

**LEEPORT (HOLDINGS) LTD:
PROFITS MAY BE ON THE DECLINE**

While the Net Profits Attributable to Shareholders for the past 3 Financial Years have been steadily rising, for the Current Financial Year, ending December 31, 2003, it would seem that the period of reasonable increases in the Bottom Line for Leeport (Holdings) Ltd may well have come to a stop.

Leeport (Code: 387, Main Board, The Stock Exchange of Hongkong Ltd) is a Company, which is engaged in the very specialised field of trading and installing machine tools and related products in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and in the PRC, proper.

The Company has been in business since 1967, the Placing and Offer Prospectus states at Page 45, and, since it only earned about \$HK28.51 million, during the 2002 Financial Year, one cannot be too impressed with Management.

For the Current Year, no suggestion as to the likely results is given in the Prospectus, but, on September 16, 2003, Leeport reported that, on a Turnover for the first half of this Financial Year of about \$HK207.37 million, its Bottom Line was about \$HK10.11 million.

In terms of the comparable period in the 2002 Year, the 2003 Interim Turnover rose by about 0.40 percent while the Bottom Line rose by about 4.33 percent.

Not very exciting.

Then, again, the results for the track-record period of this Company are not, at all, exciting.

The following table is lifted from Page 128 of the Prospectus and says it, all:

	Financial Year ended December 31		
	2000	2001	2002
	All Figures are Denominated in \$HK'000 (unless otherwise specified)		
Turnover	443,525	424,729	451,967
Cost of Sales	(332,582)	(315,727)	(328,819)
Gross Profit	110,943	109,002	123,148
Gross Profit Margin*	25.01 percent	25.66 percent	27.25 percent
Other Revenues	7,107	5,583	8,291
Selling and Distribution Costs	(16,414)	(18,403)	(23,482)
Administrative Expenses	(70,413)	(63,369)	(73,877)
Operating Profit	31,223	32,813	34,080
Financing Costs	(4,278)	(3,471)	(2,714)
Profit before Taxation	26,945	29,342	31,366
Taxation	(4,970)	(4,492)	(2,858)
Net Profit Attributable to Shareholders	21,975	24,850	28,508
Net Profit Margin *	4.95 percent	5.85 percent	6.31 percent

* These are **TARGET**'s calculations

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