

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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Leeport
LEEPORT (HOLDINGS) LIMITED
力豐(集團)有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 387)

**(1) MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF SHARES IN PRIMA INDUSTRIE S.P.A.;**
(2) PROPOSED DECLARATION OF SPECIAL DIVIDEND;
(3) PROPOSED RE-ELECTION OF DIRECTOR; AND
(4) NOTICE OF SPECIAL GENERAL MEETING

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined under the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 5 to 18 of this circular.

A notice convening the SGM to be held at 10:30 a.m. on Monday, 10 October 2022 at 1st Floor, Block 1, Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you intend to attend the SGM, you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

PRECAUTIONARY MEASURES FOR THE SGM

Please see page ii of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus ("COVID-19") at the SGM, including:

- compulsory body temperature checks
- compulsory wearing of surgical face masks for each attendee

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the SGM venue. The Company also encourages the Shareholders to consider appointing the Chairman of the SGM as his/her proxy to vote on the resolutions at the SGM as an alternative to attending the SGM in person.

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PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue and be asked to leave the SGM venue.
- (ii) All Shareholders, proxies and other attendees that (a) have travelled, and have been in close contact with any person who has travelled from the mainland China, Macao and Taiwan at any time in the preceding 14 days, or from overseas at any time in the preceding 21 days (in accordance with and subject to the latest guidelines issued by the Hong Kong Government at www.chp.gov.hk from time to time); (b) are, and have been, in close contact with any person who is, subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); (c) are, and have been, in close contact with anyone who has contracted COVID-19, has been tested preliminarily positive of COVID-19 or is suspected of contracting COVID-19; or (d) have any flu-like symptoms, may be denied entry into the SGM venue and be asked to leave the SGM venue.
- (iii) All Shareholders, proxies and other attendees are required to wear surgical face masks inside the SGM venue at all times. Any person who does not comply with this requirement may be denied entry into the SGM venue and be asked to leave the SGM venue. A safe distance between seats are also recommended.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all stakeholders' health and safety and to be consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative to attending the SGM in person, Shareholders are encouraged to consider appointing the Chairman of the SGM as their proxy to vote on the resolution at the SGM by submitting forms of proxy with voting instructions inserted.

The form of proxy for the SGM is enclosed with this circular. Alternatively, the form of proxy can be downloaded from the website of the investor relations service provider for the Company (www.irasia.com) and the website of the Stock Exchange at <http://www.hkexnews.hk>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

| | |
|-----------------------|--|
| “Alpha 7” | Alpha Private Equity Fund 7 (SCA) SICAR, a corporate partnership limited by shares and an investment company in risk capital established under the laws of Luxembourg |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Audit Committee” | the audit committee of the Company |
| “Board” | the board of Directors |
| “Business Day(s)” | means any day other than a Saturday, Sunday, and any other day on which banks are authorised to close in the cities of Milan or Luxembourg |
| “BVI” | the British Virgin Islands |
| “Bye-laws” | the bye-laws of the Company |
| “Closing Date” | the 12th (twelfth) Business Day following the date on which all conditions precedent of the Sale and Purchase Agreement are satisfied or waived, or a different date agreed upon in writing between the Vendor and the Purchaser |
| “Company” | Leeport (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 387) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of 649,921 Prima Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement |
| “EUR” | Euro, the official currency of the European Union |
| “Group” | the Company and its subsidiaries |

DEFINITIONS

| | |
|--------------------------------|--|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “IFRS” | International Financial Reporting Standards |
| “Independent Third Party(ies)” | third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons |
| “J AND LEM” | J AND LEM Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Mr. Lee |
| “Latest Practicable Date” | 20 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 31 December 2022 |
| “Milan Exchange” | Borsa Italiana S.p.A., based in Milan, Italy |
| “Mr. Lee” | Mr. Lee Sou Leung, Joseph |
| “MTO” | a mandatory tender offer to be launched by the Purchaser on all the Prima Shares pursuant to the relevant laws of Italy |
| “MTO Completion Date” | the latest payment date to occur in connection with the MTO or any sell out and/or squeeze-out processes, pursuant to the relevant laws of Italy, which may follow the MTO |
| “Nomination Committee” | the nomination committee of the Company |
| “Peninsula Investments” | Peninsula Investments, S.C.A., a joint stock company limited by shares incorporated under the laws of Luxembourg |

DEFINITIONS

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|-------------------------------|---|
| “PRC” or “China” | the People’s Republic of China which, for the purpose of this circular, exclude Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Prima” | Prima Industrie S.p.A., a joint stock company incorporated under the laws of Italy, the shares of which are listed on Milan Exchange (Stock Code: PRI: IM) |
| “Prima Group” | Prima and its subsidiaries |
| “Prima’s Press Release” | the press release of Prima dated 11 July 2022 in relation to the execution of expressions of interest among Alpha 7 and Peninsula Investments as potential buyers and certain shareholders of Prima (including the Vendor) for possible purchase of Prima Shares by one or more affiliates of the said potential buyers from those shareholders |
| “Prima Shares” | existing ordinary share(s) of EUR2.50 each in the share capital of Prima |
| “Purchaser” | Femto Technologies S.p.A., a joint stock company incorporated under the laws of Italy |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Sale and Purchase Agreement” | the conditional sale and purchase agreement dated 17 August 2022 entered into between the Vendor and the Purchaser in relation to the sale and purchase of 649,921 Prima Shares |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the transactions as contemplated under the Sale and Purchase Agreement, the Special Dividend and the re-election of Director |
| “Share(s)” | the ordinary share(s) of HK\$0.1 each in the share capital of the Company |

DEFINITIONS

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|--------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Special Dividend” | the special cash dividend of HK\$0.08 per Share to be declared and paid by the Company to the Shareholders subject to the passing of an ordinary resolution by the Shareholders at the SGM and the completion of the Disposal |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | World Leader Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |
| “%” | per cent. |



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

(incorporated in Bermuda with limited liability)

(Stock Code: 387)

Executive Directors:

Mr. LEE Sou Leung, Joseph (*Chairman*)
Mr. CHAN Ching Huen, Stanley
Mr. LEE Ee Sian

Independent non-executive Directors:

Mr. ZAVATTI Samuel Mario
Mr. WONG Tat Cheong, Frederick
Mr. KRACHT Jurgen Ernst Max

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

1st Floor, Block 1
Golden Dragon Industrial Centre
152-160 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

21 September 2022

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF SHARES IN PRIMA INDUSTRIE S.P.A.;**
(2) PROPOSED DECLARATION OF SPECIAL DIVIDEND;
(3) PROPOSED RE-ELECTION OF DIRECTOR; AND
(4) NOTICE OF SPECIAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with, among other things:

- (i) details of the Sale and Purchase Agreement and the proposed declaration of Special Dividend;

* For identification purposes only

LETTER FROM THE BOARD

- (ii) information in relation to the proposed re-election of Director;
- (iii) the financial information of the Group; and
- (iv) notice of the SGM.

II. MAJOR TRANSACTION IN RELATION TO DISPOSAL OF SHARES IN PRIMA INDUSTRIE S.P.A.

Reference is made to the announcements of the Company dated 18 August 2022 and 16 September 2022 in relation to the Disposal.

On 17 August 2022 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 649,921 Prima Shares, representing approximately 6.2% (*Note 1*) of the issued share capital of Prima and approximately 6.3% (*Note 2*) of the relevant voting rights, at the consideration of EUR16,248,025 (equivalent to approximately HK\$131,776,358) in cash.

Notes:

- (1) The total number of issued Prima Shares is 10,483,274, of which 170,447 are treasury shares with no voting rights held by Prima. This percentage of 6.2% takes into account the treasury shares of Prima.
- (2) This percentage only takes into account the 10,312,827 Prima Shares with voting rights and excludes the treasury shares of Prima.

The Sale and Purchase Agreement

Summarised below are the principal terms of the Sale and Purchase Agreement:

Date

17 August 2022

Parties

- (a) Vendor: World Leader Limited
- (b) Purchaser: Femto Technologies S.p.A.

Assets to be disposed of

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 649,921 Prima Shares.

LETTER FROM THE BOARD

Consideration and payment terms

The consideration for the Disposal is EUR16,248,025 (equivalent to approximately HK\$131,776,358), corresponding to EUR25 per Prima Share. The consideration shall be settled in cash in the following manner:

- (a) an amount of EUR11,248,025 (equivalent to approximately HK\$91,224,858) shall be paid by the Purchaser to the Vendor on the Closing Date; and
- (b) the remaining balance of EUR5,000,000 (equivalent to approximately HK\$40,551,500), as deferred payment (the “**Deferred Payment**”), shall be reinvested into a new holding company, namely Femto S.à. r.l. (the “**New Holdco**”), a limited liability company incorporated under the laws of Luxembourg for the purpose of holding the shares of the Purchaser and, upon completion of the Disposal and the MTO, Prima (the “**Reinvestment**”). The Reinvestment will be in two tranches:
 - (i) on the Closing Date, the Vendor shall transfer and contribute, either against subscription of a further capital increase of the New Holdco, or through a contribution to the New Holdco’s equity, without issuance of new shares, an amount equal to EUR2,871,729 (equivalent to approximately HK\$23,290,584) to the New Holdco, against subscription and full payment of a portion of a capital increase to be resolved by the New Holdco in accordance with applicable laws, as a result of which the Vendor will hold 2.5% equity interests in the New Holdco; and
 - (ii) on the MTO Completion Date, subject to the successful acquisition of all the issued Prima Shares by the Purchaser upon completion of the MTO, the Vendor shall transfer and contribute a further portion of the Deferred Payment, for an amount not exceeding EUR2,128,271 (equivalent to approximately HK\$17,260,916), which, taking into account the equity contributions made by the existing shareholder in the New Holdco to finance the MTO during the period between the Closing Date and the MTO Completion Date, will allow the Vendor to continue to hold 2.5% equity interest in the New Holdco.

LETTER FROM THE BOARD

If, upon completion of the above actions, and in any event by the 5th (fifth) Business Day following the MTO Completion Date, the entire amount of the Deferred Payment has not been transferred and contributed to the New Holdco in full, then the Purchaser shall promptly pay to the Vendor the outstanding amount of the Deferred Payment.

As advised by the Purchaser, the MTO Completion Date will be within four months after the Closing Date. As such, it is expected that the MTO Completion Date will not exceed 31 May 2023, subject to the relevant laws of Italy.

The consideration for the Disposal, corresponding to the price of EUR25 per Prima Share, was determined between the Vendor and the Purchaser after arm's length negotiations and on normal commercial terms, taking into account the average closing price of the Prima Shares on Milan Exchange of approximately EUR15.26 (the "**Benchmark Price**") in the last three months immediately preceding the publication of the Prima's Press Release on 11 July 2022. The Directors are of the view that the offer price of EUR25 per Prima Share by the Purchaser, representing a premium of approximately 63.8% over the Benchmark Price, is very attractive and favourable to the Company. Based on the above, the Directors consider that the consideration for the Disposal is fair and reasonable, and is in the interest of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Disposal is conditional upon the fulfillment (or waiver, as the case may be) of the following conditions:

- (a) all antitrust clearances having been obtained from the European Commission;
- (b) the unconditional clearance from the government authorities of Italy and any other jurisdictions under the relevant foreign direct investment laws to consummate the transactions contemplated under the Sale and Purchase Agreement having been obtained and not having been revoked, rescinded, annulled or overturned;
- (c) the Purchaser having acquired full title of a number of the Prima Shares allowing the Purchaser to achieve, in the aggregate and taking into account the Prima Shares to be disposed of by the Vendor, a shareholding in Prima at least equal to 50.1%;
- (d) the drawdown of the debt financing by the Purchaser of, among others, this transaction and the refinancing of Prima's indebtedness on the Closing Date in accordance with the debt finance documents (the "**Purchaser's Debt Financing**");

LETTER FROM THE BOARD

- (e) none of the lenders in the Purchaser's Debt Financing having exercised any of the rights not to fulfil their funding commitments under the relevant debt commitment letter;
- (f) all the Vendor's representations and warranties being true and correct as of the date of the Sale and Purchase Agreement and as of the Closing Date; and
- (g) the ordinary resolution(s) to approve (i) the sale of the Prima Shares held by the Vendor pursuant to the Sale and Purchase Agreement, and (ii) the Sale and Purchase Agreement, having been passed by the Shareholders at the SGM to be convened and held in accordance with the Listing Rules, the applicable laws and regulations by and no later than 40 Business Days following the date of the Sale and Purchase Agreement.

The Purchaser will be the sole party entitled to waive the conditions precedent set out in paragraphs (a) to (f) above in writing, in whole or in part, to the extent permitted under applicable laws, rules and regulations, including the Listing Rules, prior to the Long Stop Date. The condition precedent set out in paragraph (g) above may be waived in writing, in whole or in part, by mutual agreement of the parties, to the extent permitted under applicable laws, rules and regulations, including the Listing Rules, prior to the Long Stop Date.

In the event that the conditions precedent set forth in paragraphs (a) and (b) above are not satisfied (or waived, to the extent permitted under applicable laws) within the Long Stop Date, and/or the conditions precedent set forth in paragraphs (c), (d), (e) and (f) above are not satisfied (or waived) on the Closing Date and/or the condition precedent set forth in paragraph (g) above is not satisfied by the deadline provided therein or waived by the Long Stop Date, the Sale and Purchase Agreement shall automatically terminate. Except certain provisions regarding, among others, termination, confidentiality, notice, applicable law and exclusive jurisdiction, all the provisions of the Sale and Purchase Agreement shall lapse and cease to have effect, provided that neither such lapse nor cessation shall affect any accrued rights or liabilities of any party in respect of damages for non-performance of any obligation falling due for performance prior to such lapse and cessation.

It is further agreed by the parties that the Long Stop Date may be extended, by a period of up to 3 (three) months, if the conditions precedent set forth in paragraphs (a), (b) and (g) above have not been satisfied by the Long Stop Date.

As at the Latest Practicable Date, the conditions precedent set forth in paragraphs (a) and (b) above had been fulfilled, while other conditions precedent had not been fulfilled.

LETTER FROM THE BOARD

Completion

Subject to the conditions precedent having been satisfied (or waived, to the extent permitted by applicable laws), completion of the Disposal shall take place on the Closing Date.

Upon completion of the Disposal, the Vendor will cease to hold any Prima Share directly but will indirectly hold a maximum of 2.5% of the issued share capital of Prima through the New Holdco as a result of the Reinvestment (assuming that the Purchaser will hold the entire issued Prima Shares upon completion of the MTO).

Information on Prima

Prima is a joint stock company incorporated under the laws of Italy and the shares of which are listed on Milan Exchange (Stock Code: PRI: IM).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Prima Group was founded in 1977 and is one of the leading companies in high technology laser and sheet metal processing systems and electronic components. The Prima Group mainly consists of two segments, namely Prima Power segment and Prima Electro segment. Prima Power segment is engaged in design, production and sale of laser machines for cutting, welding and drilling of three-dimensional (3D) and two-dimensional (2D) metallic components; and machines for sheet metal treatment by means of mechanical tools (punching machines, integrated punching and shearing systems, integrated punching and laser cutting systems, panel shapers, bending machines and automation systems), while Prima Electro segment is engaged in development, production and sale of embedded electronics, electronic power and control components and high power laser sources for industrial applications worldwide.

LETTER FROM THE BOARD

Financial Information

According to the audited consolidated financial statements of Prima Group prepared in accordance with IFRS for the two years ended 31 December 2020 and 2021, the profit/loss before and after taxation of Prima Group for the two years ended 31 December 2020 and 2021 and its net asset value as at 31 December 2020 and 2021 are set out below:

| | For the year ended/As at 31 December 2020 (audited) EUR | For the year ended/As at 31 December 2021 (audited) EUR |
|-------------------------------|--|--|
| Profit (Loss) before taxation | (10,560,000) | 10,224,000 |
| Profit (Loss) after taxation | (7,414,000) | 8,025,000 |
| Net asset value | 162,464,000 | 175,718,000 |

According to the unaudited consolidated financial statements of Prima Group for the six months ended 30 June 2022, the net asset value of Prima Group as at 30 June 2022 was approximately EUR188,085,000.

Information on the Vendor and the Group

The Vendor, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

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

Information on the Purchaser

The Purchaser is a joint stock company incorporated under the laws of Italy. As at the Latest Practicable Date, the Purchaser was jointly controlled by Alpha 7 and Peninsula Investments, each of which holds, directly or indirectly, 50% of the equity interests and voting rights in the Purchaser. The Purchaser is principally engaged in investment holding.

LETTER FROM THE BOARD

Alpha 7 is established under the laws of Luxembourg. As advised by the Purchaser and based on publicly available information, it is a registered private equity fund with more than 75 external investors, and is managed by Alpha Private Equity Funds Management Company S.à r.l., a limited liability company incorporated under the laws of Luxembourg. The Alpha group is a private equity group with EUR2 billion under management, specialising in mid-cap operations in continental Europe. Its investment portfolio includes companies within the sectors of industrial manufacturing, consumer and leisure, fashion and design and service and distribution. Alpha 7's investors include institutional investors such as pension funds, insurance companies, banks, endowments and funds of funds as well as family offices and entrepreneurs.

Peninsula Investments is established under the laws of Luxembourg. It is not a registered investment fund but it has a typical fund structure and functions similar to a fund. It is a private equity investment vehicle managed by its general partner, Peninsula Capital S.à r.l., a limited liability company incorporated under the laws of Luxembourg. As advised by the Purchaser, Peninsula Capital is a pan-European private equity firm, mainly focused on Southern European markets (Italy, Spain and France) with EUR1.6 billion under management on behalf of top tier institutional investors. Peninsula Investments has a number of investors, including institutional investors, family offices and general offices. It is not a single-purpose vehicle and invests mainly in the retail, industrial, transportation, technology and financial sectors.

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

Based on the information provided by the Purchaser, simultaneously with the acquisition of the Prima Shares from the Vendor, the Purchaser intends to purchase additional Prima Shares from other major shareholders of Prima, so that upon completion of all such sales and purchases (including the sale and purchase of the Prima Shares pursuant to the Sale and Purchase Agreement), the Purchaser will hold at least 50.1% of the voting rights in Prima which, pursuant to the applicable laws in Italy, will trigger the Purchaser's obligation to launch a mandatory tender offer on all the ordinary shares of Prima, aimed at delisting of Prima.

LETTER FROM THE BOARD

Financial Effects of the Disposal and Use of Proceeds

As a result of the Disposal, it is expected that: (i) the Group will recognise a fair value gain of approximately EUR2,578,539 (equivalent to approximately HK\$20,912,982) in the other comprehensive income for the year ending 31 December 2022, which is calculated on the basis of the difference between the consideration for the Disposal of approximately HK\$131,776,358 and the carrying amount of the relevant Prima Shares as at 31 December 2021 of approximately HK\$110,863,376, subject to final audit; and (ii) the total assets of the Group will be reduced by approximately HK\$70,311,876, which is attributable to the reduction in investment assets in respect of the Prima Shares of approximately HK\$110,863,376 and the increase in investment assets in respect of the Reinvestment of approximately HK\$40,551,500. The Group will also repay a bank loan of HK\$15,000,000 as the bank loan is pledged with the Prima Shares. The Group's net cash on hand will therefore be increased by approximately HK\$74,213,301 accordingly.

The net proceeds from the Disposal after deducting transaction costs attributable to the Disposal is expected to be approximately EUR16,000,000 (equivalent to approximately HK\$129,764,801), which is intended to be used in the following manner:

- (i) approximately EUR8,730,530 (equivalent to approximately HK\$70,807,218), representing approximately 54.57% of the net proceeds, will be used for repayment of a bank loan and as general working capital of the Group;
- (ii) approximately EUR5,000,000 (equivalent to approximately HK\$40,551,500), representing approximately 31.25% of the net proceeds, will be allocated to the Reinvestment; and
- (iii) approximately EUR2,269,470 (equivalent to approximately HK\$18,406,085), representing approximately 14.18% of the net proceeds, will be used for distribution of the Special Dividend to the Shareholders (representing a special dividend of HK\$0.08 per Share based on the number of total issued Shares of the Company as at the Latest Practicable Date).

LETTER FROM THE BOARD

Reasons for and Benefits of the Disposal

The Group reviews its investment portfolio from time to time and makes corresponding adjustments to satisfy its financial objectives. As the global economy has been subject to uncertain conditions recently, the Disposal, being a transaction in a series of the Purchaser's acquisitions of the Prima Shares triggering the MTO, provides a valuable opportunity for the Group to realise its investment in Prima with a considerable gain of approximately EUR2,578,539 (equivalent to approximately HK\$20,912,982). The Directors are of the view that such financial strategy is compatible with the Group's investment strategy to reduce its risk exposure to possible fluctuation of Prima's share price under volatile market condition at current. Furthermore, the Disposal would create a positive effect on the Group's financial position and allow the Group to allocate more resources to the other existing businesses. In addition, after completion of the Disposal, the Company will be able to return to its Shareholders a Special Dividend of an amount equal to approximately EUR2,269,470 (equivalent to approximately HK\$18,406,085).

Despite the Disposal, the Group will reinvest into the New Holdco which indirectly holds the Purchaser and, upon completion of the Disposal and the MTO, Prima. As advised by the Purchaser, upon completion of the MTO, Prima will be privatised and delisted from the Milan Exchange. The Group has held Prima Shares for years prior to the Disposal. The Reinvestment, which in substance is an indirect reinvestment in Prima, conforms to the Group's long-term strategy to make investment in and collaborate with leading suppliers of manufacturing equipment and tools around the world. Prima is one of the major suppliers of the Group for sheetmetal machinery. The Group has been interested in Prima because of its well-established business in the PRC and Southeast Asia, and given that the Group is its distributor, the Reinvestment could maintain the existing business relationship with Prima.

The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiation between the Vendor and the Purchaser. Having considered the above, the Directors are of the view that it would be beneficial for the Company to pursue the Disposal. The Directors are further of the view that the terms and conditions (including the consideration) of the Sale and Purchase Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Sale and Purchase Agreement is more than 25% but all of them are less than 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Mr. Lee, an executive Director and a controlling shareholder of the Company, holds an aggregate of 777,759 Prima Shares, representing approximately 7.42% of the issued share capital of Prima, of which 662,315 Prima Shares are directly held by him and 115,444 Prima Shares are held through J AND LEM. As Mr. Lee has also entered into a separate sale and purchase agreement with the Purchaser on the same date for the disposal of his entire shareholding in Prima at the consideration of EUR25 per Prima Share, Mr. Lee is considered to have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and he has abstained from voting on the relevant Board resolutions. Save as Mr. Lee, none of the Directors have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder.

III. PROPOSED DECLARATION OF SPECIAL DIVIDEND

Subject to the approval of the Shareholders at the SGM and completion of the Disposal, the Board intends to declare a Special Dividend of HK\$0.08 per Share to the Shareholders whose names appear on the register of members of the Company on a record date to be determined. A further announcement will be made by the Company in this regard as and when appropriate.

IV. PROPOSED RE-ELECTION OF DIRECTOR

As at the Latest Practicable Date, the Board consisted of six Directors, including three executive Directors, namely, Mr. LEE Sou Leung, Joseph, Mr. CHAN Ching Huen, Stanley and Mr. LEE Ee Sian, and three independent non-executive Directors, namely, Mr. ZAVATTI Samuel Mario, Mr. WONG Tat Cheong, Frederick and Mr. KRACHT Jurgen Ernst Max.

Pursuant to Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

In order to fill the casual vacancy as a result of the passing away of Mr. Fung Wai Hing, a former independent non-executive Director, the former chairman of the Remuneration Committee and a former member of each of the Audit Committee and the Nomination Committee, Mr. KRACHT Jurgen Ernst Max (“**Mr. Kracht**”) was appointed on 20 September 2022 as an independent non-executive Director, a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee. For details, please refer to the announcement of the Company dated 20 September 2022. Accordingly, Mr. Kracht will retire at the SGM and, being eligible, will offer himself for re-election as an independent non-executive Director at the SGM.

LETTER FROM THE BOARD

The Nomination Committee assisted the Board in the selection and nomination process for Mr. Kracht, which took into account the Board's composition as well as the various aspects of diversity as set out in the Board Diversity Policy of the Company.

The Nomination Committee has reviewed the qualifications, educational background, skills and experience of Mr. Kracht with reference to the nomination principles of the Company and the criteria set out in the Board Diversity Policy of the Company. The Nomination Committee has also assessed and reviewed Mr. Kracht's written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that Mr. Kracht remained independent. Given Mr. Kracht's education background, substantial experience and practice which allow him to provide valuable and relevant insights and advice to the Company and contribute to the diversity of the Board, the Board believes that the re-election of Mr. Kracht as an independent non-executive Director is in the interests of the Company and the Shareholders, and therefore recommends the Shareholders to re-elect him as Director at the SGM.

Details of the Director proposed to be re-elected at the SGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

V. SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the proposed declaration of the Special Dividend; and (iii) the proposed re-election of Director. Any Shareholders who are involved in or interested in the Sale and Purchase Agreement are required to abstain from voting on the relevant ordinary resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder, the proposed declaration of the Special Dividend, and the proposed re-election of Director.

As at the Latest Practicable Date, Mr. Lee is interested in a total of 171,205,982 Shares (representing approximately 74.41% of the total issued share capital of the Company), of which (i) 25,176,000 Shares are directly held by him; (ii) 1,500,000 Shares are held through J AND LEM; and (iii) 144,529,982 Shares are held by Peak Power Technology Limited ("**Peak Power**") 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. As Mr. Lee is considered to have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder as disclosed in the preceding paragraph, Mr. Lee and his associates, namely J AND LEM and Peak Power, will be required to abstain from voting at the SGM on resolutions in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, save as Mr. Lee, J AND LEM and Peak Power, no Shareholders or their respective associates have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and are required to abstain from voting at the SGM on resolutions in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its associates do not have any interests in the issued share capital of the Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholders or their respective associates are required to abstain from voting at the SGM on resolution in relation to the proposed re-election of Director.

A notice convening the SGM to be held at 10:30 a.m. on Monday, 10 October 2022 at 1st Floor, Block 1, Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the investor relations service provider for the Company (www.irasia.com). Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

VI. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution will be put to vote by way of poll at the SGM. An announcement on the result of the vote by poll will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VII. CLOSURE OF REGISTER OF MEMBERS

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

- (i) from 7 October 2022 (Friday) to 10 October 2022 (Monday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the SGM. In order to be eligible to attend and vote at the SGM, 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 6 October 2022 (Thursday); and

LETTER FROM THE BOARD

- (ii) from 14 October 2022 (Friday) to 17 October 2022 (Monday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed special dividend. In order to establish entitlements to the proposed special 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 13 October 2022 (Thursday).

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

VIII. RECOMMENDATION

The Directors (excluding Mr. Lee who has abstained from voting on the relevant Board resolutions) are of the opinion that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, together with the proposed declaration of the Special Dividend, are fair and reasonable and are in the interest of the Company and its Shareholders as a whole. As such, the Directors (excluding Mr. Lee who has abstained from voting on the relevant Board resolutions) recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM in relation to the Sale and Purchase Agreement, the transactions contemplated thereunder, the proposed declaration of the Special Dividend.

Furthermore, for your consideration, adequate information regarding the re-election of the retiring Director at the SGM is contained herein. The Directors recommend the Shareholders to vote in favour of the related ordinary resolution to be proposed at the SGM.

IX. ADDITIONAL INFORMATION

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

By Order of the Board
Leeport (Holdings) Limited
Chan Ching Huen, Stanley
Executive Director and Company Secretary

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 are disclosed in the annual reports of the Company for the years ended 2019 (pages 44 to 132), 2020 (pages 46 to 138) and 2021 (pages 51 to 140), and the interim results announcement of the Company for the six months ended 30 June 2022 (pages 5 to 16), respectively. The said annual reports and the interim results announcement have been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the investor relations service provider for the Company (www.irasia.com), which can be accessed by the direct hyperlinks below:

2019 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042900856.pdf>

2020 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042800657.pdf>

2021 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042901264.pdf>

Interim results announcement for the six months ended 30 June 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0821/2022082100009.pdf>

2. INDEBTEDNESS STATEMENT

As at 31 July 2022, being the latest practicable date for the purpose of the indebtedness statement in this Circular, the Group had outstanding bank borrowings of approximately HK\$220,940,000, comprising (i) trust receipt loans of approximately HK\$58,237,000, (ii) terms loans of approximately HK\$161,134,000 and (iii) bank overdrafts of approximately HK\$1,569,000.

The borrowings mentioned above are secured by certain land and buildings, right of use assets, investment properties, Prima Shares held by the Group and restricted bank deposits of the Group.

The Group leases various properties for the use of office. These lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. As at 31 July 2022, the lease liabilities of the Group was approximately HK\$16,000, which would be due within one year.

The Group has also given undertakings to banks that they will perform certain contractual non-financial obligations to third parties. The Group had certain guarantees issued in favour of independent third parties totalling HK\$2,461,000 as at 31 July 2022.

Save as disclosed above or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank overdrafts, debt securities or other similar indebtedness, finance lease or hire purchases and finance lease commitments, liabilities under acceptances or acceptance credits, or any other guarantees or other material contingent liabilities as at 31 July 2022.

3. WORKING CAPITAL

As at 31 July 2022, the Group had outstanding bank borrowings of approximately HK\$220,940,000. In determining the sufficiency of the working capital of the Group, banking facilities of up to approximately HK\$235,940,000 are estimated to be utilised. The Directors have made an assumption that the Group's existing bank facilities, in aggregate of utilised and unutilised banking facilities of approximately HK\$425,795,000, which are due for renewal within the next 12 months from the date of publication of this circular, will be duly renewed. Based on past experience, the Directors are of the view that the aforesaid renewal will be approved by the underlying banks and granted to the Group within the next 12 months from the date of publication of this circular.

The Directors are of the opinion that, after taking into account the existing cash and bank balances, the net proceeds from the Disposal, the internal resources available to the Group, the existing banking facilities and the expected successful renewal of the banking facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial position or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group has achieved the contract signed of HK\$757 million in first half of 2022. The value of outstanding orders as at the end of July 2022 was HK\$759 million. The invoice sales amount was only HK\$348 million in first half of 2022. The invoice sales in first half of the year were affected by the lockdown of Shanghai city in April and May. Deliveries from suppliers and deliveries to customers were totally stopped. The actual invoice sales in the first half of 2022 were below expectations.

The delivery from suppliers and delivery to customers will resume to normal in second half of the year. The financial performance of the Group for the whole year will be secure.

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| APPENDIX II DETAILS OF DIRECTOR PROPOSED TO BE RE-ELECTED AT THE SPECIAL GENERAL MEETING |
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The following are details of the Director who will retire and being eligible, offer himself for re-election at the SGM.

Mr. KRACHT Jurgen Ernst Max (葛友勤) (“Mr. Kracht”), aged 75, was appointed as an independent non-executive Director and a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee on 20 September 2022. Mr. Kracht is a management consultant with over 50 years of experience in China trade and investment. He is a co-founder of Fiducia Limited, which operates as Fiducia Management Consultants and specialises in China-focused consulting and outsourcing services. Since July 1982, he had served Fiducia Management Consultants as a managing director until July 2012 and as the chairman until his retirement in July 2022. From 1970 to 1980, Mr. Kracht worked for Jebsen & Company Limited, which is a conglomerate with a focus on China trade, initially as a manager in the Chemicals Division in the first four years. In 1974, Mr. Kracht was promoted to special assignments manager, whose job duties ranged from setting up and running an internal audit department to managing property projects in Hong Kong. From 1980 to 1982, Mr. Kracht served as the chief financial officer for Continental Engineering Products Limited and as an executive director of its group companies in Hong Kong and Germany. Continental Engineering Products Limited was a Hong Kong-based company which specialised in designing, manufacturing and exporting hard goods, especially hand tools to European markets.

Mr. Kracht holds a bachelor’s degree in International Trade and Management from the German Academy of Foreign Trade and Logistics in Bremen, Germany. He has been appointed as an Investment Promotion Ambassador for the Hong Kong Government since September 2004 and an honorary advisor to the Management Consultancies Association of Hong Kong since 2015.

As a Director, Mr. Kracht is subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws. Mr. Kracht has entered into a letter of appointment with the Company for an initial fixed term of one year commencing from 20 September 2022 and may be extended thereafter for such period as the Company and Mr. Kracht may agree, provided that either party can at any time terminate the appointment by giving to the other party not less than three months’ prior notice in writing. Mr. Kracht’s remuneration is fixed at HK\$150,000 per annum, which is commensurate with his duties and responsibility as an independent non-executive director and the prevailing market situation for similar appointment.

Mr. Kracht has confirmed that he meets the independence criteria set out in Rule 3.13 of the Listing Rules.

As at the Latest Practicable Date, Mr. Kracht did not have any interests in the Shares, underlying shares or debentures of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

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| APPENDIX II DETAILS OF DIRECTOR PROPOSED TO BE RE-ELECTED AT THE SPECIAL GENERAL MEETING |
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Save as disclosed above: (i) Mr. Kracht did not hold any other major appointment or professional qualification or directorship in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date; (ii) Mr. Kracht had not previously held and is not, until his appointment as an independent non-executive Director, holding any position with the Company and/or its subsidiaries; (iii) Mr. Kracht is independent of the Directors, senior management, substantial shareholders or controlling shareholders of the Company for the purpose of the Listing Rules; and (iv) there is no other information relating to Mr. Kracht which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter that ought to be brought to the attention of the Shareholders in relation to the re-election of Mr. Kracht as an independent non-executive Director.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

(a) Directors and chief executive

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

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

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

Notes:

- (a) As at the Latest Practicable Date, the 144,529,982 shares were held by Peak Power Technology Limited in its capacity as the trustee of The Lee Family Unit Trust holding the same for the benefit of holders of units issued by The Lee Family Unit Trust. HSBC International Trustee Limited is the trustee of the LMT Trust whose discretionary objects are Ms. Tan Lisa Marie (“**Ms. Tan**”) and Mr. Lee’s family members. The aforesaid shares that Mr. Lee and Ms. Tan are deemed to be interested refer to the same parcel of shares. Ms. Tan is deemed to be interested in all the interests held by Mr. Lee, her husband.
- (b) As at the Latest Practicable Date, the 1,500,000 shares were registered in the name of J AND LEM Limited which is wholly-owned by Mr. Lee. Mr. Lee is deemed to be interested in these shares under SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholder

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

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. MATERIAL CONTRACT

Within the two years immediately preceding the date of this circular, the following agreement, being contract not entered into in the ordinary course of business, has been entered into by member(s) of the Group and is or may be material:

- (a) the Sale and Purchase Agreement; and

- (b) the provisional sale and purchase agreement dated 16 December 2020 entered into between Leeport Machine Tool Company Limited as the vendor and Grand Glory International Limited as the purchaser in relation to the sale and purchase of the property situated at Factory Unit Nos. 1 to 3 (inclusive) and No. 4 including Flat Roof on 1st Floor, Wealthy Industrial Building, Nos. 22-26 Wing Yip Street, Kwai Chung, New Territories, Hong Kong at the consideration of HK\$29.5 million.

6. COMPETING INTEREST OF DIRECTORS

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

7. INTEREST OF DIRECTORS IN ASSETS ACQUIRED OR DISPOSED OF BY OR LEASED TO ANY MEMBER OF THE GROUP

Since the date to which the latest published audited accounts of the Company were made up until the Latest Practicable Date, none of the Directors or proposed Directors had or had proposed to acquire or dispose or lease any interest, direct or indirect, in any assets to any member of the Group.

8. CONTRACTS OR ARRANGEMENTS WHICH DIRECTORS ARE MATERIALLY INTERESTED AND ARE SIGNIFICANT IN RELATION TO THE BUSINESS OF THE ENLARGED GROUP

As at the Latest Practicable Date, there were no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The Company's head office and principal place of business in Hong Kong is situated at 1st Floor, Block 1 Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.
- (c) The company secretary of the Company is Mr. Chan Ching Huen, Stanley. Mr. Chan is a fellow member of the Chartered Association of Certified Accountants of the United Kingdom and the Hong Kong Institute of Certified Public Accountants, and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom.

- (d) The principal share registrar and transfer agent of the Company is MUFG Fund Services (Bermuda) Limited at 4th floor North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the investor relations service provider for the Company (www.irasia.com) for a period of 14 days from the date of this circular:

- (a) the annual reports of the Company for the three years ended 31 December 2019, 2020 and 2021, respectively;
- (b) the Sale and Purchase Agreement; and
- (c) this circular.

Leeport
LLEPORT (HOLDINGS) LIMITED
力豐 (集團) 有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 387)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Leeport (Holdings) Limited (the “Company”) will be held at 10:30 a.m. on Monday, 10 October 2022 at 1st Floor, Block 1, Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments the following resolution which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**
 - (A) the entering into of the Sale and Purchase Agreement (as defined in the circular of the Company dated 21 September 2022), a copy of which is tabled at the SGM and marked “A” and signed by the chairman of the SGM for identification purpose, and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
 - (B) any one of the directors of the Company (“**Director(s)**”) be and is hereby authorised to do all such acts and things, to sign, execute and seal (where required) any such documents, instruments or agreements for and on behalf of the Company as may be deemed by such Director in his absolute discretion to be incidental to, ancillary to or in connection with the Sale and Purchase Agreement and all transactions contemplated thereunder; and
 - (C) subject to the completion of the Disposal having taken place, a special cash dividend of HK\$0.08 per ordinary share of the Company be declared and paid by the Company (the “**Special Dividend**”) to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on the record date to be fixed for determining the entitlements of the Shareholders to the Special Dividend and any one of the Director be and is hereby authorised to take such action, do such things and execute such further documents as he may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Special Dividend.”

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

2. To re-elect Mr. KRACHT Jurgen Ernst Max as independent non-executive director of the Company and authorise the board of Directors to fix his remuneration.

By Order of the Board
Leeport (Holdings) Limited
Chan Ching Huen, Stanley
Executive Director and Company Secretary

Hong Kong, 21 September 2022

Notes:

1. A form of proxy for use at the SGM is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote on behalf of him. A proxy needs not be a shareholder of the Company. A shareholder of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy are so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the above SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 24 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, priority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. The register of members of the Company will be closed during the following periods:
 - (i) from 7 October 2022 (Friday) to 10 October 2022 (Monday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the SGM. In order to be eligible to attend and vote at the SGM, 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 6 October 2022 (Thursday); and

NOTICE OF SPECIAL GENERAL MEETING

- (ii) from 14 October 2022 (Friday) to 17 October 2022 (Monday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed special dividend. In order to establish entitlements to the proposed special 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 13 October 2022 (Thursday).

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

- 8. In the case of inconsistency, the English text of this notice shall prevail over the Chinese text.
- 9. Taking into account of the recent development of the epidemic caused by COVID-19, the Company will implement the following prevention and control measures at the meeting against the epidemic to protect the members from the risk of infection:
 - (i) Compulsory body temperature check will be conducted for every member or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue; and
 - (ii) Every member or proxy is required to wear surgical facial mask throughout the meeting.

Furthermore, the Company wishes to advise the members, particularly the members who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the meeting as a proxy to vote on the resolutions, instead of attending the meeting in person.

As at the date of this notice, the executive directors of the Company are Mr. LEE Sou Leung, Joseph, Mr. CHAN Ching Huen, Stanley, and Mr. LEE Ee Sian and the independent non-executive directors of the Company are Mr. ZAVATTI Samuel Mario, Mr. WONG Tat Cheong, Frederick and Mr. KRACHT Jurgen Ernst Max.