

Press Release (For Immediate Release)
8 September 2003

Leeport (Holdings) Limited Announces Mitutoyo Corporation to Invest in Leeport Metrology Corporation

Strategic Move to Form Alliance with World's Largest Precision Measuring Instruments Manufacturer

(Hong Kong, 8 September 2003) – Leeport (Holdings) Limited ("Leeport"/the "Group") (Stock code: 387), principally engaged in the trading and installation of machine tools and related products, today announced that Mitutoyo Corporation ("Mitutoyo"), the world's largest manufacturer in precision measuring instruments, invests in Leeport Metrology Corporation, the subsidiary of Leeport. With an asset value of US\$ 7 million, the joint venture signifies a quantum leap for Leeport to boost its presence in the PRC precision measuring instruments market. Leeport will own 90% and Mitutoyo will own 10% shareholding of Leeport Metrology Corporation.

With the co-operation agreement, Leeport and Mitutoyo will have a closer relationship to achieve a synergy. Riding on Leeport's infrastructure and network, Mitutoyo can be directly involved in the management of market exploration in the PRC. In turn, Mitutoyo can acquire the first hand understanding of market needs and correspondingly bring in her expertise and know-how to provide better customer services, as well as more flexibility for better pricing and ultimately becoming more competitive.

Since 1968, Leeport has served as the agent for Mitutoyo's precision measuring instruments. Under a solid working relationship for 35 years, Leeport is selling 5,000 various types of precision measuring instruments manufactured by Mitutoyo.

Mr. Joseph Lee, the Chairman and Managing Director of Leeport, said, "It is of great honour for Leeport to partner with Mitutoyo, the world's pioneer and largest manufacturer in precision measuring instruments, to form a joint venture to expand into the PRC market. The joint venture embarks on a new era for Leeport to augment our presence in the PRC market. It also ties in with one of our listing initiatives to seek a world-class strategic alliance to penetrate into the enormous PRC market. Our objective is to become the market leader in precision measuring technology in the PRC."

Mr. Kazusaku Tezuka, the President of Mitutoyo, said, "We are delighted to forge a partnership with Leeport, one of our entrusted distribution agents for 35 years, to expand into the PRC market. Adhering to our management principle 'Quality, Durability and Affordability', we will keep on our unrelenting momentum in precision measuring technology, combined with Leeport's formidable force in the PRC, to strengthen our market foothold in the PRC market."

Mr. Joseph Lee added, “Thanks to the WTO accession, the PRC economy has developed rapidly and sustained a growing trend in the future. The joint venture combining Mitutoyo's world-leading technology and products in precision measuring technology with Leeport’s expertise and distribution network in the PRC, forms a solid relationship to embrace the tremendous business opportunities in the precision measuring instruments in the PRC.”

In line with both companies’ commitment to education, Leeport and Mitutoyo have jointly donated measuring instruments valued at several million Hong Kong dollars to the Department of Mechanical Engineering at the University of Hong Kong, to establish the “Mitutoyo-Leeport Metrology Centre” on November 7, 2002. The centre conducts research and runs course in measuring technology for students and professionals in the manufacturing industry in Hong Kong and the PRC.

About Mitutoyo Corporation

Founded in Japan in 1934, Mitutoyo is the pioneer and world’s no. 1 manufacturer in precision measuring equipment. Mitutoyo pursues the management principle “Quality, Affordability and Durability” to develop measuring technology that keeps pace with and actively promotes the rapid progress of diverse technologies required by customers. With annual global sales totalling 80 billion yen (approximately HK\$ 5.5 billion) in 2002, Mitutoyo has established its presence in 23 countries and sales and distribution network in more than 80 countries.

Mitutoyo is committed to providing products and services of guaranteed quality, and technology conforming to international standards. Nine departments in Japan and many overseas subsidiaries have already acquired ISO 9000 series registration. In addition, Mitutoyo has devoted huge resources to research and development, to help produce the most advanced and sophisticated precision measuring equipments. Mitutoyo has seven worldwide and three R&D laboratories in Japan, including the world-leading underground R&D laboratory of the Kiyohara Plant, as well as five Mitutoyo Metrology Institutes in Japan. They were set up in 1975 to promote metrological education and develop new products, to meet the needs of ever-progressing technological innovation and diverse requirements.

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 equipments and manufacturing solutions and providing quality customer services.

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