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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)

ISSUANCE OF US\$150,000,000 12.0% SENIOR NOTES DUE 2022

Reference is made to the announcement of the Company dated 23 June 2021 in respect of the proposed Notes Issue.

On 23 June 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

No PRIIPs key information document (KID) has been prepared as distribution to retail is prohibited in the European Economic Area.

No PRIIPs key information document (KID) has been prepared as not available to retail in the United Kingdom.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 23 June 2021 in respect of the proposed Notes Issue. On 23 June 2021, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 23 June 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Initial Purchasers is an independent third party and not a connected person of the Company and its connected persons.

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The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes and the Subsidiary Guarantees will only be offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes and the Subsidiary Guarantees will be offered to the public in Hong Kong.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the guarantees provided by the Subsidiary Guarantors, and the JV Subsidiary Guarantors, if any.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$150,000,000 on 28 June 2021. The Notes will mature on 27 June 2022, unless earlier redeemed in accordance with the terms thereof.

Offering Price

The offering price of the Notes will be 99.545% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 12.0% per annum, payable in arrears on 28 December 2021 and 27 June 2022.

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the non-guarantor subsidiaries (as defined in the Indenture).

Events of default

The Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants, insolvency and other events of default specified in the Indenture. If an event of default occurs and is continuing, the trustee under the Indenture, as the case may be, or the holders of at least 25% of the Notes may declare the principal of the Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments, dividend payments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) engage in any business other than permitted business;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) At any time prior to 27 June 2022, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.
- (2) At any time and from time to time prior to 27 June 2022, the Company may, at its option, redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 112.0% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 30 days after the closing of the related equity offering.

The Company will give not less than 15 days' nor more than 30 days' notice of any redemption.

Reasons for the Notes Issue

The Company intends to use the net proceeds of the Notes Issue for general corporate purposes. The Company may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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

DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Leading Holdings Group Limited, an exempted company incorporated under the laws of Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6999)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and The Bank of New York Mellon, London Branch as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“Initial Purchasers”	Guotai Junan Securities (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited, Valuable Capital Limited, The Hongkong and Shanghai Banking Corporation Limited, China Everbright Securities (HK) Limited, CMB International Capital Limited, CCB International Capital Limited, Haitong International Securities Company Limited, Barclays Bank PLC, CRIC Securities Company Limited, Vision Capital International Holdings Limited, Central Wealth Securities Investment Limited, Shenwan Hongyuan Securities (H.K.) Limited and China Merchants Securities (HK) Co., Limited

“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the US\$150,000,000 12.0% senior notes due 2022 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“PRIIPs”	Packages retail investment and insurance products (as defined by Regulation (EU) No 1286/2014, as amended)
“Purchase Agreement”	the agreement dated 23 June 2021 entered into by and among the Initial Purchasers, the Company and the Subsidiary Guarantors in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantee”	guarantees for the Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantor”	certain existing non-PRC subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“United States”	the United States of America
“%”	per cent

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

Hong Kong, 24 June 2021

As at the date of this announcement, the Board of Directors of the Company 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.