[For immediate release]

利記控股有限公司
LEE KEE HOLDINGS LIMITED
SINCE 1947

LEE KEE ANNOUNCES 2012 INTERIM RESULTS

(Hong Kong, 17 August 2012) — **Lee Kee Holdings Limited** ("the Company") (Stock code: 637), a leading metals supply chain company, today announced the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively "LEE KEE" or the "Group") for the six months ended 30 June 2012.

During the period under review, the combination of falling metal prices, slowing export demand and the ensuing lower manufacturing activity had a strong impact on the performance of LEE KEE. Revenue for the first half of 2012 was HK$1,294.8 million, compared to revenue of HK$1,693.3 million in the same period of last year. Tonnage sold by the Group was 64,400 metric tonnes (1H2011: 76,320 tonnes). Gross profit fell to HK$18.3 million (1H2011: HK$75.8 million), mostly attributable to lower revenue and tonnage sold, as well as a write-down on the value of the Group's inventory as at 31 December 2011 to reflect the drop in zinc prices.

Due to the depreciation of China's renminbi and the impairment loss on the Group's investments in shares listed on The Stock Exchange of Hong Kong Limited, the Group recorded a loss attributable to the equity holders of the Company of approximately HK$47.3 million (1H2011: profit attributable to equity holders of the Company of HK$26.0 million). Basic losses per share were HK5.71 cents (1H2011: basic earnings per share of HK3.14 cents).

Ms. Clara Chan, Vice Chairman and Chief Executive Officer of LEE KEE, said, "While the environment in the first half of the year has been challenging, LEE KEE has maintained its dominant position in the PRC and regional zinc alloy industry. We have aggressively expanded our geographical reach in the Greater China region to key industrial centres, with a particular focus on China's Western regions in line with the PRC Government's 'Go West' policy, and strengthened our relationships with our customers at the same time."

Business Review

During the first six months of 2012, LEE KEE's sales and distribution centres in the PRC contributed approximately HK$281 million or 21.7% (1H2011: HK$297 million or 17.6%) of the Group's total revenue, while 78.3% (1H2011: 82.4%) of revenue was attributed to the Group's principal sales and logistical centre located in Hong Kong, which remains the principal gateway for the import of zinc and other non-ferrous metals into the PRC.

LEE KEE maintains strong long-term relationships with a number of non-ferrous metal suppliers around the world in order to safeguard the quality of LEE KEE's products and maintain a stable supplier base, ensuring the Group can maintain its leading market position.

Apart from relationships with suppliers, LEE KEE has also engaged heavily in recent years to develop upstream and downstream business to increase margins and expand its sources of revenue. Promet Metals Testing Laboratory Limited ("Promet") is LEE KEE's wholly-owned materials testing subsidiary which provides in-house technical support and quality assurance, as well as chemical testing and certification. These services have been progressively expanded to clients including raw material producers, product manufacturers, buyers and end customers, in order to help them troubleshoot production defects, minimize production costs and lower the risk of product recalls and litigation. Promet also provides an additional revenue stream and higher margins for the Group and is accredited by The Hong Kong Laboratory Accreditation Scheme.

Lee Yip Metal Products Company Limited, the Group's wholly-owned stainless steel processing and distribution subsidiary, sold approximately 1,830 tonnes (1H2011: 2,590 tonnes) of stainless steel, contributing revenue of approximately HK$38.7 million (1H2011: HK$57.9 million) to the Group during the period. Genesis Alloys (Ningbo) Limited, the Group's 50%-owned zinc alloy production joint venture, produced approximately 5,480 tonnes of zinc alloy (1H2011: 8,060 tonnes) and contributed revenue of approximately HK$23.5 million (1H2011: HK$27.9 million) to the Group during the first half of 2012.

Prospects

Demand for Chinese exports may take a further hit in the second half of the year if Europe's economic malaise worsens. However, recent fiscal and monetary measures taken by the PRC government to support the domestic economy, including recent interest rate cuts by the People's Bank of China, may cushion further falls in metal prices.

Ms. Chan concluded, "Going forward, we believe long-term demand for LEE KEE's products will remain strong as populous developing economies, especially China, continue to undergo industrialization and demographic change. We will work to further streamline our operations and strengthen cost control measures in order to adapt to changing market conditions, whilst we will continue to proactively grow and position our business in key areas such as Eastern and Western China to prudently capture the opportunities."

-The End-

About LEE KEE Holdings Limited

Established in 1947 in Hong Kong, LEE KEE is a leading metals supply chain management company which specializes in providing value-added services to customers with its own integrated value added services (IVAS) model. With an extensive and strong portfolio of worldwide suppliers and customers, LEE KEE continues to be the largest zinc alloy importer in the PRC.

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