Leeport

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

(Incorporated in Bermuda with limited liability)

(Stock code: 387)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2025

The Board of Directors (the "**Directors**") of Leeport (Holdings) Limited (the "**Company**") would like to present the consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31st December 2025, together with the comparative figures for the year ended 31st December 2024. The annual results have been reviewed by the Audit Committee of the Company.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue amounted to HK$552,889,000 in 2025, compared with HK$560,626,000 in 2024, representing a decrease of 1.4%. The Group's gross profit amounted to HK$141,090,000, compared with HK$138,549,000 in 2024, representing an increase of 1.8%. The gross profit was 25.5% of revenue in 2025, compared with 24.7% in 2024.

* *For identification purpose only*

Other Income and Gains – Net

The total amount of other income and gains was HK$987,000 in 2025, compared with HK$18,669,000 in 2024, representing a decrease of 94.7%.

The Group recorded a loss of HK$3,000,000 on 30th June 2025 from the fair value change of the Group's shareholding in the privatized Prima Industrie S.p.A., compared with a HK$21,400,000 gain in 2024. On 1st August 2025, a share redemption agreement was entered to repurchase the entire shares held by the Group at a cash consideration of EUR7,500,000 (equivalent to approximately HK$68,119,000). The completion of the share redemption took place on 1st August 2025 and a gain of HK$745,000 was recognized when compared to carrying value at 30th June 2025.

The Group recorded rental income of HK$4,428,000 in 2025, an 21.2% increase compared with the rental income of HK$3,653,000 in 2024.

The Group recorded a revaluation loss of investment properties of HK$3,136,000 in 2025, compared with a HK$7,347,000 loss in 2024.

The Group received HK$434,000 subsidies from PRC Government in 2025 in which HK$312,000 was digitalization system incentive, compared with HK$244,000 in 2024, representing an increase of 77.9%.

Operating Expenses

Selling and distribution expenses were HK$16,212,000 in 2025, compared with HK$19,143,000 in 2024, representing a decrease of 15.3% contributed by the continuous effort in driving down operating cost through multiple initiatives.

Administrative expenses amounted to HK$94,091,000 in 2025, compared with HK$96,835,000 in 2024, representing a decrease of 2.8%.

Finance Expenses – Net

Finance expenses net of finance income were HK$3,544,000 in 2025, compared with HK$8,254,000 in 2024, representing a decrease of 57.1%. Finance income in 2025 was HK$1,486,000, compared with HK$1,160,000 in 2024, representing an increase of 28.1%. Interest income derived from the loan to an associate, OPS Ingersoll Funkenerosion GmbH, was HK$1,273,000 in 2025, compared with HK$810,000 in 2024.

Finance expenses were HK$5,030,000 in 2025, compared with HK$9,414,000 in 2024, representing a decrease of 46.6%. The decrease was contributed mainly by enhancement in cash flow through multiple cash flow enhancement initiatives and the resulting reduction in level of bank borrowings.

Share of Post-tax Losses of Associates

The Group's share of post-tax losses of OPS Ingersoll Funkenerosion GmbH and Prima Power Suzhou Company Limited in 2025 was HK$6,605,000, a year-over-year reduction compared with HK$9,573,000 in 2024.

Income Tax Expenses

Income tax expenses in 2025 were HK$4,701,000, compared with HK$3,769,000 in 2024, representing an increase of 24.7%.

Profit Attributable to Owners of the Company and Earnings Per Share

The operating profit for the Group was HK$31,442,000 in 2025, compared with an operating profit of HK$42,503,000 in 2024, representing a decrease of 26.0%. The profit attributable to owners of the Company was HK$16,097,000 in 2025, compared with the profit attributable to owners of the Company of HK$20,909,000 in 2024, representing a decrease of 23.0% attributable mainly to the one-off unfavourable year-over-year variance in fair value change of the Group's shareholding in Prima Industrie S.p.A..

The basic earnings per share was HK7.00 cents in 2025, compared with a basic earnings per share of HK9.09 cents in 2024, representing a decrease of 23.0%.

Total Comprehensive Income Attributable to Owners of the Company

The total comprehensive income attributable to owners of the Company was HK$12,513,000 in 2025, compared with the total comprehensive income attributable to owners of the Company of HK$5,203,000 in 2024.

DIVIDEND

The Directors recommend the payment of a final dividend of HK3.0 cents per ordinary share for the year ended 31st December 2025 totaling HK$6,902,000. Including the special dividend of HK10 cents per ordinary share paid on 12th September 2025 and the interim dividend of HK3.0 cents per ordinary share paid on 2nd October 2025, the total dividend for the year ended 31st December 2025 will amount to HK16 cents per share (2024: HK16 cents per share). This final dividend recommendation is subject to the approval of the shareholders at the forthcoming Annual General Meeting, which will be held on 15th June 2026 (Monday). Upon the approval of the shareholders, the final dividend warrant will be payable on or before 8th July 2026 (Wednesday) to the shareholders of the Company whose names appear on the register of members on 23rd June 2026 (Tuesday).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Revenue	*2*	**552,889**	560,626
Cost of sales	*4*	**(411,799)**	(422,077)
Gross profit		**141,090**	138,549
Other income and gains, net	*3*	**987**	18,669
Selling and distribution expenses	*4*	**(16,212)**	(19,143)
Administrative expenses	*4*	**(94,091)**	(96,835)
Net (impairment losses)/reversal of impairment losses on financial assets		**(332)**	1,263
Operating profit		**31,442**	42,503
Finance income		**1,486**	1,160
Finance expenses		**(5,030)**	(9,414)
Finance expenses, net		**(3,544)**	(8,254)
Share of post-tax losses of a joint venture		**(496)**	–
Share of post-tax losses of associates	*9(a)*	**(6,605)**	(9,573)
Profit before tax		**20,797**	24,676
Income tax expense	*5*	**(4,701)**	(3,769)
Profit for the year		**16,096**	20,907
Profit attributable to:			
Owners of the Company		**16,097**	20,909
Non-controlling interests		**(1)**	(2)
		16,096	20,907
Earnings per share for profit attributable to owners of the Company			
Basic and diluted earnings per share (HK cents)	*7*	**HK7.00 cents**	HK9.09 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025

	2025	2024
	HK$'000	*HK$'000*
Profit for the year	**16,096**	20,907
Other comprehensive loss		
Items that will not be reclassified subsequently to profit or loss		
Loss on revaluation of land and buildings	**(7,862)**	(7,249)
Movement of deferred tax	**1,419**	1,431
Change in value of financial assets at fair value through other comprehensive income, net of tax	**3,600**	(3,600)
	(2,843)	(9,418)
Items that have been reclassified or may be subsequently reclassified to profit or loss		
Currency translation differences	**(750)**	(6,620)
Other comprehensive loss for the year, net of tax	**(3,593)**	(16,038)
Total comprehensive income for the year	**12,503**	4,869
Total comprehensive income attributable to owners of the company	**12,513**	5,203
Total comprehensive loss attributable to non-controlling interests	**(10)**	(334)
	12,503	4,869

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Plant and equipment		**6,554**	8,336
Right-of-use assets		**167,880**	177,729
Investment properties	*8*	**70,796**	73,643
Investment in a joint venture		**4**	–
Investments in associates	*9(a)*	**31,341**	35,817
Loan to an associate	*9(b)*	**19,114**	16,803
Financial assets at fair value through other comprehensive income		**10,989**	7,389
Financial asset at fair value through profit or loss		**6,915**	76,718
Deferred income tax assets		**3,333**	4,534
Total non-current assets		**316,926**	400,969
CURRENT ASSETS			
Inventories		**58,812**	69,993
Trade and bills receivables	*10*	**213,178**	206,372
Other receivables, prepayments and deposits		**37,645**	28,639
Restricted bank deposits		**210**	5,297
Cash and cash equivalents		**51,906**	26,048
Total current assets		**361,751**	336,349

	Notes	2025	2024
		HK$'000	*HK$'000*
CURRENT LIABILITIES			
Trade and bills payables	*11*	**82,438**	76,678
Other payables, accruals and contract liabilities		**72,332**	47,291
Borrowings	*12*	**68,346**	128,071
Lease liabilities		**751**	98
Tax payable		**5,412**	11,314
Total current liabilities		**229,279**	263,452
NET CURRENT ASSETS		**132,472**	72,897
TOTAL ASSETS LESS CURRENT LIABILITIES		**449,398**	473,866
NON-CURRENT LIABILITIES			
Lease liabilities		**1,260**	–
Deferred income tax liabilities		**27,399**	28,818
Total non-current liabilities		**28,659**	28,818
Net assets		**420,739**	445,048
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**23,007**	23,007
Other reserves		**205,574**	210,639
Retained earnings		**197,019**	216,253
		425,600	449,899
Non-controlling interests		**(4,861)**	(4,851)
Total equity		**420,739**	445,048

Notes:

1.1 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings recognised as right-of-use assets, investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss which have been measured at fair value.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, associates and a joint venture for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-relate examples. Therefore, the amendments do not have an effective date or transitional provisions. The amendments did not have any impact on the Group's financial statements.

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker ("**CODM**"), the Board of Directors, that are used to make strategic decisions.

The Board considers the business from a geographic perspective. Geographically, management considers the performance in Chinese mainland, Hong Kong and other countries and territories.

The Group is principally engaged in the trading of metalworking machinery, measuring instruments, cutting tools and electronics equipment in three main geographical areas, namely Chinese mainland, Hong Kong and other countries and territories (principally Singapore, Taiwan, Malaysia and Indonesia).

The Board assesses the performance of the operating segments based on a measure of segment results, total assets, total liabilities, and total capital expenditure. The Group primarily operates in Hong Kong and Chinese mainland. The Group's revenue by geographical location is determined by the country in which the customer is located.

	For the year ended 31st December 2025			
	Chinese mainland	**Hong Kong**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue	**525,926**	**5,202**	**21,761**	**552,889**
Segment results	**25,745**	**2,105**	**3,592**	**31,442**
Finance income				**1,486**
Finance expenses				**(5,030)**
Share of post-tax losses of a joint venture				**(496)**
Share of post-tax losses of associates				**(6,605)**
Profit before tax				**20,797**
Income tax expense				**(4,701)**
Profit for the year				**16,096**

	For the year ended 31st December 2024			
	Chinese mainland	Hong Kong	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	522,847	15,281	22,498	560,626
Segment results	37,647	2,783	2,073	42,503
Finance income				1,160
Finance expenses				(9,414)
Share of post-tax losses of associates				(9,573)
Profit before tax				24,676
Income tax expense				(3,769)
Profit for the year				20,907

Disaggregation of revenue

Revenue is derived from the sales of goods, provision of agency services and other after-sales services, and are recognised at point in time.

Revenue recognised during the year is disaggregated as follows:

	2025	2024
	HK$'000	*HK$'000*
Sales of goods	**465,819**	464,800
Commission income	**80,222**	89,698
Service income	**6,848**	6,128
	552,889	560,626

Commission income of HK$80,222,000 (2024: HK$89,698,000) was recognized when technical support and agency services in respect of trading between certain business partners were rendered.

Service income of HK$6,848,000 (2024: HK$6,128,000) was developing into recurring income from operations.

During the year ended 31st December 2025, revenue of approximately HK$113,404,000 (2024: HK$89,536,000) was derived from one customer (2024: one customer), which individually accounted for over 10% of the Group's total revenue.

Contract liabilities of HK$46,981,000 (2024: HK$29,503,000) were classified within "other payables, accruals and contract liabilities". It represents advance payments received from customers for goods that have not been transferred to the customers. During the year ended 31st December 2025, all brought-forward contract liabilities at the beginning of the financial year were fully recognised as revenue. Increase in contract liabilities is mainly due to the increase in sales orders with advance payments.

The provision for slow moving inventories charged for the year ended 31st December 2025 is HK$1,643,000 (2024: reversal of provision of slow moving inventories of HK$1,563,000).

The net impairment losses on financial assets charged for the year ended 31st December 2025 is HK$332,000 (2024: net reversal of impairment losses on financial assets credited of HK$1,263,000).

The total depreciation of plant and equipment and right-of-use assets for the year ended 31st December 2025 are HK$7,020,000 (2024: HK$7,307,000).

Segment assets

	2025	2024
	HK$'000	*HK$'000*
Chinese mainland	**426,755**	382,717
Hong Kong	**194,840**	290,351
Other countries and territories *(Note (a))*	**57,082**	64,250
	678,677	737,318

Segment assets are allocated by reference to the principal markets in which the Group and its associates and its joint venture operate.

Segment liabilities

	2025	2024
	HK$'000	*HK$'000*
Chinese mainland	**208,241**	207,087
Hong Kong	**38,335**	59,154
Other countries and territories *(Note (a))*	**11,362**	26,029
	257,938	292,270

Segment liabilities are allocated by reference to the principal markets in which the Group operates.

Capital expenditure

	2025	2024
	HK$'000	*HK$'000*
Chinese mainland	**386**	660
Hong Kong	**47**	–
Other countries and territories *(Note (a))*	**–**	99
	433	759

Capital expenditure is allocated based on where the assets are located and consists of additions of plant and equipment.

Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Chinese mainland	**93,359**	100,410
Hong Kong	**181,378**	260,165
Other countries and territories	**42,189**	40,394
	316,926	400,969

Note:

(a) Other countries and territories include Taiwan, Singapore, Indonesia and Malaysia.

3. OTHER INCOME AND GAINS, NET

	2025	2024
	HK$'000	*HK$'000*
Rental income	**4,428**	3,653
Reward income	**465**	451
Net fair value losses on investment properties	**(3,136)**	(7,347)
Net fair value (losses)/gains on financial assets at fair value through profit or loss ("FVTPL")	**(2,059)**	21,539
Government grants	**434**	244
Others	**855**	129
	987	18,669

4. EXPENSES BY NATURE

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

	2025	2024
	HK$'000	*HK$'000*
Auditors' remuneration		
– Audit services	**1,300**	1,163
– Non-audit services	**380**	530
Cost of sales	**409,113**	421,837
Depreciation on plant and equipment	**2,248**	2,198
Depreciation on right-of-use assets	**4,772**	5,109
Short-term leases	**721**	1,136
Provision/(reversal of provision) for slow moving inventories	**1,643**	(1,563)
Provision/(reversal of provision) for impairment of trade and bills receivables	**180**	(1,679)
Provision for impairment of other receivables, prepayments and deposits	**152**	40
Provision for impairment of loan to an associate	**—**	376
Foreign exchange losses, net	**3,126**	5,200
Employee benefits expenses (including directors' remuneration)	**59,008**	59,364
Other expenses	**39,459**	44,344
Total cost of sales, selling and distribution expenses and administrative expenses	**522,102**	538,055

5. INCOME TAX EXPENSE

The amount of taxation charged to profit or loss represents:

	2025	2024
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**3,535**	2,591
– PRC and overseas taxation	**(35)**	55
Deferred income tax	**1,201**	1,123
	4,701	3,769

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year.

Enterprise income tax ("**EIT**") in PRC has been provided at the rate of 25% (2024: 25%) on the estimated assessable profit for the year with certain preferential provisions.

Taxation on other overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the subsidiaries of the Group operate.

6. DIVIDENDS

Final dividend was proposed at HK3.0 cents (2024: HK3.0 cents) per ordinary share for the shareholders of the Company for the year ended 31st December 2025.

	2025	2024
	HK$'000	*HK$'000*
Special dividend, paid, of HK10 cents during the year (2024: HK10.0 cents) per ordinary share	**23,008**	23,008
Interim dividend, paid, of HK3.0 cents (2024: HK3.0 cents) per ordinary share	**6,902**	6,902
Final dividend, proposed, of HK3.0 cents (2024: HK3.0 cents) per ordinary share	**6,902**	6,902
	36,812	36,812

7. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity owners of the Company by the number of ordinary shares outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**16,097**	20,909
Number of ordinary shares outstanding (in thousands)	**230,076**	230,076
Basic and diluted earnings per share attributable to equity owners of the Company (HK cents per share)	**7.00**	9.09

8. INVESTMENT PROPERTIES

	2025	2024
	HK$'000	*HK$'000*
At fair value		
Opening balance at 1st January	**73,643**	77,722
Transfer from right-of-use assets	**–**	3,271
Net losses from fair value adjustment	**(3,136)**	(7,347)
Exchange difference	**289**	(3)
Closing balance at 31st December	**70,796**	73,643

9(a). INVESTMENTS IN ASSOCIATES

Movements of investments in associates are as follows:

	2025	2024
	HK$'000	*HK$'000*
At 1st January	**35,817**	47,061
Share of post-tax losses of associates	**(6,605)**	(9,573)
Currency translation difference	**2,129**	(1,671)
At 31st December	**31,341**	35,817

Set out below are the associates held by the Group. The associates as listed below have share capital consisting solely of ordinary shares.

Details of investment in associates as at 31st December 2025 and 2024 are as follows:

Company name	**Place of business/ country of incorporation**	**Effective % of ownership interest**		**Principal activities**
		2025	2024	
OPS-Ingersoll Holding GmbH ("**OPS**")	Germany/Germany	**33.84**	33.84	Manufacturing of metal working machinery
Prima Power Suzhou Co., Ltd. ("**Prima**")	Chinese mainland/PRC	**30**	30	Manufacturing of metal forming machinery

There are no contingent liabilities relating to the Group's interests in the associates.

9(b). LOAN TO AN ASSOCIATE

The balance represents a loan made to an associate – OPS. The loan is unsecured, interest-bearing 6% per annum and will not be repaid within the next twelve months from the reporting date (2024: 6% per annum). During the year, interest received from OPS amounted to HK$1,273,000 (2024: HK$810,000).

As at 31st December 2025, the carrying value of the loan to an associate was HK$19,114,000 (2024: HK$16,803,000). Expected credit loss of HK$1,000,000 (2024: HK$1,000,000) was recognised as of 31st December 2025.

10. TRADE AND BILLS RECEIVABLES

As at 31st December 2025 and 2024, the ageing analysis of trade and bills receivables by invoice date is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 3 months	**137,256**	145,397
4-6 months	**3,312**	31,902
7-12 months	**29,807**	1,795
Over 12 months	**45,155**	29,638
	215,530	208,732
Less: provision for impairment	**(2,352)**	(2,360)
	213,178	206,372

As at 31st December 2025 and 2024, the ageing analysis of trade and bills receivables by payment due date is as follows:

	2025	2024
	HK$'000	*HK$'000*
Current	**206,667**	196,041
1-3 months	**5,377**	9,266
4-6 months	**1,508**	611
7-12 months	**72**	501
Over 12 months	**1,906**	2,313
	215,530	208,732
Less: provision for impairment	**(2,352)**	(2,360)
	213,178	206,372

The Group generally grants credit terms of a range of 30 to 90 days to its customers. Longer payment terms might be granted to those customers who have good payment history and long-term business relationship with the Group.

11. TRADE AND BILLS PAYABLES

At 31st December, the ageing analysis of trade and bills payables by invoice date is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 3 months	**74,900**	65,652
4-6 months	**3,186**	6,103
7-12 months	**1,003**	140
Over 12 months	**3,349**	4,783
	82,438	76,678

12. BORROWINGS

As at 31st December 2025, the Group's borrowings were repayable as follows:

	2025	2024
	HK$'000	*HK$'000*
Current		
Trust receipt loans	**34,609**	75,963
Term loans from banks due for repayment within one year	**33,737**	52,108
Total borrowings	**68,346**	128,071

As at 31st December 2025, certain land and buildings and a financial asset at fair value through profit or loss in Hong Kong and Chinese mainland with an aggregate carrying value of approximately HK$71,597,000 (2024: HK$97,273,000) were pledged to secure the banking facilities of the Group.

The facilities expiring within one year are annual facilities subject to review at various dates during 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) from 10th June 2026 (Wednesday) to 15th June 2026 (Monday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2026 Annual General Meeting. Shareholders whose names appear on the register of members of the Company at the record date on Monday, 15th June 2026 are entitled to attend at the 2026 Annual General Meeting. In order to be eligible to attend and vote at the 2026 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 9th June 2026 (Tuesday); and

(ii) from 22th June 2026 (Monday) to 23rd June 2026 (Tuesday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. Shareholders whose names appear on the register of members of the Company at the record date on Tuesday, 23rd June 2026 are entitled to receive the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 18th June 2026 (Thursday).

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

BUSINESS REVIEW

2025 was a year full of challenges. The US tariff measures on all imported goods disrupted global economic activity and increased economic uncertainty worldwide. The domestic consumption market in China recovered more slowly than expected, while the property market remained weak despite signs of gradual improvement. However, China's economy demonstrated resilience, supported by the expansion of exports to markets outside the US, reducing reliance on the US market. In 2025, GDP growth reached 5%, which was an exceptional performance among major economies.

The export value of China increased by 6.1% in 2025, while industrial added value rose by 5.8%. Within the industrial added values, the manufacturing of the power supply equipment, new energy vehicles, integrated circuit boards, and robots recorded significant growth in the year. In contrast, telecommunication equipment and computers saw a slight decline. China's automobile production reached 34 million units in 2025, including 16 million units of new energy vehicles, increased by 9.8%. The value of machine tools manufactured in China amounted to RMB219.8 billion, representing an increase of 6.9%. At the same time, China's machine tools imports reached USD10.3 billion, up 1.4%. The discontinuation of government subsidies for home appliance purchases in the second half of 2025 contributed to a mild decline in smartphone production, which decreased by 0.6% year-on-year.

In 2025, our customer base was primarily concentrated in the automobile manufacturing, especially the new energy vehicles, as well as smartphone production, AI glasses manufacturing, and various mold-making industries. These sectors performed well over the past year, supporting the steady business growth of these customers.

The Machine Tool division and the Electronic Equipment division of the Group delivered solid performance in 2025, supported by robust demand from the new energy vehicle market and key account orders. In contrast, the Cutting Tools division and the Measuring Instruments division recorded lower business levels compared with 2024. China-made tools and equipment, to a certain extent, took market share from the imported brands, leading to lower sales for the Cutting Tools division and the Measuring Instruments division.

The order intake in 2025 amounted to HK$1,531,410,000 as compared with HK$1,261,718,000 in 2024, representing an increase of 21.4%.

Investments

The German associated company, OPS Ingersoll Funkenerosion GmbH, continues to struggle for business survival, although order intake has improved slightly in recent months. The losses are expected to continue for another year. The business at Prima Power Suzhou Company Limited was average in 2025, while competition from Chinese-made machines remains a challenge to the associate's operations.

LIQUIDITY AND FINANCIAL RESOURCES

The balance of cash and cash equivalents of the Group as at 31st December 2025 was HK$51,906,000 (31st December 2024: HK$26,048,000) contributed by improvement in cash flow.

The Group's inventory balance as at 31st December 2025 was HK$58,812,000 (31st December 2024: HK$69,993,000). The turnover days of inventory were 52 at the end of December 2025, compared with 61 at the end of December 2024. The decrease in inventory balance has reflected the Group's effort in actively accelerating sell-through of inventory to enhance cash flow and to reduce inventory risk.

The balance of trade and bills receivables was HK$213,178,000 as at 31st December 2025 (31st December 2024: HK$206,372,000). The turnover days of trade receivable were 142 at the end of December 2025, compared with 136 at the end of December 2024. The change in trade receivable balance and receivable days is attributable to change in trade mix.

The balance of trade and bills payables was HK$82,438,000 as at 31st December 2025 (31st December 2024: HK$76,678,000). The turnover days of trade payable were 73 at the end of December 2025, compared with 66 at the end of December 2024. The change in trade payable balance and payable days is attributable to change in purchase mix.

The balance of short-term borrowings was HK$68,346,000 as at 31st December 2025 (31st December 2024: HK$128,071,000). The lower level of bank borrowings resulted from the Group's effort in continuous cash flow enhancement.

The Group's net gearing ratio was approximately 3.9% as at 31st December 2025 (31st December 2024: 21.7%). The net gearing ratio was lower than in 2024, due to the lower borrowing level in 2025. The net gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and restricted bank deposits.

The Group generally finances its operations with internally generated resources and banking facilities provided by banks. As at 31st December 2025, the Group had aggregate banking facilities of approximately HK$216,892,000, of which approximately HK$117,922,000 was utilised, bearing interest at prevailing market rates and secured by certain land and buildings and a financial asset at fair value through profit or loss of the Group in Hong Kong and Chinese mainland, with an aggregate carrying amount of HK$71,597,000 (31st December 2024: HK$97,273,000). The Directors are confident that the Group is able to meet its operational and capital expenditure requirements.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group measures its business performance according to financial key performance indicators Gross Profit ratio ("**GP ratio**"), Net Profit ratio ("**NP ratio**"), Return on Equity ratio ("**ROE ratio**") and Net Gearing ratio ("**NG ratio**").

The GP ratio measures the Group's ability to cover its operational expenses by its gross profit. The GP ratio is calculated as gross profit divided by revenue. The Group's GP ratio was approximately 25.5% of 2025 (2024: 24.7%). The higher GP ratio was contributed by favourable trade mix.

The NP ratio measures how effectively the Group can convert sales into net income. It reveals the remaining profit after the cost of sales, selling and distribution expenses, administrative expenses, finance expenses and income tax expenses. It is calculated as profit for the year excluding share of post-tax losses of a joint venture and share of post-tax losses of associates divided by revenue. The Group's NP ratio was approximately 4.2% in 2025 (2024: 5.4%). The decline in the NP ratio was attributable to the one-off unfavourable year-over-year variance in fair value change of the Group's shareholding in Prima Industrie S.p.A..

The ROE ratio measures the efficiency of the Group to utilise the funds from equity holders to generate profit and grow the Group. The ROE ratio is calculated as profit for the year divided by average equity. The Group's ROE ratio was approximately 3.7% in 2025 (2024: 4.5%). The decline in ROE was attributable primarily to the above-mentioned year-over-year change in profit.

The NG ratio measures the Group's financial leverage regarding the degree to which its business activities are funded by bank loans. The NG ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and restricted bank deposits. The Group's NG ratio was approximately 3.9% as at 31st December 2025 (31st December 2024: 21.7%). The decrease in the NG ratio was attributable to the decrease in bank borrowing to lower finance costs.

FUTURE PLANS AND PROSPECTS

The Chinese government has set a GDP growth target of between 4.5% and 5% in 2026. Its core strategy is to boost domestic consumption, expand effective investment, and fully leverage the advantages of the large Chinese market. The government will provide greater support and funding for areas such as quantum technology, humanoid robots, human-machine interfaces, and 6G technology, which are expected to drive innovation and contribute significantly to achieving the GDP growth target. Beijing is determined to become a global leader in robotics and AI development, and the government will invest billions of US dollars in these sectors. Green energy, including hydrogen and green fuel, is also expected to be one of the drivers for economic growth in 2026.

The Group is preparing to capture the opportunity arising from the country's 15th Five-Year Plan (2026-2030). Key priorities of the Plan include high-quality development, advanced technology, new quality productive forces, and green transitions. Several industries are expected to experience rapid growth, including the integration of AI with traditional industries, advancements in quantum technology and biochemical technologies, the development of new energy and materials, the achievement of carbon peaking, the optimization of power supply systems, the expansion of wind and solar energy, and the construction of new energy storage facilities. To benefit from the momentum generated by the 15th Five-Year Plan, the Group will explore new products, invest in human resources and operating systems, and strengthen the development of the existing products.

In the first two months of 2026, China demonstrated strong economic momentum. The industrial added value grew by 6.3% as compared with the same period of last year, with the manufacturing industry rising by 6.6%. The export value also recorded a robust increase of 19.2%.

The ongoing conflict involving Israel, the US, and Iran in the Middle East has disrupted the global economy. Despite these external challenges, China's economic growth in 2026 is expected to remain positive. We are confident that the Group's business performance in 2026 will surpass that of 2025.

EMPLOYEES

As at 31st December 2025, the Group had 229 employees (31st December 2024: 233). Of these, 35 were based in Hong Kong, 183 were based in Chinese mainland, and 11 were based in other offices around Asia. Competitive remuneration packages were structured to be commensurate with our employees' individual job duties, qualifications, performance and years of experience. In addition to basic salaries, pension scheme contribution in different countries, the Group offered staff benefits including medical schemes, education subsidies and discretionary performance bonuses.

SHARE CAPITAL

Share capital

	2025	2024
	HK$'000	*HK$'000*
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000

	Number of shares ***(in thousand)***	Number of shares *(in thousand)*
Issued and fully paid:		
At 1st January 2024 and 31st December 2024 and 2025		
230,076,062 ordinary shares of HK$0.10 each	**230,076**	230,076

Share option scheme

The share option scheme of the Company has expired on 14th May 2023. As at 31st December 2025 and the date of this announcement, the Company has no share option scheme.

No share options were granted, cancelled, exercised or lapsed during the years ended 31st December 2025 and 2024.

DETAILS OF THE CHARGES ON THE GROUP'S ASSETS

As at 31st December 2025, certain land and buildings and a financial asset at fair value through profit or loss in Hong Kong and Chinese mainland, with an aggregate carrying value of approximately HK$71,597,000 (31st December 2024: HK$97,273,000), were pledged to secure the banking facilities of the Group.

CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

During the year 2025, the Group spent a total of HK$433,000 (31st December 2024: HK$759,000) in capital expenditure, primarily consisting of leasehold improvements and plant and equipment. As at 31st December 2025 and 31st December 2024, the Group had no capital commitment. In the meantime, a total of HK$1,523,000 (31st December 2024: HK$3,811,000) in contingent liabilities in respect of letters of guarantee was given to customers.

EXPOSURE OF FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

As at 31st December 2025 and 31st December 2024, the Group had no outstanding gross-settled foreign currency forward contract.

Foreign exchange gains and losses are calculated on the settlement of monetary transactions and on the translation of monetary assets and liabilities at the exchange rates of the end of the year.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

The Company did not have any treasury shares (as defined under the Listing Rules) as at 31st December 2025 and as at the date of this announcement.

CORPORATE GOVERNANCE

During the year ended 31st December 2025, the Company has complied with the code provisions set out in the Corporate Governance Code as stated in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except the Code Provision C.2.1.

The Board is of the view that although Mr. Lee Sou Leung, Joseph is the Chairman and Group Chief Executive Officer of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the company. The Board will regularly review the need to appoint different individuals to perform the roles of chairman and chief executive officer separately.

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

For the year ended 31st December 2025, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 31st December 2025 under review and they all confirmed that they have fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee, comprised of three independent non-executive directors of the Company, namely Mr. WONG Tat Cheong, Frederick, Mr. ZAVATTI Salvatore and Mr. KARCHT Jurgen Ernst Max has reviewed the accounting principles and practices adopted by the Group with the management and has discussed risk management and internal control systems and financial reporting matters, including a review of the consolidated financial statements for the year ended 31st December 2025 with the directors.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

2026 ANNUAL GENERAL MEETING

It is proposed that the 2026 Annual General Meeting of the Company will be held on 15th June 2026 (Monday). A notice convening the 2026 Annual General Meeting will be published on the websites of the Stock Exchange and the Company in due course and will be dispatched to the shareholders of the Company upon request.

By order of the Board
Leeport (Holdings) Limited
LEE Sou Leung, Joseph
Chairman

Hong Kong, 31st March 2026

As at the date of this announcement, the board of directors comprises 3 executive directors, namely Mr. LEE Sou Leung, Joseph, Mr. CHAN Ching Huen, Stanley and Mr. POON Yiu Ming; the non-executive Director Ms. TSE Sui Yin, Sally and the independent non-executive Directors are Mr. ZAVATTI Salvatore, Mr. WONG Tat Cheong, Frederick and Mr. KRACHT Jurgen Ernst Max.

* *For identification purpose only*