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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)

CLARIFICATION ANNOUNCEMENT

AND

CHANGE OF LONG STOP DATE IN RELATION TO THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of LEAP Holdings Group Limited (the “**Company**”) dated 10 May 2016 (the “**Announcement**”) relating to the placing of new shares of the Company under general mandate. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

Use of proceeds

As disclosed on page 5 of the Announcement, the net proceeds from the Placing will be used for the Company’s general working capital and potential investment purpose to be identified by the Company.

The Board wishes to clarify that, the Company will allocate approximately HK\$16 million out of the net proceeds from the Placing of approximately HK\$81 million for general working capital purposes, among which, approximately HK\$8 million will be used for loan repayment and approximately HK\$8 million will be allocated as general working capital. The net proceeds from the Placing will be able to satisfy the working capital requirement of the Company for the coming 12 months.

Further, the Company will allocate the remaining of the net proceeds of approximately HK\$65 million for financing any potential investment opportunities of the Group that may arise from time to time. There was no specific timetable available as at the date of the Announcement. Such investments may include, but not limited to, property, listed securities or business investments. As at the date of the Announcement, the Company was not in the course of negotiation of, nor has it entered into any agreement, arrangement, undertaking or understanding in relation to, any acquisition of companies and/or businesses.

Fundraising activities in the past twelve months

In relation to the actual use of proceeds from the Share Offer as set out under the section headed “Fundraising activities in the past twelve months” in the Announcement, the Board wishes to clarify that due to an inadvertent error, approximately HK\$51.95 million (representing approximately 85.58%) instead of HK\$45.70 million of the net proceeds from the Share Offer was utilised, among which, (i) approximately HK\$5.58 million was used for the repayment of outstanding bank borrowing; (ii) approximately HK\$35.65 million was used for the acquisition of new machinery and equipment; (iii) approximately HK\$4.72 million was used for the reinforcement of the workforce and manpower of the Company; and (iv) approximately HK\$6.00 million was used as general working capital of the Company.

The remaining net proceeds from the Share Offer of approximately HK\$8.75 million (representing approximately 14.42%) is intended to be applied for the proposed applications set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Change of Long Stop Date

As disclosed in the Announcement, if the condition of the Placing Agreement is not satisfied on or before 10 June 2016 (or such later date as the Company and the Placing Agent may agree in writing) (the “**Long Stop Date**”), 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.

On 13 May 2016, the Company and the Placing Agent entered into a supplemental agreement, pursuant to which the Company and the Placing Agent mutually agreed to amend the Long Stop Date to 30 May 2016 (or such later date as the Company and the Placing Agent may agree in writing).

Other than the above clarifications and the change of the Long Stop Date, the contents of the Announcement (in both the English and Chinese versions) remain unchanged.

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

Hong Kong, 13 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.