



LEEPORT (HOLDINGS) LIMITED

力豐(集團)有限公司*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

SALE OF PROPERTY

SUMMARY

The Board announces that on 10th February, 2004, Leeport Machine Tool Company Limited 力豐機械有限公司, a wholly-owned subsidiary of the Company, as Vendor entered into a provisional agreement for sale and purchase (subject to formal agreement) with Daily Wise Limited as Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase a property at a cash consideration of HK\$18,000,000.00 upon the terms stipulated therein.

The Sale constitutes a discloseable transaction of the Company under the Listing Rules. Further details of the Sale will be included in a circular to be despatched by the Company to its shareholders as soon as practicable.

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE DATED 10TH FEBRUARY, 2004

1. Parties

Vendor : Leeport Machine Tool Company Limited, a wholly-owned subsidiary of the Company
Purchaser : Daily Wise Limited. The Purchaser including its beneficial owner(s) are not connected persons of the Company (as defined in the Listing Rules) and they have no relationship with the directors, chief executives and substantial shareholders of the Company and of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

2. Property to be sold

Flat No. 57 on 2nd Floor of Tower 9, (of Parkview Crescent) and Car Parking Space No. 130 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong are to be sold on an "as is" basis and subject to existing tenancy. The carrying value of the Property as at 30th June, 2003 in the books of the Group is HK\$14,000,000.00.

The net profits arising from rental income of the Property before tax and after tax is HK\$732,000.00 and HK\$614,880.00 for the year ended 31st December, 2002 and is HK\$732,000.00 and HK\$603,900.00 for the year ended 31st December, 2003.

3. Payment of Consideration

The consideration of HK\$18,000,000.00 is satisfied in cash by the Purchaser in the following manner:-

- (a) an initial deposit in the sum of HK\$900,000.00 was paid upon signing of the Provisional Agreement on 10th February, 2004;
- (b) a further deposit of HK\$900,000.00 will be paid upon signing of the Formal Agreement, which is scheduled to be on or before 23rd February, 2004; and
- (c) the remaining balance of HK\$16,200,000.00 will be paid upon completion of the sale and purchase of the Property, which is scheduled to be on or before 15th March, 2004.

The Consideration was negotiated on arm's length basis and upon normal commercial terms. The Board considers that the Consideration and other terms of the Sale are fair and reasonable.

4. Use of proceeds

The net proceeds of the Sale is estimated to be approximately HK\$17,800,000.00, which is intended to be used as general working capital of the Company.

5. Completion

Subject to the signing of the Formal Agreement and its terms stipulated therein, the Sale is expected to be completed on or before 15th March, 2004.

6. Reason for the Sale

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and the installation of machine tools and related products.

The Property is held by the Group for investment purpose. The Board considers that given the prevailing property market situation, it is appropriate time for the Group to capitalize on the gain resulting from the Sale and to redirect the resources to other activities of the Group when necessary. Accordingly, the Board considers that the Sale is in the interests of the Company and of its shareholders as a whole.

7. General

The Sale constitutes a discloseable transaction of the Company under the Listing Rules. Further details of the Sale will be included in a circular to be despatched by the Company to its shareholders as soon as practicable.

8. Definitions

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

"Board"	the board of directors of the Company
"Company"	Leeport (Holdings) Limited 力豐(集團)有限公司, a company incorporated in Bermuda with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited
"Consideration"	HK\$18,000,000.00 in cash as the price for the sale and purchase of the Property
"Formal Agreement"	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale of the Property, as referred to in the Provisional Agreement
"Group"	the Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Property"	Flat No. 57 on 2nd Floor of Tower 9, (of Parkview Crescent) and Car Parking Space No. 130 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong
"Provisional Agreement"	the provisional agreement for sale and purchase dated 10th February, 2004 entered into between the Vendor and the Purchaser in relation to the sale of the Property
"Purchaser"	Daily Wise Limited, purchaser of the Property
"Sale"	the sale of the Property in accordance with the Provisional Agreement
"Vendor"	Leeport Machine Tool Company Limited 力豐機械有限公司, vendor of the Property

By order of the Board
LEE Sou Leung, Joseph
Chairman

Hong Kong, 12th February, 2004

* for the purpose of identification only