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Leading Holdings Group Limited

領地控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(the “Company”, Stock Code: 6999)

**OFFER TO EXCHANGE THE OUTSTANDING 12.0% SENIOR NOTES
DUE 2022 (THE “EXISTING NOTES”) (STOCK CODE: 40739)
(ISIN: XS2341204688; COMMON CODE: 234120468)**

INTRODUCTION

On June 28, 2021, the Company issued the Existing Notes in an aggregate principal amount of US\$150,000,000 which bear interest at 12.0% per annum, payable in arrears on December 28, 2021 and June 27, 2022. The Existing Notes are listed on the SEHK. The ISIN and Common Code of the Existing Notes is XS2341204688 and 234120468, respectively. As of the date of this announcement, the outstanding principal amount of the Existing Notes is US\$122,730,000⁽¹⁾.

Note:

⁽¹⁾ The outstanding amount does not include US\$15,200,000 in principal amount of the Existing Notes held by a controlling shareholder of the Company as of the date of this announcement. This controlling shareholder of the Company plans to cancel such principal amount of the Existing Notes held by it.

On the date of this announcement, the Company commenced the offer to exchange for at least US\$110,457,000, or 90%, of the outstanding principal amount of the Existing Notes (the “**Minimum Acceptance Amount**”) upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum. The purpose of the Exchange Offer is to refinance the Existing Notes and improve the Company’s liquidity position. For further details, please refer to “The Exchange Offer” below.

Unless otherwise defined, capitalized terms in this announcement shall have the same meaning ascribed to them in the Exchange Offer Memorandum.

BACKGROUND AND PURPOSE OF THE EXCHANGE OFFER

During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced a turning point. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending for mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete projects, has resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has made access to offshore capital difficult for property developers and has limited the Group’s funding sources to address upcoming maturities.

Despite the adverse market environment, the Company is working on generating sufficient cash flow to meet its financial commitments, including, among others, through extension of its existing debt obligations, opportunistic financing and expenditure conservation. As part of these efforts, the Company is conducting the Exchange Offer to improve its financial condition, extend its debt maturity profile, improve its cash flow management and enhance its ability to satisfy its debt obligations. The Company is offering Eligible Holders of the Existing Notes an opportunity to exchange their Existing Notes for the New Notes with an extended maturity and terms designed to allow the Company to improve its financial condition and stability.

THE EXCHANGE OFFER

The Exchange Offer for the Existing Notes commenced on June 13, 2022 and will expire at 4:00 p.m., London time, on June 20, 2022 (the “**Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company’s outstanding Existing Notes held by Eligible Holders for the Exchange Consideration. As of the date of this announcement, US\$122,730,000⁽¹⁾ in aggregate principal amount of the Existing Notes is outstanding.

Note:

⁽¹⁾ The outstanding amount does not include US\$15,200,000 in principal amount of the Existing Notes held by a controlling shareholder of the Company as of the date of this announcement. This controlling shareholder of the Company plans to cancel such principal amount of the Existing Notes held by it.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange Consideration) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

If you are an Eligible Holder holding the Existing Notes through Euroclear and Clearstream or through a fiduciary holding accounts and you wish to participate in the Exchange Offer, you must tender your Existing Notes pursuant to the procedures described herein by way of an electronic instruction, which must be submitted or delivered through the relevant Clearing System by each Eligible Holder of the Existing Notes who is shown in the records of such Clearing System as a holder of an interest in the Existing Notes, authorizing delivery of your tender to exchange the Existing Notes that are the subject of such electronic instruction (the “**Electronic Exchange Instruction**”).

A separate Electronic Exchange Instruction needs to be submitted per each beneficial owner of the Existing Notes held through Euroclear and Clearstream. Only direct participants in Euroclear or Clearstream may submit Electronic Exchange Instructions through Euroclear and Clearstream. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Existing Notes to submit an Electronic Exchange Instruction on your behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System, which may be earlier than the deadline specified in the Exchange Offer Memorandum.

Instructions to exchange any of the Existing Notes may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Any New Notes to be issued to any Eligible Holder in the Exchange Offer will be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof. Any fractional amounts of the New Notes will be forfeited. Any tendering Eligible holder must tender its entire holding of Existing Notes for exchange. The Company reserves its right not to accept any partial tender of Existing Notes by any Eligible Holders. Eligible Holders are responsible for ensuring that their instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of US\$150,000. Instructions that would result in a principal amount of New Notes below US\$150,000 will be rejected.

Electronic Exchange Instructions in connection with the Exchange Offer are irrevocable. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms in the Exchange Offer Memorandum. Upon giving Electronic Exchange Instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer is modified or terminated so as to result in a cancellation of such Electronic Exchange Instructions.

EXCHANGE CONSIDERATION

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the exchange consideration for each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the Expiration Deadline and accepted for exchange (the “**Exchange Consideration**”) consisting of the following:

- (i) US\$1,000 in aggregate principal amount of the US\$ denominated 12.0% Senior Notes due 2023 (the “**New Notes**”); and
- (ii) any Accrued Interest.

Any fractional amounts of the New Notes will be forfeited. The Company plans to use its own internal funds to pay all such cash components of the various fees and considerations described above.

The New Notes will have a tenor of 364 days and bear an interest rate of 12.0% per annum, payable in arrears. There are certain differences between the Existing Notes and the New Notes. See “Summary of the Exchange Offer – Certain Differences between the Existing Notes and the New Notes” in the Exchange Offer Memorandum for details. Such differences would reduce the protection afforded to the holders of the New Notes and potentially increase the credits risks of the New Notes, compared to the Existing Notes. See “Description of the New Notes” in the Exchange Offer Memorandum for details on the New Notes .

Approval in-principle has been received from the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

MINIMUM ACCEPTANCE AMOUNT

The minimum aggregate principal amount of the Existing Notes, being US\$110,457,000, or 90%, of the outstanding principal amount of the Existing Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer. **Unless waived by the Company, if the Company receives valid tender of the Existing Notes for less than the Minimum Acceptance Amount, the Company will not proceed with the Exchange Offer and the Exchange Offer shall lapse automatically.**

The Company reserves the right, in its sole discretion, to amend any term of, or waive any condition to, the Exchange Offer, including the Minimum Acceptance Amount, in accordance with the terms of this Exchange Offer, subject to applicable law.

CONDITIONS TO THE EXCHANGE OFFER

The Company's obligation to consummate the Exchange Offer is conditional upon the following:

- not less than the Minimum Acceptance Amount of the Existing Notes shall have been validly tendered prior to the Expiration Deadline;
- there being no material adverse change in the market from the date of this announcement to the Settlement Date;
- an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in its best interests; and
- the satisfaction or waiver of the other conditions described in "Description of the Exchange Offer – Conditions to the Exchange Offer" in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by it by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, it reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law.

SUMMARY TIMETABLE

The following summarizes the anticipated timetable for the Exchange Offer.

Date	Event
June 13, 2022	Commencement of the Exchange Offer and announcement via the websites of SEHK and the Exchange Website and through Euroclear or Clearstream, as applicable. Exchange Offer Memorandum will be made available to Eligible Holders of the Existing Notes on the Exchange Website.
June 20, 2022 (4:00 p.m., London time)	Expiration Deadline, unless being amended or extended. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer.

As soon as practicable after the Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Expiration Deadline, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about June 22, 2022	Settlement Date, unless being amended or extended. Subject to satisfaction of the conditions as set forth under “Description of the Exchange Offer – Conditions to the Exchange Offer” in the Exchange Offer Memorandum, settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.
On or about June 24, 2022	Listing of the New Notes on the SGX-ST.

FURTHER DETAILS

The Company has appointed Guotai Junan Securities (Hong Kong) Limited as the Dealer Manager, and D.F. King Ltd. as the Information and Exchange Agent with respect to the Exchange Offer (each as stipulated in the Exchange Offer Memorandum and the related documents). The Exchange Offer Memorandum, this announcement and all documents related to the Exchange Offer can be found on the Exchange Website: <https://sites.dfkingltd.com/leading>.

Requests for copies of the Exchange Offer Memorandum and its related documents may be directed to the Information and Exchange Agent at the address and telephone number as set forth below. The contact information of Guotai Junan Securities (Hong Kong) Limited and D.F. King Ltd. is set out as follows:

Guotai Junan Securities (Hong Kong) Limited

27/F., Low Block, Grand Millennium Plaza

181 Queen’s Road Central

Hong Kong

Attention: Fixed Income, Currencies and Commodities Department

Facsimile: +852 2509 0030

D.F. King Ltd.

In London

65 Gresham Street
London EC2V 7NQ
United Kingdom
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In Hong Kong

Suite 1601, 16th Floor, Central Tower
28 Queen’s Road Central
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Email: leading@dfkingltd.com

Exchange Website: <https://sites.dfkingltd.com/leading>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER. AS THE EXCHANGE OFFER MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer are not being made to (nor will the tender of the Existing Notes be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Exchange Offer would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer will not be made to (nor will tenders be accepted from or on behalf of) any Holder residing in such jurisdiction.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Accrued Interest”	Accrued and unpaid interest on the Existing Notes validly tendered and accepted for exchange, up to but not including the Settlement Date, will be payable in cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards);
“Clearstream”	Clearstream Banking S.A.;
“Company”	Leading Holdings Group Limited (領地控股集團有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the SEHK (stock code: 6999);
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the exchange offer memorandum dated June 13, 2022 in relation to the Exchange Offer;
“Exchange Website”	https://sites.dfkingltd.com/leading ;
“Existing Notes”	the 12.0% senior notes issued by the Company due June 2022;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Information and Exchange Agent”	D.F. King Ltd.;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Regulation S”	Regulation S under the U.S. Securities Act;
“SEHK”	The Stock Exchange of Hong Kong Limited;
“Settlement Date”	on or about June 22, 2022, unless the Exchange Offer is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes;

“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

By Order of the Board
Leading Holdings Group Limited
Liu Yuhui
Chairman

Hong Kong, 13 June 2022

As at the date of this announcement, the Board comprises Mr. Liu Yuhui, Mr. Luo Changlin, Ms. Zeng Xurong and Ms. Hou Xiaoping as executive Directors and Ms. Jin Xu, Ms. Liang Yunxing and Mr. Fang Min as independent non-executive Directors.