

**LEAP HOLDINGS GROUP LTD:
LOOK BEFORE YOU LEAP !**

The two Controlling Shareholders of LEAP Holdings Group Ltd () (Code: 1499, Main Board, The Stock Exchange of Hongkong Ltd) have been in the habit, during at least the past 36 months, ended March 31, 2015, at least, of using the Company as their personal, little bank whenever they found it necessary.

The unsecured, interest-free loans were of negligible importance up to March 31, 2014, but, in the 2015 Financial Year, these loans ballooned, quite materially, from about \$HK3,848,000 to about \$HK17.10 million.

There is nothing to suggest in the Share Offer Prospectus of LEAP, dated August 21, 2015, that such activities will cease, now that the Company has joined the elite club of publicly listed companies.

And that could be a major problem in years to come.

If banks and/or other types of lending institutions determine not to afford the principal directors – or, for that matter, the Controlling Shareholders of publicly listed companies – loans, for whatever reason, why should minority shareholders of publicly listed companies have to assume the risk of lending money to such persons?

The Initial Public Offering (IPO)

LEAP is a Company, engaged in the provision of foundation works and ancillary services, as well as construction waste handling.

This Company pitched its story in its Share Offer Prospectus. It Offered 572 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 22 cents to a high of 28 cents.

Of the total number of Shares on Offer, the Company is Offering 286 million New Shares and Grand Jade Group Ltd () is Offering an equal number of existing Shares.

Grand Jade Group Ltd is domiciled in the **British Virgin Islands (BVI)** and is beneficially owned by Messrs Chan Wing Chung () and Ip Ying Chau () in equal proportions.

These two gentlemen are the Principal Shareholders of the Company and the persons who have been borrowing money from the Company when the spirit moves them so to do.

Of the total number of shares on Offer, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are Offered 57.20 million Shares and the remaining 514.80 million Shares will be Placed, presumably with institutions and individuals with deep pockets.

If the IPO is a success – and it appears that it is – and assuming that the Offer Price Per Share is struck at the midpoint of the Indicative Offer Price, being 25 cents, it is estimated that the Company will net about \$HK60.70 million, after all Listing Expenses have been retired, and, presumably, Messrs Chan Wing Chung and Ip Ying Chau will net an equal amount of money for themselves.

According to ... [CLICK TO ORDER FULL ARTICLE](#)

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