



LEEPORT (HOLDINGS) LIMITED

力豐(集團)有限公司

Immediate Release

Leeport (Holdings) Limited Announced 2004 Annual Results Net Profit Increased by 40%

Key Highlights

- Turnover up 27.2% to HK\$ 661,266,000
- Net profit attributable to shareholders up 40% to HK\$ 43,451,000
- Final dividend is HK 7 cents and the total dividend for the year will be HK 13 cents per share
- Continuous business growth driven by the strong demand of manufacturing equipment and related products in the PRC market
- 4,000 sq.m. new showroom and technical centre in Shenzhen to commence operation in mid-2005

(Hong Kong, 18 April 2005) – Leeport (Holdings) Limited (“Leeport”/the “Group”) (Stock code: 387), which is principally engaged in the distribution of advanced manufacturing equipment and precision tools for manufacturing industry, today announced its annual results for the year ended 31 December 2004. Turnover and net profit attributable to shareholders were HK\$ 661,266,000 and HK\$ 43,451,000 respectively (2003: turnover of HK\$ 519,675,000 and net profit attributable to shareholders of HK\$ 31,028,000). Basic earning per share was HK 21.73 cents compared with HK 17.42 cents last year.

The Directors recommended a final dividend payment of HK 7 cents per share for the year ended 31 December 2004. (2003: HK 9 cents per share). Together with the interim dividend per share of HK 6 cents, the total dividend for the year will be HK 13 cents per share (2003: HK 9 cents).

Mr. Joseph Lee, Chairman and Managing Director of Leeport, said, “The Group recorded an encouraging business performance in 2004. The growth was mainly attributable to strong demand of manufacturing equipment and related products in the PRC market. The Group’s core competencies, including 38 years of experience in the industry and well-established presence in the PRC and Hong Kong, had earned its position as one of the leading companies in providing manufacturing equipment. There are enormous growth opportunities for our Company in the PRC market.”

Business Overview

The PRC becomes the biggest consumer and importer of machine tools in the world and it recorded US\$ 9,260 million and US\$ 5,780 million respectively in 2004, representing a year-on-year growth of 37% and 39% respectively. The strong demand in the PRC led to the sales growth of the Group’s products across different industries. Electronics and mold-making industries were the two largest customer groups, with each constituting 29% and 25% of the Group’s total turnover respectively. Other significant sales came from industrial machinery, automobile, switchgear, lifts and home-appliance manufacturers.

During the year under review, the PRC and Hong Kong were still the core markets. Year-on-year turnover growth in the PRC reached 44.2% and the growth rate in Eastern China increased by 51%. Turnover in Hong Kong also increased by 21% in year 2004.

Amongst different products the biggest growth was from electronic equipment which achieved 107% sales increase. Measuring instruments and cutting tools also grew by 39% and 38% respectively as compared with 2003.

During the year under review, the Group continued to widen its reach in the PRC market by establishing new offices in Suzhou, Wuhan, Dalian, Fuzhou and Zhuhai. These new offices enabled the Group to provide better services to our customers in these areas.

Prospects

Looking ahead, the Group sees enormous business potential in the PRC market. A 4,000 sq.m. showroom and technical centre in Shenzhen will open in the middle of 2005 to provide better support to our customers, particularly in the Southern China. More offices will be established in mainland China to increase market coverage and provide better quality services to the customers.

A new business division will be established in the middle of 2005 to supply more than 40,000 items of engineering tools to the manufacturing industry in the PRC market. This will be done in partnership with a leading European supplier. It is expected this division will make a significant contribution to the Group in the years to come.

Mr. Joseph Lee concluded, "Over the years, Leeport has transformed itself into a top-notch provider of manufacturing equipment with professional people and excellent product range. The showroom and technical centre in Shenzhen will be a significant move for the Group to further expand our business in the PRC market. With the staggering economy growth in the PRC, we are confident to be successful in the PRC market and achieve favourable returns for our 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" 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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