[For immediate release]

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

LEE KEE ANNOUNCES 2013 SECOND INTERIM RESULTS

GROSS PROFIT INCREASED 56.6% TO APPROXIMATELY HK$81.3 MILLION

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(Hong Kong, 13 February 2014) — **LEE KEE Holdings Limited** (the "Company") (Stock code: 637), a leading metals supply chain company, today announced the unaudited condensed consolidated results of the Company and its subsidiaries (collectively "LEE KEE" or the "Group") for the twelve months ended 31 December 2013 (the "12-month Period") together with the comparative figures of the corresponding twelve months ended 31 December 2012 (the "Corresponding Period").

During the period under review, the prices of the Group's metals experienced downward pressure, with zinc (the main product of the Group) and nickel falling by approximately 1.2% and 18.5% respectively. Revenue fell by 1.9% to approximately HK$2,424 million, compared to approximately HK$2,471 million for the Corresponding Period. Tonnage sold by the Group increased slightly by 0.71% to 129,300 tonnes, from 128,382 tonnes in the Corresponding Period. Yet, the Group managed to improve gross profit margin with various measures to narrow down negative metal price impact. Gross profit increased 56.6% to approximately HK$81.3 million from approximately HK$51.9 million for the Corresponding Period. Loss attributable to shareholders narrowed significantly to HK$2.2 million (Corresponding Period: loss attributable to shareholders was HK$29.7 million). Basic loss per share was at HK0.27 cent (Corresponding Period: basic loss per share at HK3.58 cents).

Ms Clara Chan, Vice Chairman and Chief Executive Officer of LEE KEE, said, "Despite the erratic macroeconomic environment, we managed to narrow the Group's net loss significantly. As a leading metal supply-chain management specialist, we have participated in a number of upstream and downstream businesses to provide value-added services to our customers, enabling us to increase margins, expand our revenue sources and maintain market share by differentiating LEE KEE's products from its major competitors."

Business Review

During the 12-month Period, LEE KEE's sales and distribution centres in the PRC contributed approximately HK$383 million or 15.8% (Corresponding Period: HK$329 million or 13.3%) of the Group's total revenue, while 84.2% (Corresponding Period: 86.7%) of revenue was attributed to the Group's principal sales and logistical centre located in Hong Kong, which remains the primary gateway for the import of zinc and other non-ferrous metals into the PRC.

Lee Yip Metal Products Company Limited, a wholly-owned stainless steel processing and distribution subsidiary, sold approximately 4,590 tonnes of stainless steel during the 12-month Period (Corresponding Period: 3,740 tonnes), which contributed revenue of approximately HK$87.7 million (Corresponding Period: HK$76 million).

Genesis Alloys (Ningbo) Limited, a 50%-owned zinc alloy production joint venture, produced approximately 13,350 tonnes of zinc alloy (Corresponding Period: 11,140 tonnes) and contributed net profit of approximately HK$1.90 million (Corresponding Period: net loss of approximately HK$2.17 million).

Promet Metals Testing Laboratory Limited ("Promet"), a wholly-owned metals testing subsidiary which is accredited by The Hong Kong Laboratory Accreditation Scheme, has been supplementing the Group's in-house technical support and quality assurance. Promet significantly adds value to the Group's customers by providing chemical testing and verification services, and helping customers troubleshoot production defects, minimise production costs and lower the risk of product recalls and litigation. With Promet, the Group aims to enhance customer loyalty and hence contribute to the Group's long-term revenue streams.

Prospects

Despite the turbulent macroeconomic environment, the Group believes that opportunities continue to exist. Growth in the United States is expected to gain moderate momentum. In Europe, the rate of economic contraction will continue to stabilise.

China's economy is expected to be stable in 2014 despite its economic growth having slowed during the last quarter of 2013 as factory output and investment spending eased. With an emerging middle-class, high living standards and accelerated urbanisation in China, the management is optimistic about the long-term demand for LEE KEE's quality products. The management also draws confidence in the fact that the Group is better positioned to capture high-end market demand and opportunities relating to infrastructure upgrades across South East Asia.

In January 2014, Lee Kee Group Limited, a wholly-owned subsidiary of the Group, has been admitted to the London Metals Exchange ("LME"), the world's premier industrial metals trading platform, as a Category 5 Associate Trade Member.

Ms Chan concluded, "LEE KEE's strong financial position has enabled the Group to successfully overcome economic turmoil in the past, and will do so again. As an Associate Trade member (Category 5) of LME, we will leverage this position to continue enhancing our expertise in the industry by leveraging the latest information on the metals market. The management will also prudently explore potential opportunities to enhance the Group's profitability over the coming year."

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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 quality metal materials and value-added solutions to customers. With an extensive and strong portfolio of worldwide suppliers and customers, LEE KEE continues to be by far the largest zinc alloy importer in the PRC. LEE KEE has become an Associate Trade member (Category 5) of the London Metals Exchange since January 2014, making LEE KEE the first Hong Kong-company in the category.

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Appendix: Condensed Consolidated Income Statement

	Twelve months ended 31 December	
	2013	**2012**
	HK$'000	**HK$'000**
	(Unaudited)	(Audited) (Restated)
Revenue	2,424,424	2,470,562
Cost of sales	(2,343,064)	(2,418,599)
Gross profit	81,360	51,963
Other income	865	951
Distribution and selling expenses	(18,723)	(18,548)
Administrative expenses	(74,404)	(72,183)
Other gains, net	3,418	8,043
Operating loss	(7,484)	(29,774)
Finance income	5,343	5,045
Finance costs	(1,132)	(2,842)
Finance income, net	4,211	2,203
Share of profit / (loss) of a joint venture	1,897	(2,169)
Loss before income tax	(1,376)	(29,740)
Income tax (expense) / credit	(830)	37
Loss for the period / year	(2,206)	(29,703)
Loss attributable to:		
Equity holders of the Company	(2,206)	(29,703)
Loss per share for loss attributable to equity holders of the Company during the period / year - basic and diluted (Hong Kong cents)	(0.27)	(3.58)