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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)

(Stock Code: 6999)

DISCLOSEABLE TRANSACTION TARGET'S DEBT RESTRUCTURING

TARGET'S DEBT RESTRUCTURING

The Board is pleased to announce that on 7 June, 10 June and 16 June 2021, the Company, Mianyang Hengliang (an indirect wholly-owned subsidiary of the Company), the relevant Existing Shareholders, the relevant Target Companies and China Orient entered into the Debt Restructuring Agreements to achieve (i) the acquisition of the Target Companies by the Group primarily through the provision of the Capital Contributions in the aggregate amount of RMB226.7648 million; (ii) the provision of corporate guarantees under the Debt Restructuring Agreements in respect of the Agreed Debt in the amount of RMB630 million and the Maximum Interest in the amount of RMB160.5 million; and (iii) the Share Charge. Upon completion of the Target's Debt Restructuring, the Group will obtain 51% equity interests in each of the Target Companies so as to develop the Property Projects owned by the Target Companies as at the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated respectively under the Transactional Documents, on an aggregated basis, exceed(s) 5% but all of them are less than 25%, the entering into the Transactional Documents and the transactions contemplated respectively thereunder constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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DEBT RESTRUCTURING AGREEMENTS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Hetian, Ruichun and the Non-Acquiring Companies with Jiuyuan as the corporate guarantor had obtained bank facilities for the purpose of developing the Property Projects. However, due to the historical failure of the Target Companies and the Non-Acquiring Companies to repay all or part of the bank loans owed to the original creditor, the original creditor assigned to China Orient, and China Orient accepted the assignment of, all the rights and obligations of the outstanding bank loans and the accrued interests. Thereafter, China Orient became the creditor of Hetian and Ruichun and the Non-Acquiring Companies.

As the Target Companies own the Property Projects which the Directors view as a valuable opportunity to further expand the business of the Group, the Group has negotiated with China Orient on an arm's length basis to obtain 51% equity interests in each of the Target Companies. The Target's Debt Restructuring was accordingly formulated to resolve the deadlock situation among China Orient, the relevant Existing Shareholders, the Target Companies and the Non-Acquiring Companies. The principal terms of the Debt Restructuring Agreements are presented in tabular form below:-

	HT Debt Restructuring Agreement	RC Debt Restructuring Agreement	LH Debt Restructuring Agreement	LC Debt Restructuring Agreement	JS Debt Restructuring Agreement
Date	7 June 2021	7 June 2021	7 June 2021	7 June 2021	7 June 2021
Creditor	China Orient	China Orient	China Orient	China Orient	China Orient
Debtor	Hetian	Ruichun	Lvhui	Lvchen	Jinsheng
Guarantors	the Company, Jinsheng and the HT Guarantors	the Company, Jinsheng and the RC Guarantors	the Company, Jinsheng and the LH Guarantors	the Company, Jinsheng and the LC Guarantors	the Company, Mianyang Hengliang, Juntao Enterprise, Yuanjing Technology and the JS Guarantors
Agreed Debt	RMB13,608,050.38	RMB18,452,100.76	RMB12,376,914.72	RMB15,907,855.93	RMB569,655,078.22
Terms	From 31 October 2020 to 30 March 2026	From 31 October 2020 to 30 March 2026	From 31 October 2020 to 30 March 2026	From 31 October 2020 to 30 March 2026	From 31 October 2020 to 30 March 2026
Repayment schedule	Principal shall be repayable on 30 March 2026 with interests accrued repayable by two instalments in each year	Principal shall be repayable on 30 March 2026 with interests accrued repayable by two instalments in each year	Principal shall be repayable on 30 March 2026 with interests accrued repayable by two instalments in each year	Principal shall be repayable on 30 March 2026 with interests accrued repayable by two instalments in each year	Principal shall be repayable in seven instalments with last instalment repayable on 30 March 2026 and interests accrued shall be repayable by two instalments in each year

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of China Orient, Hetian, Ruichun, Lvhui, Lvchen, Jinsheng, Juntao Enterprise, Yuanjing Technology, the HT Guarantors, the RC Guarantors, the LH Guarantors, the LC Guarantors, the JS Guarantors and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Upon completion of the Target's Debt Restructuring, it was contemplated that the Agreed Debt shall be repayable by part of the Capital Contributions and the future profits generated from the development and sale of the Property Projects.

THE CAPITAL CONTRIBUTIONS

As part of the Target's Debt Restructuring and as the core part of the acquisition of the Target Companies by the Group, on 16 June 2021, Mianyang Hengliang (an indirect wholly-owned subsidiary of the Company), the relevant Existing Shareholders and the respective Target Companies entered into the respective Cooperation Agreements, pursuant to which Mianyang Hengliang has conditionally agreed to make the JY Capital Contribution, the HT Capital Contribution and the RC Capital Contribution in the amount of RMB159.0948 million RMB15.62 million and RMB52.05 million to Jiuyuan, Hetian and Ruichun, respectively, amounting to RMB226.7648 million in aggregate.

Conditions precedent to Cooperation Agreements

The effectiveness of each of the Cooperation Agreements is subject to the fulfillment of the following conditions:-

- (a) the relevant Existing Shareholders having entered into the supplemental land use rights agreement(s) with the relevant government authorities in respect of the Property Projects; and
- (b) the Debt Restructuring Agreements having been executed.

Within five Working Days upon fulfillment of all of the above conditions precedent, Mianyang Hengliang shall make the JY Capital Contribution, the HT Capital Contribution and the RC Capital Contribution to Jiuyuan, Hetian and Ruichun, respectively.

As at the date of this announcement, all of the above conditions precedent have been fulfilled and all Cooperation Agreements have become effective on 16 June 2021.

THE COOPERATION AGREEMENTS

JY Agreement

The principal terms of the JY Agreement are summarised as follows:

Date

16 June 2021

Parties

- (1) Mianyang Hengliang;
- (2) Juntao Enterprise;
- (3) Yuanjing Technology; and
- (4) Jiuyuan

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Jiuyuan, Juntao Enterprise, Yuanjing Technology and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Amount of capital contribution

Prior to the JY Capital Contribution to be made by Mianyang Hengliang, the registered capital of Jiuyuan is set out below:

	Amount of registered capital	Percentage (approximate)
Juntao Enterprise	RMB100 million	70%
Yuanjing Technology	RMB42.86 million	30%
Total:	RMB142.86 million	100%

As at the date of this announcement, the amount of the registered capital of Jiuyuan subscribed by Yuanjing Technology is unpaid.

Pursuant to the JY Agreement, Mianyang Hengliang shall make the JY Capital Contribution in an aggregate amount of RMB159.0948 million, and upon completion of the JY Capital Contribution, the registered capital and contribution made/to be made by the respective shareholders of Jiuyuan will be as below:

	Amount of registered capital to be contributed and the method	Percentage (approximate)
Juntao Enterprise	RMB100 million (representing the original amount of the paid-up registered capital)	34.3%
Yuanjing Technology	RMB42.86 million (representing the original amount of the unpaid registered capital and shall remain unpaid)	14.7%
Mianyang Hengliang	RMB159.0948 million, out of which RMB148.70 million will be contributed into the registered capital and RMB10.3948 million will be contributed into the statutory reserve	51%
Total:	RMB301.9548 million	100%

Basis of determining the amount of the JY Capital Contribution

The JY Capital Contribution which was arrived at after arm's length negotiations between Mianyang Hengliang and the Existing Shareholders with reference to, among other things, (i) the registered capital of Jiuyuan; and (ii) the reasons and benefits as set out in the paragraph headed "Reasons for and benefits of entering into the Target's Debt Restructuring" below.

The JY Capital Contribution will be satisfied by internal resources of the Group.

Share charge

To secure the obligations owed by Juntao Enterprise and Yuanjing Technology as the existing shareholders of Jiuyuan, such as breach of terms under the JY Agreement, Juntao Enterprise and Yuanjing Technology shall charge all of their respective equity interests in Jiuyuan to Mianyang Hengliang (i.e. 49% interest in Jiuyuan). Furthermore, pursuant to the JY Agreement, it was agreed that if all or part of such 49% interest in Jiuyuan shall be charged to China Orient for debt restructuring purpose pursuant to the corresponding Debt Restructuring Agreements, Mianyang Hengliang shall procure the temporary release of the requisite part of such 49% interest in Jiuyuan. Once the relevant portion of interest in Jiuyuan is released by China Orient as security, such part shall be immediately charged back to Mianyang Hengliang. It was further agreed that upon the full repayment of the loan and accrued interests under the corresponding Debt Restructuring Agreements and obtaining of the relevant advance sale permit in respect of the property projects owned by Jiuyuan, Mianyang Hengliang shall within five Working Days thereafter procure to release such share charge.

Exclusion of property projects

Pursuant to the JY Agreement, it was acknowledged that Jiuyuan is the sub-contractor of two property projects under Jiuyuan, namely “Yangguang Xiyatu Project” and “Bojin Shidai Project” and Jiuyuan has no ownership in these two property projects. Accordingly, Juntao Enterprise and Yuanjing Technology shall solely be responsible for the development and operation of these two projects.

Completion

Upon completion of the JY Capital Contribution, Jiuyuan will become an indirect non-wholly owned subsidiary of the Company and accordingly, the assets, liabilities and financial results of Jiuyuan will be consolidated into the consolidated financial statements of the Group.

HT Agreement

Save as disclosed below and save for the terms mentioned in the paragraph headed “Exclusion of property projects”, the principal terms of the HT Agreement are the same as the JY Agreement.

Date

16 June 2021

Parties

- (1) Mianyang Hengliang;
- (2) Yuanshu Enterprise;
- (3) Yuanjing Technology; and
- (4) Hetian

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Hetian, Yuanshu Enterprise, Yuanjing Technology and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Amount of capital contribution

Prior to the HT Capital Contribution to be made by Mianyang Hengliang, the registered capital of Hetian is set out below:

	Amount of registered capital	Percentage (approximate)
Yuanshu Enterprise	RMB10.5 million	70%
Yuanjing Technology	RMB4.5 million	30%
Total:	RMB15 million	100%

As at the date of this announcement, RMB0.5 million of the registered capital of Hetian subscribed by Yuanshu Enterprise and the entire amount of the registered capital of Hetian subscribed by Yuanjing Technology are unpaid.

Pursuant to the HT Agreement, Mianyang Hengliang shall make the HT Capital Contribution in an aggregate amount of RMB15.62 million, and upon completion of the HT Capital Contribution, the registered capital and contribution made/to be made by the respective shareholders of Hetian will be as below:-

	Amount of registered capital to be contributed and the method	Percentage (approximate)
Yuanshu Enterprise	RMB10.5 million (representing the already paid-up registered capital in the amount of RMB10 million and the unpaid registered capital in the amount of RMB0.5 million and shall remain unpaid)	34.3%
Yuanjing Technology	RMB4.5 million (representing the original amount of the unpaid registered capital and shall remain unpaid)	14.7%
Mianyang Hengliang	RMB15.62 million	51%
Total:	RMB30.62 million	100%

The HT Capital Contribution which was arrived at after arm's length negotiations between Mianyang Hengliang, Yuanshu Enterprise and Yuanjing Technology with reference to, among other things, (i) the registered capital of Hetian; and (ii) the reasons and benefits as set out in the paragraph headed "Reasons for and benefits of entering into the Target's Debt Restructuring" below.

The HT Capital Contribution will be satisfied by internal resources of the Group.

Share charge

To secure the obligations owed by Yuanshu Enterprise and Yuanjing Technology, such as breach of terms under the HT Agreement, Yuanshu Enterprise and Yuanjing Technology shall charge all of their respective equity interests in Hetian to Mianyang Hengliang (i.e. 49% interests in Hetian). Furthermore, pursuant to the HT Agreement, it was agreed that if all or part of such 49% interest in Hetian shall be charged to any financial institution for financing purposes, Mianyang Hengliang shall procure the temporary release of the requisite part of such 49% interest in Hetian. Once the relevant portion of interest in Hetian is released by the relevant financial institution as security, such part shall be immediately charged back to Mianyang Hengliang. It was further agreed that upon the full repayment of the loan and accrued interests under the corresponding Debt Restructuring Agreements and obtaining of the relevant advance sale permit in respect of the property projects owned by Hetian, Mianyang Hengliang shall within five Working Days thereafter procure to release such share charge.

Completion

Upon completion of the HT Capital Contribution, Hetian will become an indirect non-wholly owned subsidiary of the Company and accordingly, the assets, liabilities and financial results of Hetian will be consolidated into the consolidated financial statements of the Group.

RC Agreement

The principal terms of the RC Agreement are substantially the same as the JY Agreement save for the terms mentioned in the paragraphs headed “Share charge” and “Exclusion of property projects”.

Date

16 June 2021

Parties

- (1) Mianyang Hengliang;
- (2) Yuanshu Enterprise;
- (3) Yuanjing Technology; and
- (4) Ruichun

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Ruichun, Yuanshu Enterprise, Yuanjing Technology and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Amount of capital contribution

Prior to the RC Capital Contribution to be made by Mianyang Hengliang, the registered capital of Ruichun is set out below:

	Amount of registered capital	Percentage (approximate)
Yuanshu Enterprise	RMB35 million	70%
Yuanjing Technology	RMB15 million	30%
Total:	RMB50 million	100%

As at the date of this announcement, RMB15 million of the registered capital of Ruichun subscribed by Yuanshu Enterprise and the entire amount of the registered capital of Ruichun subscribed by Yuanjing Technology are unpaid.

Pursuant to the RC Agreement, Mianyang Hengliang shall make the RC Capital Contribution in an aggregate amount of RMB52.05 million, and upon completion of the RC Capital Contribution, the registered capital and contribution made/to be made by the respective shareholders of Ruichun will be as below:-

	Amount of registered capital to be contributed and the method	Percentage (approximate)
Yuanshu Enterprise	RMB35 million (representing the already paid-up registered capital in the amount of RMB20 million and the unpaid registered capital in the amount of RMB15 million and shall remain unpaid)	34.3%
Yuanjing Technology	RMB15 million (representing the original amount of the unpaid registered capital and shall remain unpaid)	14.7%
Mianyang Hengliang	RMB52.05 million	51%
Total:	RMB102.05 million	100%

The RC Capital Contribution which was arrived at after arm's length negotiations between Mianyang Hengliang, Yuanshu Enterprise and Yuanjing Technology with reference to, among other things, (i) the registered capital of Ruichun; and (ii) the reasons and benefits as set out in the paragraph headed "Reasons for and benefits of entering into the Target's Debt Restructuring".

Share charge

To secure the obligations owed by Yuanshu Enterprise and Yuanjing Technology, such as breach of terms under the RC Agreement, Yuanshu Enterprise and Yuanjing Technology shall charge all of their respective equity interests in Ruichun to Mianyang Hengliang (i.e. 49% interests in Ruichun). Furthermore, pursuant to the RC Agreement, it was agreed that if all or part of such 49% interest in Ruichun shall be charged to any financial institution for financing purposes, Mianyang Hengliang shall procure the temporary release of the requisite part of such 49% interest in Ruichun. Once the relevant portion of interest in Ruichun is released by the relevant financial institution as security, such part shall be immediately charged back to Mianyang Hengliang. It was further agreed that upon the full repayment of the loan and accrued interests under the corresponding Debt Restructuring Agreements and obtaining of the relevant advance sale permit in respect of the property projects owned by Ruichun, Mianyang Hengliang shall within five Working Days thereafter procure to release such share charge.

Completion

Upon completion of the RC Capital Contribution, Ruichun will become an indirect non-wholly owned subsidiary of the Company and accordingly, the assets, liabilities and financial results of Ruichun will be consolidated into the consolidated financial statements of the Group.

COLLATERALS

As part of the Target's Debt Restructuring, Mianyang Hengliang has executed the Share Charge. Details of which are summarized below:-

Date

7 June 2021

Parties

- (1) China Orient; and
- (2) Mianyang Hengliang

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Orient and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Guarantee obligations

Pursuant to the Share Charge, Mianyang Hengliang shall charge the 51% equity interests of Jiuyuan to be owned by Mianyang Hengliang upon completion of the JY Capital Contribution in favour of China Orient to secure the repayment obligations of the Agreed Debt under the Debt Restructuring Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TARGET'S DEBT RESTRUCTURING

The Group is principally engaged in the development and sales of residential and commercial properties. In addition, the Group holds a portion of commercial properties developed by the Group for further investment purpose and is engaged in hotel management business.

As at the date of this announcement, Jiuyuan owns four Property Projects and each of Hetian and Ruichun own one Property Project in the PRC. Due to the debt crisis experienced by the Target Companies and the Non-Acquiring Companies, the Target Companies are unable to continue the development of the Property Projects. In the event that the deadlock situation among, inter alia, China Orient, the Target Companies and the Non-Acquiring Companies subsists, the Property Projects will remain undeveloped as China Orient is not a property developer in the PRC. Therefore, the Directors view this as a valuable opportunity to further expand the business of the Group. Considering the existing market presence of the Group in the locations of the Property Projects, the Capital Contributions will further allow the Group to increase its market shares in the respective regions. With the continuous steady development of the real estate market in the PRC, the Directors believe that the Capital Contributions will enhance the Group's position in the PRC real estate market as a whole.

The Directors consider that the terms of each of the Transactional Documents are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE TRANSACTIONAL DOCUMENTS

The Group

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the development and sales of residential and commercial properties. In addition, the Group holds a portion of commercial properties developed by the Group for further investment purpose and is engaged in hotel management business.

Mianyang Hengliang

Mianyang Hengliang is a company established in the PRC with limited liability and principally engaged in property development. Mianyang Hengliang is an indirect wholly-owned subsidiary of the Company.

Juntao Enterprise

Juntao Enterprise is a company established in the PRC with limited liability and principally engaged in corporate management and merger and acquisition. Based on public information available, as at the date of this announcement, Juntao Enterprise is owned as to 60% by Zhang Liang (張亮) and 40% by Lu Haizhou (陸海舟).

Yuanjing Technology

Yuanjing Technology is a company established in the PRC with limited liability and principally engaged in the development of information technology and provision of related services. Based on public information available, as at the date of this announcement, Yuanjing Technology is owned as to 55% by Wang Qing (王慶) and 45% by Lan Jian (蘭健).

Yuanshu Enterprise

Yuanshu Enterprise is a company established in the PRC with limited liability and principally engaged in corporate management and merger and acquisition. Based on public information available, as at the date of this announcement, Yuanshu Enterprise is owned as to 60% by Wang Xiaoyong (王小勇) and 40% Sun Huan (孫歡).

Jiuyuan

Jiuyuan is a company established in the PRC with limited liability and principally engaged in property development. As at the date of this announcement, Jiuyuan is owned as to approximately 70% by Juntao Enterprise and approximately 30% by Yuanjing Technology.

The summary of the unaudited financial information of Jiuyuan for the two years ended 31 December 2019 and 2020 are set out below:

	For the year ended 31 December	
	2019	2020
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	258,220.56	36,610.95
Net loss after taxation	258,220.56	36,610.95

As at 31 December 2020, the unaudited net assets value of Jiuyuan was RMB102,673,716.12.

Hetian

Hetian is a company established in the PRC with limited liability and principally engaged in the business of aquaculture. As at the date of this announcement, Hetian is owned as to 70% by Yuanshu Enterprise and 30% by Yuanjing Technology.

The summary of the unaudited financial information of Hetian for the two years ended 31 December 2019 and 2020 are set out below:

	For the year ended 31 December	
	2019	2020
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	2,314.70	724.05
Net loss after taxation	2,314.70	724.05

As at 31 December 2020, the unaudited net liabilities of Hetian was RMB7,775,140.42.

Ruichun

Ruichun is a company established in the PRC with limited liability and principally engaged in the provision of leasing services. As at the date of this announcement, Ruichun is owned as to 70% by Yuanshu Enterprise and 30% by Yuanjing Technology.

The summary of the unaudited financial information of Ruichun for the two years ended 31 December 2019 and 2020 are set out below:

	For the year ended 31 December	
	2019	2020
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	1,949.89	1,115.55
Net loss after taxation	1,949.89	1,115.55

As at 31 December 2020, the unaudited net assets value of Ruichun was RMB11,956,273.59.

Lvhui

Lvhui is a company established in the PRC with limited liability and principally engaged in the provision of greening services. Based on public information available, as at the date of this announcement, Lvhui is owned as to 60% by Chen Jianhua (陳健華) and 40% by Yu Chengjian (于成健).

Lvchen

Lvchen is a company established in the PRC with limited liability and principally engaged in the provision of environmental protection solution services. Based on public information available, as at the date of this announcement, Lvchen is owned as to 55% by Chen Ming (陳銘) and 45% by Huo Lei (霍磊).

Jinsheng

Jinsheng is a company established in the PRC with limited liability and principally engaged in the provision of decoration and equipment installations services. Based on public information available, as at the date of this announcement, Jinsheng is owned as to 51% by Tao Shihai (陶世海), 37.5% by Wen Zhengyou (文正友) and 11.5% by Wang Guangwen (王光文).

Sichuan Mianyang Yinfeng Textile Co., Ltd is a company established in the PRC with limited liability and principally engaged in the manufacture and sale of textile. Based on public information available, as at the date of this announcement, Sichuan Mianyang Yinfeng Textile Co., Ltd is wholly-owned by Jinsheng.

JS Guarantors

Sichuan Qihan Cultural Tourism Development Co., Ltd. is a company established in the PRC with limited liability and principally engaged in tourism. Based on public information available, as at the date of this announcement, Sichuan Qihan Cultural Tourism Development Co., Ltd. is wholly-owned by Jinsheng.

Sichuan Chuanheng Construction and Installation Engineering Co., Ltd. is a company established in the PRC with limited liability and principally engaged in the provision of equipment installations services. Based on public information available, as at the date of this announcement, Sichuan Chuanheng Construction and Installation Engineering Co., Ltd. is owned as to 62.2947% by Zhao Jinyu (趙金玉) and 37.7053% by Xie Xuedong (謝學東).

Sichuan Santai Jianmen Pumps Co., Ltd. is a company established in the PRC with limited liability and principally engaged in the construction of pumps. Based on public information available, as at the date of this announcement, Sichuan Santai Jianmen Pumps Co., Ltd. is ultimately and beneficially owned as to 80% by Gao Chu (郜楚), 10% by Tao Shihai (陶世海) and 10% Wen Zhengyou (文正友).

Santai Limin Waste Treatment Co., Ltd. is a company established in the PRC with limited liability and principally engaged in refuse disposal business. Based on public information available, as at the date of this announcement, Sichuan Santai Jianmen Pumps Co., Ltd. is wholly-owned by Jinsheng.

HT Guarantors

Sichuan Fanhai Real Estate Development Co., Ltd. is a company established in the PRC with limited liability and principally engaged in property development. Based on public information available, as at the date of this announcement, Sichuan Fanhai Real Estate Development Co., Ltd. is owned as to 56.5217% by Jinsheng and 43.4783% by Huang Shaobo (黃少波).

China Orient

China Orient is a company established in the PRC with limited liability and principally engaged in asset management. Based on public information available, as at the date of this announcement, China Orient is collectively owned as to 97.9778% by various government authorities in the PRC and 2.0222% by Shanghai Electric Group Company Limited (a company listed on the Shanghai Stock Exchange with stock code: 601727 and on the Stock Exchange with stock code: 2727).

FURTHER INFORMATION IN RELATION TO THE PROPERTY PROJECTS

As at the date of this announcement, Jiuyuan owns four Property Projects and each of Hetian and Ruichun own one Property Project in the PRC and the Non-Acquiring Companies do not own any property projects. Details of the Property Projects are summarized below:-

	Location of land parcels	Total land area	Nature of land parcels	Usage of land parcels	Terms	Current Status
1.	Xiangshe Village and Zhongji Village-A, Longmen Town, Fucheng District (Lot A)	42,429.18 sq.m.	State-owned land granted for construction	For residential use	70	Undeveloped land
2.	Xiangshe Village and Zhongji Village-B, Longmen Town, Fucheng District (Lot B)	37,822.51 sq.m.	State-owned land granted for construction	For residential use	70	Undeveloped land
3.	Xiangshe Village-A, Longmen Town, Fucheng District	36,599.74 sq.m.	State-owned land granted for construction	For residential use and commercial use	Residential: 70 years; Commercial: 50 years	Undeveloped land
4.	Xiangshe Village-B, Longmen Town, Fucheng District	140,182.77 sq.m.	State-owned land granted for construction	For residential and commercial use	Residential: 70 years; Commercial: 50 years	Undeveloped land
5.	Longmen Town (A), Fucheng District	102,013.23 sq.m.	State-owned land granted for construction	For residential and commercial use	Residential: 70 years; Commercial: 50 years	Undeveloped land
6.	Longmen Town (B), Fucheng District	150,304.26 sq.m.	State-owned land granted for construction	For residential and commercial use	Residential: 70 years; Commercial: 50 years	Undeveloped land

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated respectively under the Transactional Documents, on an aggregated basis, exceed(s) 5% but all of them are less than 25%, the entering into the Transactional Documents and the transactions contemplated respectively thereunder constitutes a discloseable transaction for the Company and is subject to the 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.

“Agreed Debt”	the total amount of debt in the amount of RMB630 million agreed by China Orient for the purpose of the Target’s Debt Restructuring and agreed in the Debt Restructuring Agreements
“Capital Contributions”	the JY Capital Contribution, the HT Capital Contribution and the RC Capital Contribution
“China Orient”	China Orient Asset Management Co., Ltd., Sichuan Branch (中國東方資產管理股份有限公司四川省分公司), a branch of a company established in the PRC with limited liability
“Cooperation Agreements”	the JY Agreement, the HT Agreement and the RC Agreement
“Board”	the board of Directors
“Debt Restructuring Agreements”	the HT Debt Restructuring Agreement, the RC Debt Restructuring Agreement, the LH Debt Restructuring Agreement, the LC Debt Restructuring Agreement, the JS Debt Restructuring Agreement and the Supplemental Agreement
“Director(s)”	the director(s) of the Company
“Company”	Leading Holdings Group Limited (領地控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 6999)
“Existing Shareholders”	Juntao Enterprise, Yuanshu Enterprise and Yuanjing Technology
“Group”	the Company and its subsidiaries

“Hetian”	Sichuan Hetian Agricultural Integrated Development Co., Ltd.* (四川禾田農業綜合開發有限公司), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HT Agreement”	the cooperation agreement dated 16 June 2021 entered into by and among Mianyang Hengliang, Yuanshu Enterprise, Yuanjing Technology and Hetian
“HT Capital Contribution”	the capital contribution to be made by Mianyang Hengliang to Hetian pursuant to the HT Agreement
“HT Debt Restructuring Agreement”	the debt restructuring agreement dated 7 June 2021 entered into by and among China Orient, the Company, Jinsheng and the HT Guarantors
“HT Guarantors”	Hetian, Li Da (李大), Deng Qing (鄧瓊), Zhao Jinyu (趙金玉), Chen Zhanggu (陳長嘏), Sichuan Fanhai Real Estate Development Co., Ltd.* (四川泛海房地產開發有限公司) and Sichuan Mianyang Yinfeng Textile Co., Ltd.* (四川省綿陽銀峰紡織有限責任公司)
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries, and their respective connected persons, ultimate beneficial owner(s) or associates (has the meaning ascribed to it under the Listing Rules)
“Jinsheng”	Sichuan Jinsheng Group Co., Ltd.* (四川錦盛集團有限公司), a company established in the PRC with limited liability
“Jiuyuan”	Sichuan Jiuyuan New Energy Technology Co., Ltd.* (四川久遠新能源技術有限公司), a company established in the PRC with limited liability
“JS Debt Restructuring Agreement”	the debt restructuring agreement dated 7 June 2021 entered into by and among China Orient, Jinsheng, the Company, Mianyang Hengliang, Juntao Enterprise, Yuanjing Technology and the JS Guarantors

“JS Guarantors”	Sichuan Qihan Cultural Tourism Development Co., Ltd.* (四川鄴漢文化旅遊開發有限公司), Sichuan Chuanheng Construction and Installation Engineering Co., Ltd.* (四川川恒建築安裝工程有限公司), Sichuan Mianyang Yinfeng Textile Co., Ltd.* (四川省綿陽銀峰紡織有限責任公司), Sichuan Santai Jianmen Pumps Co., Ltd.* (四川三台劍門泵業有限公司), Santai Limin Waste Treatment Co., Ltd.* (三台縣利民垃圾處理有限責任公司), Sichuan Fanhai Real Estate Development Co., Ltd.* (四川泛海房地產開發有限公司), Gao Chu (郜楚), Xie Guizhi (謝桂枝), Wang Shaobo (黃少波), Tao Shihai (陶世海), Wang Guangwen (王光文)
“Juntao Enterprise”	Tibet Juntao Enterprise Co., Ltd.* (西藏君韜實業有限公司), a company established in the PRC with limited liability
“JY Agreement”	the cooperation agreement dated 16 June 2021 entered into by and among Mianyang Hengliang, Juntao Enterprise, Yuanjing Technology and Jiuyuan
“JY Capital Contribution”	the capital contribution to be made by Mianyang Hengliang to Jiuyuan pursuant to the JY Agreement
“LC Debt Restructuring Agreement”	the debt restructuring agreement dated 7 June 2021 entered into by and among China Orient, Lvchen, the Company, Jinsheng and the LC Guarantors
“LC Guarantors”	Sichuan Fanhai Real Estate Development Co., Ltd.* (四川泛海房地產開發有限公司), Chen Ming (陳銘), Du Chunqiu (杜春秋), Huo Lei (霍磊), Huang Yanfang (黃豔芳), Huang Shaobo (黃少波), Wang Yamei (王亞梅)
“LH Debt Restructuring Agreement”	the debt restructuring agreement dated 7 June 2021 entered into by and among China Orient, Lvhui, the Company, Jinsheng and the LH Guarantors
“LH Guarantors”	Sichuan Mianyang Yinfeng Textile Co., Ltd.* (四川省綿陽銀峰紡織有限責任公司), Chen Jianhua (陳健華), Wei Guilan (魏桂蘭), Yu Chengjian (于成健) and Zhao Yuxiu (趙玉秀)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Lvchen”	Sichuan Lvchen Environmental Protection Technology Co., Ltd.* (四川綠晨環保科技有限公司), a company established in the PRC with limited liability
“Lvhui”	Sichuan Mianyang Lvhui Gardening Co., Ltd.* (四川綿陽綠匯園藝有限公司), a company established in the PRC with limited liability
“Maximum Interest”	the maximum amount of interest to be accrued under the Debt Restructuring Agreements in the amount of RMB160.5 million
“Mianyang Hengliang”	Mianyang Hengliang Real Estate Development Co., Ltd.* (綿陽恒量房地產開發有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Non-Acquiring Companies”	Lvhui, Lvchen and Jinsheng
“PRC”	the People’s Republic of China
“Property Projects”	six property projects owned by the Target Companies as further detailed in the paragraph headed “Further Information in relation to the Property Projects” in this announcement
“RC Agreement”	the cooperation agreement dated 16 June 2021 entered into by and among Mianyang Hengliang, Yuanshu Enterprise, Yuanjing Technology and Ruichun
“RC Capital Contribution”	the capital contribution to be made by Mianyang Hengliang to Ruichun pursuant to the RC Agreement
“RC Debt Restructuring Agreement”	the debt restructuring agreement dated 7 June 2021 entered into by and among China Orient, Ruichun, the Company, Jinsheng and the RC Guarantors
“RC Guarantors”	Sichuan Fanhai Real Estate Development Co., Ltd.* (四川泛海房地產開發有限公司), Zhang Liang (張亮), Wang Yanyu (王嫻語), Wang Hong (王紅), Li Shengquan (李盛泉), Huang Shaobo (黃少波) and Wang Yamei (王亞梅)

“RMB”	Renminbi, the lawful currency of the PRC
“Ruichun”	Mianyang Ruichun Enterprise Co., Ltd.* (綿陽市瑞春實業有限公司), a company established in the PRC with limited liability
“Share Charge”	the share charge dated 7 June 2021 executed by Mianyang Hengliang in favour of China Orient to secure the repayment obligations of the debt in the amount of RMB569,655,078.22 under the JS Debt Restructuring Agreement
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Agreement”	the supplemental agreement to the HT Debt Restructuring Agreement, the RC Debt Restructuring Agreement, the LH Debt Restructuring Agreement, the LC Debt Restructuring Agreement and the JS Debt Restructuring Agreement dated 16 June 2021 entered into among China Orient, the Company, Mianyang Hengliang, Hetian, Ruichun, the Non-Acquiring Companies, the HT Guarantors, the RC Guarantors, the LH Guarantors, the LC Guarantors and the JS Guarantors to confirm the amount of the Agreed Debt and the Maximum Interest
“Target Companies”	Jiuyuan, Hetian and Ruichun
“Target’s Debt Restructuring”	the debt restructuring plan formulated among, inter alia, China Orient and the Group in respect of the outstanding debts owed by the Target Companies and the Non-Acquiring Companies to China Orient contemplated under the Debt Restructuring Agreements
“Transactional Documents”	the Cooperation Agreements, the Debt Restructuring Agreements and the Share Charge

“Working Days”	any day (excluding a Saturday, Sunday or public holiday) on which licensed banks in the PRC are generally open for business
“Yuanjing Technology”	Tibet Yuanjing Technology Co., Ltd.* (西藏遠景科技有限公司), a company established in the PRC with limited liability
“Yuanshu Enterprise”	Tibet Yuanshu Enterprise Co., Ltd.* (西藏遠蜀實業有限公司), a company established in the PRC with limited liability
“%”	per cent.

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

Hong Kong, 16 June 2021

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.

* *For identification only*