

Leepo 力豐（集團）有限公司

LEEPORT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00387)



CERTIFICATE NO.84667
ISO9001:2015

INTERIM REPORT 2025



**ADVANCED
MANUFACTURING
TECHNOLOGIES**

Since 1967

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MANAGEMENT COMMENTARY

The Board of Directors (the “Directors”) of Leeport (Holdings) Limited (the “Company”) would like to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025, along with the unaudited comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and which have been reviewed by the Audit Committee of the Company.

FINANCIAL PERFORMANCE

Revenue

In the first half of 2025, the Group’s revenue amounted to HK\$236,882,000 compared with HK\$255,249,000 in the same period last year, representing a decrease of 7.2%. Nevertheless, gross profit managed to land at HK\$73,263,000, representing an 8.9% increase over the same period last year at HK\$67,246,000. The gross profit percentage landed at 30.9%, substantially higher than 26.3% in the same period last year. The contrasting trend in year-over-year revenue change versus change in gross profit % is attributable to the shift of significant portion of new business to the commission income model, where only the net income is recognized as revenue.

Other Income and Gains, net

In the first half of 2025, the total amount of other income and gains, net was a loss of HK\$6,000, compared to a gain of HK\$8,948,000 in the same period last year.

In the first half of 2025, HK\$2,815,000 fair value loss on financial assets at fair value through profit or loss was recognized, compared to a fair value gain of HK\$6,507,000 recorded in the same period last year.

Rental income was HK\$1,975,000 in the first half of 2025, compared to HK\$1,809,000 in the same period last year, representing an increase of 9.2%.

Reward income from suppliers was HK\$689,000, compared to HK\$486,000 in the same period last year, representing an increase of 41.8%.

Operating Expenses

In the first half of 2025, selling and distribution costs were HK\$12,232,000, compared with HK\$9,383,000 in the same period last year, representing an increase of 30.4% attributable mainly to an increase in supply chain expenses.

In the first half of 2025, administrative expenses amounted to HK\$40,291,000, compared with HK\$49,570,000 in the same period last year, representing a decrease of 18.7% contributed by foreign exchange gain recognised in 2025.

Finance Costs, Net

Finance costs net of interest income was HK\$2,356,000 in the first half of 2025, compared to HK\$4,790,000 in the same period last year, representing a decrease of 50.8%.

Finance income in the first half of 2025 was HK\$668,000, compared to HK\$808,000 in the same period last year, representing a decrease of 17.3%.

Finance costs in the first half of 2025 was HK\$3,024,000, compared to HK\$5,598,000 in the same period last year, representing a decrease of 46.0% driven mainly by establishment of lower-cost loan facilities and, to a lesser extent, the benefit of a lower HIBOR rate in May and June of 2025.

The Group's net gearing ratio was approximately 25.7% at the end of June 2025, compared to 21.7% at the end of December 2024.

Share of Post-tax Losses of Associates

The share of post-tax losses of associates in the first half of 2025 was HK\$5,254,000, compared to the share of post-tax losses of associates, amounted to HK\$5,511,000 in the same period last year. Both OPS-Ingersoll Funkenerosion GmbH and Prima Power Suzhou Company Limited recorded loss in first half of 2025.

Income Tax Expenses

Income tax expenses in the first half of 2025 amounted to HK\$3,113,000, compared with HK\$401,000 in the same period last year. In the prior period, no provision for Hong Kong profits tax was made as the Group had available tax losses brought forward from prior years to offset against the assessable profit generated during that period.

Profit Attributable to Owners of the Company and Earnings Per Share

In the first half of 2025, the profit attributable to owners of the Company was HK\$10,023,000, compared with a profit attributable to owners of the Company amounted to HK\$8,430,000 in the same period last year, representing an increase of 18.9%.

The operating profit for the trading business was HK\$20,745,000, compared with an operating profit of HK\$19,130,000 in the same period last year, representing an increase of 8.4%.

The basic earnings per share was HK4.36 cents, compared with a basic earnings per share of HK3.66 cents in the same period last year, representing an increase of 19.1%.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 September 2025 (Tuesday) to 17 September 2025 (Wednesday), both days inclusive, during which period no transfer of shares will be registered. In order for members to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 15 September 2025 (Monday).

Interim Dividend

The Board has resolved to declare an interim dividend of HK3 cents per share for the six months ended 30 June 2025 (2024: HK3 cents). The dividend will be paid to shareholders whose names appear on the register of members of the Company on 17 September 2025 (Wednesday) (the "Record date"). The interim dividend is expected to be distributed to shareholders on or around 2 October 2025 (Thursday).

BUSINESS REVIEW

Trading

In the first half of 2025, China's economy faced several challenges, including heavy tariffs on exports to the US, a slow property market, and strong competition in many industries in the domestic market. Despite these issues, the economy remained resilient. GDP grew by 5.5% compared to 5.0% in the same period last year. Exports increased by 7.2%, due to a broader range of export destinations and less reliance on the US market. Domestic consumption made up 68.8% of GDP growth and played a key role in supporting the economy. Sales of new energy cars, smart home appliances, and energy-saving products also rose quickly, helped by government subsidies. Policies continued to support high-tech industries like digital manufacturing and the digital economy, which are now widespread across the country. Development in artificial intelligence is also progressing well.

In China, investment in manufacturing rose by 7.5% in the first half of the year, while the high-tech sector grew by 9.5%. Production of the "New Three Trio", electric cars, lithium batteries, and photovoltaic products increased by 30.0%, 53.3%, and 17.8% respectively. In the first half of 2025, the sales volume of cars in China reached 15,653,000 units, representing an 11.4% increase compared to the same period last year. Amidst this, the sales volume of new energy cars was 6,937,000 units, an increase of 40.3%. The new energy car represented 44.3% of the total sales volume. Machine tool production in China also went up by 10.4%. Our Machine Tool division performed well, supported by strong demand from new energy car and mobile phone manufacturers. Large orders from key customers played a big part in this success. In a highly competitive market, mainly larger customers are able to thrive. We focus on maintaining these key accounts by improving our services, making regular customer visits, and upgrading the skills of our sales and service teams. Building strong relationships with suppliers is also important. The value of imported cutting tools fell slightly by 2.67%. Our Cutting Tools division saw a drop in volume, with local competition remaining a challenge. The Electronics Equipment division is performing well as the electronics industry in China is strongly supported by the government. Also, service income has become a key profit driver, and we plan to further expand this area.

The total order intake in the first half of 2025 was HK\$1,106,143,000 compared with HK\$480,038,000 in the same period of last year, representing an increase of 130.4%.

Investment

The European economy, particularly in Germany, showed no signs of improvement. Weak results from German car makers negatively impacted our associated company, OPS Ingersoll Funkenerosion GmbH. Prima Power Suzhou Company Limited in China also faced tough competition from local manufacturers, making business more challenging. Both associated companies continue to operate at a loss.

LIQUIDITY AND FINANCIAL RESOURCES

The balance of cash and cash equivalents as at 30 June 2025 was HK\$25,487,000 (31 December 2024: HK\$26,048,000).

The balance of inventory as at 30 June 2025 was HK\$77,901,000 (31 December 2024: HK\$69,993,000). The inventory level for cutting tools increased as the delivery of some contracts was delayed due to customers' issues. The turnover days of inventory was 87 at the end of June 2025, compared with 61 at the end of December 2024.

The balance of trade and bills receivable as at 30 June 2025 was HK\$242,139,000 (31 December 2024: HK\$206,372,000). The turnover days of trade receivables was 188, compared with 125 as at 31 December 2024. The change in turnover days of trade receivables was attributable to a change in trade mix. The Group maintains strict credit control over its customers and outstanding receivables to minimize credit default risk. Management assessed customers' financial position, payment track record and forward-looking information for impairment provision on an individual basis for those customers subject to relatively higher risk in receivable collection or on a collective basis for those customers with relatively lower risk. Management believed that the impairment position as at 30 June 2025 was adequate.

The balance of trade and bills payable as at 30 June 2025 was HK\$58,341,000 (31 December 2024: HK\$76,678,000).

The balance of short-term borrowings as at 30 June 2025 was HK\$141,938,000 (31 December 2024: HK\$128,071,000). The increase in the borrowing level was to satisfy the working capital needs of the trade.

The Group's net gearing ratio was approximately 25.7% as at 30 June 2025, compared to 21.7% as at 31 December 2024. 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 increase in the net gearing ratio was due in part to the increase in the Group's borrowing level.

The Group generally finances its operations with internally generated resources and banking facilities provided by banks. As at 30 June 2025, the Group had aggregate banking facilities of approximately HK\$226,755,000, of which approximately HK\$155,453,000 was utilised, bearing interest at prevailing market rates and secured by certain land and buildings, investment properties and a financial asset at fair value through profit or loss of the Group in Hong Kong and Mainland China, with an aggregate carrying amount of HK\$92,453,000 (31 December 2024: HK\$97,273,000). The Directors are confident that the Group is able to meet its operational and capital expenditure requirements.

FUTURE PLANS AND PROSPECTS

Despite facing several challenges, China's economy performed well in the first half of 2025. Domestic consumption played a major role in GDP growth, and exports remained strong even with ongoing trade tensions with the US. In the second half of the year, the government will keep supporting domestic consumption, including subsidies for the purchase of new energy cars and smart home appliances. While sales of new energy cars may slow slightly, they still offer a large market for manufacturing equipment. Demand for electronic products like smartphones, computers, and printed circuit board is expected to stay strong.

We recognize that maintaining key accounts is crucial, as these customers continue to invest in high-end manufacturing equipment. China-made machines now hold more than half of the market share, so overseas brands must compete through technology and customer support. Imported machines from Japan or Europe still have an edge in the short term. Our Group has a strong customer base in new energy car and smartphone manufacturing, and we will keep expanding our product range for these clients. Focusing on high-tech customers is essential for our growth. With Leeport's strong reputation and ongoing improvements in our sales and service teams, we believe there are still great opportunities to grow our business.

The Group has formed a joint venture with a European sheet metal equipment manufacturer covering the market in China and Southeast Asia. The joint venture combines some entry-level sheet metal processing equipment, high-end production lines, and other special machines in the sheet metal industry. We believe the joint venture will have a bright future soon with the combination of price-competitive products and advanced equipment for niche markets. The Group will put more resources into the expanding sheet metal equipment business in China and Southeast Asian countries.

Even though the order intake in the first half of 2025 was outstanding, most of the delivery schedules for the imported machines are still long. We expect in the second half of 2025 that a significant amount of machine tool orders may not be able to be delivered by the end of the year. This will not help our financial results for 2025. Besides building a stronger team, the Group also invests in the new Customer Relationship Management system, which will enhance the sales management and customer service. The market situation in China is still promising, and we believe the Group should be able to achieve a better financial result as compared with 2024.

EMPLOYEES

As at 30 June 2025, the Group had 225 employees (31 December 2024: 233). Of these, 37 were based in Hong Kong, 176 were based in mainland China, and 12 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 and pension scheme contribution in different countries, the Group offered staff benefits including medical schemes, education subsidies and discretionary performance bonuses.

DETAILS OF THE CHARGES ON THE GROUP'S ASSETS

As at 30 June 2025, certain land and buildings, investment properties and a financial asset at fair value through profit or loss in Hong Kong and Mainland China, with an aggregate carrying value of approximately HK\$92,453,000 (31 December 2024: HK\$97,273,000), were pledged to secure the banking facilities of the Group by way of a fixed charge.

CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

For the first six months of 2025, the Group spent a total of HK\$54,000 (30 June 2024: HK\$111,000) in capital expenditure, primarily consisting of plant and equipment. As at 30 June 2025, the Group had no capital commitment (31 December 2024: Nil). In the meantime, a total of HK\$4,208,000 (31 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 enter into foreign currency forward contracts with its bankers to minimize the Group's exposure to foreign exchange rate risks.

As at 30 June 2025, the Group had no outstanding gross-settled foreign currency forward contracts (2024: no outstanding gross-settled foreign currency forward contracts).

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 period.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

The Company did not have any treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) as at 30 June 2025.

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 15th May 2013 and has expired on 14 May 2023. As at 30th June 2025, the Company has no share option scheme. No share options were granted, cancelled, exercised or lapsed during the period. The Company did not have any outstanding share option as at 30 June 2025 and 31 December 2024.

At no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors and chief executives of the Company or their associates to acquire benefits by means of the acquisition of shares or underlying shares and/or debt securities, including debentures of the Company or any other body corporate.

Major Transaction in August 2025

Details of the major transaction are set out in note 17 to the interim condensed consolidated financial information.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30 June 2025, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations and their associates (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules, were as follows:

		Number of ordinary shares of HK\$0.10 each held				Total	Percentage
		Personal Interests	Corporation interests	Other interests	Share options		
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 ("Mr. Chan")	Long position	1,104,000 shares	Nil	Nil	Nil	1,104,000 shares	0.48%
Mr. ZAVATTI Salvatore ("Mr. Zavatti")	Long position	110,000 shares	Nil	Nil	Nil	110,000 shares	0.05%

- (a) The 144,529,982 shares are 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) 1,500,000 shares are 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 SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

At 30 June 2025, the register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the directors as disclosed above.

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has complied with the code provisions set out in part 2 of the Corporate Governance Code as stated in Appendix C1 of the Listing Rules except the following:

Code Provision C.2.1

The Board is of the view that although Mr. Lee Sou Leung, Joseph is the Chairman and the 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 continue to review the effectiveness of the corporate governance structure of the Group from time to time, in order to assess whether separation of the roles of the chairman and chief executive officer is deemed necessary.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry had been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management and has discussed internal controls and financial reporting matters, including a review of the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 and this report with the directors.

As at the date of this report, the executive directors of the Company are Mr. LEE Sou Leung, Joseph, Mr. CHAN Ching Huen, Stanley and Mr. POON Yiu Ming, the non-executive director of the Company is Ms. TSE Sui Yin, Sally and the independent non-executive directors of the Company are Mr. ZAVATTI Salvatore, Mr. WONG Tat Cheong, Frederick and Mr. KRACHT Jurgен Ernst Max.

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

Hong Kong, 28 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	4	236,882	255,249
Cost of sales		(163,619)	(188,003)
Gross profit		73,263	67,246
Other income and gains, net		(6)	8,948
Selling and distribution expenses		(12,232)	(9,383)
Administrative expenses		(40,291)	(49,570)
Net reversal of impairment losses on financial assets		11	1,889
OPERATING PROFIT		20,745	19,130
Finance income		668	808
Finance costs		(3,024)	(5,598)
Finance costs, net		(2,356)	(4,790)
Share of post-tax losses of associates		(5,254)	(5,511)
PROFIT BEFORE TAX	5	13,135	8,829
Income tax expense	6	(3,113)	(401)
PROFIT FOR THE PERIOD		10,022	8,428
PROFIT ATTRIBUTABLE TO:			
Owners of the Company		10,023	8,430
Non-controlling interests		(1)	(2)
		10,022	8,428
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted earnings per share (HK cents)		4.36	3.66

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	10,022	8,428
OTHER COMPREHENSIVE INCOME/ (LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	4,273	(5,192)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gain on revaluation of land and buildings	–	433
Movement of deferred tax	245	203
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD, NET OF TAX	4,518	(4,556)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,540	3,872
ATTRIBUTABLE TO:		
Owners of the Company	14,541	3,874
Non-controlling interests	(1)	(2)
	14,540	3,872

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Plant and equipment	9	7,356	8,336
Investment properties	9	74,354	73,643
Right-of-use assets	9	177,894	177,729
Investments in associates	10	32,493	35,817
Loan to an associate	15(a)(ii)	19,247	16,803
Financial assets at fair value through other comprehensive income		7,389	7,389
Financial assets at fair value through profit or loss		6,903	76,718
Deferred tax assets		4,534	4,534
Total non-current assets		330,170	400,969
CURRENT ASSETS			
Financial assets at fair value through profit or loss		67,000	–
Inventories		77,901	69,993
Trade and bills receivables	11	242,139	206,372
Prepayments, deposits and other receivables		44,461	28,639
Restricted bank deposits		–	5,297
Cash and cash equivalents		25,487	26,048
Total current assets		456,988	336,349

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 JUNE 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade and bills payables	12	58,341	76,678
Other payables, accruals and contract liabilities		84,008	47,291
Borrowings	13	141,938	128,071
Lease liabilities		514	98
Tax payable		12,586	11,314
Dividend payable		6,902	–
Total current liabilities		304,289	263,452
NET CURRENT ASSETS		152,699	72,897
TOTAL ASSETS LESS CURRENT LIABILITIES		482,869	473,866
NON-CURRENT LIABILITIES			
Deferred tax liabilities		28,573	28,818
Lease liabilities		1,610	–
Total non-current liabilities		30,183	28,818
Net assets		452,686	445,048
EQUITY			
Issued capital		23,007	23,007
Reserves		434,531	426,892
		457,538	449,899
Non-controlling interests		(4,852)	(4,851)
Total equity		452,686	445,048

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2025

	Attributable to ordinary equity holders of the Company								
	Share capital	Share Premium	Land and building revaluation reserve	Exchange reserve	Other reserve	Merger reserve	Retained profits	Total	Non-controlling interests
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025 (audited)	23,007	37,510	185,196	(23,116)	(261)	11,310	216,253	449,899	(4,851)
Profit for the period	-	-	-	-	-	-	10,023	10,023	(1)
Other comprehensive income/(loss) for the period:									
Movement of deferred tax	-	-	245	-	-	-	-	245	-
Transfer of land and building revaluation reserve to retained earnings upon depreciation of buildings	-	-	(1,486)	-	-	-	1,486	-	-
Exchange differences on translation of foreign operation	-	-	651	3,622	-	-	-	4,273	-
Total comprehensive income/(loss) for the period	-	-	(590)	3,622	-	-	11,509	14,541	(1)
Dividend payable relating to 2024	-	-	-	-	-	-	(6,902)	(6,902)	-
At 30 June 2025 (unaudited)	23,007	37,510	184,606	(19,494)	(261)	11,310	220,860	457,538	(4,852)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

SIX MONTHS ENDED 30 JUNE 2024

	Attributable to ordinary equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Share Premium	Land and building revaluation reserve	Exchange reserve	Other reserve	Merger reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (audited)	23,007	37,510	242,676	(12,350)	3,339	11,310	177,167	482,659	(4,517)	478,142
Profit for the period	-	-	-	-	-	-	8,430	8,430	(2)	8,428
Other comprehensive income/(loss) for the period:										
Revaluation of right-of-use assets	-	-	433	-	-	-	-	433	-	433
Movement of deferred tax	-	-	203	-	-	-	-	203	-	203
Transfer of land and building revaluation reserve to retained earnings upon depreciation of buildings	-	-	(1,230)	-	-	-	1,230	-	-	-
Exchange differences on translation of foreign operation	-	-	(232)	(4,960)	-	-	-	(5,192)	-	(5,192)
Total comprehensive income/(loss) for the period	-	-	(826)	(4,960)	-	-	9,660	3,874	(2)	3,872
Dividend payable relating to 2023	-	-	-	-	-	-	(8,053)	(8,053)	-	(8,053)
At 30 June 2024 (unaudited)	23,007	37,510	241,850	(17,310)	3,339	11,310	178,774	478,480	(4,519)	473,961

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	(12,766)	53,411
Interest paid	(3,024)	(5,598)
Income tax paid	(1,841)	(1,149)
Net cash flows from/(used in) operating activities	(17,631)	46,664
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of plant and equipment	(54)	(169)
Advances of loan to an associate	–	(2,013)
Interest received	668	808
Net cash flows from/(used in) investing activities	614	(1,374)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings	181,149	86,330
Repayment of bank borrowings	(170,631)	(128,052)
Decrease/(increase) in restricted bank deposits	5,297	(145)
Principal elements of lease liabilities	(113)	(49)
Net cash flows from/(used in) financing activities	15,702	(41,916)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,315)	3,374
Cash and cash equivalents at beginning of period	26,048	29,795
Effect of foreign exchange rate changes, net	754	(653)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,487	32,516
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	25,487	32,516

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Corporate information

Leeport (Holdings) Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the trading of metalworking machinery, measuring instruments, cutting tools and electronic equipment.

The Company is a limited liability company incorporated in Bermuda and domiciled in Hong Kong. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This interim condensed consolidated financial information was approved for issue on 28 August 2025.

This interim condensed consolidated financial information has not been audited.

2.1 Basis of preparation

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange. The interim condensed consolidated financial information should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”).

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

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 with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. Operating segment information

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

The Board considers the business from a geographic region perspective. Geographically, management considers the performance in the People's Republic of China ("Mainland China"), Hong Kong and other countries.

The Group is principally engaged in the trading of metalworking machinery, measuring instruments, cutting tools and electronic equipment in three main geographical areas, namely Mainland China, Hong Kong and other countries (principally Singapore, Germany, Malaysia and Indonesia). The "Mainland China" segment, for the purpose of this condensed consolidated interim financial information, excludes Hong Kong and Taiwan.

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

3. Operating segment information (Continued)

Six months ended 30 June 2025

	Mainland China (Unaudited) HK\$'000	Hong Kong (Unaudited) HK\$'000	Other countries (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:				
Sales to external customers	227,584	1,661	7,637	236,882
Segment result	19,278	843	624	20,745
Bank interest income				668
Finance costs				(3,024)
Share of post-tax losses of associates				(5,254)
Profit before tax				13,135
Income tax expense				(3,113)
Profit for the period				10,022
Assets and liabilities				
Segment assets	463,855	268,208	55,095*	787,158
Segment liabilities	(265,623)	(53,309)	(15,540) [#]	(334,472)
Other segment information:				
Capital expenditure	54	–	– [#]	54

3. Operating segment information (Continued)

Six months ended 30 June 2024

	Mainland China (Unaudited) HK\$'000	Hong Kong (Unaudited) HK\$'000	Other countries (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:				
Sales to external customers	242,606	6,157	6,486	255,249
Segment result	13,823	3,594	1,713	19,130
Bank interest income				808
Finance costs				(5,598)
Share of post-tax losses of associates				(5,511)
Profit before tax				8,829
Income tax expense				(401)
Profit for the period				8,428
Assets and liabilities				
Segment assets	372,582	336,584	63,388*	772,554
Segment liabilities	(210,620)	(69,607)	(18,366)#	(298,593)
Other segment information:				
Capital expenditure	111	–	–#	111

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

The depreciation of plant and equipment and right-of-use assets for the six months ended 30 June 2025 are HK\$3,344,000 (2024: HK\$3,830,000).

Capital expenditure is allocated based on where the assets are located. Capital expenditure comprises mainly additions to plant and equipment.

* Other countries and territories include Germany, Finland, Taiwan, Singapore, Indonesia and Malaysia.

Other countries mainly include Taiwan, Singapore, Indonesia and Malaysia.

4. Revenue

Revenue is derived from the sales of goods, provision of agency services and other after-sales services.

Disaggregation of revenue

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Types of goods or services:		
Sales of goods	167,976	215,160
Commission income	59,527	28,677
Service income	9,379	11,412
Total	236,882	255,249

During the six months ended 30 June 2025, commission income of revenue of approximately HK\$59,527,000 (2024: HK\$28,677,000) was new revenue model from second half of 2023 which was recognised when technical support and agency services in respect of trading between certain business partners, were rendered.

During the six months ended 30 June 2025, revenues of approximately HK\$59,551,000 (2024: HK\$28,677,000) were derived from one customer (2024: one), which individually accounted for over 10% of the Group's total revenue.

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cost of inventories sold	160,315	185,299
Depreciation of plant and equipment	1,072	1,070
Depreciation of right-of-use assets	2,272	2,760
Employee benefits expenses (including directors' remuneration)	29,731	28,689
Foreign exchange (gains)/losses, net	(4,495)	5,829
Short-term leases	494	548
Provision for slow moving inventories	2,152	944
Professional fee	2,081	2,572

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. In the prior period, no provision for Hong Kong profits tax was made as the Group had available tax losses brought forwards from prior years to offset against the assessable profit generated during that period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

An analysis of the Group's income tax is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current:		
Hong Kong profits tax	3,113	–
Mainland China and other countries	–	401
Total tax expense for the period	3,113	401

Income tax expense is recognised based on management's best estimate of the projected annual effective income tax rate which is expected for the full financial year.

7. Dividend

A final dividend of HK\$6,902,000 that relates to the year ended 31 December 2024 was payable as at 30 June 2025 (2024: final dividend of HK\$8,053,000 that relates to the year ended 31 December 2023 was payable as at 30 June 2024).

The Board has resolved to declare an interim dividend of HK3 cents per share for the six months ended 30 June 2025 (2024: HK3 cents). The dividend will be paid to shareholders whose names appear on the register of members of the Company on 17 September 2025. This dividend was declared after the end of the reporting period, and therefore it has not been included as a liability in the condensed consolidated statement of financial position.

8. Earnings per share attributable to owners of the Company

The calculation of the basic earnings per share for the period is based on the unaudited profit for the period attributable to owners of the Company of HK\$10,023,000 (six months ended 30 June 2024: HK\$8,430,000), and the number of ordinary shares in issue of 230,076,000 (six months ended 30 June 2024: 230,076,000) during the period.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	10,023	8,430
Weighted average number of ordinary shares in issue (in thousands)	230,076	230,076
Basic earnings per share attributable to owners of the Company (HK cents per share)	4.36	3.66

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share: share options. There are no share options issued/outstanding for the period ended 30 June 2025 and 2024.

9. Plant and equipment, right-of-use assets and investment properties

	Right-of-use assets (Unaudited) HK\$'000	Plant and equipment (Unaudited) HK\$'000	Investment properties (Unaudited) HK\$'000
As at 1 January 2025	177,729	8,336	73,643
Additions	2,128	54	–
Depreciation (Note 5)	(2,272)	(1,072)	–
Exchange differences	309	38	711
As at 30 June 2025	<u>177,894</u>	<u>7,356</u>	<u>74,354</u>
As at 1 January 2024	242,161	9,808	77,722
Additions	58	111	–
Depreciation (Note 5)	(2,760)	(1,070)	–
Exchange differences	(144)	(38)	(233)
Revaluation gain	433	–	–
Transfer to asset classified as held for sales	(53,000)	–	–
As at 30 June 2024	<u>186,748</u>	<u>8,811</u>	<u>77,489</u>

At 30 June 2025, the Group's right-of-use assets includes land and buildings of HK\$175,784,000 (31 December 2024: HK\$177,631,000) and leased properties of HK\$2,110,000 (31 December 2024: HK\$98,000).

The Group's land and buildings and investment properties were revalued at 31 December 2024. The directors considered that there were no significant changes in the values of the land and buildings and investment properties held by the Group as at 30 June 2025 since previous annual reporting date.

Bank borrowings are secured on land and buildings and investment properties with carrying amounts of HK\$85,550,000 (31 December 2024: HK\$85,258,000) (Note 13).

10. Investments in associates

	30 June 2025 (Unaudited) HK\$'000	30 June 2024 (Unaudited) HK\$'000
Beginning of the period	35,817	47,061
Share of post-tax losses of associates	(5,254)	(5,511)
Exchange difference	1,930	(875)
End of the period	32,493	40,675

11. Trade and bills receivables

At 30 June 2025 and 31 December 2024, the ageing analysis of trade and bills receivables by invoice date are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 3 months	144,707	145,397
4 - 6 months	3,189	31,902
7 - 12 months	83,430	1,795
Over 12 months	13,232	29,638
	244,558	208,732
Less: Impairment	(2,419)	(2,360)
Total	242,139	206,372

11. Trade and bills receivables (Continued)

At 30 June 2025 and 31 December 2024, the ageing analysis of trade and bills receivables by due date are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Current	236,098	196,041
1 - 3 months	4,354	9,266
4 - 6 months	1,124	611
7 - 12 months	720	501
Over 12 months	2,262	2,313
	244,558	208,732
Less: Impairment	(2,419)	(2,360)
Total	242,139	206,372

The Group generally grants credit terms of 30 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.

12. Trade and bills payables

At 30 June 2025 and 31 December 2024, the ageing analysis of the trade and bills payables by invoice date are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 3 months	48,144	65,652
4 - 6 months	2,489	6,113
7 - 12 months	5,524	1,237
Over 12 months	2,184	3,676
Total	58,341	76,678

Included in trade and bills payables is an amount due to an associate of HK\$688,000 (31 December 2024: HK\$1,129,000), which is unsecured, interest-free and repayable on demand.

13. Borrowings

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Current		
Trust receipt loans	83,575	75,963
Term loans from banks due for repayment within one year	58,363	52,108
Total borrowings	141,938	128,071

Bank borrowings are secured by certain land and buildings, investment properties (Note 9) and a financial asset at fair value through profit or loss of the Group.

Movements in borrowings are analysed as follows:

	30 June 2025 (Unaudited) HK\$'000
As at 1 January 2025	128,071
New borrowings	181,149
Repayments of borrowings	(170,631)
Exchange difference	3,349
As at 30 June 2025	141,938

	30 June 2024 (Unaudited) HK\$'000
As at 1 January 2024	172,146
New borrowings	86,330
Repayments of borrowings	(128,052)
Exchange difference	(110)
As at 30 June 2024	130,314

14. Contingent liabilities

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Letters of guarantee given to customers	4,208	3,811

Certain subsidiaries have given undertakings to banks that they will perform certain contractual non-financial obligations to third parties. In return, the banks have provided letters of guarantee to third parties on behalf of these subsidiaries.

15. Related party transactions

As at 30 June 2025, the Group is controlled by Peak Power Technology Limited (incorporated in the British Virgin Islands), which owns 62.8% of the Company's shares. The remaining 37.2% of the shares are widely held.

- (a) The Group had the following material transactions with related parties during the period:

		Six months ended 30 June	
Notes		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Purchase of goods from an associate			
– Prima Power Suzhou Co., Ltd.	(i)	1,597	2,471
Loan interest received from an associate			
– OPS-Ingersoll Holding GmbH ("OPS")	(ii)	545	574

15. Related party transactions (Continued)

- (a) The Group had the following material transactions with related parties during the period: (continued)

Notes:

- (i) The cost of purchases from an associate was determined by the directors and agreed between the parties.
- (ii) The interest income from OPS was charged at interest rate of 6% (2024: 6%) per annum on a loan to OPS.

The loan to OPS of approximately HK\$20,247,000 (31 December 2024: HK\$17,803,000) before impairment of HK\$1,000,000 (31 December 2024: HK\$1,000,000) is unsecured, interest-bearing at 6% (2024: 6%) per annum and not repayable within 12 months from the reporting date.

- (b) Outstanding balances with related companies:

Details of the Group's trade balances with its associate as at 30 June 2025 and 31 December 2024 are disclosed in note 12 to the unaudited condensed consolidated interim financial information.

- (c) The compensation of the key management personnel of the Group is summarised as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	4,074	4,133
Pension costs – defined contribution plans	27	36
Total compensation paid/payable to key management personnel	4,101	4,169

16. Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, borrowings, and financial liabilities included in other payables, accruals, contract liabilities and dividend payable approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The chief financial officer reports directly to the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption was used to estimate the fair values:

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current price within the bid-ask spread which is the most representative of the fair value in the given circumstances. The fair values of other financial assets and financial liabilities are determined in accordance with the generally accepted pricing models based on discounted cash flow analysis.

Fair values of unlisted securities classified as financial assets at fair value through profit or loss are determined by the market approach, using the valuation multiples of comparable companies in the market and the financial information of the unlisted securities as at balance sheet date. The key unobservable data includes Enterprise value/Earnings before interest, tax, depreciation and amortization (EV/EBITDA) ratios of the comparable companies and discount for lack of marketability. A rise in EV/EBITDA ratios or a fall in discount for lack of marketability, all changes taken in isolation, would lead to an increase of the fair value of unlisted securities.

Fair values of unlisted securities classified as financial assets at fair value through other comprehensive income are determined by the market approach, using the valuation multiples of comparable companies in the market and the financial information of the unlisted securities as at balance sheet date. The key unobservable data includes price-to-revenue ratios of the comparable companies and discount for lack of marketability. A rise in price-to-revenue ratios or a fall in discount for lack of marketability, all changes taken in isolation, would lead to an increase of the fair value of unlisted securities.

16. Fair value and fair value hierarchy of financial instruments (Continued)

Fair value of unlisted insurance policy investment classified as financial assets at fair value through profit or loss that was not traded in an active market was considered to be the cash surrender value of the insurance policy.

The Group's unlisted securities classified as financial assets at fair value through profit or loss were revalued at 30 June 2025 and 31 December 2024. The Group's unlisted securities classified as financial assets at fair value through other comprehensive income were only revalued at 31 December 2024. The directors considered that there were no significant changes in the values since previous annual reporting date.

There were no transfers between Levels 1, 2 and 3 during the period.

There were no changes in valuation techniques during the period.

During the period, there were fair value loss of HK\$3,000,000 and gain of HK\$185,000 from unlisted securities and unlisted key management insurance contract respectively recognised in the condensed consolidated statement of profit or loss and other comprehensive income and presented net within "other income and gains, net".

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measured using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
At 30 June 2025				
Financial assets at fair value through other comprehensive income:				
– unlisted securities	-	-	7,389	7,389
Financial assets at fair value through profit or loss				
– unlisted securities	-	-	67,000	67,000
– unlisted key management insurance contract	-	-	6,903	6,903
	-	-	81,292	81,292

16. Fair value and fair value hierarchy of financial instruments (Continued)

Fair value hierarchy (Continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

	Fair value measured using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
At 31 December 2024				
Financial assets at fair value through other comprehensive income:				
– unlisted securities	–	–	7,389	7,389
Financial assets at fair value through profit or loss				
– unlisted securities	–	–	70,000	70,000
– unlisted key management insurance contract	–	–	6,718	6,718
	–	–	84,107	84,107

17. Events after the reporting period

On 1 August 2025, a wholly-owned subsidiary ("the subsidiary") of the Group, entered into the share redemption agreement with Femto S.à.r.l. (the "Target Company"), for the redemption of the target shares at the consideration of EUR7,500,000 (equivalent to approximately HK\$68,119,000) in cash. Details of the transactions were disclosed in the Company's announcement dated 1 August 2025 and the Company's circular dated 21 August 2025 published. The investment in the Target Company was classified as financial asset at fair value through profit or loss of current assets as at 30 June 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.

Since all the conditions precedent under the share redemption agreement have been fulfilled, the completion of the share redemption took place on 1 August 2025. The Group announced the special dividend of HK\$0.1 per share will be paid on 12 September 2025.

18. Approval of the condensed consolidated financial information

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 28 August 2025.