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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% ISSUED SHARES OF GOLD TOYS LIMITED

THE DISPOSAL

The Board is pleased to announce that on 19 September 2018, after trading hours, the Company and the Purchaser have entered into the Disposal Agreement pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares at the Consideration of HK\$400,000.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 19 September 2018, after trading hours, the Company and the Purchaser have entered into the Disposal Agreement pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares at the Consideration of HK\$400,000 upon and subject to the terms and conditions of the Disposal Agreement.

Set out below are the major terms of the Disposal Agreement:

THE DISPOSAL

Date

19 September 2018 (after trading hours)

Parties

- (a) The Company as vendor; and
- (b) Element Delight Limited as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties. The Purchaser is principally engaged in investment holdings.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Company shall dispose of the Sale Shares, representing the entire issued share capital of the Target Company, to the Purchaser at the Consideration of HK\$400,000.

Conditions

The Disposal is not subject to any conditions precedent.

Consideration

The Consideration shall be payable by the Purchaser to the Company as follows:—

- (a) a sum of HK\$100,000 as non-refundable deposit and part payment of the Consideration to be paid on the signing of the Disposal Agreement; and
- (b) the balance of the Consideration (i.e. HK\$300,000) to be paid at Completion.

The Consideration was determined with reference to the net asset value of the Target Company as at 31 August 2018 of approximately HK\$398,000 and arrived at arms' length negotiations between the parties to the Disposal Agreement.

Completion

Completion shall take place within seven Business Days from the date of the Disposal Agreement.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. The Target Company is principally engaged in securities investment.

Set out below is the unaudited financial information of the Target Company as prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 March 2018 and the five months ended 31 August 2018:

	For the five months ended 31 August 2018	For the year ended 31 March 2018	For the year ended 31 March 2017
	(unaudited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit before taxation	(364)	(4,029)	23,576
(Loss) profit after taxation	(364)	(8,227)	19,799
Net assets	398	11,962	20,189

Upon Completion, the Group is expected to record an unaudited gain on the Disposal of approximately HK\$2,000. Such unaudited gain is estimated based on the Consideration of HK\$400,000 less the unaudited net asset value of the Target Company of approximately HK\$398,000 as at 31 August 2018. The actual gain on the Disposal may be different from the above and will be determined based on the final financial position of the Target Company on the date of Completion. The Board intends to apply the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of foundation works and ancillary services, construction wastes handling, investments in securities and money lending business. The disposal would 1) streamline the Company's structure, and 2) focus its resources to seek investment opportunities related to information technologies and financial technologies in Hong Kong and overseas.

In view of the above, the Directors consider that the terms and conditions of the Disposal, including the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	means a day, other than a “general holiday” (as defined in the General Holidays Ordinance (Chapter 149 of the Laws of Hong Kong)), Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon, on which commercial banks are generally open for banking business in Hong Kong;

“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
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$400,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares in accordance with the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the disposal agreement dated 19 September 2018 entered into between the Company and the Purchaser in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Element Delight Limited, a company incorporated in the British Virgin Islands with limited liability

“Sale Shares”	50,000 ordinary shares in the share capital of the Target Company, being the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the issued share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Gold Toys Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
LEAP Holdings Group Limited
Ren Yunan
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 19 September 2018

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