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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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2018**

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2018 amounted to approximately HK\$298.6 million (for the year ended 31 March 2017: approximately HK\$353.0 million).
- Profit attributable to owners of the Company for the year ended 31 March 2018 amounted to approximately HK\$25.4 million (for the year ended 31 March 2017: approximately HK\$8.4 million).
- Equity attributable to owners of the Company as at 31 March 2018 amounted to approximately HK\$370.4 million (as at 31 March 2017: approximately HK\$345.1 million).
- Basic and diluted earnings per share for the year ended 31 March 2018 amounted to approximately HK cent 0.48 (for the year ended 31 March 2017: approximately HK cent 0.17).
- The Board does not recommend the declaration of a final dividend for the year ended 31 March 2018.

The board (the “**Board**”) of directors (the “**Directors**”) of LEAP Holdings Group Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2018 (the “**Year**”) together with comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	<i>Note</i>	2018 <i>HK\$’000</i>	2017 <i>HK\$’000</i>
Revenue	4	298,625	353,038
Cost of sales		<u>(227,943)</u>	<u>(312,746)</u>
Gross profit		70,682	40,292
Other income, gains and losses	4	2,740	5,155
Fair value change on investment properties		–	(834)
Administrative and other operating expenses		<u>(38,758)</u>	<u>(29,543)</u>
Operating profit		34,664	15,070
Finance costs		<u>(2,917)</u>	<u>(1,037)</u>
Profit before income tax	5	31,747	14,033
Income tax expense	6	<u>(6,379)</u>	<u>(5,674)</u>
Profit and total comprehensive income for the year attributable to owners of the Company		<u>25,368</u>	<u>8,359</u>
Basic and diluted earnings per share	7	<u>HK cent 0.48</u>	<u>HK cent 0.17</u>

Details of dividends are disclosed in Note 8 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

		2018	2017
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		29,020	62,718
Investment properties		–	21,300
Intangible assets		430	430
		<u>29,450</u>	<u>84,448</u>
Current assets			
Trade and other receivables	9	169,187	152,829
Gross amounts due from customers for contract work		35,922	43,891
Financial assets at fair value through profit or loss		1,194	82,571
Tax recoverable		179	14
Pledged bank deposit		6,500	–
Cash and cash equivalents (excluding bank overdrafts)		330,638	52,061
		<u>543,620</u>	<u>331,366</u>
Total assets		<u>573,070</u>	<u>415,814</u>
EQUITY			
Capital and reserves			
Share capital	10	26,310	26,310
Reserves		344,118	318,750
Total equity		<u>370,428</u>	<u>345,060</u>

	<i>Note</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		192	4,333
Deferred tax liabilities		<u>3,550</u>	<u>5,848</u>
		<u>3,742</u>	<u>10,181</u>
Current liabilities			
Trade and other payables	<i>11</i>	43,880	29,287
Gross amounts due to customers for contract work		1,981	431
Loan from a related party		136,688	–
Borrowings		4,819	29,888
Current income tax liabilities		<u>11,532</u>	<u>967</u>
		<u>198,900</u>	<u>60,573</u>
Total liabilities		<u>202,642</u>	<u>70,754</u>
Total equity and liabilities		<u><u>573,070</u></u>	<u><u>415,814</u></u>
Net current assets		<u><u>344,720</u></u>	<u><u>270,793</u></u>
Total assets less current liabilities		<u><u>374,170</u></u>	<u><u>355,241</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 2 September 2015. Its parent and ultimate holding company is Right Star Investment Development Limited, a company incorporated in the British Virgin Islands with limited liability. The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is Unit 907 & 908, 9/F, Far East Consortium Building, 113-125A Des Voeux Road Central, Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of foundation works and ancillary services, construction wastes handling, investments in securities and money lending business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3 APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to HKFRSs did not have any significant financial impact on these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financial activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION

Revenue and other income, gains and losses recognised during the year are as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue		
Foundation works and ancillary services	150,004	262,287
Rental income from lease of machinery	2,443	2,183
Construction wastes handling	99,637	62,168
Fair value change on investments in securities		
– Realised change	43,639	21,069
– Unrealised change	(2,492)	2,542
Dividend income from investments in securities	199	576
Interest income from money lending business	5,195	2,213
	<u>298,625</u>	<u>353,038</u>
Other income, gains and losses		
Rental income from lease of investment properties	306	309
Interest income	86	88
(Loss)/gain on disposal of property, plant and equipment	(577)	3,060
Government grants (<i>Note</i>)	71	1,221
Gain on disposal of subsidiaries	1,056	–
Others	1,798	477
	<u>2,740</u>	<u>5,155</u>

Note: There are no unfulfilled conditions or contingencies relating to these grants.

Segment information

Management has determined the operating segments based on the reports reviewed by the Directors, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

- (a) Foundation works and ancillary services: Provision of site formation works, excavation and lateral support, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.
- (b) Construction wastes handling: Provision of management and operation of public fill reception facilities, including public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.
- (c) Investments in securities.
- (d) Money lending.

Segment revenue is measured in a manner consistent with that in the consolidated statements of profit or loss and other comprehensive income.

The Directors assess the performance of the operating segments based on a measure of segment results. Unallocated income, fair value change on investment properties, unallocated corporate expenses, finance costs, income tax expense and other major items that are isolated and non-recurring in nature are not included in segment results.

Segment assets mainly consist of current assets and non-current assets as disclosed in the consolidated statement of financial position except investment properties, unallocated cash and cash equivalents (excluding bank overdrafts) and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, deferred tax liabilities, loan from a related party, borrowings and other unallocated liabilities.

	Foundation works and ancillary services <i>HK\$'000</i>	Construction wastes handling <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2018					
Revenue					
External revenue	<u>152,447</u>	<u>99,637</u>	<u>41,346</u>	<u>5,195</u>	<u>298,625</u>
Segment results	<u>20,073</u>	<u>4,240</u>	<u>41,241</u>	<u>5,128</u>	70,682
Unallocated income					2,740
Unallocated corporate expenses					(38,758)
Finance costs					<u>(2,917)</u>
Profit before income tax					31,747
Income tax expense					<u>(6,379)</u>
Profit for the year					<u>25,368</u>
Included in segment results are:					
Depreciation	<u>12,773</u>	<u>1,996</u>	<u>-</u>	<u>-</u>	<u>14,769</u>
At 31 March 2018					
Segment assets	152,169	36,011	2,327	121,792	312,299
Unallocated assets					<u>260,771</u>
Total assets					<u>573,070</u>
Additions to non-current asset:					
Segment assets	710	-	-	-	710
Unallocated assets					<u>3,988</u>
					<u>4,698</u>
Segment liabilities	25,019	10,479	-	-	35,498
Unallocated liabilities					10,363
Loan from a related party					136,688
Borrowings					5,011
Current income tax liabilities					11,532
Deferred tax liabilities					<u>3,550</u>
Total liabilities					<u>202,642</u>

	Foundation works and ancillary services <i>HK\$'000</i>	Construction wastes handling <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2017					
Revenue					
External revenue	<u>264,470</u>	<u>62,168</u>	<u>24,187</u>	<u>2,213</u>	<u>353,038</u>
Segment results	<u>7,938</u>	<u>6,058</u>	<u>24,083</u>	<u>2,213</u>	40,292
Unallocated income					5,155
Fair value change on investment properties					(834)
Unallocated corporate expenses					(29,543)
Finance costs					<u>(1,037)</u>
Profit before income tax					14,033
Income tax expense					<u>(5,674)</u>
Profit for the year					<u>8,359</u>
Included in segment results are:					
Depreciation	<u>12,748</u>	<u>5,994</u>	<u>–</u>	<u>–</u>	18,742
At 31 March 2017					
Segment assets	194,015	13,073	92,127	68,020	367,235
Unallocated assets					<u>48,579</u>
Total assets					<u>415,814</u>
Additions to non-current asset:					
Segment assets	8,074	3,511	–	430	12,015
Unallocated assets					<u>39,174</u>
					<u>51,189</u>
Segment liabilities	23,605	333	–	–	23,938
Unallocated liabilities					5,780
Borrowings					34,221
Current income tax liabilities					967
Deferred tax liabilities					<u>5,848</u>
Total liabilities					<u>70,754</u>

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. The Group's major operations and markets are located in Hong Kong, no geographical segment information is provided.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2018	2017
	HK\$'000	HK\$'000
Customer A ²	68,766	N/A ³
Customer B ¹	73,099	N/A ³
Customer C ²	N/A ³	53,078
Customer D ^{1 and 2}	N/A ³	63,225
Customer E ²	N/A ³	52,373
Customer F ²	45,670	75,763

¹ Revenue from construction wastes handling.

² Revenue from foundation works and ancillary services.

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5 PROFIT BEFORE INCOME TAX

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit before income tax has been arrived at after charging:		
Auditors' remuneration	950	950
Staff costs	54,197	68,595
Depreciation	15,936	19,555
Operating lease rental on premises	1,919	1,165
Direct operating expenses arising from investment properties that generate rental income	<u>28</u>	<u>15</u>

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong profits tax:		
– Current income tax	8,664	5,613
– Over-provision in prior years	(13)	–
Deferred income tax	<u>(2,272)</u>	<u>61</u>
Income tax expense	<u>6,379</u>	<u>5,674</u>

7 EARNINGS PER SHARE

	2018	2017
Profit attributable to owners of the Company <i>(HK\$'000)</i>	<u><u>25,368</u></u>	<u><u>8,359</u></u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share <i>(in thousand)</i>	<u><u>5,262,000</u></u>	<u><u>5,043,562</u></u>
Basic earnings per share <i>(HK cent)</i>	<u><u>0.48</u></u>	<u><u>0.17</u></u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 March 2018 and 2017 has been adjusted for the share subdivision on 24 April 2017 as if they have taken place since the beginning of the respective year.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary share in issue during the years ended 31 March 2018 and 2017.

8 DIVIDENDS

No interim dividend was declared for the year ended 31 March 2018 (2017: Nil).

No final dividend was proposed by the Board for the year ended 31 March 2018 (2017: Nil).

9 TRADE AND OTHER RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	51,622	42,200
Loan receivables	80,000	67,000
Retention receivables	27,863	33,412
Other receivables, deposits and prepayments	<u>9,702</u>	<u>10,217</u>
	<u>169,187</u>	<u>152,829</u>

The credit period granted customers is 7 to 75 days generally. The ageing analysis of trade receivables based on payment certificate is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	40,754	22,969
31-60 days	3,421	13,616
61-90 days	4,249	–
Over 90 days	<u>3,198</u>	<u>5,615</u>
	<u>51,622</u>	<u>42,200</u>

The Group's loan receivables of approximately HK\$80,000,000 (2017: HK\$67,000,000), which arise from the money lending business, are not overdue based on contractual maturity date as at 31 March 2018 (2017: same).

10 SHARE CAPITAL

	<i>Note</i>	Number of shares	Share capital HK\$'000
Authorised:			
At 1 April 2016, 31 March 2017 and 1 April 2017, ordinary shares of HK\$0.01 each		10,000,000,000	100,000
Effect of share subdivision to HK\$0.005 each	<i>a</i>	<u>10,000,000,000</u>	<u>–</u>
At 31 March 2018, ordinary shares of HK\$0.005 each		<u><u>20,000,000,000</u></u>	<u><u>100,000</u></u>
Issued and fully paid:			
At 1 April 2016		2,288,000,000	22,880
Shares issued under placing	<i>b</i>	168,000,000	1,680
Shares issued under placing	<i>c</i>	<u>175,000,000</u>	<u>1,750</u>
At 31 March 2017 and 1 April 2017		2,631,000,000	26,310
Effect of share subdivision	<i>a</i>	<u>2,631,000,000</u>	<u>–</u>
At 31 March 2018		<u><u>5,262,000,000</u></u>	<u><u>26,310</u></u>

Notes:

- (a) An ordinary resolution for the share subdivision was passed at the extraordinary general meeting of the Company held on 21 April 2017. The subdivision of each of the existing issued and unissued share of HK\$0.01 each in the share capital of the Company into two shares of HK\$0.005 each has been effective from 24 April 2017.
- (b) On 26 May 2016, 168,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.50 per share for cash totalling HK\$84,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK\$2,940,000, were credited to the share premium account of the Company.
- (c) On 23 September 2016, 175,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.52 per share for cash totalling HK\$91,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK\$1,820,000, were credited to the share premium account of the Company.

11 TRADE AND OTHER PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	31,240	23,507
Accruals and other payables	<u>12,640</u>	<u>5,780</u>
	<u><u>43,880</u></u>	<u><u>29,287</u></u>

Payment terms granted by suppliers are generally 15 to 80 days from the invoice date of the relevant purchases. The ageing analysis of trade payables based on the invoice date is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	15,010	9,186
31-60 days	9,973	3,875
61-90 days	163	894
Over 90 days	<u>6,094</u>	<u>9,522</u>
	<u><u>31,240</u></u>	<u><u>23,507</u></u>

12 CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

Pending litigations

As at 31 March 2018, there were no (2017: three) ongoing employees' compensation claims and no (2017: one) personal injury claim against the Group. As the claims are being handled by the relevant insurer's lawyer and the directors take the view that the amount to be borne by the Group in the proceeding shall be covered by the relevant insurance policy, no provision for contingent liabilities in respect of pending litigations is necessary (2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major sources of revenue were from foundation works and ancillary services, construction wastes handling services, investments in securities business and money lending business in Hong Kong.

During the Year, the Group had no material changes in its business nature and principal activities.

Foundation Works and Ancillary Services

The foundation works of the Group mainly included site formation works, excavation and lateral support (“ELS”) works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.

During the Year, revenue from this segment amounted to approximately HK\$152.4 million, approximately HK\$112.1 million less than that for the year ended 31 March 2017. Such decrease was mainly attributable to keen competition in the market resulting in the contract sum of the newly awarded projects during the Year was less than corresponding period in 2017.

Gross profit of this segment during the Year was approximately HK\$20.1 million, which increased approximately 154.4% as compared with approximately HK\$7.9 million for the year ended 31 March 2017. Gross profit margin of this segment for the Year was approximately 13.2%, representing an increase of 10.2 percentage points from approximately that of 3% for the year ended 31 March 2017. The increase is mainly attributable to i) the increase in revenue of certain projects with high profit margin and ii) achievement in cost saving through more effective cost control measures in place.

Construction Wastes Handling Services

The Group's construction wastes handling services mainly included the management and operation of public fill reception facilities such as public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.

During the Year, revenue from this segment amounted to approximately HK\$99.6 million, which increased approximately HK\$37.4 million as compared with approximately HK\$62.2 million for the year ended 31 March 2017. The increase is mainly due to the increase in revenue from on-going projects during the year.

Gross profit of this segment for the Year was approximately HK\$4.2 million, which decreased by approximately 31.1% as compared with approximately HK\$6.1 million for the year ended 31 March 2017. Such decrease was mainly due to an increase in certain cost of sales items including depreciation, transportation fees and subcontracting cost. Gross profit margin of this segment for the Year was approximately 4.2%, representing a decrease of 5.6 percentage points from approximately 9.8% for the year ended 31 March 2017. Such decrease is mainly due to the increase in cost of sales items as mentioned above.

New Projects Awarded

During the Year, the Group had been awarded 10 new contract with total contract value of approximately HK\$211.3 million. The details of the new project is as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Wan Chai district	ELS, site formation, foundation and pile cap works
Foundation and Ancillary Works	Sha Tin district	Piling and ELS works
Foundation and Ancillary Works	Kowloon City district	Foundation, ELS, pile cap and tree works

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Kwai Tsing district	Piling and ELS works
Foundation and Ancillary Works	Southern district	Site formation and foundation works
Foundation and Ancillary Works	Sai Kung district	Site formation and foundation, ELS, pile cap and tie beam works
Foundation and Ancillary Works	Sha Tin district	Foundation, excavation & lateral support, pile cap, slope and drainage works
Foundation and Ancillary Works	Yuen Long district	Structural work, building service works, civil and retaining walls works
Foundation and Ancillary Works	Kwai Tsing district	Steel covered walkway & hoarding works
Foundation and Ancillary Works	Southern district	Construction of the hoarding works

Projects in Progress

As at 31 March 2018, the Group had 10 projects in progress with total contract value amounted to approximately HK\$467.1 million. The details of projects in progress are as follows:

Type of Projects	Site Location	Type of Works
Construction Wastes Handling	Tuen Mun district	Fill bank operation

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Southern district	Foundation (mini-pile), site formation and underground drainage works
Foundation and Ancillary Works	Southern district	Foundation, ELS and pile cap works
Foundation and Ancillary Works	Yau Tsim Mong district	Disposal of excavated materials
Foundation and Ancillary works	Kowloon City district	Foundation, Els, pile cap and tree works
Foundation and Ancillary works	Wan Chai district	ELS, site formation, foundation and pile cap works
Foundation and Ancillary works	Sha Tin district	Foundation, excavation & lateral support, pile cap, slope and drainage works
Foundation and Ancillary works	Sai Kung district	Site formation and foundation, ELS, pile caps and tie beam works
Foundation and Ancillary works	Southern district	Site formation and foundation works
Foundation and Ancillary works	Yuen Long district	Structural work, building service works, civil and retaining walls works

Completed Projects

During the Year, the Group completed 8 projects with total contract value amounted to approximately HK\$113.8 million. The details of completed projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Tuen Mun district	Demolition works
Foundation and Ancillary Works	Wan Chai district	Hoarding, demolition, foundation, ELS and pile cap works
Foundation and Ancillary Works	Yuen Long district	Reinforced concrete structure works
Foundation and Ancillary Works	Kowloon City district	Foundation works
Foundation and Ancillary Works	Tsuen Wan district	Hoarding and demolition works
Foundation and Ancillary Works	Southern district	Site preparation, formation of platform and miscellaneous works
Foundation and Ancillary works	Kwai Tsing district	Steel covered walkway & hoarding works
Foundation and Ancillary works	Southern district	Construction of the hoarding works

Investment in Securities

During the Year, the Group maintained the business segment of investments in securities in order to diversify the Group's business. The Group invested in a portfolio of listed securities in Hong Kong.

As at 31 March 2018, the Group managed a portfolio of listed securities with total market value of approximately HK\$1.2 million. During the Year, the Group recorded a gross profit in the segment of investments in securities of approximately HK\$41.2 million. The Company reviews the performance of its existing investment portfolio and evaluates the investment potentials of other investment opportunities available to the Company as part of the routine exercise with a view to optimise the expected return and minimise the risks.

Money Lending

During the Year, the Group continued to carry out its money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). During the Year, the Group generated approximately HK\$5.1 million gross profit from this segment. The Directors consider it will be beneficial to the Group to explore new opportunities in the money lending business to widen its revenue base and minimise the risks of the Group overall, in order to enhance the capital use of the Group for the interests of the Company and its shareholders.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately 15.4% from approximately HK\$353.0 million for the year ended 31 March 2017 to approximately HK\$298.6 million for the Year. The decline was mainly due to keen competition in the market of foundation works and ancillary services resulting in the contract sum of the newly awarded project during the year being less than corresponding period in 2017 but offset by the increase in the revenue from the investments in securities and money lending business.

Gross profit and gross margin

Gross profit increased by approximately 75.4% from approximately HK\$40.3 million for the year ended 31 March 2017 to approximately HK\$70.7 million for the Year. Gross profit margin for the Year was approximately 23.7%, representing an increase of 12.3 percentage points from approximately 11.4% for the year ended 31 March 2017. The increase was mainly due to the significant increase in the revenue from the investments in securities.

Other income, gains and losses

Other income, gains and losses mainly consisted of rental income from lease of investment properties, Government grants and gain on the disposal of subsidiaries and others. During the Year, other income, gains and losses amounted to approximately HK\$2.7 million (2017: HK\$5.2 million).

Administrative and other operating expenses

The administrative and other operating expenses of the Group for the Year amounted to approximately HK\$38.8 million, representing an increase of approximately 31.5% compared with approximately HK\$29.5 million for the year ended 31 March 2017. Such increase was mainly due to the additional consultancy fee and marketing expenses for seeking investment opportunities as well as maintaining relationships with customers for business development purposes.

Finance costs

Finance costs increased by approximately 190% from approximately HK\$1.0 million for the year ended 31 March 2017 to approximately HK\$2.9 million for the Year, which is mainly due to the increase in interests on loan from a related party that entered into during the Year.

Income tax expense

Income tax expense increased by approximately 12.3% from approximately HK\$5.7 million for the year ended 31 March 2017 to approximately HK\$6.4 million for the Year. Such increased was due to the increased in gross profit as discussed in the sections headed “Gross profit and gross margin” above.

Profit for the year

The Group recorded a net profit of approximately HK\$25.4 million for the Year, representing an increase of 202.4% compared with approximately HK\$8.4 million for the year ended 31 March 2017. The increase in the profit for the year was mainly due to the increase in gross profit for the Year as discussed but offset by the increase in administrative and other operating expenses.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Company does not have any other plans for material investments or capital assets.

PROSPECTS

Hong Kong's construction market faces both opportunities and challenges under an expanding economy. According to Hong Kong's 2018-19 budget, the public expenditure on infrastructure is estimated at HK\$85.6 billion which is approximately 15% of the total annual expenditure. With numerous infrastructure and building projects from the public and private sectors, there should be good opportunities to secure construction contract works. However, the competition remains keen in the near future due to the growing number of market players and the construction costs continues to rise due to a labour shortages, increasingly stringent regulatory controls and rising construction material and operating costs. Nevertheless, the Group's outlook still remains positive towards the construction industry and will proactively look for opportunities to create maximum returns to the shareholders of the Company.

2017 has been a positive year for the global economy, global economy is picking up with stronger activity, reduced deflationary pressures, optimistic financial markets and expectations of domestic demand growth in China and other emerging market economies in East Asia. China's GDP growth of 6.9% slightly exceeded Central Government forecasts of 6.5%. The growth of the Mainland China economy and the flow of capital from Mainland China to Hong Kong would lend support to local investment sentiment and asset returns. The Group will continue to respond to the changing market environment and review its investment strategy regularly.

With a view to generate additional income and enhance the capital use of the Group, the Group will also seek investment opportunities related to information technologies and financial technologies in Hong Kong and overseas.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group has funded the liquidity and capital requirements primarily through capital contributions from the Company's shareholders, bank borrowings, internally generated cash flow and proceeds received from the placing of the Company's shares (the "Share(s)").

As at 31 March 2018, the Group had cash and cash equivalents (excluding bank overdrafts) of approximately HK\$330.6 million (31 March 2017: approximately HK\$52.1 million) and pledged bank deposit of approximately HK\$6.5 million (31 March 2017: HK\$Nil). The increase was mainly due to the aggregate received from loan from a related party, net proceeds from disposal of investment properties and property, plant and equipment and gain on investment in securities.

The gearing ratio is calculated based on the amount of total interest-bearing loans divided by total equity. The gearing ratio of the Group as at 31 March 2018 was approximately 38.2% (as at 31 March 2017: approximately 9.9%). This is mainly due to the increase in loan from a related party.

On 10 May 2016, a placement of 168,000,000 ordinary shares of the Company at a price of HK\$0.5 per share was made, and the Group raised a total amount of, after deduction of relevant expenses, approximately HK\$81 million (the “1st Placing”). The net proceeds from the 1st Placing have intended to apply as to approximately HK\$8 million to be used for loan repayment, as to approximately HK\$8 million to be allocated as general working capital and as to approximately HK\$65 million for financing any potential investment opportunities of the Group that may arise from time to time. The completion of the 1st Placing took place on 26 May 2016. The net proceeds were actually used as to approximately HK\$8 million for loan repayment, as to approximately HK\$8 million for general working capital and as to approximately HK\$65 million for development of the Group’s money lending business.

On 7 September 2016, a placement of 175,000,000 ordinary shares of the Company at a price of HK\$0.52 per share was made, and the Group raised a total amount of, after deduction of relevant expenses, approximately HK\$89 million (the “2nd Placing”). The net proceeds from the 2nd Placing have intended to apply for financing any investment opportunities. The completion of the 2nd Placing took place on 23 September 2016. The net proceeds were actually used as to approximately HK\$14 million for acquisition for property and as to approximately HK\$75 million for development of the securities trading business.

TRANSFER OF SHARES

Reference is made to the joint announcement dated 19 September 2017 (the “**Joint Announcement**”) jointly issued by Right Star Investment Development Limited (the “**Offeror**”) and the Company. As stated in the Joint Announcement, the Board was informed by Grand Jade Group Limited (“**Grand Jade**”) that, on 15 September 2017, the Offeror and Grand Jade entered into a share transfer agreement, pursuant to which the Offeror agreed to purchase and the Vendor agreed to sell the 2,352,000,000 shares of the Company (the “**Transfer of Shares**”), representing approximately 44.70% of the entire issued share capital of the Company. As stated in the Joint Announcement, the completion of the Transfer of Shares was completed on 18 September 2017. Pursuant to Rule 26.1 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), the Offeror and parties acting in concert with it were 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 (the “**Offer**”). As at 4:00 p.m. on Wednesday, 15 November 2017 (close of the Offer), the Offeror had received valid acceptances in respect of a total of 830,790,001 Shares, Offeror and the parties acting in concert with it would hold an aggregate of 3,182,790,001 Shares, representing approximately 60.49% of the entire issued share capital of the Company. For details, please refer to the Joint Announcement, the circular dated 20 October 2017 and further announcements dated 1 November 2017 and 15 November 2017 in relation to the Transfer of Shares and the Offer.

SHARE SUBDIVISION

On 9 March 2017, the Board proposed that each of the existing issued and unissued shares of HK\$0.010 each in the share capital of the Company be subdivided into two shares of HK\$0.005 each. An ordinary resolution to approve the share subdivision has been passed by the shareholders of the Company at the extraordinary general meeting held on 21 April 2017. Upon the share subdivision having become effective on 22 April 2017 and as at the date of this announcement, the Company’s authorized share capital was HK\$100,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.005 each, of which 5,262,000,000 were in issued and fully paid. For details, please refer to the Company’s announcements dated 9 March 2017, 20 March 2017, 29 March 2017 and 21 April 2017 and the Company’s circular dated 3 April 2017.

PLEDGE OF ASSETS

The Group's machinery and equipment with an aggregate net book value of approximately HK\$7.6 million and HK\$8.4 million and motor vehicles with an aggregate net book value of approximately HK\$2.4 million and HK\$2.8 million as at 31 March 2018 and 2017, respectively, were pledged under finance leases. As at 31 March 2018, investment properties with a carrying amount of approximately HK\$Nil (2017: HK\$11 million) have been pledged to other borrowing granted to the Group.

PLEDGED BANK DEPOSIT

As at 31 March 2018, the Group has pledged bank deposit of HK\$6.5 million (31 March 2017: HK\$Nil) to secure the bank facilities granted to the Group.

CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Group employed 109 staff (31 March 2017: 104 staff). Total staff costs including directors' emoluments for the Year, amounted to approximately HK\$54.2 million (for the year ended 31 March 2017: approximately HK\$68.6 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group provides adequate job training to the employees to equip them with practical knowledge and skills.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as this announcement, during the Year, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries or associated companies.

CAPITAL COMMITMENTS

The Group had capital commitment amounted to approximately HK\$Nil million as at 31 March 2018 (31 March 2017: approximately HK\$1.7 million).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

No purchase, sale or redemption of the Company's listed securities was made by the Company nor any of its subsidiaries during the Year and up to the date of this announcement.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this announcement, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

EVENTS AFTER THE YEAR

Appointment of Executive Directors

On 10 April 2018, Mr. Luo Ting and Mr. Zhu Junkan have been appointed as executive directors of the Company.

Resignation of Executive Director, Chairman and Chief Executive Officer

On 30 April 2018, Mr. Ip Ying Chau has resigned as an executive Director, the chairman of the Board and the chief executive officer of the Company due to other business engagement which requires more of his attention and dedication.

Change of Independent Non-executive Directors

On 30 April 2018, Mr. Chan Chun Yiu Thomas has resigned as an independent non-executive Director due to other business engagement which requires more of his attention and dedication and Mr. Lee Man Chiu has been appointed as an independent non-executive Director.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 17 April 2018, the Company has been notified that Right Star Investment Development Limited (“**Right Star**”), a controlling shareholder of the Company, has pledged an aggregate of 3,182,790,001 ordinary shares in the issued share capital of the Company (the “**Pledged Shares**”) in favour of an independent third party (the “**Independent Third Party**”) as a security of a loan provided by the independent third party to Mr. Wong, the beneficial owner of Right Star. The Pledged Shares represent approximately 60.49% of the issued share capital of the Company as at the date of this announcement.

The aforesaid Pledged Shares does not fall within the scope of Rule 13.17 of the Listing Rules.

FINAL DIVIDEND

The Board has resolved not to declare any annual dividend for the Year (2017: Nil).

CORPORATE GOVERNANCE CODE

The Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out Appendix 14 (the “CG Code”) to the Listing Rules during the Year and up to the date of this announcement, save for the deviation from code deviation from A.2.1 which is explained below. The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual.

During the financial period and up to 30 April 2018, Mr. Ip Ying Chau is the Chairman and the chief executive officer of the Company. With his extensive experience in the industry, the Board believes that vesting the roles of both Chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ip Ying Chau performs both the roles of Chairman and chief executive officer, the division of responsibilities between the Chairman and chief executive officer is clearly established. The two roles are performed by Mr. Ip Ying Chau distinctly. The Company considers that it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

However, Mr. Ip Ying Chan has resigned as the Chairman, the chief executive officer and the executive Director of the Company with effect from 30 April 2018. The Company has not appointed the Chairman and the chief executive officer after the resignation of Mr. Ip Ying Chan. The functions of the Chairman and the chief executive officer are performed by the executive Directors. The Board is of the view that these existed a balance of power and authority and will review the current practice from time to time and make appropriate changes if considered necessary.

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Company’s articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”). In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code for the Year and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in accordance with the requirements of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is to serve as a focal point for communication between other directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits. The Audit Committee currently comprises three independent non-executive directors, namely Mr. Chan King Chung (the chairman of the Audit Committee), Mr. Li Zhouxin, Mr. Lee Man Chiu.

REVIEW OF ANNUAL RESULTS

The Group's consolidated annual financial statements for the Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules for the Year and up to the date of this announcement.

PUBLICATION

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.leapholdings.hk. The annual report of the Company for the Year containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication and contribution to the Group. In addition, I would like to thank all of our shareholders and investors for their support and our customers for their patronage.

By order of the Board
LEAP Holdings Group Limited
Luo Ting
Executive Director

Hong Kong, 22 June 2018

As at the date of this announcement, the executive Directors are Mr. Cheng Yuk, Mr. Luo Ting and Mr. Zhu Junkan; and the independent non-executive Directors are Mr. Chan King Chung, Mr. Li Zhouxin and Mr. Lee Man Chiu.