THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Leeport (Holdings) Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Leeport

LEEPORT (HOLDINGS) LIMITED
力豐（集團）有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 387)

(1) MAJOR TRANSACTION
REDEMPTION OF SHARES IN FEMTO S.A.R.L.
AND
(2) PROPOSED DECLARATION OF SPECIAL DIVIDEND

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "*Definitions*" in this circular, unless the context requires otherwise.

A letter from the Board is set out on page 4 to 21 of this circular.

The Company has obtained a written approval for the Transaction from Mr. Lee Sou Leung, Joseph who holds more than 50% of the entire issued share capital of the Company. Accordingly, no general meeting of Shareholders will be convened to approve the Transaction pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders, for information purpose only, in accordance with the Listing Rules.

* *For identification purpose only*

21 August 2025

TABLE OF CONTENT

Page

DEFINITIONS 1

LETTER FROM THE BOARD 4

APPENDIX I — FINANCIAL INFORMATION OF THE GROUP I-1

APPENDIX II — VALUATION REPORT II-1

APPENDIX III — GENERAL INFORMATION III-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Alpha 7"	Alpha Private Equity Fund 7 (SCA) SICAR, a corporate partnership limited by shares and an investment company in risk capital established under the laws of Luxembourg
"Alpha Management"	has the meaning ascribed to it under the section headed "*Information on the Target Company*" of this circular
"Announcement Date"	1 August 2025, being the date on which the Company issued its announcement in respect of the Share Redemption
"Board"	the board of Directors
"Company"	Leeport (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 387)
"Comparable Companies"	has the meaning ascribed to it under the section headed "*Market Comparables*" of this circular
"Completion"	completion of the Share Redemption in accordance with the terms of the Share Redemption Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"DLOM"	discount for lack of marketability
"EUR"	Euro, the official currency of the European Union
"EV/EBITDA"	enterprise value-to-earnings before interest, tax, depreciation and amortisation
"GPCM"	guideline public company method
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the official currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board endorsed by the European Union and by the relevant local legislation and regulations

"Independent Third Party(ies)"	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
"Latest Practicable Date"	20 August 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Peninsula Investments"	Peninsula Investments, S.C.A., a joint-stock company limited by shares incorporated under the laws of Luxemburg
"PRC"	the People's Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Prima"	has the meaning ascribed to it under the section headed "*Information on the Target Company*" of this circular
"Prima Group"	Prima and its subsidiaries
"Redemption Date"	the date of the Target Company EGM
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Redemption"	the redemption of the Target Shares by the Target Company pursuant to the terms and conditions of the Share Redemption Agreement
"Share Redemption Agreement"	the conditional share redemption agreement dated 1 August 2025 entered into between World Leader and the Target Company in relation to the Share Redemption
"Share(s)"	the ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Special Dividend"	the special cash dividend of HK$0.1 per Share to be declared and paid by the Company to the Shareholders subject to Completion
"Special Dividend Announcement"	the announcement of the Company dated 19 August 2025 in respect of the Special Dividend
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	FEMTO S.à r.l., a private limited liability company incorporated under the laws of Luxembourg (*Société à responsabilité limitée*) (Registration Number: B270139)
"Target Company EGM"	the extraordinary general meeting of the shareholders of the Target Company held on 1 August 2025 (Luxembourg time) to approve the Share Redemption
"Target Group"	the Target Company and its subsidiaries
"Target Shares"	500,000 Class C Shares of the Target Company that are held by World Leader, representing approximately 2.55% of the total issued share capital in the Target Company as at the Announcement Date
"Valuation Date"	30 June 2025
"Valuation Report"	the valuation report in respect of the Target Shares dated 1 August 2025 issued by the Valuer
"Valuer"	APAC Asset Valuation and Consulting Limited, an independent professional valuer engaged by the Company to perform the valuation of the Target Shares, with over 10 years professional experience of providing comprehensive and all-rounded valuation and consultancy services to private and public companies, business owners, accounting firms, asset management companies, investment funds and small and medium enterprises
"World Leader"	World Leader Limited, a limited liability company incorporated under the laws of Hong Kong (Business Registration Number: 35018783) and a wholly-owned subsidiary of the Company as at the Announcement Date and the Latest Practicable Date
"%"	per cent

For the purpose of this circular, the exchange rate at EUR1.00 = HK$9.0825 has been used (with the exception of the financial information of the Target Company and the Prima Group for the year ended 31 December 2023 and 31 December 2024, where the exchange rates at EUR1.00 = HK$8.755 and EUR1.00 = HK$8.1855 have been used respectively), where applicable, for illustration purpose only.

Certain amounts and percentage figures included in this circular have been subject to rounding adjustments.

LEEPORT (HOLDINGS) LIMITED
力豐（集團）有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 387)

Executive Directors:
Mr. LEE Sou Leung, Joseph *(Chairman)*
Mr. CHAN Ching Huen, Stanley
Mr. POON Yiu Ming

Non-executive Director:
Ms. TSE Sui Yin, Sally

Independent Non-executive Directors:
Mr. ZAVATTI Salvatore
Mr. WONG Tat Cheong, Frederick
Mr. KRACHT Jurgen Ernst Max

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
1st Floor, Block 1
Golden Dragon Industrial Centre
152-160 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

21 August 2025

To the Shareholders

Dear Sir/Madam,

(1) MAJOR TRANSACTION REDEMPTION OF SHARES IN FEMTO S.A.R.L. AND (2) PROPOSED DECLARATION OF SPECIAL DIVIDEND

INTRODUCTION

Reference is made to the announcement of the Company dated 1 August 2025 whereby the Board announced that World Leader, a wholly-owned subsidiary of the Company, entered into the Share Redemption Agreement with the Target Company, pursuant to which World Leader has conditionally agreed to sell, and the Target Company has conditionally agreed to redeem, the Target Shares at the consideration of EUR7,500,000 (equivalent to approximately HK$68,119,000) in cash. As at the Announcement Date, the Target Company indirectly wholly owns Prima.

The purpose of this circular is to provide you with, among other things, further details of the Share Redemption, the proposed declaration of the Special Dividend and other information required under the Listing Rules.

THE SHARE REDEMPTION AGREEMENT

The principal terms of the Share Redemption Agreement are set out below:

Date

1 August 2025

Parties

(i) World Leader, as the seller

(ii) The Target Company, as the purchaser

Subject Matter

Pursuant to the Share Redemption Agreement, the Target Company has conditionally agreed to redeem the Target Shares.

Consideration and payment terms

The consideration under the Share Redemption Agreement is EUR7,500,000 (equivalent to approximately HK$68,119,000), which shall be payable by the Target Company in full and in cash to World Leader in immediate available funds to World Leader's designated bank account on the Redemption Date.

The consideration under the Share Redemption Agreement was determined after arm's length negotiation between World Leader and the Target Company, and primarily based on the appraised value of the Target Shares of EUR7,300,000 as at the Valuation Date, as determined by the Valuer.

VALUATION

The Company engaged the Valuer to perform a valuation of the Target Shares as of the Valuation Date. The Valuation Report was prepared by Mr. Jasper Chan. Mr. Chan has more than 10 years of experience in valuation of businesses of various industries for purposes of financial reporting, merger and acquisition, and public disclosures. Mr. Chan is a Chartered Financial Analyst (CFA) charterholder and a holder of Financial Risk Manager (FRM). The text of the Valuation Report is set out in Appendix II to this circular.

According to the Valuation Report, the market value of the Target Shares as of the Valuation Date was approximately EUR7,300,000. The Valuation was performed using the guideline public company method under the market approach ("**GPCM**"). In application of the GPCM, the enterprise value-to-earnings before interest, tax, depreciation and amortisation ("**EV/EBITDA**") multiple was adopted by the Valuer to derive their valuation opinion.

Valuation Approach

After considering the use of three valuation approaches, namely the (i) market approach; (ii) cost approach; and (iii) income approach (also known as the discounted cash flow method), the Valuer adopted the market approach for its valuation of the Target Shares for the reasons set out below:

(i) The income approach provides an indication of value by converting future cash flows to a single current asset value and is commonly applied to an aggregation of assets consisting of all assets of a business enterprise, including working capital and tangible and intangible assets. Value is derived based upon the present worth of economic benefits of ownership of asset. The Valuer did not adopt the income approach as the cash flow projections for the business of the Target Company would require numerous assumptions on projected growth/changes in revenue streams, cost of revenue, operating expenses, administrative expenses, projected movements in working capital balances and expected capital expenditure, which are not easily verifiable, supportable or reliably measured;

(ii) The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. Value is established based on cost of reproducing or replacing the asset, less depreciation or amortisation from functional and economic obsolescence, if present and measurable. The Valuer did not adopt the cost approach as it considers such approach ignores the economic benefits of ownership of the business of the Target Company; and

(iii) The market approach provides an indication of value by comparing a business, business ownership interest, security, or intangible asset with identical or comparable subjects for which the pricing information is available. Value is established based on the principle of comparison, meaning that if one thing is similar to another and could be used for the other, then they must be similar. Furthermore, the price of two alike and similar items should be approximate to one another. One key method within this approach is the Guideline Public Company Method (GPCM). The GPCM estimates a subject company's value by applying valuation multiples observed from publicly listed comparable companies sharing similar business models, capital structures, risk profiles and growth prospects. Given that the GPCM is one of the most prevalent methods for valuing private operating entities like the Target Company, the Valuer has adopted it under the market approach. The applicable multiples for the Target Company are derived from the valuation multiples of its relevant comparable companies (the "**Comparable Companies**").

Market-approach and Pricing Multiples

In adopting the GPCM under the market approach, the Valuer has adopted the EV/EBITDA multiple as the most appropriate valuation multiple for the following reasons:

(i) price-to-book ratio ("**P/B**") was not adopted as it focuses primarily on tangible assets and does not adequately capture the Target Company's significant intangible value drivers;

(ii) price-to-sales ratio ("**P/S**") was not adopted as it reflects revenue without accounting for profitability, a key value determinant for profitable businesses such as the Target Company.

(iii) EV/EBITDA was considered the most appropriate multiple for comparing companies with different financial leverage (debt) since it is less likely to be distorted by noncash items such as depreciation and amortisation and incorporates both the Target Company's profitability and future earnings expectations, providing a clear benchmark against the other Comparable Companies.

The Board has considered the different valuation approaches and the valuation multiples and assessed the appropriateness of the adopted approach and valuation multiple. In view of (i) the limitations of the different approaches and valuation multiples as advised by the Valuer and (ii) the nature of the business of the Target Group, the Board is of the view that the use of the market approach and the EV/EBITDA multiple to be fair and reasonable.

Market Comparables

To ensure relevance and consistency, the Valuer has selected twelve Comparable Companies meeting the following criteria:

(i) the revenue from the manufacturing business of laser metalworking machinery and sheet metal processing machinery for the Comparable Companies should account for over 50% of total revenue in their latest financial year prior to the Valuation Date, according to their latest published annual reports and company websites;

(ii) the financial information of the Comparable Companies must be publicly available; and

(iii) the Comparable Companies' historical trading data must be sufficient and available, and the stocks of the Comparable Companies do not have extended periods of trade suspensions.

Details of these Comparable Companies, including their (i) company names, (ii) stock code, (iii) listing venue, (iv) market capitalisation, (v) percentage of revenue attributable to metalworking machinery manufacturing business which are for industrial use (the "**Attribute Revenue %**"), (vi) company descriptions and (vii) size-adjusted EV/EBITDA as at 30 June 2025 are summarised in the following table:

Name	**Listing Venue**	**Market Capitalisation** *(USD'000)*	**Stock Code**	**Attributable Revenue %**	**Company Description**	**Size-adjusted EV/EBITDA as at 30 June 2025**
Quaser Machine Tools, Inc. ("**Quaser**")	Taipei Exchange	126,701	4563 TT	59%	Quaser Machine Tools, Inc. manufactures metal working machinery products. Quaser produces cutting machinery, welding machinery, molding machinery, and other products.	9.28
Amada Co., Ltd. ("**Amada**")	Tokyo Stock Exchange	3,588,234	6113 JP	75%	Amada Co., Ltd. manufactures metal cutting, forming, shearing, and punching machines. Amada also develops factory automation systems and electronic equipment in addition to machine tools.	5.47
HK Co., Ltd. ("**HK Co**")	Korea Securities Dealers Automated Quotation	18,949	044780 KS	80%	HK Co., Ltd. develops, designs, and manufactures a diverse line of laser machine tools. HK Co's products include laser cutting machines, laser welding machines, and laser engraving machines.	N/A *(Adjusted EV/EBITDA derived to be negative and therefore excluded)*
World Precision Machinery Limited ("**World Precision**")	Stock Exchange of Singapore	56,620	BWPM SP	87%	World Precision Machinery Limited manufactures and supplies stamping machines and related metal components. World Precision's other products include bending, cutting and CNC punching machines.	5.08
Bystronic AG ("**Bystronic**")	SIX Swiss Exchange	866,981	BYSSW	100%	Bystronic AG manufactures sheet metal processing equipment. Bystronic offers laser cutting systems, tube processing, press brakes, and automation bending equipment.	N/A *(Adjusted EV/EBITDA derived to be negative and therefore excluded)*

Name	Listing Venue	Market Capitalisation *(USD'000)*	Stock Code	Attributable Revenue %	Company Description	Size-adjusted EV/EBITDA as at 30 June 2025
Han's Laser Technology Industry Group Co., Ltd. ("**Han's Laser**")	Shenzhen Stock Exchange	3,579,359	002008CH	77%	Han's Laser Technology Industry Group Co., Ltd. develops, manufactures, and markets laser-based products used for cutting, welding, marking, and drilling a wide range of industrial materials.	16.23
Jiangsu Yawei Machine Tool Co., Ltd. ("**Jiangsu Yawei**")	Shenzhen Stock Exchange	732,883	002559CH	70%	Jiangsu Yawei Machine Tool Co., Ltd. operates as a diverse metal component and machinery company. Jiangsu Yawei manufactures turret punches, press brakes, shears and sheet metal, and coil metal processing lines.	Not Adopted *(Adjusted EBITDA derived to be 22.02; it is considered an outlier under the Grubbs' Test, which excludes multiples disconnected from the core peer group)*
Takeda Machinery Co., Ltd. ("**Takeda**")	Tokyo Stock Exchange	20,083	6150 JP	73%	Takeda Machinery Co., Ltd. manufactures and wholesales steel related machinery and sheet metal machinery. Takeda's products include frame processors, benders, cutters, and surface treatment machines.	3.90
Okuma Corporation ("**Okuma**")	Tokyo Stock Exchange	1,719,474	6103 JP	97%	Okuma Corporation's main business revolves around CNC machine tools, specifically multitasking machines that integrate various machining processes. Okuma is also known for its product, LASER EX series, which combines subtractive and additive manufacturing capabilities, including laser metal deposition, hardening, and more.	7.33

Name	Listing Venue	Market Capitalisation *(USD'000)*	Stock Code	Attributable Revenue %	Company Description	Size-adjusted EV/EBITDA as at 30 June 2025
Yamazen Corporation ("**Yamazen**")	Tokyo Stock Exchange	828,097	8051JP	65%	Yamazen Corporation is a manufacturing and trading company which specializes in machinery and tools. The Company provides machine tools including laser cutting machines.	3.46
Nadex Co., Ltd. ("**Nadex**")	Tokyo Stock Exchange	60,697	7435JP	67%	Nadex Co., Ltd. is primarily involved in the manufacturing and sales of welding equipment, with a focus on laser cutting and welding technology as part of its business.	3.98
DMG Mori Co., Ltd. ("**DMG Mori**")	Tokyo Stock Exchange	3,278,316	6141JP	67%	DMG Mori Co., Ltd. is a manufacturer of machine tools, and their business includes laser technology for various applications. DMG Mori utilise laser technologies in their CNC laser machines, including fiber lasers and ultrashort pulse lasers, for diverse material processing.	7.19

In view of the limited and exhaustive number of Comparable Companies found through the above selection process, the Valuer has adopted all relevant and available Comparable Companies to derive a reasonable and appropriate valuation multiple for the valuation of the Target Company.

Further details of the calculations of the EV/EBITDA multiples of each selected Comparable Company are further set out in Appendix II to this circular.

Adjustments and inputs of the valuation

Foundational valuation texts such as "Financial Valuation — Application and Models" by James R. Hitchner, recommends the use of company size premium to adjust valuation multiples to account for differences in company size between the valuation subject and its peers. This methodology recognizes that larger companies typically command higher multiples due to lower expected returns and reduced operational risks, while smaller companies exhibit lower multiples reflecting higher risk premiums. These adjustments were quantified using empirically derived size premiums from Kroll Inc.'s "CRSP Deciles Size Premium Studies" (formerly Duff & Phelps), an academically accepted benchmark for reconciling market capitalisation disparities (the "**CRSP Studies**").

To account for the impact of varying market capitalisations between the Comparable Companies and the Target Company, the EV/EBITDA ratio was adjusted based on the formula below to reflect the size difference:

$$Size-adjusted\ \frac{EV}{EBITDA}\ Multiple = \frac{1}{\frac{1}{\frac{EV}{EBITDA}\ Multiple} + Size\ Premium\ \Delta}$$

Size Premium Δ = Size premium of the Target Company — Size premium of each of the Comparable Companies

As the Comparable Companies differ in size, the Valuer considers that when calculating valuation multiples, adjustments for differences in company size should be considered. In accordance with the CRSP Studies, the distinct size premiums are assigned based on market capitalisation categories: 0.66% for Mid Cap, 1.24% for Low Cap, and 2.91% for Micro Cap companies, as outlined in the table below. This methodology has been applied to both the Target Company and the Comparable Companies, with the appropriate premium selected according to their respective market capitalisations.

Size category	**Range of market capitalisation** *(USD million)*	**Size premium**
Mid Cap	3,011-14,820	0.66%
Low Cap	556-3,011	1.24%
Micro Cap	1.6-555	2.91%

The average of size-adjusted EV/EBITDA of the selected comparable companies (after excluding outlier) is 6.88. The Valuer has used this as the benchmark multiple to be applied to the valuation of the Target Shares.

Discount for Lack of Marketability

DLOM is commonly considered in the valuations of privately held companies to reflect difference in the marketability of the shares of the subject private companies and that of the selected publicly traded comparable companies. The Valuer selected the appropriate DLOM based on the latest available 2024 Stout Restricted Stock Study on Determining Discount for Lack of Marketability, which incorporated an examination of 779 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through March 2024. The discount of 20.4% implied by these 779 private placement transactions in comparison with the corresponding publicly traded common stocks is generally considered an appropriate proxy for DLOM for closed held private businesses.

The Valuation Calculation

As disclosed in the Valuation Report, the calculation of the market value of the Target Shares as of the Valuation Date is as follows:

Adjusted EBITDA (EUR '000) (trailing-twelve-month)	(A)	62,220
Size-adjusted EV/EBITDA	(B)	6.88
Enterprise Value (EUR '000)	(A) x (B) = (C)	428,074
Cash (EUR '000)	(D)	63,104
Debt (EUR '000)	(E)	128,100
Minority Interest (EUR '000)	(F)	4,969
Equity Value before adjustment for non-operating assets and liabilities (EUR '000)	(C) + (D) - (E) - (F) = (G)	358,109
Add: Non-operating assets (EUR '000)	(H)	1,160
Deduct: Non-operating liabilities (EUR '000)	(I)	2,014
Equity Value before marketability discount adjustment (EUR '000)	(G) + (H) - (I) = (J)	357,255
DLOM	(K)	20.40%
Equity Value after marketability discount (EUR '000)	(J) x (1 - (K)) = (L)	284,375
Shareholding (%)	(M)	2.55%
Fair Value of the equity of Target Company (EUR '000) (rounded to the nearest ten thousand)	(L) x (M) = (N)	7,300*

* *Figures may not exactly add up due to rounding*

Assumptions

In the course of the valuation of the Target Shares, the following assumptions and caveats have been made by the Valuer:

(i) It is assumed that the Target Company will continue to operate as a laser and sheet metal processing machinery manufacturer in the foreseeable future;

(ii) It was assumed that the financial and operational information and information on the capital structure of the Target Company provided by the Company are accurate and truthful;

(iii) As the financial statements of the Target Company and Prima as at 30 June 2025 are not available to us, and the audited financial statements as at 31 December 2024 of Prima were issued on 14 April 2025, the Valuer has principally relied upon the financial statements of the Target Company and Prima as at 31 December 2024 to conduct the valuation. It is assumed that the annualised net profits and the financial positions of the Target Company and Prima did not change materially from 31 December 2024 to the Valuation Date;

(iv) It was assumed that the difference of the book values of assets and liabilities of the Target Company and Prima between the last reporting date and the Valuation Date would be immaterial;

(v) It was assumed that other than Prima, the Target Company did not have any other subsidiaries that held material assets and/or liabilities as of the Valuation Date;

(vi) It was assumed that there were no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value;

(vii) There would be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business was in operation;

(viii) There would be no major changes in the current taxation law in the areas in which the Target Company carried on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations would be complied with;

(ix) The inflation, interest rates and currency exchange rates would not differ materially from those presently prevailing;

(x) The Target Company would retain their management and technical personnel to maintain their ongoing operations;

(xi) There would be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that would affect the existing business;

(xii) The Target Company would remain free from claims and litigation against the business or its customers that would have a material impact on the valuation;

(xiii) The Target Company were unaffected by any statutory notice and the operation of the business would not give rise to any contravention of any statutory requirements; and

(xiv) The laser and sheet metal processing machinery manufacturing business was not subject to any unusual or onerous restrictions or encumbrances.

Key Limiting Conditions

According to the Valuer, the Valuation is subject to the following key limiting conditions:

(i) The Valuer has relied to a considerable extent on financial data and related information provided by the Target Company.

(ii) The Valuer is not in a position to comment on the lawfulness of the Target Company's business operations.

(iii) To the best of the Valuer's knowledge, the factual statements contained in the Valuation Report, which form the basis of the analysis and conclusions, are true and correct.

(iv) Information, estimates, and opinions used in the valuation were obtained from sources considered reliable and believed to be accurate. However, the Valuer does not assume any representation, liability, or warranty for the accuracy of such information.

(v) Any changes to the assumptions or facts provided to the Valuer may result in a different outcome in the valuation.

(vi) The financial information provided by the Target Company has been represented by its management, and the Valuer has assumed that such information was prepared with diligence and based on best efforts, reflecting the current operational and financial condition of the Target Company.

Independence of the Valuer

Neither the Independent Valuer nor any individual signing or associated with this report has any present or prospective interest in the Target Company and its respective holding companies, subsidiaries and associated companies, or the value reported in the Valuation Report.

The view of the Board

Having considered (i) the qualifications of the Valuer of which the signor of the Valuation Report, Mr. Jasper Chan, the director of the Valuer, charter holder of Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM); (ii) the experience of Mr. Jasper Chan who has more than 10 years of experience in the valuation of business; and (iii) the independence of the Valuer which, to the best of the knowledge of the Directors, is an Independent Third Party, the Board is of the view that the Valuer is qualified, experienced and competent in performing valuation and providing opinion in respect of the valuation of the Target Group.

In consideration of the Board's view on the valuation approach, the use of the EV/EBITDA multiple, the selection criteria of comparable companies and the common adoption of the key assumptions as advised by the Valuer, the Board is of the view that the Valuation is fair and reasonable.

CONDITIONS PRECEDENTS

Completion of the Share Redemption is conditional upon:

(i) obtaining the written approval of the Shareholders pursuant to Rule 14.44 of the Listing Rules; and

(ii) the Target Company EGM.

COMPLETION

Completion has taken place on 1 August 2025 (Luxembourg time). Accordingly, World Leader has ceased to hold any Target Shares immediately upon Completion.

INFORMATION ON WORLD LEADER AND THE COMPANY

World Leader is a limited liability company incorporated in Hong Kong. It is principally engaged in investment holding and is a wholly-owned subsidiary of the Company.

The Company is incorporated in Bermuda with limited liability. The principal activities of the Group comprise the distribution and maintenance of a wide range of machine tools, sheetmetal machinery, electronics equipment, precision measuring instruments, cutting tools, professional tools and other equipment for the manufacturing industry in Hong Kong, the PRC and Southeast Asia.

INFORMATION ON THE TARGET COMPANY

The Target Company is a private company incorporated under the laws of Luxembourg with limited liability (*société à responsabilité limitée*) (Registration Number: B270139). As of the Latest Practicable Date, the Target Company is investment-holding in nature and wholly owns Prima Industrie S.p.A. ("**Prima**"), a company incorporated in Italy with limited liability and a major supplier of sheetmetal machinery to the Group. The principal businesses of Prima focus on two sectors, namely (i) the design, production and sale of laser and sheet metal processing machinery, and (ii) the development, production and sale of embedded industrial electronics. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Target Company is majority owned indirectly as to (i) 46.8% by Alpha 7 and (ii) 46.8% by Peninsula Investments.

Alpha 7 is established under the laws of Luxembourg. It is a private equity fund managed by Alpha Private Equity Funds Management Company S.à r.l. ("**Alpha Management**"), a limited liability company incorporated under the laws of Luxembourg. As advised by the Target Company, Alpha Management is majority owned by Bender Invest SCSp, which in turn is managed by MIPA Invest SA. MIPA Invest SA is not individually controlled by any single shareholder. As advised by the Target Company and based on publicly available information, the Alpha group is a private equity group specialising in mid-cap operations in continental Europe. Its investment portfolio includes companies

within the sectors of industrial manufacturing, consumer and leisure, fashion and design and service and distribution. Alpha 7 has a wide investor base which includes institutional investors such as pension funds, insurance companies, banks, endowments and funds of funds as well as family offices and entrepreneurs.

Peninsula Investments is established under the laws of Luxembourg. It is a private equity investment vehicle managed by Peninsula Capital S.à r.l., a limited liability company incorporated under the laws of Luxembourg. As advised by the Target Company, Peninsula Capital is a pan-European private equity firm, mainly focused on Southern European markets (Italy, Spain and France) on behalf of top tier institutional investors in the retail, industrial, transportation, healthcare, technology and financial sectors. The sole limited partner of Peninsula Investments is Qatar Investment Authority, the sovereign fund of the state of Qatar.

Financial Information

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, as at the Latest Practicable Date, the Target Company is an investment holding company which wholly owns Prima with no other commercial activities, and as the Target Company is exempted from preparing consolidated accounts in accordance with the current legal and regulatory requirements in Luxembourg, its annual accounts are prepared on a non-consolidated basis.

Given that the Prima Group is the sole operating subsidiary of the Target Company, the financial position of which is not consolidated in the annual accounts of the Target Company, for clarity and completeness, the profit/loss before and after taxation as well as the net asset value of each of (i) the Target Company and (ii) the Prima Group, as at 31 December 2023 and 2024 are set out below.

The Target Company

According to the unaudited financial statements of the Target Company prepared in accordance with IFRS for the two years ended 31 December 2023 and 2024, the profit/loss before and after taxation of the Target Company for the two years ended 31 December 2023 and 2024 and its net asset value as at 31 December 2023 and 2024 are set out below:

	For the year ended/ As at 31 December 2023 (unaudited) *EUR*	**For the year ended/ As at 31 December 2024 (unaudited)** *EUR*
Profit / (Loss) before taxation	(188,000) (approximately HK$(1,646,000))	(21,000) (approximately HK$(172,000))
Profit / (Loss) after taxation	(193,000) (approximately HK$(1,690,000))	(26,000) (approximately HK$(213,000))
Net asset value	194,962,000 (approximately HK$1,706,892,000)	194,936,000 (approximately HK$1,595,649,000)

The Prima Group

According to the audited consolidated financial statements of the Prima Group prepared in accordance with IFRS for the two years ended 31 December 2023 and 2024, the profit/loss before and after taxation of the Prima Group for the two years ended 31 December 2023 and 2024 and its net asset value as at 31 December 2023 and 2024 are set out below:

	For the year ended/ As at 31 December 2023 (audited) *EUR*	**For the year ended/ As at 31 December 2024 (audited)** *EUR*
Profit / (Loss) before taxation	243,000 (approximately HK$2,127,000)	13,101,000 (approximately HK$107,238,000)
Profit / (Loss) after taxation	(2,465,000) (approximately HK$21,581,000)	8,027,000 (approximately HK$65,705,000)
Net asset value	191,921,000 (approximately HK$1,680,268,000)	207,335,000 (approximately HK$1,697,141,000)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Target Company and its ultimate beneficial owners are Independent Third Parties.

FINANCIAL EFFECTS OF THE SHARE REDEMPTION AND INTENDED USE OF PROCEEDS

Immediately after Completion, the Company has ceased to have any interest in the Target Shares and the value of the Target Shares will no longer be recognised in the audited consolidated accounts of the Group.

The financial effects of the Share Redemption and the proposed declaration of the Special Dividend on the Group's earnings, working capital and net asset value are set out below.

However, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent how the financial position of the Group would be.

Effect of Net Asset Value and Liquidity

Upon Completion, the current assets of the Group are expected to increase by HK$44.8 million, which is calculated based on the net proceeds from the Share Redemption after deduction of the amount for the proposed declaration of the Special Dividend. The non-current assets of the Group is decreased by HK$67.0 million, being the net book value of the Target Shares as at 30 June 2025, given the Target Shares will be no longer held by the Group. As such, the net assets of the Group is expected to decrease by approximately HK$22.2 million.

As at 30 June 2025, the net current assets and current ratio of the Group were approximately HK$85.6 million and 1.28 times, respectively. Upon Completion, it is expected that the net current assets of the Group would increase by approximately HK$44.8 million and the current ratio of the Group would increase from approximately 1.28 times to approximately 1.43 times. Therefore, the liquidity of the Group would be enhanced for the operation after Completion.

Nevertheless, the actual impact of the Share Redemption and the proposed declaration of the Special Dividend to be recognized by the Group will be subject to the then financial position of the Group upon Completion.

Effect of Working Capital

The working capital of the Group is expected to increase by HK$44.8 million, being the amount of net proceeds from the Share Redemption after deduction of the amount for the proposed declaration of the Special Dividend.

Effect of Earnings

As stated in the Letter from the Board, the carrying value of the Target Shares of the Group as determined by the independent professional valuer as at 30 June 2025 was HK$67.0 million, which is lower than the Consideration. Therefore, it is expected that there will be a gain of approximately HK$0.8 million on the Group's earnings upon Completion. The gain is calculated by the net proceeds from the Share Redemption after deduction of the carrying value of the Target Shares.

In view of the foregoing, in particular, the Share Redemption which will have positive impact on the Group's liquidity and working capital, the Directors are of the view that the Share Redemption will not have material adverse impact to the Group.

Sale Proceeds

The carrying value of the Target Shares as shown in the audited consolidated accounts of the Company as at 31 December 2024 was HK$70,000,000, as compared to the carrying value of EUR7,300,000 (equivalent to approximately HK$67,000,000) as at 30 June 2025 as determined by the Valuer.

Subject to review and confirmation by the auditors, based on the consideration of EUR7,500,000 (equivalent to approximately HK$68,119,000) less the carrying value of the Target Shares at EUR7,300,000 (approximately HK$67,000,000) as at 30 June 2025 before any related expenses, the Directors expect to recognise a gain from the Share Redemption for the second half of the year ending 31 December 2025. It is estimated that the net proceeds from the Share Redemption (after deduction of professional fees and ancillary expenses) would be approximately HK$67,771,000.

The Company intends to use the net proceeds from the Share Redemption in the following manner:

(i) EUR4,928,000 (equivalent to approximately HK$44,763,000), representing approximately 66.1% of the net proceeds, will be used as general working capital of the Group, including (i) distribution costs of the Group, such as transportation, logistics, packaging and marketing expenses, and (ii) administrative expenses of the Group, such as utilities expenses; and

(ii) EUR2,533,000 (equivalent to approximately HK$23,008,000), representing approximately 33.9% of the net proceeds, will be used for distribution of the Special Dividend to the Shareholders.

As of 31 December 2024, the Group had term loans from banks that are due for repayment within one year of approximately HK$52.8 million. These loans are all revolving loans and have been kept rolling over with the banks without the need for permanent repayment. Considering the revolving nature of these loans coupled with additional unutilised loan facilities offered by the banks, the Board is of the view that declaring the Special Dividend, rather than applying the entire proceeds from the Share Redemption solely for general working capital, would be more favourable for the Shareholders as it will generate immediate return to them.

REASONS FOR AND BENEFITS OF THE SHARE REDEMPTION

The Board has regularly evaluated the global economic prospects and reviewed the Group's investment portfolio. After considering the volatility of the global economy as a result of geopolitical tension, heightened policy uncertainty and increased trade costs, as well as taking into account the Group's current financial position, the Directors are of the view that the Share Redemption presents an advantageous opportunity for the Group as, despite the weakened investment appetite, the Company will be able to realise investment gains from the Share Redemption at a consideration that reflects the appreciated value of the Target Shares and provides the Company with access to immediate additional funds to support its ongoing operation costs, which is favourable to the Company amid the prevailing market volatility.

World Leader acquired the Target Shares in February 2023 at a consideration of EUR5,000,000. By disposing of the Target Shares at the consideration of EUR7,500,000, the Group will be able to realise and lock in the appreciated value it has gained over time. The Share Redemption will generate additional working capital for the Group, reduce gearing and finance costs of the Company and allow the Group to allocate more resources to its other existing businesses.

Following the Completion, (i) the Group's net gearing ratio is expected to be reduced from approximately 21.7% as at 31 December 2024 to approximately 12.4%; and (ii) taking into account that approximately HK$44,763,000 of the net proceeds will be utilised as general working capital of the Group as detailed above, which will in turn reduce the need of bank borrowing to the same extent, the finance cost is expected to be reduced by approximately HK$938,000 during the second half of the year ending 31 December 2025.

The terms of the Share Redemption Agreement were arrived at after arm's length negotiation between World Leader and the Target Company. Based on the foregoing, the Directors consider that the terms of the Share Redemption Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

PROPOSED DECLARATION OF SPECIAL DIVIDEND

Subject to Completion and pursuant to the Special Dividend Announcement, the Board has declared a Special Dividend of HK$0.1 per Share to the Shareholders whose names appear on the register of members of the Company at the close of business on 4 September 2025.

As at the Latest Practicable Date, the total number of issued Shares (assuming no issue of new Shares or repurchase of Shares on or before the record date of the Special Dividend) of the Company is 230,076,062. The total amount of the Special Dividend, if paid out, will be approximately HK$23,008,000. For details regarding book closure dates, record date and payment date of the Special Dividend, please refer to the Special Dividend Announcement.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Share Redemption exceeds 25% but all of them are less than 75%, the Share Redemption constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Share Redemption Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Share Redemption Agreement and the transactions contemplated thereunder.

As at the Announcement Date and the Latest Practicable Date, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has any material interest in the Share Redemption Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Share Redemption Agreement and the transactions contemplated thereunder.

The Company has obtained a written approval in respect of the Share Redemption from Mr. Lee Sou Leung, Joseph, who is an Executive Director and the controlling shareholder of the Company interested in 171,205,982 Shares (representing approximately 74.41% of the issued share capital of the Company) as at the Announcement Date. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Share Redemption.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Leeport (Holdings) Limited
Chan Ching Huen, Stanley
Executive Director and Company Secretary

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (***http://www.hkexnews.hk***) and the Company (***https://www.leeport.com.hk***)

(a) Annual report of the Company for the year ended 31 December 2024 published on 23 April 2025 (pages 52 to 141)
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042301354.pdf

(b) Annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 52 to 145)
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901462.pdf

(c) Annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 52 to 147)
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042801524.pdf

2. INDEBTEDNESS

As at 30 June 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the details of the indebtedness of the Group are as follows:

	HK$'000
Current:	
Unsecured bank borrowings	49,864
Secured bank borrowings	92,074
Letter of Credit	9,307
Bank Guarantee	4,208
Lease liabilities	2,124
Total indebtedness	157,577

As at 30 June 2025 (being the most recent practicable date for ascertaining information regarding this indebtedness statement), the Group had aggregate outstanding borrowings of approximately HK$141,938,000, comprising (1) unsecured bank borrowings of approximately HK$49,864,000; and (2) secured borrowings of approximately HK$92,074,000 which were secured by certain land and buildings, investment property and financial asset at fair value through profit and loss of the Group.

As at 30 June 2025, the Group had aggregate lease liabilities of approximately HK$2,124,000 in respect of lease contracts for certain of properties.

Save as the lease liabilities, all the liabilities disclosed above are under corporate guarantee.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables and accruals in the ordinary course of business, as at the close of business on 30 June 2025, the Group did not have any debt securities issued and outstanding, or authorized or otherwise created but unissued, or any other term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, lease liabilities, mortgages or charges, other material contingent liabilities or guarantees outstanding.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's existing available financial resources, including internally generated funds, available borrowing facilities and cash on hand, the Group has sufficient working capital for the Group's requirements for at least 12 months from the date of this circular, in the absence of unforeseeable circumstances. As at the date of this circular, the Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

Business Review

Trading

In 2024, the Chinese economy faced a variety of challenges. The GDP growth rate of China for the year stood at 5.0%, a slight decrease from 5.4% in 2023. Despite a 5.7% growth in industrial value, intense competition in the Chinese market led to a 3.3% decline in overall industrial profitability compared to the previous year. The surge in industrial value in 2024 was mainly driven by the emergence of the "new quality productive forces", which included the upgrade in various sectors such as railways, shipbuilding, general equipment, new energy vehicles, solar light batteries, robots, medical equipment, aerospace and aircraft. Moreover, the export value of goods in 2024 recorded a satisfactory growth rate of 7.1% compared with 2023. The ASEAN, European Union, USA and China Hong Kong remained the major export regions, with notable growth in exports to the ASEAN region reaching 13.4% in 2024. However, the property market was at a low ebb and the sluggish demand for domestic consumption dragged down the economy. In 2024, China's automobile production reached 31,436,000 units, including 12,888,000 new energy vehicles. This marked a 3.7% increase in automobile production compared with 2023, with new energy vehicle production experiencing a remarkable 34.4% surge over the previous year. Throughout 2024, the Group maintained a strong sales volume with new energy vehicle manufacturing industry. This also yielded significant revenue from installation, part sales, and services. However, performance in other customer segments was not as remarkable. In 2024, China saw a 4.1% decrease in the import volume of machine tools compared to 2023. Despite this overall decline, the Group's Japanese machine tools business excelled in the sales to the new energy vehicle manufacturing industry and achieved a very

significant business volume. The import value of cutting tools to China decreased by 2.7% in 2024. The Group's Japanese cutting tools business sustained a comparable level of performance to that of 2023. In addition, the demand for electronics equipment showed resilience throughout 2024. The Group's electronics equipment sector surpassed its performance in 2023. The overall business environment in 2024 posed ongoing challenges for the Group, particularly in maintaining the gross margins amidst the keen market competition. Moreover, we were cautious about the operating expenses, which contributed to an improvement in profitability. In 2024, the total order intake of the Group was HK$1,261,718,000 as compared with HK$843,939,000 in 2023, representing an increase of 49.5%. The order intake amount including orders from sales of goods, service income and gross up orders from commission income.

Investment

The business of the associated companies, OPS Ingersoll Funkenerosion GmbH and Prima Power Suzhou Company Limited was unsatisfactory in 2024. The weakening economic conditions in Europe, especially Germany, contributed to the disappointing business performance of OPS Ingersoll Funkenerosion GmbH. In China, the lower demand and keen competition for sheet metal machinery, especially import machinery, resulted in a downturn in business for Prima Power Suzhou Company in 2024. The environment remains challenging for the associated companies in 2025.

Outlook

The Chinese Government set a target GDP growth rate of 5% for 2025. The driving force behind the growth will mainly stem from stimulating domestic consumption and further strengthening the development of high-tech industries, especially the artificial intelligence industry. The Chinese Government will continue to promote the "new quality productive forces" to drive more high-tech advancements across various industries. Emerging sectors such as artificial intelligence large language models, quantum computers, humanoid robots, and self-driving automobiles, will bring in additional demand for high-end manufacturing equipment and technology. Furthermore, the sales volume of the new energy vehicle in China (including exports) is estimated to be 16,500,000 units in 2025, representing a 30% increase from 2024.

The Group's high-end manufacturing equipment would still have good opportunities in the Chinese market. The Group continues to optimize the sales and service team by bringing in fresh and experienced talents. Considering the anticipated revenue growth from after-sales service, the Group has expanded its service team by recruiting more engineers to enhance its technical capabilities.

On the other hand, the recent situation of the tariff war between the US and the rest of the world (including China) has brought a high level of uncertainty into the global economy, casting a shadow over the business of the Group. The unsatisfactory performance of the associated companies in Germany and China is also adversely affecting the financial performance of the Group. Despite these challenges, the management of the Company remains confident in its products and market. The Group also starts to introduce different grades of products to expand our market share. Through the enhancement of sales management and the addition of new products, the Group has confidence that it can achieve a better performance in 2025.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from APAC Asset Valuation and Consulting Limited, an independent valuer, in connection with its opinion of the market value of the Target Shares as at 1 August 2025.

APAC Asset Valuation and Consulting Limited
Unit 309, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Hong Kong
T: (852) 2357 0085
F: (852) 2951 0799

The Directors
Leeport (Holdings) Limited
1st Floor, Block 1
Golden Dragon Industrial Centre
152-160 Tai Lin Pai Road
Kwai Chung New Territories
Hong Kong

Dear Sir/Madam,

RE: VALUATION OF THE FAIR VALUE OF 2.55% EQUITY INTERESTS IN FEMTO S.À.R.L.

In accordance with your instructions, we have undertaken a valuation on behalf of Leeport (Holdings) Limited (the "Company") to determine the fair value ("Fair Value", to be defined below) of 2.55% equity interest ("Equity") in Femto S.à.r.l. and its subsidiaries (the "Target Company") as at 30 June 2025 ("Valuation Date").

The Target Company is an investment holding entity with a 100% ownership stake in Prima Industrie S.p.A. ("Prima"), its sole operating subsidiary. Prima designs, manufactures, and distributes industrial laser and sheet metal processing machinery globally.

The consolidated financial statements for the Target Company were unavailable. Consequently, our analysis relies on combined financial statements integrating the standalone financials of the Target Company (holding entity) and Prima (operating entity). This approach reflects their functional unity as a single economic entity.

We did not audit or independently verify the provided financial information. The combined financial statements presented herein may differ materially from formal consolidated financial statements prepared under applicable accounting standards. Our valuation conclusion is subject to revision should audited consolidated financial statements for the Target Company become available.

The purpose of this valuation is to express an independent opinion of the Fair Value of the Target Company as at the Valuation Date for circular reference purposes. The valuation result should not be construed to be a fairness opinion, a solvency opinion or an investment recommendation. It is inappropriate to use our valuation report for purposes other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of captioned subjects.

We relied upon completeness, accuracy and fair representation of operational, financial information and business plans in relation to the business provided by Management. The fair value of the equity of the Target Company is subject to a number of assumptions concerning historical financial information and its current financial position. To the extent that any of these assumptions or facts changed, the result of the valuation would be changed accordingly.

STANDARD OF VALUE

We will conduct the valuation exercises in accordance with International Valuation Standards (IVS) and provide our opinion of values in formal reports. According to IVS, our opinion of the Fair Value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

The valuation will be prepared in accordance with IVS as published by International Valuation Standards Council.

PREMISE OF VALUE

Premise of value is an assumption regarding the most likely set of transaction circumstances that may be applicable to the subject valuation. This report is prepared using the premise that the subject company is a going concern, which presumes that the subject business enterprise will continue to operate into the future. A going concern value represents the value of a business enterprise that is expected to continue to operate into the future.

FINANCIAL OVERVIEW

As the financial statements of the Target Company and Prima as of 30 June 2025 were unavailable at the valuation date, our analysis primarily relies on its audited financial statements of Prima as of 31 December 2024 and the management account of the Target Company as of 31 December 2024, which were the latest available statements of the two entities to date. Based on these, we constructed a combined annual income statement for the period ended 31 December 2024. The 2024 combined annual results show revenue of EUR540,868,000, earnings before interest and tax ("EBIT") of EUR25,608,000, earnings before interest, tax, depreciation and amortisation ("EBITDA") of EUR53,766,000, and adjusted EBITDA of EUR62,220,000. According to the Target Company, the difference between the original EBITDA and the adjusted EBITDA were due to adjustments for non-recurring items.

As mentioned above, we have combined the balance sheet of the Target Company and Prima to arrive at the combined balance sheet of the Target Company.

Specific assumptions have been made regarding adjustments made when preparing the combined balance sheet, as outlined below:

— The amount of "shares in affiliated undertaking" of the Target Company is equivalent to the amount of capital of Prima as at 31 December 2024, and the Target Company has no other subsidiary or associated company.

— The latest management account for the Target Company and the audited financial statements for Prima provided to us were for the year ended 31 December 2024. Per information provided by the Company, the consolidated financial statements of the Target Company were not available. In this exercise, it is assumed that the difference of the book values of assets and liabilities of the Target Company and Prima between the last reporting date and the Valuation Date would be immaterial.

The provisional financial position of the Target Company and Prima are summarized in the below table:

Provisional Financial Position of the Target Company as at 31 December 2024

	Book Value *EUR '000*
NON-CURRENT ASSETS	
Formation expenses	13
Shares in affiliated undertaking*	194,859*
Total non-current assets	**194,872**
CURRENT ASSETS	
Cash at bank and in hand	69
Total current assets	**69**
CURRENT LIABILITIES	
Trade creditors	5
Total current liabilities	5
NET CURRENT ASSETS	64
Net assets	**194,936**

* *Per management, this represents the investment cost of the shareholdings of Prima held by the Target Company.*

Provisional Financial Position of Prima as at 31 December 2024

	Book Value *EUR '000*
NON-CURRENT ASSETS	
Property, plant and equipment	67,681
Intangible assets	185,103
Other investments	128
Deferred tax assets	28,147
Total non-current assets	**281,059**
CURRENT ASSETS	
Inventories	138,414
Trade receivables	115,881
Other receivables	9,272
Current tax receivables	6,550
Derivatives	
Financial assets	89
Cash and cash equivalents	63,035
Total current assets	**333,241**
CURRENT LIABILITIES	
Trade payables	106,123
Advance payments	53,155
Other payables	32,457
Interest-bearing loans and borrowings current	24,250
Current tax payables	12,971
Provisions - current	45,120
Derivatives	519
Total current liabilities	**274,595**
NET CURRENT ASSETS	**58,646**
NON-CURRENT LIABILITIES	
Interest-bearing loans and borrowings non current	103,850
Employee benefit liabilities	5,674
Deferred tax liabilities	21,045
Provisions - non current	311
Derivatives - non current	1,490
Total non-current liabilities	**132,370**
Net assets	**207,335**

As the Target Company directly held 100% equities of Prima, we have first prepared the provisional combined statement of the financial position of the Target Company by adding the amounts of the corresponding accounts directly. The provisional combined statement (before adjustment) is outlined as follows:

Provisional Combined Statement of the Financial Position of the Target Company

	Book Value *EUR '000*
NON-CURRENT ASSETS	
Property, plant and equipment	67,681
Intangible assets	185,103
Other investments	128
Deferred tax assets	28,147
Formation expenses (asset of the investment holding entity)	13
Total non-current assets	**281,072**
CURRENT ASSETS	
Inventories	138,414
Trade receivables	115,881
Other receivables	9,272
Current tax receivables	6,550
Financial assets	89
Cash and cash equivalents	63,104
Total current assets	**333,310**
CURRENT LIABILITIES	
Trade payables	106,123
Advance payments	53,155
Other payables	32,457
Trade creditors (liability of the investment holding entity)	5
Interest-bearing loans and borrowings current	24,250
Current tax payables	12,971
Provisions - current	45,120
Derivatives - current	519
Total current liabilities	**274,600**
NET CURRENT ASSETS	**58,710**
NON-CURRENT LIABILITIES	
Interest-bearing loans and borrowings (non-current)	103,850
Employee benefit liabilities	5,674
Deferred tax liabilities	21,045
Provisions - non current	311
Derivatives - non current	1,490
Total non-current liabilities	**132,370**
Net assets*	**207,412**

* *According to the audited financial statements of Prima, it had a minority interest of EUR4,969 thousands as of 31 December 2024, and this amount is assumed to not materially change as of the Valuation Date.*

Based on the provisional Combined Statement of the Financial Position of the Target Company, we identified:

— Cash of EUR63,104 thousands;

— Debt of EUR128,100 thousands;

— Minority Interest of EUR4,969 thousands; and

— Non-core items unrelated to the Target Company's primary industrial laser and sheet metal processing machinery manufacturing operations as at 31 December 2024, outlined as follows:

	EUR '000
Non-core assets	
Other investment	128
Financial assets	89
Other receivables (portion unrelated to the core business)	930
Formation expenses (asset of the investment holding entity)	13

	EUR '000
Non-core liabilities	
Trade creditors (liability of the investment holding entity)	5
Derivatives (current)	519
Derivatives (non-current)	1,490

The enterprise value of the Target Company is adjusted by adding cash and deducting debt and minority interests to arrive at the operating equity value. The non-core items would then be adjusted to the operating equity value to arrive at the equity valuation of the Target Company.

ECONOMIC OVERVIEW

As the Target Company supplies its products around the globe, its business is influenced by the economic conditions and market fluctuations in the overall world's economy. We reviewed overall world's economic condition where the Target Company will derive its future income.

The past year has been characterized by heightened volatility and uncertainty. Politically, the Russia-Ukraine conflict has intensified with Russian forces occupying approximately 20% of Ukrainian territory, while Middle East tensions have escalated following direct confrontations between Israel and Iran, triggering U.S. military deployments and exacerbating regional instability. These disruptions have continued to strain global supply chains, particularly through critical chokepoints like the Red Sea where Houthi attacks have diverted 50% of Suez traffic. Following his victory in the 2024 U.S. presidential election, President Trump has implemented substantial tariff increases, culminating in April 2025 with U.S. tariffs reaching 145% on Chinese imports and an average effective rate of 14.5% across all imports—the highest level in 90 years—though some rates were later partially suspended or exempted. These measures have significantly amplified geopolitical and trade uncertainty globally.

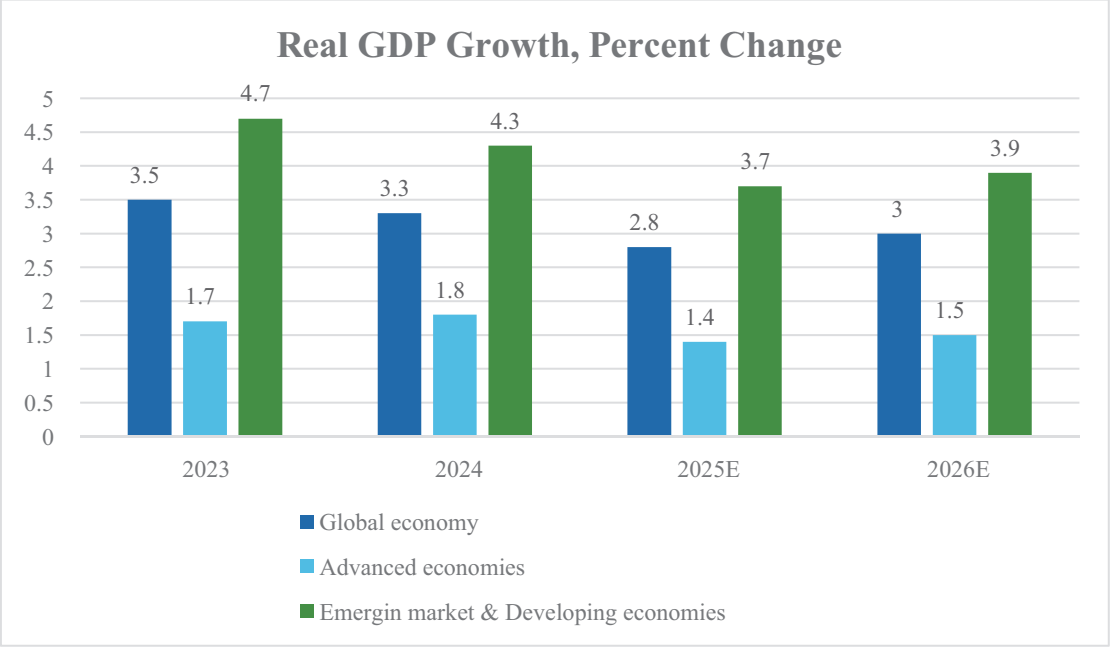
Economically, the global recovery trajectory has weakened substantially since early 2025. According to the IMF's April 2025 World Economic Outlook, global growth projections have been revised down to 2.8% for 2025 (from 3.3% in January) and 3.0% for 2026, reflecting the impact of tariff escalations and policy uncertainty. The United States experienced the largest downgrade among advanced economies (from 2.7% to 1.8%), while Mexico's growth projection plunged into negative territory at -0.3%. Although inflationary pressures are easing in advanced economies, with euro area inflation projected at 2.1% for 2025, and the emerging economies continue to face elevated inflation, particularly in conflict-affected regions like Gaza where inflation reached 140%. Labor markets remain relatively resilient overall, but trade fragmentation is accelerating, with U.S.-China trade volumes now 10% below 2018 levels and supply chains rerouting through intermediary economies like Vietnam and Mexico

In developed economies, monetary policies remain cautious. The Federal Reserve has maintained its benchmark rate at 4.25%-4.50% since September 2024, with market expectations shifting toward potential cuts in late 2025 amid slowing growth. The European Central Bank reduced rates to 2.50% in March 2025 but faces constrained easing capacity due to Germany's €48 billion fiscal stimulus package and persistent services inflation. The Bank of Japan continues ultra-loose policies despite yen depreciation to 169/USD (34-year low), with potential July rate hikes under consideration to counter 2.8% inflation.

Emerging markets continue driving global growth, though momentum shows divergence. China's 2024 GDP growth reached 4.8%, but 2025 projections were revised down to 4.0% due to trade tensions and property sector challenges, even as policies emphasize "high-quality development". India's growth outlook was downgraded to 6.5% (from 6.8%) on monsoon risks, while Southeast Asia benefits from supply chain diversification with Vietnam's exports rising 18% year-on-year.

Persistent geopolitical tensions maintain upside risks to energy prices. Trade protectionism has slowed projected global trade growth to 2.5% for 2025, while elevated interest rates exacerbate debt vulnerabilities, particularly in MENA where Egypt's debt reaches 91% of GDP and Tunisia's 82%.

Chart 1 — Real GDP Growth Rate %



Source: International Monetary Fund ("IMF")

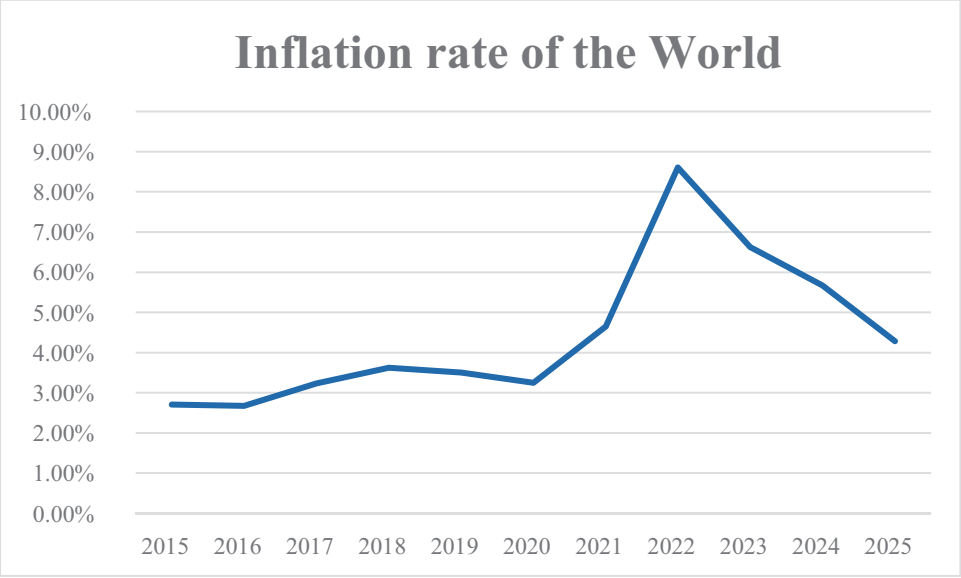
As the Target Company supplies its products around the globe, its business is influenced by the economic conditions and market fluctuations in the overall world's economy. This overview covers overall world's economic condition where the Target Company will derive its future income.

The global average inflation rate for the full year of 2024 was 5.9%, representing a decrease of 0.8 percentage points from 2023. In developed economies, the inflation rate was recorded at 2.7%, a reduction of 1.9 percentage points compared to 2023. According to data from the U.S. Department of Labor, the U.S. Consumer Price Index (CPI) in September 2024 increased by 2.4% year-on-year and 0.2% month-on-month; the core CPI, excluding food and energy, rose by 3.3% year-on-year, indicating a moderation in overall inflation. Eurostat data revealed that inflation in the eurozone eased in September 2024, with the harmonised CPI rising by 1.7% year-on-year, falling below the European Central Bank's 2% target for the first time since 2021.

Contrary to the downward trend observed in the US and EU, Japan's inflation rate has shown signs of recovery. Data from Japan's Ministry of Internal Affairs and Communications indicated that in September 2024, the core CPI excluding fresh food rose by 2.4% year-on-year, marking the 37th consecutive month of year-on-year increases.

Similar trends were noted in emerging markets and developing economies, where inflation rates continued to decline, reaching 7.9% in 2024, a slight decrease of 0.2 percentage points from 2023. National statistics bureaus reported the year-on-year CPI changes for September 2024 as follows: China (0.4%), Brazil (4.4%), India (5.49%), Russia (8.6%), and South Africa (3.8%).

Chart 2 — Inflation Rates of the World



Source: International Monetary Fund ("IMF")

The trend in unemployment rates varies between developed countries and emerging markets. Developed countries typically show an upward trend, while emerging markets and developing economies generally exhibit a downward trend. According to the U.S. Department of Labor, the seasonally adjusted unemployment rate in the United States was 4.1% in September 2024, compared to 3.6% in 2023. Eurostat data indicates that the seasonally adjusted unemployment rate in the Eurozone was 6.4% in August 2024, marking the lowest level since April 1998. The unemployment rates in the United Kingdom and Canada increased from 4.03% and 5.41% in 2023 to 4.45% and 5.9% in 2024, respectively. Unemployment rates in major emerging markets and developing economies remain high but mostly show a downward trend. Russia's unemployment rate reached a historic low of 2.4% in June 2024. Youth unemployment rates remain high globally, with no significant improvement expected in the short term.

The global economy is currently experiencing a complex interplay of short-term issues and long-term factors. Uncertain short-term factors are emerging continuously, while deep-seated contradictions and structural issues are becoming increasingly prominent. Compared to the past, the global economy now faces greater challenges and lacks sufficient growth momentum.

It is considered that the administration of US governance may have a significant impact on the global economy. On one hand, the administration might adopt domestic measures such as tax cuts, regulatory relaxation, and large-scale fiscal stimulus, potentially stimulating the continued expansion of the U.S. economy temporarily. On the other hand, it may impose tariffs on global trade, hindering trade recovery, undermining multilateral trade rules, potentially triggering a global 'trade war,' and exacerbating the fragmentation of global trade, thereby posing risks of further division in the world economy.

Given the current international economic and political environment and the global economic outlook, the world economy is expected to continue on a moderate to low growth trajectory in 2025, with a projected growth rate of approximately 3.0%. The growth rates of emerging markets and developing economies are likely to significantly outpace those of developed economies. However, there remains a possibility that significant geopolitical turmoil or escalating trade frictions could lead to a notable slowdown in global economic growth.

INDUSTRY OVERVIEW

The sheet metal processing equipment sector continues to demonstrate strong growth fundamentals, though the impact of the tariff war initiated in early 2025 presents significant challenges. Demand remains robust, particularly in the automotive sector. According to the European Automobile Manufacturers' Association (ACEA) Economic and Market Report, global car sales increased by 2.5% in 2024, reaching 74.6 million units. This bolstering demand is driven by investments from automotive manufacturers upgrading facilities to modern, high-precision equipment that enhances productivity and sustainability. Growth is especially pronounced in China, Japan, India, South Korea, and other Asia-Pacific countries.

Beyond automotive applications, the construction sector represents another vital market for sheet metal processing equipment. The ubiquity of metal sheets in building structures positions this segment for continued growth alongside global infrastructure development. Additional applications in agriculture, energy, and medical sectors further diversify demand drivers.

Technological advancements are transforming the industry, as evidenced by data from the International Federation of Robotics. Their 2024 report indicates installations in the metal and machinery industry grew at an average annual rate of 12% since 2018. In 2023, installations surged 16% to a record of 76,831 units, reflecting accelerating automation adoption.

Despite these positive trends, the tariff war that began in early 2025 raises concerns about production costs and demand. Higher tariffs increase expenses for manufacturers of automobiles, tools, and industrial machinery, potentially constraining production volumes and profitability across the supply chain.

VALUATION METHODOLOGY AND BASIS

After considering the use of three valuation approaches, namely the (i) income approach (also known as the discounted cash flow method); (ii) cost approach; and (iii) market approach, we adopted the market approach for the reasons set out below:

(i) The income approach provides an indication of value by converting future cash flows to a single current asset value and is commonly applied to an aggregation of assets consisting of all assets of a business enterprise, including working capital and tangible and intangible assets. Value is derived based upon the present worth of economic benefits of ownership of asset. We did not adopt the income approach as the cash flow projections for the business

of the Target Company would require numerous assumptions on projected growth/changes in revenue streams, cost of revenue, operating expenses, administrative expenses, projected movements in working capital balances and expected capital expenditure, which are not easily verifiable, supportable or reliably measured.

(ii) The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. Value is established based on cost of reproducing or replacing the asset, less depreciation or amortisation from functional and economic obsolescence, if present and measurable. We did not adopt the cost approach as it considers such approach ignores the economic benefits of ownership of the business of the Target Company.

(iii) The market approach provides an indication of value by comparing a business, business ownership interest, security, or intangible asset with identical or comparable subjects for which the pricing information is available. Value is established based on the principle of comparison, meaning that if one thing is similar to another and could be used for the other, then they must be similar. Furthermore, the price of two alike and similar items should be approximate to one another. One key method within this approach is the Guideline Public Company Method (GPCM). The GPCM estimates a subject company's value by applying valuation multiples observed from publicly listed comparable companies sharing similar business models, capital structures, risk profiles, and growth prospects.

Given that the GPCM is one of the most prevalent methods for valuing private operating entities like the Target Company, we adopted it under the market approach. The applicable multiples for the Target Company were derived from the valuation multiples of its relevant Comparable Companies.

MARKET APPROACH

We have adopted the GPCM under the market approach, and the multiples applicable to the Target Company are derived with reference to the valuation multiples of the comparable companies ("Comparable Companies") of the Target Company.

For the purpose of our valuation, we have also derived the Fair Value of the Equity based on the available information and presently prevailing as well as prospective operating conditions of the business and by taking into consideration other pertinent factors which basically include the followings:

— the market and the business risks;

— the general economic outlook as well as specific investment environment;

— the nature and current financial status;

— the historical performance; and

— the assumptions as stated in the section of Assumptions in this report.

In assessing the relationship of a company's valuation with its fundamentals, the following valuation multiples are commonly considered: the price-to-sales ratio ("P/S"), the price-to-earnings ratio ("P/E"), the enterprise value-to-earnings before interest, tax, depreciation and amortisation ("EV/EBITDA"), and the price-to-book ratio ("P/B"). These multiples serve as standard benchmarks since their inputs are readily available from public sources and reflect market participants' perspectives on comparable businesses.

P/B focuses primarily on tangible assets and inadequately captures the Target Company's significant intangible value drivers; it was therefore excluded. P/S is inappropriate as it reflects revenue without accounting for profitability, a key value determinant for profitable businesses such as the Target Company.

Consequently, in the course of valuing the Target Company pursuant to the GPCM, we have taken into account the EV/EBITDA as the multiple, which is considered as the most appropriate multiple for comparing companies with different financial leverage (debt) since it is less likely to be distorted by non-cash items such as depreciation and amortisation and incorporates both the Target Company's profitability and future earnings expectations, providing a clear benchmark against the other Comparable Companies.

IDENTIFICATION OF SUITABLE COMPARABLE COMPANIES

We have identified relevant Comparable Companies based on multiple sets of selection criteria in order to sort out particular companies that are comparable to the subject companies in terms of risks and business nature.

We have adopted the following screening process in arriving at our initial shortlist of companies to further sort out appropriate Comparable Companies for the Target Company:

— The revenue of the Comparable Companies from metalworking machinery manufacturing industry or industrial wholesale & equipment rental industry according to the Bloomberg Industry Classification System BICS should account for over 50% of their total revenue in the latest year.

The Target Company generates revenue primarily from the business of manufacturing laser and sheet metal processing machinery (such as metalworking machines with laser application, sheet metal processing machines, metal press brake and metal bending machines) for industrial use. We aim to identify Comparable Companies with similar revenue sources as the Target Company. We calculated their latest annual revenue attribution percentages to verify if these companies have been principally operating in metalworking machinery manufacturing business. The Comparable Companies should also demonstrate sufficient trading activities before the Valuation Date.

To ensure relevance and consistency, we have selected twelve Comparable Companies meeting the following criteria:

(i) the revenue from the manufacturing business of laser metalworking machinery and sheet metal processing machinery for the Comparable Companies should account for over 50% of total revenue in their latest financial year prior to the Valuation Date, according to their latest published annual reports and company websites;

(ii) the financial information of the Comparable Companies must be publicly available; and

(iii) the Comparable Companies' historical trading data must be sufficient and available, and the stocks of the Comparable Companies do not have extended periods of trade suspensions.

Details of these Comparable Companies, including their (i) company names, (ii) stock code, (iii) listing venue, (iv) market capitalisation, (v) percentage of revenue attributable to metalworking machinery manufacturing business which are for industrial use (the "Attribute Revenue %") and (vi) company descriptions as at 30 June 2025 are summarised in the following table:

Name	**Listing Venue**	**Market Capitalisation** *(USD'000)*	**Stock Code**	**Attributable Revenue %**	**Company Description**
Quaser Machine Tools, Inc. ("**Quaser**")	Taipei Exchange	126,701	4563 TT	59%	Quaser Machine Tools, Inc. manufactures metalworking machinery products. Quaser produces cutting machinery, welding machinery, molding machinery, and other products.
Amada Co., Ltd. ("**Amada**")	Tokyo Stock Exchange	3,588,234	6113 JP	75%	Amada Co., Ltd. manufactures metal cutting, forming, shearing, and punching machines. Amada also develops factory automation systems and electronic equipment in addition to machine tools.
HK Co., Ltd. ("**HK Co**")	Korea Securities Dealers Automated Quotation	18,949	044780 KS	80%	HK Co., Ltd. develops, designs, and manufactures a diverse line of laser machine tools. HK Co's products include laser cutting machines, laser welding machines, and laser engraving machines.
World Precision Machinery Limited ("**World Precision**")	Stock Exchange of Singapore	56,620	BWPM SP	87%	World Precision Machinery Limited manufactures and supplies stamping machines and related metal components. World Precision's other products include bending, cutting and CNC punching machines.

Name	Listing Venue	Market Capitalisation *(USD'000)*	Stock Code	Attributable Revenue %	Company Description
Bystronic AG ("**Bystronic**")	SIX Swiss Exchange	866,981	BYS SW	100%	Bystronic AG manufactures sheet metal processing equipment. Bystronic offers laser cutting systems, tube processing, press brakes, and automation bending equipment.
Han's Laser Technology Industry Group Co., Ltd. ("**Han's Laser**")	Shenzhen Stock Exchange	3,579,359	002008 CH	77%	Han's Laser Technology Industry Group Co., Ltd. develops, manufactures, and markets laser-based products used for cutting, welding, marking, and drilling a wide range of industrial materials.
Jiangsu Yawei Machine Tool Co., Ltd. ("**Jiangsu Yawei**")	Shenzhen Stock Exchange	732,883	002559 CH	70%	Jiangsu Yawei Machine Tool Co., Ltd. operates as a diverse metal component and machinery company. Jiangsu Yawei manufactures turret punches, press brakes, shears and sheet metal, and coil metal processing lines.
Takeda Machinery Co., Ltd. ("**Takeda**")	Tokyo Stock Exchange	20,083	6150 JP	73%	Takeda Machinery Co., Ltd. manufactures and wholesales steel related machinery and sheet metal machinery. Takeda's products include frame processors, benders, cutters, and surface treatment machines.
Okuma Corporation ("**Okuma**")	Tokyo Stock Exchange	1,719,474	6103 JP	97%	Okuma Corporation's main business revolves around CNC machine tools, specifically multitasking machines that integrate various machining processes. Okuma is also known for its product, LASER EX series, which combines subtractive and additive manufacturing capabilities, including laser metal deposition, hardening, and more.

Name	Listing Venue	Market Capitalisation *(USD'000)*	Stock Code	Attributable Revenue %	Company Description
Yamazen Corporation ("**Yamazen**")	Tokyo Stock Exchange	828,097	8051 JP	65%	Yamazen Corporation is a manufacturing and trading company which specializes in machinery and tools. The Company provides machine tools including laser cutting machines.
Nadex Co., Ltd. ("**Nadex**")	Tokyo Stock Exchange	60,697	7435 JP	67%	Nadex Co., Ltd. is primarily involved in the manufacturing and sales of welding equipment, with a focus on laser cutting and welding technology as part of its business.
DMG Mori Co., Ltd. ("**DMG Mori**")	Tokyo Stock Exchange	3,278,316	6141 JP	67%	DMG Mori Co., Ltd. is a manufacturer of machine tools, and their business includes laser technology for various applications. DMG Mori utilize laser technologies in their CNC laser machines, including fiber lasers and ultrashort pulse lasers, for diverse material processing.

In view of the limited and exhaustive number of Comparable Companies found through the above selection process, we have adopted all relevant and available Comparable Companies to derive a reasonable and appropriate valuation multiple for the valuation of the Target Company.

The following table shows the calculations of the EV/EBITDA multiples of each selected Comparable Company:

Name	Enterprise Value per share** (EUR)	Original EBITDA per share (EUR) **	Non-recurring income per share (EUR) ***	Non-recurring expense per share (EUR) ***	Adjusted EBITDA per share (EUR) ***	As at 30 June 2025 EV/EBITDA ****
	(A)	(B)	(C)	(D)	(E) = (B) - (C) + (D)	(F) = (A) ÷ (E)
Quaser	2.599	0.273	0.005	0.012	0.280	9.28
Amada	7.678	1.233	0.002	0.001	1.232	6.23
HK Co*	0.783	(0.028)	0.032	—	(0.060)	N/A*
World Precision	0.132	0.027	0.002	0.001	0.026	5.08
Bystronic*	222.740	(15.153)	0.347	—	(15.500)	N/A*
Han's Laser	3.113	0.124	0.113	0.111	0.122	25.57
Jiangsu Yawei	1.186	0.035	0.001	—	0.034	34.83
Takeda	15.614	4.255	0.247	—	4.008	3.90
Okuma	18.952	2.297	0.093	0.065	2.269	8.35
Yamazen	3.676	1.014	0.024	0.010	1.000	3.68
Nadex	3.764	0.857	0.034	0.123	0.946	3.98
DMG Mori	23.114	2.425	0.014	0.282	2.693	8.58

* *EV/EBITDA of HK Co and Bystronic are derived to be negative and are therefore excluded.*

** *The enterprise values per share of the Comparable Companies were derived from their share price with adjustments for per-share amounts of cash, debt, and minority interest. The original EBITDA per share and other financial data presented here was sourced from Bloomberg.*

*** *The adjusted EBITDA per share of the Comparable Companies was derived from their original EBITDA per share, adjusted for per-share amounts of non-recurring income and expenses, including one-off investment gains/losses, restructuring charges, impairment charges, merger/sell-off expenses, and other non-recurring financial items, as categorized by Bloomberg. All financial data presented here was sourced from Bloomberg.*

**** *Calculated ratios may not exactly equal to the quotient of the rounded component figures due to rounding. For instance, the EV/EBITDA of Han's Laser is calculated using unrounded figures (EUR3.11270 per share divided by EUR0.12175), resulting in 25.57. The figures presented in the table are rounded representations.*

ADJUSTMENTS AND INPUTS OF THE VALUATION

Foundational valuation texts such as "Financial Valuation — Application and Models" by James R. Hitchner, recommends the use of company size premium to adjust valuation multiples to account for differences in company size between the valuation subject and its peers. This methodology recognizes that larger companies typically command higher multiples due to lower expected returns and reduced operational risks, while smaller companies exhibit lower multiples reflecting higher risk premiums. These adjustments were quantified using empirically derived size premiums from Kroll Inc.'s "CRSP Deciles Size Premium Studies" (formerly Duff & Phelps), an academically accepted benchmark for reconciling market capitalisation disparities (the "CRSP Studies").

To account for the impact of varying market capitalisations between the comparable companies and the Target Company, the EV/EBITDA ratio was adjusted based on the formula below to reflect the size difference:

$$Size-adjusted\ \frac{EV}{EBITDA}\ Multiple = \frac{1}{\frac{1}{\frac{EV}{EBITDA}\ Multiple} + Size\ Premium\ \Delta}$$

Size Premium Δ ("SP Δ") = Size premium of the Target Company ("TCSP") — Size premium of each of the Comparable Companies ("CCSP")

In accordance with the CRSP Studies, the distinct size premiums are assigned based on market capitalisation categories: 0.66% for Mid Cap, 1.24% for Low Cap, and 2.91% for Micro Cap companies, as outlined in the table below. This methodology has been applied to both the Target Company and the Comparable Companies, with the appropriate premium selected according to their respective market capitalisations.

Size category	**Range of market capitalisation** *(USD million)*	**Size premium**
Mid Cap	3,011-14,820	0.66%
Low Cap	556-3,011	1.24%
Micro Cap	1.6-555	2.91%

The following table shows the details of the original and size-adjusted EV/EBITDA multiples of each of the selected Comparable Company:

As at 30 June 2025:

Name	Market capitalisation (USD'000)*	Original EV/ EBITDA (A)	TCSP (B)	CCSP (C)	SP Δ (D) = (B) - (C)	Size-adjusted EV/EBITDA *** 1/[1/(A) + (D)]
Quaser	126,701	9.28	2.91%	2.91%	0.00%	9.28
Amada	3,588,234	6.23	2.91%	0.66%	2.25%	5.47
World Precision	56,620	5.08	2.91%	2.91%	0.00%	5.08
Han's Laser	3,579,359	25.57	2.91%	0.66%	2.25%	16.23
Jiangsu Yawei	732,883	34.83	2.91%	1.24%	1.67%	22.02**
Takeda	20,083	3.90	2.91%	2.91%	0.00%	3.90
Okuma	1,719,474	8.35	2.91%	1.24%	1.67%	7.33
Yamazen	828,097	3.68	2.91%	1.24%	1.67%	3.46
Nadex	60,697	3.98	2.91%	2.91%	0.00%	3.98
DMG Mori	3,278,316	8.58	2.91%	0.66%	2.25%	7.19

* *The market capitalisations of the Comparable Companies were calculated as the product of their respective share prices and their respective numbers of share outstanding as at the Valuation Date. The share prices were converted from their local currency (i.e. RMB and HKD) to USD. All data used here are sourced from Bloomberg.*

** *The Grubbs' Test is adopted to identify the outliers of the EV/EBITDA by using their arithmetic mean ("Mean") and standard deviation ("SD"). Based on the Grubbs' Test, any EV/EBITDA falling beyond 1.645 times of SD above or below the Mean is considered an outlier. It is considered that the outlier threshold of 1.645 standard deviation from the mean was applied to (1) ensure peer group comparability to the subject business of the Target Company; (2) exclude multiples fundamentally disconnected from the core peer group; and (3) align with common valuation practice for small datasets of valuation multiples, aiming to retain the core majority of the datasets while reducing the risk of retaining extreme values. The mean and standard deviation of the size-adjusted EV/EBITDA multiples (from the ten companies after excluding the negative earnings company) were 8.39 and 6.09, respectively. The lower and upper bounds were calculated as -1.63 and 18.42, respectively. The size-adjusted EV/EBITDA for Jiangsu Yawei of 22.02 exceeded the upper bound and was therefore excluded as an outlier.*

*** *The resulting size-adjusted figures may not be exact due to rounding.*

The average of size-adjusted EV/EBITDA of the selected comparable companies (after excluding outlier) is 6.88. This is adopted as the benchmark multiple to be applied to the valuation of the Target Shares.

DISCOUNT FOR LACK OF MARKETABILITY ("DLOM")

DLOM is commonly considered in the valuations of privately held companies to reflect difference in the marketability of the shares of the subject private companies and that of the selected publicly traded comparable companies. We selected the appropriate DLOM based on the latest available 2024 Stout Restricted Stock Study on Determining Discount for Lack of Marketability, which incorporated an examination of 779 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through March 2024. The discount of 20.4% implied by these 779 private placement transactions in comparison with the corresponding publicly traded common stocks is generally considered an appropriate proxy for DLOM for closed held private businesses.

Table: The Fair Value of the equity of the Target Company as of Valuation Date

Adjusted EBITDA (EUR '000) (trailing-twelve-month)*	(A)	62,220
Size-adjusted EV/EBITDA	(B)	6.88
Enterprise Value (EUR '000)	(A) x (B) = (C)	428,074
Cash (EUR '000)**	(D)	63,104
Debt (EUR '000)**	(E)	128,100
Minority Interest (EUR '000)**	(F)	4,969
Equity Value before adjustment for non-operating assets and liabilities (EUR '000)	(C) + (D) - (E) - (F) = (G)	358,109
Add: Non-operating assets (EUR '000)**	(H)	1,160
Deduct: Non-operating liabilities (EUR '000)**	(I)	2,014
Equity Value before marketability discount adjustment (EUR '000)	(G) + (H) - (I) = (J)	357,255
DLOM	(K)	20.40%
Equity Value after marketability discount (EUR '000)	(J) x (1 - (K)) = (L)	284,375
Shareholding (%)	(M)	2.55%
Fair Value of the equity of Target Company (EUR '000) (rounded to the nearest ten thousand)	(L) x (M) = (N)	7,300***

* *Refer to page 2.*

** *Refer to page 6.*

*** *Figures may not exactly add up due to rounding.*

SOURCE OF INFORMATION AND CAVEATS

We have been provided with extracts of copies of relevant documents and financial information relating to the Target Company. We have relied upon the aforesaid information in forming our opinion of the Fair Value. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have no reason to doubt the truth and accuracy of the said information which is material to the valuation. We have also been advised by the Target Company that no material facts have been omitted from the information provided. We have also made relevant inquiries and obtained further information as considered necessary for the purpose of this valuation.

While we have exercised our professional knowledge and cautions in adopting assumptions and other relevant key factors in our valuation, those factors and assumptions are still vulnerable to the change of the business, economic environment, competitive uncertainties or any other abrupt alternations of external factors.

ASSUMPTIONS

In the course of the valuation of the Target Shares, the following assumptions and caveats have been made. We have based on the following to arrive at the Fair Value of the Target Company.

(i) It is assumed that the Target Company will continue to operate as a laser and sheet metal processing machinery manufacturer in the foreseeable future;

(ii) It was assumed that the financial and operational information and information on the capital structure of the Target Company provided by the Company are accurate and truthful;

(iii) As the financial statements of the Target Company and Prima as at 30 June 2025 are not available to us, and the audited financial statements as at 31 December 2024 of Prima were issued on 14 April 2025, we have principally relied upon the financial statements of the Target Company and Prima as at 31 December 2024 to conduct the valuation. It is assumed that the annualised net profits and the financial positions of the Target Company and Prima did not change materially from 31 December 2024 to the Valuation Date;

(iv) It was assumed that the difference of the book values of assets and liabilities of the Target Company and Prima between the last reporting date and the Valuation Date would be immaterial;

(v) It was assumed that other than Prima, the Target Company did not have any other subsidiaries that held material assets and/or liabilities as of the Valuation Date;

(vi) It was assumed that there were no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value;

(vii) There would be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business was in operation;

(viii) There would be no major changes in the current taxation law in the areas in which the Target Company carried on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations would be complied with;

(ix) The inflation, interest rates and currency exchange rates would not differ materially from those presently prevailing;

(x) The Target Company would retain their management and technical personnel to maintain their ongoing operations;

(xi) There would be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that would affect the existing business;

(xii) The Target Company would remain free from claims and litigation against the business or its customers that would have a material impact on the valuation;

(xiii) The Target Company were unaffected by any statutory notice and the operation of the business would not give rise to any contravention of any statutory requirements; and

(xiv) The laser and sheet metal processing machinery manufacturing business was not subject to any unusual or onerous restrictions or encumbrances.

LIMITING CONDITIONS

We have to a considerable extent relied on the financial data and other related information provided by the Target Company. We are not in a position to comment on the lawfulness of the business.

To the best of our knowledge, the statements of facts contained in this document, upon which the analysis and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this document or utilized in the formation of the Valuation were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us.

To the extent that any of the adopted assumptions or facts provided to us are changed, the result of the Valuation would be different. It should be noted that the financial information regarding the Target Company provided to us has been represented by management and was assumed for the purposes of this opinion that such information was reasonably prepared with diligence and based on best efforts of management as to the current results of the operations and financial conditions of the Target Company.

Neither the whole, nor any part of this report and valuation, nor any reference thereto may be included in any documents, circulars or statements without our written approval of the form and context in which it will appear.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this report and our calculations have been sent to management of the Company. They have reviewed and orally confirmed to us that the facts, as stated in this report and calculations, are accurate in all material respects. Management confirms that they have performed the necessary due diligence on the information provided and understands that any material changes or errors in such information could lead to a substantial change in our valuation result. As of the date of this report, they are not aware of any material matters relevant to our engagement that were excluded.

Management should also acknowledge that the valuation was carried out using theoretical valuation approaches and thus could be different from any potential transaction prices. The valuation result should therefore be used for the Company's circular reference purpose only. It is noted that Management has reviewed all valuation results and agreed with all relevant valuation inputs and calculations.

REMARKS

Unless otherwise stated, all money amounts are stated in Euro ("EUR").

We hereby confirm that we have neither present nor prospective interests in the Company, the Target Company and their respective holding companies, subsidiaries and associated companies, or the value reported herein.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and us.

OPINION OF VALUE

Based on the investigation and analysis stated above and the valuation method employed, we are of the opinion that as at the Valuation Date, the Fair Value of the 2.55% Equity of the Target Company was reasonably stated as approximately EUR7,300,000 (equivalent to approximately HK$67,000,000).

Yours faithfully,
For and on behalf of
APAC Asset Valuation and Consulting Limited

Jasper Chan
CFA, FRM
Director

Notes:

Jasper Chan, CFA, FRM

Mr. Jasper Chan is a CFA® charterholder and a certified FRM® with over 10 years of experience in handling valuations and financial modelling for financial reporting, merger and acquisition, financial derivatives, intangible assets, biological assets, mine valuations, etc. He also has extensive experience in providing valuation advisory services to private equity funds and providing litigation support in relation to commercial and matrimonial disputes. His work has covered a range of different industries including manufacturing, financial services, mineral resources, forestry, IT, pharmaceutical, casinos & gaming, etc.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The issuance of this circular has been approved by the Directors.

2. DISCLOSURE OF DIRECTORS AND CHIEF EXECUTIVES INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, and which have been notified to the Company and the Stock Exchange are as follows:

Directors' interests or short positions in the Shares, underlying shares and debentures of the Company and its associated corporations

		Number of Shares each held					
Director		**Personal interests**	**Corporate interests**	**Other interests**	**Share options**	**Total**	**Percentage**
Mr. LEE Sou Leung, Joseph (**"Mr. Lee"**)	Long Position	25,176,000 Shares	1,500,000 Shares *(Note (b))*	144,529,982 Shares *(Note (a))*	Nil	171,205,982 Shares	74.41%
Mr. CHAN Ching Huen, Stanley	Long Position	1,104,000 Shares	Nil	Nil	Nil	1,104,000 Shares	0.48%
Mr. ZAVATTI Salvatore	Long Position	110,000 Shares	Nil	Nil	Nil	110,000 Shares	0.05%

Notes:

(a) As at the Latest Practicable Date, the 144,529,982 shares were held by Peak Power Technology Limited in its capacity as the trustee of The Lee Family Unit Trust holding the same for the benefit of holders of units issued by The Lee Family Unit Trust. HSBC International Trustee Limited is the trustee of the LMT Trust whose discretionary objects are Ms. Tan Lisa Marie ("**Ms. Tan**") and Mr. Lee's family members. The aforesaid shares that Mr. Lee and Ms. Tan are deemed to be interested refer to the same parcel of shares. Ms. Tan is deemed to be interested in all the interests held by Mr. Lee, her husband.

(b) As at the Latest Practicable Date, the 1,500,000 shares were registered in the name of J AND LEM Limited which is wholly-owned by Mr. Lee. Mr. Lee is deemed to be interested in these shares under the SFO

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, no person, other than the Directors or chief executive of the Company had, or was deemed or taken to have, an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors had confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, other than service contracts expiring or terminable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

7. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

9. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened by or against any member of the Group.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance pending or threatened against any member of the Group.

10. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice which is contained in this circular:

Name	Qualifications
APAC Asset Valuation and Consulting Limited	Independent qualified valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, opinion, logo and qualifications, in the form and context in which they appear.

As at the Latest Practicable Date, the above expert:

(a) did not have any direct or indirect, interest in any assets which have been since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group; and

(b) did not have any shareholding, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following agreements, being contracts not entered into in the ordinary course of business, have been entered into by member(s) of the Group and are or may be material:

(a) the agreement for sale and purchase dated 10 May 2024 entered in to between the Leeport Machine Tool Company Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company and Mr. Lee Sou Leung, Joseph in relation to the sale and purchase of the property situated at Flat No. 67 on 2nd Floor of Tower 11 (of Parkview Terrace) and Car Parking Space No. 173 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong (the "**Parkview Agreement**"); and

(b) the Share Redemption Agreement.

12. MISCELLANEOUS

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(b) The Company's head office and principal place of business in Hong Kong is situated at 1st Floor, Block 1 Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

(c) The company secretary of the Company is Mr. Chan Ching Huen, Stanley. Mr. Chan is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom and the Hong Kong Institute of Certified Public Accountants, and an associate member of the Chartered Governance Institute in the United Kingdom.

(d) The principal share registrar and transfer agent of the Company is Appleby Global Corporate Services (Bermuda) Limited at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX Bermuda.

(e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

13. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents are available on display on the Stock Exchange's website at ***www.hkexnews.hk*** and the Company's website at ***www.leeport.com.hk*** for a period of 14 days from the date of this circular:

(a) the Share Redemption Agreement;

(b) the Valuation Report as set out in Appendix II to this circular;

(c) the written consent referred to in paragraph headed "10. Expert and Consent" in this appendix;

(d) this circular; and

(e) the Parkview Agreement.