



LEE KEE ANNOUNCES ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2016

* * * * *

Highlights

- LEE KEE faced challenging business conditions due to the decline in global commodity prices and the slowing Chinese economy and the unfavourable global macroeconomic environment
- Group still positioning for long-term growth by leveraging on its range of value added services to diversify its business and revenue sources and continuously explore new growth opportunities
- The Board of Directors does not recommend the payment of a final dividend for the Financial Year

(Hong Kong, 27 June 2016) — **LEE KEE Holdings Limited** (“LEE KEE” or the “Company”) (Stock code: 637), a leading solutions provider for the metals industry, today announced the consolidated results for the Company and its subsidiaries (collectively “LEE KEE” or the “Group”) for the twelve months ended 31 March 2016 (the “Financial Year”).

The Group faced a challenging Financial Year, with the decline in global commodity prices, a further slowdown in the Chinese economy and the unfavourable global macroeconomic environment impacting demand for its metal products.

Revenue for the Financial Year was HK\$2,123 million, compared to HK\$2,494 million in the twelve months ended 31st March 2015 (“the Comparative Period”). Tonnage sold by the Group during the Financial Year was 117,220 tonnes.

The Group recorded a gross loss of HK\$0.16 million and a gross loss margin of 0.008% for the Financial Year. The fall in gross profit was primarily attributed to falling metal prices, particularly for zinc.

The Group recorded a loss attributable to equity holders of the Company of HK\$117 million during the Financial Year, compared to a profit of HK\$27.4 million during the Comparative Period.

The Board of Directors does not recommend the payment of a final dividend for the Financial Year.

Ms. Clara Chan, Vice Chairman and Chief Executive Officer of LEE KEE, said, “The Group experienced a difficult Financial Year as a result of slowing economic growth around the world and the weaker demand for metals, as many manufacturers in China were in the middle of transforming and upgrading their operations according to the changing business environment. In order to deal with these new circumstances, we continued to invest in new products and solutions to align with our customer’s changing business priorities, provide the services they need to prosper and preserve our market share.”

Over the past few years, the Group has been steadily growing its suite of value-added metal solutions and services in order to move LEE KEE up the value chain, while embedding its customers into the rest the Group's service offerings through cross-selling. This has started to bear fruit, with the Group's wholly-owned metals testing subsidiary, Promet Metals Testing Laboratory Limited ("Promet"), and its wholly-owned futures brokerage subsidiary, Horizon Commodities and Futures Company Limited ("HCF"), both contributing to overall income during the Financial Year.

In January 2016, HCF became an Exchange Participant and Clearing Participant of the Hong Kong Futures Exchange Limited ("HKFE"). This status escalates the competitiveness of HCF's brokerage services for products traded on the HKFE.

In March 2016, Promet became an approved LME Listed Sampler and Assayer ("LSA") for pure zinc, aluminium, and aluminium alloys, opening up new sources of revenue¹. The approval also reinforced Promet's growing international reputation.

Looking forward, LEE KEE remains committed to moving up the value chain by leveraging the above value-added services, as well as by introducing new metal products, such as lead-free soldering wire for the construction industry. The Group will also continue to take steps to streamline its operations and metal-purchasing protocols to contain costs and protect its margins. It will also prudently explore high-potential investment opportunities and new business streams in order to retain LEE KEE's market status, take advantage of new growth opportunities and deliver long-term returns to shareholders.

Ms. Chan concluded, "Many of the challenges that LEE KEE is facing are cyclical in nature; diversifying our services and revenue sources is the only way to overcome this. We are already well on the way to achieving this and I am confident that we are on the right path towards achieving long-term sustainable growth."

About LEE KEE Holdings Limited

Established in 1947 in Hong Kong, LEE KEE is a leading solutions provider for the metals industry 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 a major zinc alloy importer in the PRC. LEE KEE has been an Associate Trade member (Category 5) of the London Metals Exchange since January 2014 – the first such member based in Hong Kong.

For more information, please contact:

Think Alliance Group

Isabella Poon

Tel: +852 3978 5322

Email: isabella.poon@think-alliance.com

¹ LME members seeking to make their LME contracts eligible for physical delivery must have their metals sampled and evaluated by at least two LSAs.

Appendix: Consolidated Income Statement

	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Revenues	2,122,954	2,493,703
Cost of sales	(2,123,115)	(2,363,195)
Gross (loss)/profit	(161)	130,508
Other income	2,321	971
Distribution and selling expenses	(24,374)	(21,456)
Administrative expenses	(82,146)	(83,739)
Other (losses)/gains, net	(4,922)	10,193
Operating (loss)/profit	(109,282)	36,477
Finance income	500	3,584
Finance costs	(4,886)	(6,750)
Finance costs, net	(4,386)	(3,166)
Share of profit of a joint venture	-	731
(Loss)/profit before income tax	(113,668)	34,042
Income tax expense	(3,104)	(6,689)
(Loss)/profit for the year	(116,772)	27,353
(Loss)/profit attributable to:		
Equity holders of the Company	(116,772)	27,353
(Loss)/earnings per share attributable to equity holders of the Company during the year		
- basic and diluted (Hong Kong cents)	(14.09)	3.30