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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)

INSIDE INFORMATION

This announcement is made by Leading Holdings Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 24 June 2022.

INTRODUCTION

Since the second half of 2021, real estate developers in China have been confronted with unprecedented difficulties with regard to liquidity and funding. The combination of unfavorable macroeconomic factors, series of adverse credit events and limited financing options within the industry have exacerbated the liquidity pressure on real estate developers, including the Group. These industry-wide challenges also weakened confidence among homebuyers and impeded overall demand for real estate sales in China. Many real estate developers have experienced a contraction in operating and financing cash flows.

UPDATE IN RELATION TO THE NEW NOTES

As disclosed in the announcement of the Company dated 24 June 2022, the Company has issued US\$119,430,000 of the New Notes pursuant to the Exchange Offer, which bear interest from and including 24 June 2022 at the rate of 12.0% per annum, payable on 24 December 2022 and 23 June 2023. Pursuant to the terms of the New Notes, the New Notes matured on 23 June 2023 and failure to pay such principal at maturity will constitute an event of default, and failure to pay such interest upon expiration of the 30-day grace period after maturity will constitute an event of default.

Due to the abovementioned unfavorable macroeconomic factors, real estate industry and financial environment, the Group's funds available for offshore debt payments are under pressure. Under the local government policies mandate, substantially most of the Group's cash onshore are under strict pre-sale cash escrow at designated bank accounts in order to guarantee completion of the properties currently under development. As a result, notwithstanding the Group's best efforts, as of the date of this announcement, the Company had not paid the entire principal amount of the New Notes in the amount US\$119,430,000 and the accrued and unpaid interest thereon.

ENSURING STABLE BUSINESS OPERATIONS AND PROPERTY SALES

The Group is working relentlessly to maintain stable business operations and accelerate property sales and collection of sales payments in order to protect the interests of all stakeholders. Despite the strained market environment, the Group remains hopeful that the real estate market in China will gradually recover with Chinese government's introduction of policies promoting healthy recovery of the real estate industry.

A HOLISTIC SOLUTION TO THE COMPANY'S OFFSHORE INDEBTEDNESS AND THE ENGAGEMENT OF EXTERNAL ADVISORS

In light of the existing challenges, the Company is currently considering a holistic solution to address the offshore debts situation for the benefit of all of its stakeholders.

The Company will engage in discussions with potential candidates to take on the role as financial advisor to assess the Group's capital structure and liquidity and explore options for a holistic solution to ease the current liquidity issue. In this connection, the Company will engage Sidley Austin as its legal advisor in support of this effort.

The Company looks forward to engaging and working with the offshore creditors for their support in quest for a holistic solution to the offshore debts as a whole to get through the industry-wide difficulties together. The Company's offshore creditors are encouraged to reach out to the Company at linghang@leading-group.cn.

The Company will maintain active communications with creditors and will update the market as soon as practicable on any material developments.

GENERAL

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

The implementation of any holistic solution to the offshore debt issue will be subject to many factors beyond the control of the Company. As there is no assurance that any holistic solution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

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

Hong Kong, 23 June 2023

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