LEEPORT (HOLDINGS) LIMITED
力 豐 （集 團） 有 限 公 司 *

(Incorporated in Bermuda with limited liability)
(Stock code: 387)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2007

The directors (the "Directors) of Leeport (Holdings) Limited (the "Company") are pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June 2007, along with the unaudited comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

INTERIM DIVIDENDS

The board has resolved to pay an interim dividend of HK4.5 cents per share for the six months ended 30th June 2007 (2006: HK7.5 cents per share) to shareholders whose names appear on the register of members of the Company on 8th October 2007 ("Record Date"). The interim dividend will be payable on or about 12th October 2007.

* *For identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE 2007

	Note	**Unaudited Six months ended 30th June 2007 HK$'000**	2006 HK$'000
Sales	3	**396,763**	445,209
Cost of goods sold	5	**(309,115)**	(345,116)
Gross profit		**87,648**	100,093
Other gains – net	4	**5,601**	6,260
Selling and distribution costs	5	**(12,316)**	(16,005)
Administrative expenses	5	**(64,516)**	(57,281)
Operating profit		**16,417**	33,067
Finance costs		**(4,610)**	(5,278)
Profit before income tax		**11,807**	27,789
Income tax expense	6	**(742)**	(2,242)
Profit for the period		**11,065**	25,547
Attributable to:			
Equity holders of the Company		**11,019**	25,096
Minority interests		**46**	451
		11,065	25,547
Earnings per share for profit attributable to the equity holders of the Company, expressed in cents per share			
– basic	8	**HK5.25 cents**	HK12.31 cents
Dividends	7	**9,446**	15,291

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30TH JUNE 2007

	Note	30th June 2007 Unaudited HK$'000	31st December 2006 Audited HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**76,241**	81,164
Leasehold land		**34,017**	34,191
		110,258	115,355
Current assets			
Inventories		**155,075**	147,793
Trade receivables and bills receivables	10	**208,178**	179,084
Other receivables, prepayments and deposits		**32,914**	27,513
Derivative financial instruments	9	**9**	145
Restricted bank deposits		**145,108**	72,464
Cash and bank balances		**80,168**	65,463
		621,452	492,462
Total assets		**731,710**	607,817
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	13	**20,992**	20,992
Other reserves		**67,579**	67,053
Retained earnings			
– Proposed interim/final dividend		**9,446**	9,446
– Others		**123,758**	121,649
		221,775	219,140
Minority interest		**7,934**	7,888
Total equity		**229,709**	227,028

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30TH JUNE 2007

	Note	30th June 2007 Unaudited HK$'000	31st December 2006 Audited HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**7,759**	8,159
Current liabilities			
Trade payables and bills payables	11	**163,367**	127,757
Other payables, accruals and deposits received		**43,125**	52,291
Derivative financial instruments	9	**831**	227
Current income tax liabilities		**1,558**	2,663
Borrowings, secured	12	**285,361**	189,692
		494,242	372,630
Total liabilities		**502,001**	380,789
Total equity and liabilities		**731,710**	607,817
Net current assets		**127,210**	119,832
Total assets less current liabilities		**237,468**	235,187

NOTES TO CONDENSED FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2006 annual financial statements of the Group.

The accounting policies and methods of computation used in preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006 with the addition of the following new standards, amendments and interpretations to existing standards which are relevant to the Group's operation and are mandatory for the financial year ending 31st December 2007:

HKAS 1 (Amendments)	"Presentation of Financial Statements: Capital Disclosures"
HKFRS 7	"Financial Instruments: Disclosures"
HK(IFRIC)-Int 9	"Reassessment of Embedded Derivatives"
HK(IFRIC)-Int 10	"Interim Financial Reporting and Impairment"

The adoption of the above standards, amendments and interpretations to existing standards did not result in substantial changes to the Group's results of operations and financial position.

2 New standards not yet effective

The Group has not early adopted the following new standards or interpretations to existing standards that have been issued but are not yet effective for financial year ending 31st December 2007:

HKAS 23 (Revised)	"Borrowing Costs"
HKFRS 8	"Operating Segments"
HK(IFRIC)-Int 11	"HKFRS 2-Group and Treasury Share Transactions"
HK(IFRIC)-Int 12	"Service Concession Arrangements"

The Group is in the process of making an assessment of the impacts of these new standards or interpretations to existing standards and it is not yet in a position to state what impact all these new standards or interpretations to existing standards would have on its results and financial position.

3 Segment information

(a) Primary reporting format – geographical segments

The Group is principally engaged in the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronics equipment in three main geographical areas, namely the People's Republic of China (the "PRC"), Hong Kong and Southeast Asia and other countries (principally Singapore). The PRC, for the purpose of this announcement, excludes Hong Kong, the Republic of China ("Taiwan") and Macau.

	Unaudited Six months ended 30th June 2007			
	The PRC HK$'000	**Hong Kong HK$'000**	**Southeast Asia and other countries HK$'000**	**Total HK$'000**
Sales	**243,510**	**114,617**	**38,636**	**396,763**
Segment results	**11,563**	**2,909**	**1,945**	**16,417**
Finance costs				**(4,610)**
Profit before income tax				**11,807**
Income tax expense				**(742)**
Profit for the period				**11,065**

3 Segment information (Continued)

(a) Primary reporting format – geographical segments (Continued)

	Unaudited Six months ended 30th June 2006			
	The PRC HK$'000	Hong Kong HK$'000	Southeast Asia and other countries HK$'000	Total HK$'000
Sales	236,443	153,876	54,890	445,209
Segment results	21,391	9,531	2,145	33,067
Finance costs				(5,278)
Profit before income tax				27,789
Income tax expense				(2,242)
Profit for the period				25,547

(b) Secondary reporting format – business segments

No business segment analysis is presented as the Group has been operating in a single business segment, which is the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronics equipment, throughout the period.

4 Other gains – net

	Unaudited Six months ended 30th June	
	2007	2006
	HK$'000	HK$'000
Derivative instruments-forward contracts		
– net fair value (loss)/gain (realised and unrealised)	**(740)**	163
Interest income	**698**	489
Investment (loss)/income, net	**(42)**	652
Service income	**4,590**	4,893
Commission income	**949**	433
Other income	**104**	282
	5,601	6,260

5 Expenses by nature

Expenses included in cost of goods sold, selling and distribution costs and administrative expenses are analysed as follows:

	Unaudited Six months ended 30th June	
	2007	2006
	HK$'000	HK$'000
Depreciation on property, plant and equipment	**5,546**	5,411
Amortisation on leasehold land	**198**	223
Provision for slow moving inventories	**1,438**	1,412
Provision for bad and doubtful debts	**149**	464
Employee benefits expenses (including directors' remuneration)	**36,425**	34,982
Cost of inventories sold	**298,065**	342,154
Other expenses	**44,126**	33,756
Total cost of goods sold, selling and distribution costs and administrative expenses	**385,947**	418,402

6 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the condensed consolidated income statement represents:

	Unaudited Six months ended 30th June	
	2007	2006
	HK$'000	HK$'000
Current income tax		
– Hong Kong profits tax	**1,281**	2,390
– Overseas taxation	**387**	30
Over-provisions in previous years	**(620)**	(8)
Deferred income tax	**(306)**	(170)
	742	2,242

7 Dividends

	Unaudited Six months ended 30th June	
	2007	2006
	HK$'000	HK$'000
Interim, proposed, of HK 4.5 cents (2006: HK 7.5 cents) per ordinary share	**9,446**	15,291

Note:

At a board meeting held on 13th September 2007, the directors proposed an interim dividend of HK4.5 cents per ordinary share for the year ending 31st December 2007. This declared dividend is not reflected as a dividend payable in the condensed consolidated balance sheet, but will be reflected as an appropriation of retained profits for the year ending 31st December 2007.

8 Earnings per share

The calculations of basic earnings per share are based on the Group's profit attributable to equity holders of HK$11,019,000 (2006: HK$25,096,000).

The basic earnings per share is based on the weighted average number of 209,918,000 (2006: 203,880,000) ordinary shares in issue during the period.

No diluted earnings per share for the six months ended 30th June 2007 and 30th June 2006 are presented as there were no potentially dilutive shares outstanding.

9 Derivative financial instruments

	Unaudited As at 30th June 2007	
	Assets	**Liabilities**
	HK$'000	**HK$'000**
Forward foreign exchange contracts		
– non-hedging instruments	**9**	**(831)**

	Audited As at 31st December 2006	
	Assets	Liabilities
	HK$'000	HK$'000
Forward foreign exchange contracts		
– non-hedging instruments	145	(227)

10 Trade receivables and bills receivables

At 30th June 2007 and 31st December 2006, the ageing analysis of the trade receivables and bills receivables were as follows:

	Unaudited 30th June 2007 HK$'000	Audited 31st December 2006 HK$'000
Current	**111,458**	111,055
1 – 3 months	**62,421**	27,774
4 – 6 months	**10,605**	21,075
7 – 12 months	**11,219**	10,102
Over 12 months	**20,399**	16,853
	216,102	186,859
Less: provision for impairment of receivables	**(7,924)**	(7,775)
	208,178	179,084

The Group generally grants credit terms of 30 to 120 days to its customers. Longer payment terms of approximately 180 days might be granted to those customers who have good payment history and long-term business relationship with the Group.

11 Trade payables and bills payables

At 30th June 2007 and 31st December 2006, the ageing analysis of the trade payables and bills payables were as follows:

	Unaudited 30th June 2007 HK$'000	Audited 31st December 2006 HK$'000
Current	**125,931**	101,513
1 – 3 months	**30,321**	9,521
4 – 6 months	**2,397**	11,433
7 – 12 months	**4,454**	4,833
Over 12 months	**264**	457
	163,367	127,757

12 Borrowings, secured

	Unaudited 30th June 2007 HK$'000	Audited 31st December 2006 HK$'000
Current		
Bank overdrafts	**1,267**	370
Collateralised borrowings	**12,675**	599
Trust receipt loans	**100,724**	82,888
Bank loans	**170,695**	105,835
Total borrowings	**285,361**	189,692

13 Share capital

	Unaudited 30th June 2007 HK$'000	Audited 31st December 2006 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
209,917,695 ordinary shares of HK$0.10 each	**20,992**	20,992

	Number of shares (thousands)	**Share Capital** HK$'000
At 31st December 2006 and 30th June 2007	209,918	20,992

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4th October 2007 (Thursday) to 8th October 2007 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar at Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on 3rd October 2007 (Wednesday).

FINANCIAL PERFORMANCE

The sales of the Group for the six months ended 30th June 2007 was HK$396,763,000 (2006: HK$445,209,000), representing a decrease of 10.9% as compared with the same period in 2006. The profit attributable to equity holders was HK$11,019,000 (2006: HK$25,096,000). This represented a decrease of 56.1% as compared with the corresponding period in 2006.

Although the sales of the Group for the six months of the year were lower than the same period of last year, the contract bookings achieved double digit growth from January to end of August this year.

The continuing strong demand in the global market has made it difficult for some major suppliers to improve the delivery lead time. The actual sales for the first half of the year were below expectations. This was due to the longer delivery schedule of some major suppliers.

Administrative expenses in the first six months of the year increased by HK$7.2 million as compared with the same period last year. The major expense item contributing to this increase was the unfavourable exchange difference of HK$1.1 million. The Group recorded a favourable exchange difference of HK$3.5 million in the same period last year. Also staff costs increased by HK$1.4 million in the first six months of 2007.

However, selling and distribution costs in the first six months of the year were HK$3.7 million lower than for the same period last year. The savings came from the promotion and exhibition expenses and commission to sales staff. Also the taxation expenses were HK$1.5 million lower than same period last year due to the lower assessable income in the first half of the year and the write-back of some over-provisions in 2006.

BUSINESS REVIEW

In the first six months of 2007, the overall manufacturing industry in China grew rapidly, and there is a strong desire for investment in manufacturing equipment in the market. As a consequence, the Group's contract booking achieved double-digit growth for the period from January to August of this year as compared with the same period last year.

The growth in China's economy continues to be encouraging. The GDP growth rate in the first six months of 2007 achieved 11.5%. The growth rate for industrial production achieved 18.5%. Export value also grew 27.6%. The growth rate for Hong Kong's GDP was 6.3% in the first half of the year 2007.

The driving force behind the present economic growth in China has included the domestic consumer market. The retail sales value for consumable goods grew by 15.4% in the first six months of 2007, the highest since 1997. This reflects the increasing buying power of the population. Automobile production continued to grow quickly. The volume of production in first half of 2007 was 4.46 million units and the growth rate was 22.4%.

However, strong demand in the global market has continued to affect the delivery schedule of our major suppliers in Japan. Also the Chinese Government has followed a stricter policy of applying duty-exemption for the imported machine tools, and this has raised the investment costs of the end users.

The machine tool business fell by 16% in the first six months of 2007, as compared with the same period last year. The measuring instruments division was unable to maintain its former level of business due to the export ban imposed on Mitutoyo products by the Japanese government, and recorded a 30% decrease in sales in the first six months of 2007. However, the cutting tools business continued to be successful, achieving a 12% increase and the electronics equipment business achieved an increase of 8%.

LIQUIDITY AND FINANCIAL RESOURCES

The cash and cash equivalents net of bank overdrafts as at 30th June 2007 were HK$78,901,000 (31st December 2006: HK$65,093,000).

As at 30th June 2007, the Group had net tangible assets of approximately HK$229,709,000, comprising non-current assets of approximately HK$110,258,000, net current assets of approximately HK$127,210,000, and non-current liabilities of approximately HK$7,759,000. As at the same date, the total liabilities of the Group amounted to approximately HK$502,001,000, and the total assets of the Group were HK$731,710,000.

The net gearing ratio, defined as ratio of the Group's total liabilities to its total assets, was approximately 0.69 as at 30th June 2007 (31st December 2006: 0.63).

The Group generally finances its operations with internally generated resources and banking facilities provided by banks. As at 30th June 2007, the Group had aggregate banking facilities of approximately HK$654,800,000 of which approximately HK$339,357,000 was utilised, bearing interest at prevailing market rates and were secured by certain leasehold land, buildings and restricted bank deposits of the Group in Hong Kong and Singapore with an aggregate carrying amount of HK$163,748,000 (31st December 2006: HK$95,504,000). The directors are confident that the Group is able to meet its operational and capital expenditure requirements.

FUTURE PLANS AND PROSPECTS

China's economic growth in 2007 continues to look as strong as it was last year. GDP growth for China is expected to be 11.3% for the whole year of 2007. The growth in the value of exports is forecast to be 26%. On the other hand, the growth in Hong Kong's GDP is expected to be 6% for the whole year of 2007. We envisage increasing demand for manufacturing equipment in the Chinese market, as many of our major customers have been expanding their production capacity since early this year.

The problem of the slow delivery of goods from suppliers is unlikely to be resolved in the short term. Nevertheless, our Japanese suppliers are adjusting their production capacity to meet the demand. This year, the Group's measuring instruments business has been significantly affected by the Japanese government's export ban on Mitutoyo products. However, the ban will be lifted in January next year, and the Group anticipates significant growth for measuring instruments in 2008. On the other hand, most of the customers have now accepted the Chinese Government's stricter policy regarding its application of duty-exemption for imported machine tools. The Group expects the number of contract bookings in 2007 to be satisfactory. We will continue to work with our suppliers to find a solution to meet delivery schedules.

The Group purchased a warehouse in Hong Kong for HKD12.5 million on 13th July 2007. Purchase of the property will reduce the burden of the rising rental costs in the future.

At the beginning of the year, the Group launched its "Service No. 1" campaign in order to improve the Group's service quality. The campaign involves the process re-engineering of service operation, the enhancement of training for service engineers and the implementation of incentive programs for our service team. The Group is sure to benefit from these improvements in terms of sales and service income in the long run.

The recent austerity measures imposed by the Chinese Government are aimed at upgrading the cost-effectiveness of the manufacturing industry, eliminating the low-end industries and reducing the pollution in some industries. The measures will not affect the increase in investment in the country's manufacturing industry. We are confident about the economy of both mainland China and Hong Kong in the near future, and are particularly confident about the manufacturing industry in China in the long run.

We will continue to explore opportunities to take up new product lines and establish joint-ventures with suitable partners.

EMPLOYEES

As at 30th June 2007, the Group had 574 employees (2006: 554), of whom 194 were based in Hong Kong and 342 were based in mainland China, and 38 were based in other offices around Asia. Competitive remuneration packages are structured to be commensurate with our employees' individual job duties, qualifications, performance and years of experience. In addition to basic salaries, MPF contributions and ORSO contributions, the Group offered staff benefits including medical schemes, educational subsidies and discretionary performance bonuses.

DETAILS OF THE CHARGES ON THE GROUP'S ASSETS

As at 30th June 2007, certain land and buildings and restricted bank deposits in Hong Kong and Singapore with an aggregate carrying value of approximately HK$163,748,000 (31st December 2006: HK$95,504,000) have been pledged to secure the banking facilities of the Group by way of a fixed charge.

CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

For the first six months of 2007, the Group spent a total of HK$739,000 (2006: HK$11,140,000) in capital expenditure, which primarily consisted of property, plant and equipment. As at 30th June 2007, the Group had no material capital commitments and HK$11,404,000 (31st December 2006: HK$9,962,000) contingent liabilities in respect of letters of guarantee given to customers.

EXPOSURE TO FLUCTUATIONS ON EXCHANGE RATES AND RELATED HEDGES

A substantial portion of the Group's sales and purchase were denominated in foreign currencies, which are subject to exchange rate risks. The Group will use the foreign exchange received from the customers to settle the payment to overseas suppliers. In the event that any material payment which cannot be fully matched, the Group will enter into foreign currency contracts with its bankers to minimize the Group's exposure to foreign exchange rate risks.

As at 30th June 2007, the Group had commitments for foreign currency forward contracts amounting to approximately HK$42,592,000 (31st December 2006: HK$25,927,000).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

CORPORATE GOVERNANCE

The Company has complied with code provisions of the Code on the Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30th June 2007 except the following deviation:–

Further Information about Chairman and Chief Executive Officer

The Board is of the view that although Mr. Lee Sou Leung, Joseph is the Chairman and the Managing Director of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company. The Company has no such title as the chief executive officer.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES (“MODEL CODE”)

For the six months period to 30th June 2007, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the six months ended 30th June 2007 under review and they all confirmed that they have fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for The Formation of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee, comprised of three independent non-executive directors of the Company, namely Mr. PIKE, Mark Terence, Dr. LUI Sun Wing and Mr. NIMMO, Walter Gilbert Mearns, has reviewed the accounting principles and practices adopted by the Group with the management and has discussed internal controls and financial reporting matters, including a review of the unaudited condensed consolidated financial statements for the six months ended 30th June 2007 with the directors.

2007 INTERIM REPORT

The interim report of the Company for the six months ended 30th June 2007 containing all the information required by the Listing Rules will be published on the Stock Exchange’s website and dispatched to the shareholders by the end of September 2007.

On behalf of the Board
Lee Sou Leung, Joseph
Chairman

Hong Kong, 13th September 2007

As at the date of this announcement, the board of directors comprises 3 executive directors, namely Mr. Lee Sou Leung, Joseph, Ms. Tan, Lisa Marie and Mr. Chan Ching Huen, Stanley and 3 independent non-executive directors, namely Dr. Lui Sun Wing, Mr. Pike, Mark Terence and Mr. Nimmo, Walter Gilbert Mearns.