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

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 387)**

**MAJOR AND CONNECTED TRANSACTION**  
**DISPOSAL OF PROPERTY**  
**AND**  
**PROPOSED DECLARATION OF SPECIAL DIVIDEND**

**DISPOSAL OF PROPERTY**

The Board is pleased to announce that on 10 May 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the consideration of HK\$53,000,000.

**PROPOSED DECLARATION OF SPECIAL DIVIDEND**

Subject to the approval of the Independent Shareholders at the SGM and Completion, the Board intends to declare a Special Dividend of HK\$0.1 per Share to the Shareholders whose names appear on the register of members of the Company on a record date to be determined. Further announcement(s) will be made by the Company in this regard as and when appropriate.

**IMPLICATIONS OF THE LISTING RULES**

The Purchaser is an executive Director, the Chief Executive Officer of the Group and the Chairman of the Board. As such, under Chapter 14A of the Listing Rules, the Purchaser is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

\* For identification purposes only

Furthermore, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major disposal of the Company under Chapter 14 of the Listing Rules, and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Disposal. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

As the Purchaser is considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend, he has abstained from voting on the relevant Board resolutions. Save for the Purchaser, none of the Directors have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder or the proposed declaration of the Special Dividend and have abstained from voting on the relevant Board resolutions.

### **SGM**

A SGM will be convened to obtain the Independent Shareholders' approval regarding (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the proposed declaration of the Special Dividend. Any Shareholders who are involved in or interested in the Sale and Purchase Agreement are required to abstain from voting on the relevant ordinary resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

As at the date of this announcement, the Purchaser 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 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. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, save for the Purchaser, 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 or the proposed declaration of the Special Dividend and are required to abstain from voting at the SGM on the resolution in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

## **GENERAL**

A circular containing, among other things, (i) further details in relation to the Disposal, (ii) the proposed declaration of the Special Dividend, (iii) the recommendation of the Independent Board Committee in relation to the Disposal, (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Disposal, (v) other information required under the Listing Rules and (vi) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 3 June 2024.

**Shareholders and potential investors should note that as the Sale and Purchase Agreement is subject to the approval of the Independent Shareholders at the SGM, the Disposal may or may not proceed to completion and the Special Dividend may or may not be declared. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DISPOSAL OF PROPERTY**

The Board is pleased to announce that on 10 May 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the consideration of HK\$53,000,000 (the “**Consideration**”).

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

### **Date**

10 May 2024

### **Parties**

- (i) the Vendor
- (ii) the Purchaser

## **Subject Matter**

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property, which is located at Flat No.67 on 2nd Floor of Tower 11 (of Parkview Terrace) and Car Parking Space No. 173 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong. The Property comprises a domestic unit for residential use together with a car parking space, with saleable area of approximately 2,087 square feet. The Property is currently being utilized by the Group as staff quarters for residential purposes.

## **Consideration and payment terms**

The Consideration is HK\$53,000,000, which shall be payable by the Purchaser to the Vendor in the following manner:

- (i) HK\$10,000,000, being approximately 18.9% of the Consideration, has been paid by the Purchaser to the Vendor before the signing of the Sale and Purchase Agreement as deposit; and
- (ii) the remaining balance of HK\$43,000,000, being approximately 81.1% of the Consideration, shall be paid by the Purchaser to the Vendor upon Completion, which is expected to take place on or before 15 July 2024.

The Consideration 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 professional valuer as at 31 March 2024 of HK\$53,000,000 based on comparing the Property with other comparable properties recently transacted.

## **COMPLETION**

Subject to the approval of the Disposal by the Independent Shareholders at the SGM, Completion is expected to take place on or before 15 July 2024.

## **INFORMATION ON THE COMPANY AND THE VENDOR**

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

The Vendor is a limited liability company incorporated in Hong Kong. It is principally engaged in investment holding.

### **INFORMATION ON THE PURCHASER**

The Purchaser is an executive Director, the Chief Executive Officer of the Group and the Chairman of the Board.

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

The Board has reviewed the Group's property portfolio in Hong Kong and the Directors are of the view that the Disposal presents an advantageous opportunity for the Group. By disposing of the Property, the Group will be able to realise the appreciated value it has gained over time. The Disposal will generate additional working capital for the Group, reduce gearing and finance costs of the Company and allow the Group to allocate more resources to the other existing businesses.

As the Property is currently being used by the Group for residential purposes as a staff benefit, the Disposal will also allow the Group to cut its ongoing expenses incurred from provision of the said benefit. In addition, after Completion, the Company will be able to return to its Shareholders a Special Dividend of HK\$0.1 per Share.

The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiation between the Vendor and the Purchaser. Based on the foregoing, the Directors (the views of the independent non-executive Directors representing the Independent Board Committee with regard to the Sale and Purchase Agreement and the transactions contemplated thereunder shall be set out in the circular) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### **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 2023 was HK\$53,000,000. Subject to review and confirmation by the auditors of the Company, based on the Consideration of HK\$53,000,000 less the carrying value of the Property as at 31 December 2023 before any related expenses, the Directors do not expect to recognise any gain or loss from the Disposal. It is estimated that the net proceeds from the Disposal (after deduction of professional fees and ancillary expenses) would be approximately HK\$52,620,000.

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

- (i) approximately HK\$29,612,000, representing approximately 56.3% of the net proceeds, will be used as general working capital of the Group; and
- (ii) approximately HK\$23,008,000, representing approximately 43.7% of the net proceeds, will be used for distribution of the Special Dividend to the Shareholders.

## **PROPOSED DECLARATION OF SPECIAL DIVIDEND**

Subject to the approval of the Independent Shareholders at the SGM and Completion, the Board intends to declare a Special Dividend of HK\$0.1 per Share to the Shareholders whose names appear on the register of members of the Company on a record date to be determined.

As at the date of this announcement, the total number of issued Shares (assuming no issue of new Shares or repurchase of Shares on or before the record date of the Special Dividend) of the Company is 230,076,062. The total amount of the Special Dividend, if paid out, will be approximately HK\$23,008,000. Further announcement(s) regarding book close dates, record date and payment date of the Special Dividend will be made as and when appropriate.

## **IMPLICATIONS OF THE LISTING RULES**

The Purchaser is an executive Director, the Chief Executive Officer of the Group and the Chairman of the Board. As such, under Chapter 14A of the Listing Rules, the Purchaser is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Furthermore, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major disposal of the Company under Chapter 14 of the Listing Rules, and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Disposal. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

As the Purchaser is considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend, he has abstained from voting on the relevant Board resolutions. Save for the Purchaser, none of the Directors have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder or the proposed declaration of the Special Dividend and have abstained from voting on the relevant Board resolutions.

## SGM

A SGM will be convened to obtain the Independent Shareholders' approval regarding (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the proposed declaration of the Special Dividend. Any Shareholders who are involved in or interested in the Sale and Purchase Agreement are required to abstain from voting on the relevant ordinary resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

As at the date of this announcement, the Purchaser 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 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. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, save for the Purchaser, 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 or the proposed declaration of the Special Dividend and are required to abstain from voting at the SGM on the resolution in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

## GENERAL

A circular containing, among other things, (i) further details in relation to the Disposal, (ii) the proposed declaration of the Special Dividend, (iii) the recommendation of the Independent Board Committee in relation to the Disposal, (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Disposal, (v) other information required under the Listing Rules and (vi) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 3 June 2024.

**Shareholders and potential investors should note that as the Sale and Purchase Agreement is subject to the approval of the Independent Shareholders at the SGM, the Disposal may or may not proceed to completion and the Special Dividend may or may not be declared. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## 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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“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 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 PRC
“Independent Board Committee”	the independent committee of the Board comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Disposal
“Independent Financial Adviser”	Cinda International Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

“Independent Shareholder(s)”	the Shareholder(s) who do not have material interest in the transactions contemplated under the Sale and Purchase Agreement or the declaration of the Special Dividend
“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 the Purchaser
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Peak Power”	Peak Power Technology Limited, a company incorporated in the British Virgin Islands with limited liability
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	the property situated at Flat No.67 on 2nd Floor of Tower 11 (of Parkview Terrace) and Car Parking Space No. 173 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong
“Purchaser”	Mr. LEE Sou Leung, Joseph, an executive Director, the Chief Executive Officer of the Group and the Chairman of the Board
“Sale and Purchase Agreement”	the agreement for sale and purchase dated 10 May 2024 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“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, and the Special Dividend

“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Special Dividend”	the special cash dividend of HK\$0.1 per Share to be declared and paid by the Company to the Shareholders subject to the passing of an ordinary resolution by the Independent Shareholders at the SGM and Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Leeport Machine Tool Company Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 10 May 2024

*As at the date of this announcement, the Board comprises 3 executive Directors, namely Mr. LEE Sou Leung, Joseph, Mr. CHAN Ching Huen, Stanley and Mr. POON Yiu Ming; and 3 independent non-executive Directors, namely Mr. ZAVATTI Salvatore (formerly known as ZAVATTI Samuel Mario), Mr. WONG Tat Cheong, Frederick and Mr. KRACHT Jurgen Ernst Max.*