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LEAP Holdings Group Limited

前進控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1499)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KOALA Securities Limited

樹熊證券有限公司

Koala Securities Limited

THE PLACING

On 10 May 2016 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, an aggregate of up to 168,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

The maximum number of 168,000,000 Placing Shares under the Placing represents approximately 7.34% of the existing issued share capital of the Company of 2,288,000,000 Shares as at the date of this announcement and approximately 6.84% of the then issued share capital of 2,456,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,680,000.

The Placing Price of HK\$0.5 per Placing Share represents a discount of approximately 9.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.554 per Share for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

The maximum gross proceeds from the Placing will be approximately HK\$84,000,000. The maximum net proceeds from the Placing will amount to approximately HK\$81,000,000. The net proceeds from the Placing will be used for the Company's general working capital and funding for potential investments to be identified by the Company. The maximum net price raised per Share upon completion of the Placing will be approximately HK\$0.48 per Placing Share. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

10 May 2016 (after trading hours)

Issuer

The Company

Placing Agent

Koala Securities Limited

The Placing Agent has conditionally agreed to place a maximum of 168,000,000 Placing Shares on a best endeavour basis and will receive a placing commission of 3.5% of the aggregate Placing Price of the Placing Shares placed. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of 3.5% is fair and reasonable.

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

Placees

The Placing Agent will place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

Number of Placing Shares

The 168,000,000 Placing Shares under the Placing represent approximately 7.34% of the existing issued share capital of the Company of 2,288,000,000 Shares as at the date of this announcement and approximately 6.84% of the then issued share capital of 2,456,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,680,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the existing Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.5 per Placing Share represents a discount of approximately 9.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.554 per Share for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the written resolutions of the then sole Shareholder passed on 12 August 2015 subject to the limit of up to 20% of the aggregate nominal value of the share capital of the Company immediately following completion of the Share Offer. Under the General Mandate, the Company is authorised to issue up to 457,600,000 Shares, being 20% of the number of issued shares of the Company immediately following completion of the Share Offer. Up to the date of this announcement, no Share has been issued under the General Mandate. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

Application for listing of Placing Shares

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing under the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

If the above condition is not satisfied on or before 10 June 2016 (or such later date as the Company and the Placing Agent may agree in writing), all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties shall have any claim against the other in relation thereto.

Termination of the Placing

Under the Placing Agreement, the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all liabilities of the parties to the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion shall take place at 4:00 p.m. at the office of the Placing Agent on the fourth Business Day after the fulfillment of the condition set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the provision of (i) foundation works and ancillary services; and (ii) construction wastes handling at the public fill reception facilities managed by the Government in Hong Kong.

The Directors are of the view that the Placing will strengthen the financial position of the Group to be able to fund any potential development and investment opportunities to be identified by the Company. It can also broaden the shareholders base and the capital base of the Company.

The Directors consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$84,000,000. The maximum net proceeds from the Placing will amount to approximately HK\$81,000,000. The net proceeds from the Placing will be used for the Company's general working capital and funding for potential investments to be identified by the Company.

The maximum net price raised upon the completion of the Placing will be approximately HK\$0.48 per Placing Share.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Fundraising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
1 September 2015	Share Offer	Approximately HK\$60.7 million	As set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus	Up to the date of this announcement, the Company has utilised approximately HK\$45.7million for its intended purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The remaining proceeds of approximately HK\$15 million will be utilised as intended

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below (for illustrative purpose only):

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
<i>Substantial Shareholder</i>				
Grand Jade Group Limited (Note)	1,176,000,000	51.40	1,176,000,000	47.88
<i>Public Shareholders</i>				
Placees	–	–	168,000,000	6.84
Other public Shareholders	1,112,000,000	48.60	1,112,000,000	45.28
Total:	2,288,000,000	100%	2,456,000,000	100%

Note:

Grand Jade Group Limited is owned as to 50% by Mr. Chan Wing Chung and 50% by Mr. Ip Ying Chau, who are both the executive Directors.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	LEAP Holdings Group Limited, a company with limited liability incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange
“Completion Date”	the date of completion of transactions contemplated under the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the written resolutions of the then sole Shareholder passed on 12 August 2015 to allot, issue and deal with up to 20% of the aggregate nominal value of the share capital of the Company immediately following completion of the Capitalisation Issue (as defined in the Prospectus) and the Share Offer
“Group”	the Company and its subsidiaries, from time to time
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 168,000,000 new Shares on a best endeavour basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Koala Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 10 May 2016 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.5 per Placing Share
“Placing Share(s)”	a maximum of 168,000,000 new Shares to be allotted and issued pursuant to the Placing Agreement
“Previous Announcements”	all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since 21 August 2015
“Prospectus”	the prospectus of the Company dated 21 August 2015 in relation to the Share Offer
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the offer of 572,000,000 Shares at a price of HK\$0.25 per Share by way of placing and Public Offer (as defined in the Prospectus)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Substantial Shareholder(s)” has the meaning ascribed thereto under the Listing Rules

“%” per cent.

By order of the Board
LEAP Holdings Group Limited
Ip Ying Chau
Chairman

Hong Kong, 10 May 2016

As at the date of this announcement, the Board comprises Mr. Ip Ying Chau (Chairman), Mr. Chan Wing Chung, Ms. Tung Ah Pui Athena, Mr. Chan Chiang Kan and Mr. Mui Wai Sum as executive Directors, and Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming as independent non-executive Directors.