

Immediate Release

## **Leeport (Holdings) Limited Announced 2003 Annual Results Turnover and Profit Attributable to Shareholders Increased 15% and 10% Respectively**

(Hong Kong, 28 March 2004) – Leeport (Holdings) Limited (“Leeport”/the “Group”) (Stock code: 387), principally engaged in the distribution of advanced manufacturing equipment and precision tools for manufacturing industry, announced its annual results for the year ended 31 December 2003. During the period under review, the Group’s turnover increased 15% to HK\$ 519,675,000 (2002: HK\$ 451,967,000) and the profit attributable to shareholders increased 10% to HK\$ 31,028,000 (2002: HK\$ 28,204,000).

The Directors recommended a final dividend of HK 9 cents per ordinary share, totally HK\$ 18,000,000, for the year ended 31 December 2003.

Mr. Joseph Lee, Chairman and Managing Director of Leeport, said, “We are delighted to present the first annual results since our listing in July 2003. Despite the Iraq war and SARS outbreak in early 2003, the Group recorded steady growth during the year under review. Backed by our proven track record in over 37 years and the well-established distribution network, the Group continued to strengthen its foothold in the PRC and Hong Kong market. The Group will thrive on the burgeoning potential of the PRC market and strive for excellence in the provision of manufacturing technology equipment.”

During the period under review, the PRC market overtook Hong Kong to become the Group’s largest market. Turnover from the PRC market accounted for 46% of the Group’s total turnover whereas Hong Kong accounted for 44%. The business from Eastern China continued to show significant growth, demonstrating a growth of 31% in the year.

In early September 2003, the Group set up a joint venture “Leeport Metrology Corporation” in partnership with Mitutoyo Corporation (“Mitutoyo”), the world’s largest manufacturer in precision measuring instruments. With an asset value of US\$ 7 million, the joint venture not only fostered closer ties between the two companies after 36 years’ collaboration, and marked a quantum leap for the Group to penetrate into the PRC precision measuring instruments market. Thanks to the establishment of the joint venture, the Group’s precision measuring instruments notched 31% increase in turnover compared with last year.

Mr. Lee added, “The PRC is favourably positioned as the “World Production Centre” to create soaring investment in manufacturing facilities. More and more world-class manufacturers have relocated their production base in the PRC. The Group has already established a strong presence in the PRC market and will forge ahead to expand its operations to embrace the enormous business opportunities in the PRC.”

In anticipation of the growing demand in machine tools and electronic equipments since the second half of 2003, the Group will bolster the sales and marketing force to expand its market share in the PRC. The Group will augment its geographic reach to set up new offices spanning across the PRC, including Shenzhen, Suzhou, Wuhan and Dalian in 2004. The Group will also expand its operation in Taiwan and Southeast Asia which have staged steady economy recovery.

The fast-growing automobile industry in the PRC will unfold enormous business opportunities for the Group to tap on. The Group's wide range of product lines, including CNC machining centres and lathes, cutting tools, measuring instruments, product design and electronic equipment, are well-positioned to cater to the growing needs for the making of metal parts, moulds and electronic components in the automobile industry.

Following the Closer Economic Partnership Agreement ("CEPA") signed between the PRC and Hong Kong, the Group is actively exploring opportunities to set up new trading company in the PRC market to improve the profit margin for the sale and distribution of our equipment. The Group will also look into the possibility of equipment manufacturing in collaboration with world-class suppliers to enjoy lower production cost due to our proximity to the PRC market. This will enhance the competitiveness of the products which the Group represents in the region.

Mr. Lee concluded, "Looking ahead, the Group will not only continue to strengthen its presence in the PRC, but also vault towards product and market diversification. Against a backdrop of tremendous opportunities after PRC's entry into WTO and CEPA, we are highly optimistic that the Group will reach new heights in the coming years and bring significant returns to shareholders."

**About Leeport (Holdings) Limited (Stock Code: 387)**

Established in 1967, Leeport is principally engaged in the trading and installation of machine tools and related products, as well as equipment for the electronics industry. Over the years, Leeport has established long-term relationships with reputable leading global suppliers to provide a wide range of products and services. Leeport is committed to supplying advanced equipment and manufacturing solutions and providing quality customer services. In September 2003, Leeport partnered with Mitutoyo Corporation to form a joint venture "Leeport Metrology Corporation" with asset value of US\$ 7 million to penetrate into the PRC precision measuring instruments market.

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Issued by PR ASIA Consultants Limited on behalf of Leeport (Holdings) Limited.

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