000 | 50,000 | 1.19 | 21 April, 2005 to 20 April, 2009 |
| | | 80,000 | 80,000 | | |
| John Robert Walter | Beneficial owner | 30,000 | 30,000 | 0.50 | 23 April, 2002 to 22 April, 2006 |
| | | 30,000 | 30,000 | 0.69 | 17 April, 2003 to 16 April, 2007 |
| | | 30,000 | 30,000 | 0.59 | 15 April, 2004 to 14 April, 2008 |
| | | 50,000 | 50,000 | 1.19 | 21 April, 2005 to 20 April, 2009 |
| | | 140,000 | 140,000 | | |
| | | 895,000 | 895,000 | | |

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 30 June 2004 |
|---|------------------|-----------------------|---|
| (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 Raffles Holdings Limited | | | |
| Ordinary shares of S\$0.50 each | | | |
| Tay Siew Choon | Beneficial owner | 10,000 | 0.00% |
| Wong Kwong Shing, Frank | Beneficial owner | 5,000 | 0.00% |
| (d) Interest in Vertex Investment (II) Ltd | | | |
| Ordinary shares of US\$1.00 each | | | |
| Tay Siew Choon | Beneficial owner | 2 | 0.03% |
| (e) Interest in Vertex Technology Fund Ltd | | | |
| Ordinary shares of US\$1.00 each | | | |
| Tay Siew Choon | Beneficial owner | 20 | 0.02% |

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 30 June 2004 |
|---|------------------|-----------------------|---|
| (f) 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% |
| (g) Interest in SembCorp Industries Ltd | | | |
| Ordinary shares of S\$0.25 each | | | |
| Tay Siew Choon | Beneficial owner | 54,598 | 0.00% |
| (h) Interest in Singapore Food Industries Limited | | | |
| Ordinary shares of S\$0.05 each | | | |
| Tay Siew Choon | Beneficial owner | 100,000 | 0.02% |
| | Held by spouse | 531,000 | 0.11% |
| | | 631,000 | 0.13% |
| (i) 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% |

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 30 June 2004 |
|---|------------------|-----------------------|---|
| (j) 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% |
| (k) Interest in SMRT Corporation Ltd | | | |
| Ordinary shares of S\$0.10 each | | | |
| Tay Siew Choon | Beneficial owner | 30,000 | 0.00% |
| (l) Interest in Telechoice International Limited | | | |
| Ordinary shares of S\$0.02 each | | | |
| Tay Siew Choon | Beneficial owner | 60,000 | 0.01% |
| Yeo Chee Tong | Beneficial owner | 9,000 | 0.00% |
| | | 69,000 | 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 |
|---|------------------|------------------------------|-----------------------------|--------------------|--|
| (a) 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 |
| | | 60,000 | 60,000 | 1.70 | 27 February, 2005 to 27 February, 2009 |
| | | 454,073 | 454,073 | | |

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 |
|---|------------------|------------------------------|------------------------------------|--------------------|------------------------------------|
| (b) 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 | | |

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 |
|---|------------------|------------------------------|-----------------------------|--------------------|--|
| (c) 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 | | |

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 |
|---|------------------|------------------------------|-----------------------------|--------------------|--|
| (d) 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 |
|---|------------------|------------------------------|--------------------------------------|--------------------|--------------------------------------|
| (e) 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 | | |

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 |
|--|------------------|------------------------------|-----------------------------|--------------------|--|
| (e) Interest in SembCorp Industries Ltd <i>(continued)</i> | | | | | |
| | | 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 | | |
| (f) 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 |
| | | 35,000 | 35,000 | 1.91 | 17 February, 2005 to 16 February, 2014 |
| | | 105,000 | 105,000 | | |
| (g) Interest in Singapore Food Industries Limited | | | | | |
| Tay Siew Choon | Beneficial owner | 50,000 | 50,000 | 0.55 | 24 August, 2004 to 23 August, 2005 |
| | | 50,000 | 50,000 | | |

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 |
|---|------------------|------------------------------|----------------------------------|--------------------|--|
| (h) 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 |
| 18,750 | 18,750 | 0.84 | 30 April, 2005 to 29 April, 2009 | | |
| 18,750 | 18,750 | 0.84 | 30 April, 2006 to 29 April, 2009 | | |
| 18,750 | 18,750 | 0.84 | 30 April, 2007 to 29 April, 2009 | | |
| 18,750 | 18,750 | 0.84 | 30 April, 2008 to 29 April, 2009 | | |
| | | 405,000 | 405,000 | | |

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 |
|---|------------------|------------------------------|-----------------------------|--------------------|----------------------------------|
| (i) 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 |
| | | 2,616 | 2,616 | 1.00 | 1 April, 2004 to 31 March, 2014 |
| | | 2,616 | 2,616 | 1.00 | 1 April, 2005 to 31 March, 2014 |
| | | 2,617 | 2,617 | 1.00 | 1 April, 2006 to 31 March, 2014 |
| | | 2,617 | 2,617 | 1.00 | 1 April, 2007 to 31 March, 2014 |
| | | 27,093 | 27,093 | | |

(iii) Conditional Awards under the Restricted Stock Plan

| Name of director and company in which interest is held | Capacity | Number of shares 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 30 June 2004.

SHARE OPTIONS SCHEME

2003 Scheme

A share option scheme (the “2003 Scheme”) of the Company was adopted on 28 August 2003 for the purpose of providing incentives and rewards to eligible participants, including the executive directors of the Company, who contribute to the success of the Group’s operations.

The Board of Directors of the Company may, at their discretion, grant options to the eligible participant including any employee, officer, director or consultant of the Group. The maximum number of shares of the Company which may be issued upon exercise of all options granted under its 2003 Scheme or any other share option scheme adopted by the Company must not exceed 30% of its issued share capital from time to time. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders’ approval in a general meeting of the Company.

At 30 June 2004, the number of shares of the Company in respect of which options had remained outstanding under the 2003 Scheme of the Company was 1,960,000, representing 0.49% of the shares of the Company in issue at that date.

The following table discloses the details of the share options under 2003 Scheme held by a director and employees and the movements in such holdings during the six months ended 30 June 2004:

| | Date of grant | Number of share options | | Exercise price per share HK\$ |
|-------------------------------|----------------|-------------------------|---------------------------|----------------------------------|
| | | Outstanding at 1.1.2004 | Outstanding at 30.06.2004 | |
| A director, Mr. Yeo Chee Tong | 9 October 2003 | 450,000 | 450,000 | 1.45 |
| Employees | 9 October 2003 | 1,510,000 | 1,510,000 | 1.45 |
| | | 1,960,000 | 1,960,000 | |

The options granted may be exercised in accordance with the terms of the relevant scheme as to:

- (i) 25% of the options will be exercisable after the expiry of 12 months from the date of grant (the “First Exercise Date”);
- (ii) 25% of the options will be exercisable after the expiry of each successive 12 months period from the First Exercise Date; and
- (iii) the options will expire on 8 October 2013.

During the period under review, no share option has been granted or exercised under the 2003 scheme.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2004, 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 | 282,343,988 | 70.11 |
| Green Dot Capital Pte Ltd | Held by controlled corporation (<i>Note</i>) | 282,343,988 | 70.11 |
| Singapore Technologies Pte Ltd. ("STPL") | Held by controlled corporation (<i>Note</i>) | 282,343,988 | 70.11 |
| Temasek Holdings (Pte) Ltd | Held by controlled corporation (<i>Note</i>) | 282,343,988 | 70.11 |

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

Other than as disclosed above, the Company has not been identified of any other interests or short position in the issued share capital of the Company as at 30 June 2004.

AUDIT COMMITTEE

The audit committee, comprising three independent non-executive directors, has reviewed with management the accounting principles and practices adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2004.

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 six months ended 30 June 2004.

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 interim 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.

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

Executive Director and Chief Executive Officer

Hong Kong
15 July 2004



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