

To: Business Editors

For Immediate Release

### **Leepo**rt (Holdings) Limited Announces 2006 Results

- **Turnover up 10.1% to HK\$881,172,000**
- **Profit attributable to equity holders down 39.6% to HK\$30,858,000**
- **Final Dividend of HK4.5 cents per ordinary share recommended**

(Hong Kong, 26 April 2007) Leeport (Holdings) Limited (“Leeport” or the “Group”) (Stock Code: 387), which is principally engaged in the distribution of advanced manufacturing equipment and precision tools for the manufacturing industry, today announced its annual results for the year ended 31 December 2006. The turnover amounted to HK\$881,172,000 (2005: HK\$800,213,000), representing an increase of 10.1% from 2005. The profit attributable to equity holders was HK\$30,858,000 (2005: HK\$51,118,000), representing a decrease of 39.6% from 2005.

The Directors recommended a final dividend of HK4.5 cents per ordinary share, totalling HK\$9,446,000 (2005: HK9 cents per ordinary share). Together with the interim dividend per ordinary share of HK7.5 cents paid by the Group, the total dividend for the year will be HK12 cents (2005: HK16 cents per ordinary share).

As announced on 8 March 2007, the Group’s financial performance was adversely affected by the temporary ban on the export of measuring instruments produced by one of the Group’s main suppliers in Japan, Mitutoyo Corporation, in the last quarter of 2006 due to its non-compliance with Japanese Government’s export regulations. Other reasons contributing to the decline in profit attributable to equity holders include the lower average gross margin and the higher depreciation charges and finance costs.

During the period under review, the machine tools business of the Group grew by 5.2%, the cutting tools business grew by 27.5% and the electronics equipment business grew by 87.0%. However, the measuring instruments business decreased by 12.6% as mentioned above. Due to this unexpected event, the Group lost about 6.0% of the turnover in the year. The turnover would have been better if the export ban on Mitutoyo’s products had not occurred.

Despite the austerity measures in 2006, China continued to demonstrate a strong economic momentum. It retained its position as the world's number-one consumer of machine tools in 2006. The China, Hong Kong and Southeast Asia markets accounted for 58.2%, 31.9% and 9.9% of the Group's total turnover. The turnover in China and Southeast Asia increased by 25.4% and 31.7% respectively, and in Hong Kong it decreased by 13.5%.

In response to the Japanese Government's temporary ban on the export of precision co-ordinate measuring machines produced by Mitutoyo, the Group took immediate action to build up a business relationship with a European supplier of measuring equipment and systems. The Group therefore expects that the business of measuring instruments will grow again in 2007.

The Group has also started to devote more effort to building its service income, which represented only about 3.0% of the Group's turnover in 2006. Process re-engineering will be carried out for the service operation. Training of engineers, building up spare parts inventory and marketing of service contracts will be the major targets in 2007. The Group expects that service income will become a significant portion of total turnover within a few years.

“We expect that the market for machine tools, cutting tools, measuring instruments and electronics equipment will continue to grow steadily in 2007,” said Mr. Joseph Lee, Chairman and Managing Director of Leeport. “We will continue to look for business opportunities in taking up new product lines and in joint-ventures with suitable partners.”

**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.

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