

Immediate Release

Leeport (Holdings) Limited Announced 2004 Interim Results 101% Increase in Profit Attributable to Shareholders

(Hong Kong, 24 August 2004) – 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 interim results for the six months ended 30th June 2004. During the period under review, the Group’s turnover increased 52.5% to HK\$ 316,258,000 (2003: HK\$ 207,365,000) and the net profit attributable to shareholders increased 101.1% to HK\$ 20,321,000 (2003: HK\$ 10,107,000). The profit included a gain of HK\$ 4,668,000 on disposal of an investment property. Basic earnings per share were HK 10.16 cents compared with HK 5.05 cents last year.

The Directors recommended an interim dividend of HK 6 cents per ordinary share, amounting to a total of HK\$ 12,000,000.

Mr. Joseph Lee, Chairman and Managing Director of Leeport, said, “During the period under review, the Group posted solid growth thanks to a huge demand in machine tools in the buoyant PRC economy. The Group has already established a strong foothold in the PRC and Hong Kong market backed by our proven track record for more than 37 years as well as an extensive distribution network. The Group will strive to become a top-notch provider of manufacturing equipment and reach new heights in the years to come.”

The import value of machine tools for the PRC was US\$ 2.14 billion for the first five months of 2004, up 37% from the corresponding period in 2003. The growing demand for machine tools came mainly from the automobile, aerospace and mould-making industries. These provoked the growth in the sale of the Group’s products including machine tools, measuring instruments and equipment, which recorded significant growth in the first half of 2004.

During the period under review, Hong Kong and the PRC were still the core markets, accounting for 49.6% and 44.4% of the Group’s turnover respectively. The Group continued to perform well in the PRC market, with turnover up 74.5% from the same period last year. The robust growth was attributable to strong growth momentum in the PRC manufacturing industry, which saw a strong demand for manufacturing facilities. Turnover in Hong Kong during the first half of 2004 also increased 47.0% compared with the corresponding period in 2003.

To gear up for stronger market penetration and higher business volume in the PRC, the Group opened new offices in Suzhou, Wuhan, Zhuhai and Fuzhou during the period under review. The expanded sales and distribution network will help enhance the Group’s geographic reach in the PRC market and expand revenue sources.

Looking ahead, the Group sees enormous business potential in the PRC market and will bolster sales and marketing initiatives to take advantage of the growing demand. The Group also actively targets new driver for business growth and devotes more resources to the automobile industry. Recent research in the automobile industry in the PRC revealed that the number of units of production for cars in the PRC in 2003 totalled 4.44 million, and the number is expected to reach 5.15 million in 2004 and 10 million in 2010. The value of automobile parts production in 2003 was US\$ 31.8 billion. The automobile industry offers huge business opportunities for most of the Group's products, including machine tools, measuring instruments, electronic equipments and rapid prototyping machines and services. The Group will source new specialized machinery and equipment for automobile manufacturing, especially in parts production.

Mr. Joseph Lee concluded, "The Group is optimistic in the business performance for the second half of the year and the years to come, evident by the strong growth in the PRC market in the first half of the year. Under Closer Economic Partnership Agreement, Hong Kong and the Pearl River Delta together provide a uniquely advantageous platform for mainland and overseas manufacturers to thrive which create huge demand for our products. The Group believes that we are favourably positioned to embrace the burgeoning potential ahead in the PRC and bring significant returns to the 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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