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**Leeport**  
**LEEPOR (HOLDINGS) LIMITED**  
**力豐(集團)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 387)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF PROPERTY**

The Board announces that on 16 December 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property at the consideration of HK\$29.5 million.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the Listing Rules.

**INTRODUCTION**

The Board announces that on 16 December 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property at the consideration of HK\$29.5 million.

\* *For identification purpose only*

## **THE PROVISIONAL SALE AND PURCHASE AGREEMENT**

The principal terms of the Provisional Sale and Purchase Agreement are as follows:

### **Date**

16 December 2020

### **Parties**

Vendor : Lleeport Machine Tool Company Limited, a wholly-owned subsidiary of the Company

Purchaser : Grand Glory International Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Assets to be disposed**

The Property is 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.

The Property is being used as a warehouse by the Group immediately prior to the Disposal.

### **Consideration**

The consideration for the Disposal is HK\$29.5 million, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$1,475,000 shall be paid upon signing of the Provisional Sale and Purchase Agreement as initial deposit;
- (b) HK\$1,475,000 shall be paid on or before 6 January 2021 as further deposit; and
- (c) the balance in the sum of HK\$26,550,000 shall be paid in full upon completion of the Disposal.

The consideration for the Disposal was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the valuation of the Property made by an independent valuer as at 15 December 2020 of approximately HK\$28.2 million and the market value of comparable properties in Hong Kong.

### **Formal agreement**

A formal agreement for the sale and purchase of the Property will be signed by the Vendor and the Purchaser on or before 6 January 2021.

### **Completion**

Completion of the Disposal shall take place (i) on or before 31 May 2021 (the "**Original Completion Date**"); or (ii) if either party has been isolated and required to be put under quarantine or medical surveillance by any governmental authority, within 21 working days after such isolated person has been formally discharged, whichever is later, provided that the postponed completion date shall not be later than three months from the Original Completion Date. The Vendor shall deliver vacant possession of the Property to the Purchaser upon completion of the Disposal.

### **FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

The carrying value of the Property as shown in the audited consolidated accounts of the Company as at 31 December 2019 was approximately HK\$28.2 million. Subject to review and confirmation by the auditors, the Group is expected to record a gain of approximately HK\$1.3 million from the Disposal, which is calculated based on the consideration received by the Group for the Disposal less the carrying value of the Property as at 31 December 2019 before any related expenses.

It is estimated that the net proceeds from the Disposal (after deduction of agency fees, legal fees and ancillary expenses) would be approximately HK\$29.2 million. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

### **INFORMATION OF THE PARTIES TO THE DISPOSAL**

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

The Purchaser is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is owned as to 50% by Tsoi Kin Hung and 50% by Chen Wensong, who are Independent Third Parties, and the Purchaser is principally engaged in wholesaling and retailing of red wine.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

In view of the impact on the local property market and economy caused by the outbreak of COVID-19, it is uncertain whether the Property will continue to enjoy further capital appreciation. The Directors believe that the Disposal represents a valuable opportunity for the Company to realise the value of the Property at a favourable price and the proceeds from the Disposal may improve the financial position of the Group and provide additional general working capital to the Group.

Based on the foregoing, the Directors consider that the terms and conditions of the Disposal 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 (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but are exempted from the Shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Leeport (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 387)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal”	the sale of the Property by the Vendor to the Purchaser pursuant to the terms of the Provisional Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“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
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	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
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement dated 16 December 2020 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Grand Glory International Limited (僑興國際有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

Leeport Machine Tool Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“%”

per cent.

By Order of the Board  
**Leeport (Holdings) Limited**  
**Lee Sou Leung, Joseph**  
*Chairman and Executive Director*

Hong Kong, 16 December 2020

*As at the date of this announcement, the executive Directors are Mr. LEE Sou Leung, Joseph, Mr. CHU Weiman and Mr. CHAN Ching Huen, Stanley, and the independent non-executive Directors are Mr. ZAVATTI Samuel, Mr. FUNG Wai Hing and Mr. WONG Tat Cheong, Frederick.*