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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



GREAT ROC
CAPITAL SECURITIES LIMITED
鴻鵬資本證券有限公司

Great Roc Capital Securities Limited

THE PLACING

On 7 September 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place and the Placing Agent has conditionally agreed to procure subscriptions for an aggregate of up to 175,000,000 Placing Shares on a best effort basis 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 175,000,000 Placing Shares under the Placing represents approximately 7.13% of the existing issued share capital of the Company of 2,456,000,000 Shares as at the date of this announcement and approximately 6.65% of the then issued share capital of 2,631,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,750,000.

The Placing Price of HK\$0.52 per Placing Share represents a discount of approximately 18.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.596 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\$91 million. The maximum net proceeds from the Placing will amount to approximately HK\$89 million. The net proceeds from the Placing will be used for financing any investment opportunities when they arise, including but not limited to the possible transaction as disclosed in the Company's announcement dated 7 September 2016. The maximum net price raised per Share upon completion of the Placing will be approximately HK\$0.51 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

7 September 2016 (after trading hours)

Issuer

The Company

Placing Agent

Great Roc Capital Securities Limited

The Placing Agent has conditionally agreed to procure subscriptions for a maximum of 175,000,000 Placing Shares on a best effort basis and will receive a placing commission of 2% 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 2% 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 175,000,000 Placing Shares under the Placing represent approximately 7.13% of the existing issued share capital of the Company of 2,456,000,000 Shares as at the date of this announcement and approximately 6.65% of the then issued share capital of 2,631,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,750,000.

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\$0.52 per Placing Share represents a discount of approximately 18.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.596 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, 168,000,000 Shares have 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

Closing of the Placing under the Placing Agreement is conditional upon:

- (i) 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; and
- (ii) the Company and the Placing Agent obtaining all other necessary permits, authorisations, consents or approvals from governmental, regulatory or other public bodies or authorities or courts or from any third party pursuant to any contractual or other arrangement.

The Company and the Placing Agent cannot reasonably object to any condition in relation to the granting of listing and permission to deal in the Placing Shares imposed by the Stock Exchange and/or the Listing Committee.

The above conditions cannot be waived by any party. If the conditions shall not have been so satisfied at or before 4:00 p.m. on 21 September 2016 (or such later date as may be agreed between the Placing Agent and the Company), all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the Parties shall have any claim against the other in relation thereto.

Termination of the Placing

If at any time between the date of the Placing Agreement and at or before 10:00 a.m. on the Closing Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of this Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the closing of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Agreement; or
- (e) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in this Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect.

Closing of the Placing

Closing shall take place by no later than 4:00 p.m. (Hong Kong time) on the tenth Business Days after fulfillment of the conditions 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 broaden the Company's shareholder and capital base and increase the overall liquidity of the Shares. Moreover, it will also strengthen the financial position 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\$91 million. The maximum net proceeds from the Placing will amount to approximately HK\$89 million. The net proceeds from the Placing will be used for financing any investment opportunities when they arise, including but not limited to the possible transaction as disclosed in the Company's announcement dated 7 September 2016.

The maximum net price raised upon the completion of the Placing will be approximately HK\$0.51 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(s)	Fundraising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
10 May 2016, 13 May 2016 and 26 May 2016	Placing of new shares under general mandate	Approximately HK\$81 million	(i) Approximately HK\$16 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; and (ii) the remaining HK\$65 million for financing any potential investment opportunities of the Group that may arise from time to time	(i) Approximately HK\$3.4 million has been used for loan repayment (ii) Approximately HK\$46 million has been used for investments in property and listed securities

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):

	As at the date of this announcement		Immediately after 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	47.88	1,176,000,000	44.70
<i>Public Shareholders</i>				
Placees	—	—	175,000,000	6.65
Other public Shareholders	1,280,000,000	52.12	1,280,000,000	48.65
Total:	2,456,000,000	100	2,631,000,000	100

Note:

Grand Jade Group Limited is owned as to 50% by Mr. Chan Wing Chung and 50% by Mr. Ip Ying Chau, both of whom are 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
“Closing”	completion of the Placing
“Closing Date”	a date within ten Business Days after fulfillment of the conditions or such other date as the Company and the Placing Agent may agree in writing
“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
“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 Committee”	the listing sub-committee of the board of directors of the Stock Exchange for considering applications for listing and the granting of listing
“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 the Placing Shares by or on behalf of the Placing Agent to independent investors at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Great Roc Capital 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 7 September 2016 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.52 per Placing Share
“Placing Share(s)”	a maximum of 175,000,000 new Shares to be allotted and issued pursuant to the Placing Agreement
“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, 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.