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**RIGHT STAR INVESTMENT  
DEVELOPMENT LIMITED**

*(Incorporated in the British Virgin Islands with  
limited liability)*

**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)**

**JOINT ANNOUNCEMENT**

**(I) ACQUISITION OF SHARES IN  
LEAP HOLDINGS GROUP LIMITED  
BY RIGHT STAR INVESTMENT DEVELOPMENT LIMITED  
AND  
(II) MANDATORY CONDITIONAL CASH OFFER BY**



**FOR AND ON BEHALF OF  
RIGHT STAR INVESTMENT DEVELOPMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
LEAP HOLDINGS GROUP LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY  
RIGHT STAR INVESTMENT DEVELOPMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)  
AND  
(III) RESUMPTION OF TRADING**

**Financial Adviser to  
Right Star Investment Development Limited**

**VEDA | CAPITAL  
智略資本**

## THE SALE AND PURCHASE AGREEMENT

The Board was informed by the Vendor (being the Controlling Shareholder of the Company immediately prior to Completion) that, on 15 September 2017 (after trading hours of the Stock Exchange), the Offeror (as purchaser) and the Vendor (as vendor) entered into the Sale and Purchase Agreement pursuant to which the Offeror has agreed to purchase and the Vendor has agreed to sell the 2,352,000,000 Sale Shares, representing approximately 44.70% of the entire issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$290,535,918 (being approximately HK\$0.1235 per Sale Share).

Completion of the Acquisition took place on 18 September 2017.

## MANDATORY CONDITIONAL CASH OFFER

Immediately prior to Completion, the Vendor owned a total of 2,352,000,000 Shares, representing approximately 44.70 % of the entire issued share capital of the Company and the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities.

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own a total of 2,352,000,000 Shares, representing approximately 44.70% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror and parties acting in concert with it are required to make a mandatory conditional cash offer for all the issued Shares, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 5,262,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the date of this joint announcement.

Head & Shoulders Securities, on behalf of the Offeror, will make the Offer in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.1236 in cash**

The Offer Price of HK\$0.1236 per Offer Share is determined on the basis of the Consideration paid by the Offeror per Sale Share under the Sale and Purchase Agreement.

## **Condition of the Offer**

The Offer is conditional on valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the closing date of the Offer (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer, will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer become unconditional in all respects. The Offer must also remain open for acceptance for at least fourteen (14) days after the Offer becomes unconditional in all respects.

## **CONFIRMATION OF FINANCIAL RESOURCES OF THE OFFEROR**

The Offeror intends to finance and satisfy the consideration payable under the Offer in full with the Facility.

Veda Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptances of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming, will be established by the Company to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with Rule 8.2 of the Takeovers Code.

## **TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 September 2017 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 September 2017.

## **WARNING**

**THE OFFER IS CONDITIONAL. UNLESS THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE CLOSING DATE OF THE OFFER (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE OFFERS TOGETHER WITH THE SHARES ACQUIRED OR AGREED TO BE ACQUIRED BEFORE OR DURING THE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING IN AGGREGATE MORE THAN 50% OF THE VOTING RIGHTS OF THE COMPANY, THE OFFER WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.**

**SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.**

## **THE SALE AND PURCHASE AGREEMENT**

The Board was informed by the Vendor (being the Controlling Shareholder of the Company immediately prior to Completion) that, on 15 September 2017 (after trading hours of the Stock Exchange), the Offeror (as purchaser) and the Vendor (as vendor) entered into the Sale and Purchase Agreement pursuant to which the Offeror has agreed to purchase and the Vendor has agreed to sell the 2,352,000,000 Sale Shares, representing approximately 44.70% of the entire issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$290,535,918 (being approximately HK\$0.1235 per Sale Share).

The principal terms of the Sale and Purchase Agreement are set out as follows:

### **Date**

15 September 2017 (after trading hours of Stock Exchange)

### **Parties**

- (1) the Vendor: Grand Jade Group Limited, as vendor
- (2) the Offeror: Right Star Investment Development Limited, as purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are third parties independent of the Group and its connected persons immediately prior to Completion.

### **Subject matter**

The Vendor has agreed to sell and the Offeror has agreed to purchase the 2,352,000,000 Sale Shares, representing approximately 44.70% of the entire issued share capital of the Company as at the date of this joint announcement.

### **Consideration for the Sale Shares**

The Consideration is HK\$290,535,918, being approximately HK\$0.1235 per Sale Share, which had been paid by the Offeror to the Vendor in cash upon Completion.

The Consideration was determined after arm's length negotiations between the Offeror and the Vendor.

### **Completion**

Completion took place on 18 September 2017.

## MANDATORY CONDITIONAL CASH OFFER

Immediately prior to Completion, the Vendor owned a total of 2,352,000,000 Shares, representing approximately 44.70% of the entire issued share capital of the Company and the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities.

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own a total of 2,352,000,000 Shares, representing approximately 44.70% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror and parties acting in concert with it are required to make a mandatory conditional cash offer for all the issued Shares, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 5,262,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the date of this joint announcement.

Head & Shoulders Securities, on behalf of the Offeror and pursuant to the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.1236 in cash**

The Offer Price of HK\$0.1236 per Offer Share is determined on the basis of the Consideration paid by the Offeror per Share under the Sale and Purchase Agreement.

### **Condition of the Offer**

The Offer is conditional on valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the closing date of the Offer (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer, will result in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the conditions to the Offer in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Offer Document (or such later date to which the Executive may consent).

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer become unconditional in all respects. The Offer must also remain open for acceptance for at least fourteen (14) days after the Offer becomes unconditional in all respects.

### **Comparisons of value**

The Offer Price of HK\$0.1236 per Offer Share represents:

- (i) a discount of approximately 54.22% to the closing price of HK\$0.270 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 58.24% to the average of the closing prices of approximately HK\$0.296 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 54.56% to the average of the closing prices of approximately HK\$0.272 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 46.03% to the average of the closing prices of approximately HK\$0.229 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 87.27% over the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$0.066 per Share as at 31 March 2017, calculated based on the Group's audited consolidated total equity value of approximately HK\$345.06 million as at 31 March 2017 and 5,262,000,000 Shares in issue as at the date of this joint announcement.

### **Highest and lowest Share prices**

The highest and the lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day were HK\$0.315 per Share (on 12 September 2017) and HK\$0.158 per Share (on 25 July 2017) respectively.

### **Value of the Offer**

Assuming the Offer is accepted in full and that there is no change in the issued share capital of the Company and excluding the 2,352,000,000 Shares already owned by the Offeror and parties acting concert with it as at the date of this joint announcement, the number of Shares subject to the Offer is 2,910,000,000 Shares.

Based on the Offer Price of HK\$0.1236 per Offer Share for 2,910,000,000 Offer Shares, the Offer is valued at HK\$359,676,000.

The Offeror has not received any indication or irrevocable commitment from any Independent Shareholder that he/she/it will accept or reject the Offer as at the date of this joint announcement.

### **Confirmation of financial resources of the Offeror**

The Offeror intends to finance the consideration payable under the Offer through the Facility granted by Get Nice Securities. Under the terms of the Facility and pursuant to the Share Charge as security, (i) the Offeror has agreed to charge the Sale Shares, any Shares acquired pursuant to the Offer and any other Shares derived therefrom in favour of Get Nice Securities; and (ii) Mr. Wong has executed a personal guarantee in favour of Get Nice Securities. The Share Charge will be effective at the time when the Facility is being drawn down.

Veda Capital, the financial adviser to the Offeror, is satisfied that sufficient resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

### **Effect of accepting the Offer**

By validly accepting the Offer, the Independent Shareholders will be deemed to have given warranty that their Offer Shares to be sold to the Offeror are free from all liens, charges and encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer will be irrevocable and not be capable of being withdrawn, except as permitted under the Takeovers Code.

### **Payment**

Subject to the Offer becoming unconditional, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the later of the date on which the Offer becomes, or is declared, unconditional and the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid pursuant to the Takeovers Code.

In the event that the Offer cannot be declared unconditional, the Offer will lapse and the Offeror must, as soon as possible but in any event within ten (10) days thereof, post the Share certificates lodged with the Forms of Acceptance to, or make such Share certificates available for collection by, the Shareholders who would have accepted the Offer at their own risk.



## **Stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.10% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Taxation advice**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, the Vendor, Head & Shoulders Securities, Get Nice Securities, and their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisors or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Overseas Shareholders**

Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Shareholders in respect of such jurisdiction).

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) as at the date of this joint announcement:

	Immediately prior to Completion		As at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
The Vendor ( <i>Note</i> )	2,352,000,000	44.70%	–	–
The Offeror and parties acting in concert with it	–	–	2,352,000,000	44.70%
Public Shareholders	<u>2,910,000,000</u>	<u>55.30%</u>	<u>2,910,000,000</u>	<u>55.30%</u>
Total	<u><u>5,262,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>5,262,000,000</u></u>	<u><u>100.00%</u></u>

*Note:*

Immediately prior to Completion, these Shares were held by the Vendor, the entire issued share capital of which is owned as to 50% by Mr. Ip Ying Chau, being the executive Director and chairman of the Board, and 50% by Mr. Chan Wing Chung, being the executive Director and vice chairman of the Board.

## INFORMATION ON THE GROUP

The Group is principally engaged in the provision of foundation works and ancillary services; and construction wastes handling services at the public fill reception facilities managed by the government in Hong Kong. During the year ended 31 March 2017, the Group has also commenced the investments in securities business and the money lending business to broaden the Group's investment strategy.

The following table is a summary of the audited consolidated financial information of the Group for the two years ended 31 March 2017 as extracted from the Company's annual report for the year ended 31 March 2017:

	<b>For the year ended 31 March 2017</b>	For the year ended 31 March 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Audited)</b>	<b>(Audited)</b>
Revenue	<b>353,038</b>	399,277
Profit before income tax	<b>14,033</b>	37,698
Profit and total comprehensive income for the year attributable to owners of the Company	<b>8,359</b>	29,225

	<b>As at 31 March 2017 HK\$'000 (Audited)</b>	As at 31 March 2016 HK\$'000 (Audited)
Net assets value	<b>345,060</b>	166,461

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. The Offeror is wholly-owned by Mr. Wong who is also the sole director of the Offeror.

Mr. Wong was graduated from Aalto University in Finland and obtained an Executive Master Degree of Business Administration. Since 1997, he has been focusing on the research in respect of the internet technology as well as internet operation management. Since 2010, Mr. Wong has set up company in Singapore, which is principally engaged in business and management consultancy services and other information technology and computer service activities. He was a director and a shareholder of another company in Singapore which focuses on property development. He has also acted as an advisor of the project on construction and development matters regarding property development. Mr. Wong has more than 10 years' experience in securities investment. Save for the experience in securities investment, Mr. Wong does not have any experience in current principal business of the Company as at the date of this joint announcement.

### **Dealings and interests in the Company's securities**

Save for the Sale Shares that are the subject under the Sale and Purchase Agreement, none of the Offeror nor parties acting in concert with it has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the period commencing six months prior to and including the date of this joint announcement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company.

### **Other arrangements**

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Offeror's interest in the Sale Shares, the Offeror and parties acting in concert with it have no other Shares, warrants, options, derivative or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;

- (ii) save for the Offeror's interest in the Sale Shares, the Offeror and parties acting in concert with it do not own, control or have direction over any voting rights in any Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of the Company;
- (iii) there is no outstanding derivatives in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by, the Offeror or parties acting in concert with it;
- (iv) save for the Sale and Purchase Agreement, the Facility and the Share Charge, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent;
- (vi) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vii) save for the Facility and the Share Charge, there was no agreement, arrangement or understanding which may result in the securities of the Company to be acquired in pursuance of the Offer being transferred, charged or pledged to any other persons;
- (viii) no benefit (other than statutory compensation) was or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer; and
- (ix) save as disclosed under the paragraph headed "Board Composition of the Company" below, there was no agreement, arrangement, or understanding (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or which was dependent upon the Offer.

The Offeror and the Vendor confirm that (i) other than the Consideration under the Sale and Purchase Agreement, each of the Offeror, its respective nominees or representatives has not and will not pay any other consideration in whatever form to the Vendor, its nominees or representatives in connection with the Sale and Purchase Agreement; (ii) there is no special deal (within the meaning under Rule 25 of the Takeovers Code) between the Vendor, Mr. Ip Ying Chau, Mr. Chan Wing Chung and parties acting in concert with any of them, on the one hand; and the Offeror, Mr. Wong and parties acting in concert with any of them, on the other hand.

#### **FUTURE INTENTION OF THE OFFEROR REGARDING THE GROUP**

Immediately after Completion, the Offeror has become the Controlling Shareholder of the Company.

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror had not identified any investment or business opportunities nor had the Offeror entered into any agreement, arrangements, understandings or negotiation and no plan on any injection of any assets or businesses into the Group as at the date of this joint announcement.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

## **BOARD COMPOSITION OF THE COMPANY**

As at the date of this joint announcement, the executive Directors are Mr. Ip Ying Chau, Mr. Chan Wing Chung, Ms. Tung Ah Pui Athena, Mr. Chan Chiang Kan, Mr. Mui Wai Sum and Mr. Yip To Chun; and the independent non-executive Directors are Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming.

It is intended that all Directors (including independent non-executive Directors) will resign and new executive and independent non-executive Directors will be nominated with effect from the earliest time permitted for resignation and appointment of directors under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer Period. Details of the change of the Board composition and biographies of the new executive and independent non-executive Directors will be announced as and when appropriate.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Directors who will be nominated by the Offeror and appointed as Directors and the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that not less than 25% of the Shares will be held by the public.

**The Stock Exchange has stated that if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.**

The Offeror does not intend to exercise or apply any right which may be available to it to acquire compulsorily any Shares outstanding after the close of the Offer.

## **GENERAL**

### **The Independent Board Committee**

Pursuant to Rule 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming, will be established by the Company to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

### **Composite Document**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with Rule 8.2 of the Takeovers Code.

### **Disclosure of dealings**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code. The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 September 2017 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 September 2017.

## **WARNING**

**THE OFFER IS CONDITIONAL. UNLESS THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE CLOSING DATE OF THE OFFER (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE OFFERS TOGETHER WITH THE SHARES ACQUIRED OR AGREED TO BE ACQUIRED BEFORE OR DURING THE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING MORE THAN 50% OF THE VOTING RIGHTS OF THE COMPANY, THE OFFER WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.**

**SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.**

## DEFINITIONS

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

“Acquisition”	the acquisition of the 2,352,000,000 Sale Shares, representing approximately 44.70% of the existing issued share capital of the Company, by the Offeror at a consideration of HK\$290,535,918 on 15 September 2017 pursuant to the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Company”	LEAP Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1499)
“Completion”	completion of the Acquisition under the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code, containing, among other things, details of the Offer, the acceptance and transfer form in respect of the Offer, as may be revised or supplemented as appropriate
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$290,535,918, being the total consideration for the Sale Shares
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a term loan facility of up to HK\$360,000,000 granted by Get Nice Securities to the Offeror to finance the total amount payable by the Offeror upon full acceptance of the Offer by cash in full



“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares
“Get Nice Securities”	Get Nice Securities Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
“Group”	the Company and its subsidiaries (from time to time)
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and the agent making the Offer for and on behalf of the Offeror
“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
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which will be formed to advise the Independent Shareholders in respect of the Offer
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Last Trading Day”	15 September 2017, being the last day on which the Shares were traded on the Stock Exchange prior to the temporary halt in trading of the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Anthony Wong, the sole director and sole shareholder of the Offeror
“Offer”	the conditional mandatory cash offer to be made by Head & Shoulders Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code
“Offer Period”	the period commencing from 19 September 2017, being the date of this joint announcement, and ending on the date of the close of the Offer in accordance with the Takeovers Code

“Offer Price”	the price at which the Offer is made, being HK\$0.1236 per Offer Share
“Offer Shares”	all issued Shares, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Right Star Investment Development Limited, a company incorporated in the British Virgin Islands with limited liability, being the purchaser of the Sale Shares under the Sale and Purchase Agreement and the offeror in respect of the Offer
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 September 2017 entered into between the Vendor and the Offeror in respect of the sale and purchase of the Sale Shares
“Sale Shares”	a total of 2,352,000,000 Shares, representing approximately 44.70% of the entire issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.005 each in the share capital of the Company
“Share Charge”	the share charge entered into between Get Nice Securities (as chargee) and Offeror (as chargor) on 18 September 2017 whereby the Offeror has charged in favour of Get Nice Securities, the Sale Shares and the Offer Shares and other Shares derived therefrom as security for the obligations of the Offeror pursuant to the terms and conditions of the Facility
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Veda Capital”	Veda Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, who is appointed as the financial adviser to the Offeror in respect of the Offer

“Vendor”

Grand Jade Group Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor of the Sale Shares under the Sale and Purchase Agreement and a Controlling Shareholder of the Company immediately prior to Completion, which is ultimately owned as to 50% by Mr. Ip Ying Chau, being the executive Director and chairman of the Board, and 50% by Mr. Chan Wing Chung, being the executive Director and vice chairman of the Board, as at the date of this joint announcement

“%”

per cent.

By order of the board of director of  
**Right Star Investment Development Limited**  
**Anthony Wong**  
*Sole Director*

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

Hong Kong, 19 September 2017

*As at the date of this joint announcement, the executive Directors are Mr. Ip Ying Chau, Mr. Chan Wing Chung, Mr. Tung Ah Pui Athena, Mr. Chan Chiang Kan, Mr. Mui Wai Sum and Mr. Yip To Chun; and the independent non-executive Directors are Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Wong is the sole director of the Offeror.*

*Mr. Wong accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Group, the Vendor and parties acting in concert with each of them and the Directors) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and parties acting in concert with each of them and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*In case of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*