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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)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE TRANSACTION

THE MOU

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

On 7 September 2016, after trading hours, the Company entered into the MOU with the Target in relation to the Possible Transaction.

The Possible Transaction, if materializes, may constitute a notifiable transaction of the Company under Chapters 14 of the Listing Rules. Further announcement(s) in relation to the Possible Transaction will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Board would like to emphasize that no legally binding agreement in relation to the Possible Transaction has been entered into by the Company with any party as at the date of this announcement (save as to confidentiality, due diligence, governing law, binding effect and exclusivity under the MOU). As the Possible Transaction may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

THE MOU

On 7 September 2016, after trading hours, the Company entered into the MOU with the Target in relation to the Possible Transaction. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Target, its shareholder(s) and ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Subject matter of the MOU:

Pursuant to the MOU, the Company shall invest in the Target by subscription of new shares of the Target.

The consideration and the means and method of payment and satisfaction of the consideration for the Possible Transaction shall be determined upon further negotiations between the parties to the MOU.

Exclusivity:

An Exclusivity Period of 90 days, or such other period as agreed in writing by the parties, was agreed between parties to negotiate solely and exclusively with each other in respect of the Possible Transaction.

Due diligence review:

During the Exclusivity Period, the Company shall procure its advisers or agents to conduct a due diligence on the Target. To the extent practicable and allowable under the relevant rules and regulations, the Target shall use its reasonable endeavour to provide and procure its agents to provide necessary assistance and all documents to the Company and its advisers or agents in respect of the due diligence review.

INFORMATION ON THE TARGET GROUP

The Target is an investment holding company incorporated in the Cayman Islands with limited liability. The Target Group is in the process of obtaining a patent right, registered in the U.S. in regards to a wearable gesture control interface apparatus which is used for controlling devices based on gestures provided by a user, from Mr. Rohit Seth, the inventor of the wearable gesture control interface apparatus technology and currently the chief technology officer of one of the companies in the Target Group. The possible applications of such patent include but not limited to personal computers, personal drones, augmented reality, virtual reality, 3D tracking, and sign language translation.

GENERAL

The Possible Transaction, if materializes, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in relation to the Possible Transaction will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Board would like to emphasize that no legally binding agreement in relation to the Possible Transaction has been entered into by the Company with any party as at the date of this announcement (save as to confidentiality, due diligence, governing law, binding effect and exclusivity under the MOU). As the Possible Transaction may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“ Board ”	the board of Directors
“ Company ”	LEAP Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 1499)
“ Director(s) ”	the director(s) of the Company
“ Exclusivity Period ”	during the 90 days commencing on the date of the MOU or such other period as agreed in writing by the parties
“ Hong Kong ”	the Hong Kong Special Administrative Region of the PRC
“ Listing Rules ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ MOU ”	the memorandum of understanding dated 7 September 2016 entered into between the Company and the Target in relation to the Possible Transaction
“ Possible Transaction ”	the Company (or through its wholly-owned subsidiary) shall invest in the Target by subscription of new shares of the Target as contemplated under the MOU and subject to the execution of a formal agreement between the parties to the MOU
“ Shareholder(s) ”	shareholder(s) of the Company
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ Target ”	10threalm Corporation Limited, a company incorporated in the Cayman Islands with limited liability
“ Target Group ”	the Target and its subsidiaries
“ U.S. ”	the United States of America

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

Hong Kong, 7 September 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.