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## **China Child Care Corporation Limited**

**中國兒童護理有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1259)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES**

#### **THE DISPOSAL**

Joy Link, an indirect wholly-owned subsidiary of the Company, disposed on-market and accepted the Mandatory Offer of a total of 77,910,000 LEAP Holdings Shares in a series of transactions conducted between 8 April 2019 to 9 April 2019, at the price between HK\$0.1600 to HK\$0.1620 per LEAP Holdings Share and the Offer Price at HK\$0.1585 per LEAP Holdings Share respectively for an aggregate gross sale proceeds of approximately HK\$12,360,405 (exclusive of transaction costs).

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules.

#### **THE DISPOSAL**

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As part of the Disposal was made through the open market, the Company is not aware of the identities of such purchasers of the LEAP Holdings Shares. For the LEAP Holdings Shares disposed of pursuant to the Mandatory Offer, the purchaser is OKC Holdings. To the best knowledge, information and belief of the Directors, such purchasers of the LEAP Holdings Shares on the open market, OKC Holdings and their respective ultimate beneficial owners are Independent Third Parties.

Joy Link is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in trading of securities.

OKC Holdings is an investment holding company incorporated in the Cayman Islands with limited liability.

### **Assets disposed of**

The Group disposed of a total of 77,910,000 LEAP Holdings Shares, representing approximately 1.48% of the entire issued share capital of LEAP Holdings (based on 5,262,000,000 LEAP Holdings Shares in issue as at 31 March 2019 according to the monthly return of LEAP Holdings dated 2 April 2019).

### **Consideration**

The aggregate gross sale proceeds of the Disposal are approximately HK\$12,360,000 (excluding transaction costs), which was received in cash on settlement. The consideration for the Disposal represented the market price of the LEAP Holdings Shares at the time of the Disposal or the Offer Price.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacturing and sale of personal care products, money lending, operation of online platform, trading of commodities, investment in securities, properties holding and investment holding.

The management considered that Disposal provides a good opportunity for the Group to realise its investments in the LEAP Holdings Shares and to strengthen the Group's liquidity. As a result of the Disposal, the Group is expected to recognize a loss of approximately HK\$7,117,000 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the transaction costs). The Group intended to use the proceeds of the Disposal for any potential investments and general working capital of the Group.

The Disposal was made at market price or the Offer Price and the Directors (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company and was fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON LEAP HOLDINGS**

LEAP Holdings is a company incorporated in the Cayman Islands and with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1499). According to publicly available information, LEAP Holdings and its subsidiaries are principally engaged in provision of foundation works and ancillary services, provision of construction wastes handling, investments in securities business and money lending business.

The following financial information is extracted from the annual report of LEAP Holdings for the year ended 31 March 2018:

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2018</b>	<b>2017</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross revenue	298,625	353,038
Profit before taxation	31,747	14,033
Profit after taxation	25,368	8,359

As at 30 September 2018, the unaudited total assets of LEAP Holdings was approximately HK\$548,467,000, based on the interim report of LEAP Holdings for the six months ended 30 September 2018.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and, is therefore subject to the reporting and announcement requirements of the Listing Rules.

Due to miscommunication between a senior staff, who was responsible for executing the relevant transactions for the Disposal, and the management of the Group, the Company did not announce the discloseable transaction as soon as practicable after the Disposal.

The management of the Group only became aware of the Disposal in early May 2019 when they received the monthly statement of account of Joy Link issued by the securities company and an announcement has been made by the Company as soon as practicable.

## **REMEDIAL STEPS TO BE TAKEN**

In order to prevent the occurrence of similar incidents, the management has immediately taken steps to strengthen the internal controls over the procedures for all transactions under Chapters 14 and 14A of the Listing Rules and to strengthen internal control procedures to ensure timely and effective communication by the Group's staff on possible disposals of listed securities and possible acceptances of mandatory cash offers.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	China Child Care Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the disposals by the Company on-market and pursuant to the Mandatory Offer of a total of 77,910,000 LEAP Holdings Shares conducted between 8 April 2019 to 9 April 2019 for a total gross sale proceeds of approximately HK\$12,360,000 (exclusive of transaction costs)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Joy Link”	Joy Link Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“LEAP Holdings”	LEAP Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1499)
“LEAP Holdings Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of LEAP Holdings
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandatory Offer”	the unconditional mandatory cash offer made by Get Nice Securities Limited for and on behalf of OKC Holdings for all the issued shares of LEAP Holdings (other than those already owned or agreed to be acquired by OKC Holdings and parties acting in concert with it) in accordance with Rule 26.1 of the Hong Kong Code on Takeovers and Mergers
“Offer Price”	the price at which the Mandatory Offer is made, being HK\$0.1585 per LEAP Holdings Share
“OKC Holdings”	OKC Holdings Corporation, an investment holding company incorporated in the Cayman Islands with limited liability, being the offeror in respect of the Mandatory Offer

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**China Child Care Corporation Limited**  
**Tsai Wallen**  
*Chairman and Executive Director*

Hong Kong, 6 May 2019

*As at the date of this announcement, the Board comprises (i) two executive directors, namely Mr. Tsai Wallen and Mr. Chau Ling; (ii) one non-executive director, namely Mr. Li Zhouzin; and (iii) three independent non-executive directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.*