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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 DISPOSAL OF THE LAND

INTRODUCTION

The Board is pleased to announce that on 27 January 2025 (after trading hours of the Stock Exchange), the Vendor entered into the Transfer Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Land.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.06 of the Listing Rules in respect of the Disposal are more than 5% but all of which are less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

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THE TRANSFER AGREEMENT

The principal terms of the Transfer Agreement are set out below:

Date

27 January 2025

Parties

- (i) the Vendor;
- (ii) the Purchaser;
- (iii) the Vendor Shareholders; and
- (iv) the Purchaser Shareholder

Subject matter

The Vendor intends to transfer the Land to the Purchaser for a consideration (the “**Land Consideration**”) of RMB95,297,162. The Land Consideration is determined after arm’s length negotiations between the Vendor and the Purchaser with reference to the valuation of the Land valued by Sichuan Tianzhicheng Real Estate Assets Appraisal Co., Ltd.* (四川天智誠房地產資產評估事務所有限公司) by using hypothetical development method, being an independent professional valuer engaged by the Company.

Pursuant to the applicable PRC law, a property developer must complete at least 25% development of a state-owned land before it can transfer the land to a third-party developer (the “**Pre-condition**”). In order to transfer the Land to the Purchaser, the Vendor has agreed to develop the Land on behalf of the Purchaser to satisfy the Pre-condition while the Purchaser has agreed to advance all such amount to be incurred by the Vendor for the development of the Land on a dollar for dollar basis (the “**Development Cost**”). Pursuant to the Transfer Agreement, any agreement (the “**Development Agreement**”) entered into between the Vendor and third parties for the satisfaction of the Pre-condition and payment of the Development Cost shall be legally borne by the Purchasers. Upon satisfaction of the Pre-condition and the obtaining of new land certificate by the Purchaser after the transfer of the Land, the Vendor shall immediately assign the Development Agreement to the Purchaser.

Payment Schedule

The Vendor and the Purchaser shall apply for priority-notice registration for the Land to the relevant registration authority within 5 business days upon the signing of the Transfer Agreement. The Purchaser shall pay RMB15,000,000 to an account designated for guaranteed delivery of the housing projects of the Group within 90 days upon the signing of the Transfer Agreement. The Vendor and the Purchaser shall apply for the formal transfer registration for the Land within 10 business days upon the satisfaction of the Pre-condition. The Purchaser shall pay RMB50,000,000 within 6 months and the remaining Land Consideration within 9 months upon the completion of the formal transfer registration for the Land.

Guarantee

The Vendor Shareholders and Purchaser Shareholder have agreed to assume all debts and obligations of Vendor and Purchaser respectively contemplated under the Transfer Agreement.

THE LAND

The Land is located on northeast side of the intersection of Zhangtai Road and Jianshe Avenue, Yicheng District, Zhumadian City, Henan Province, the PRC. The Land No. is Yu (2020) Zhumadian City Real Estate Rights No. 0003408 (豫 (2020) 駐馬店市不動產權第0003408號), which was approved for residential and commercial use. The Land has a total area of 70,590.49 sq.m.. As at the date of this announcement, the Land has not yet been developed.

FINANCIAL EFFECT OF THE DISPOSAL

It is expected that the Group will record a loss of approximately RMB41 million from the Disposal which is calculated by reference to the difference between carrying value of the Land and the Land Consideration. The actual gain or loss arising from the Disposal will be subject to audit by the auditor of the Company and may be different from the above stated.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the development and sales of residential and commercial properties in the PRC. The Group acquired the Land in 2018 through a public tender process and intended to develop residential and commercial properties on the Land. However, due to the downturn of the real estate industry in the PRC and the more stringent and prudent development strategy adopted by the Group, the Land remain undeveloped as at the date of this announcement. Since 2021, property developers in China has witnessed the significant downturn in the real estate industry. In 2025, the global market expected

to remain volatile and turbulent, and China's economy continued to face great challenges. After considering the market condition in Zhumadian City and the macroeconomic environment, the Directors are of view that it would not be in the interest of the Company to develop the Land. The Company believes that the Disposal offers an opportunity to recover a large portion of previous investment and to avoid further expenses and would optimize the Group's resource utilization.

The proceeds from the Land Consideration being RMB95,297,162 will be used to support the guaranteed delivery of the Group's projects which will benefit the future development of the Group in the longer run.

Having considered the above, the Board (including the independent non-executive Directors) believes that the terms of the Transfer Agreement are fair and reasonable and the Transfer Agreement is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in the development and sales of residential and commercial properties. In addition, the Group holds a portion of commercial properties it developed for further investment purpose and is engaged in hotel management business.

The Vendor

The Vendor is a subsidiary of the Company established in the PRC with limited liability and principally engaged in property development.

The Vendor Shareholders

The Vendor is wholly owned by Zhumadian Royal Inn Cultural Tourism Development Co., Ltd.* (駐馬店皇家驛站文化旅遊開發有限公司) ("**Zhumadian Royal Inn**") which is in turn owned as to 70% by Dalian Leading Real Estate Development Co., Ltd.* (大連領地房地產開發有限公司) ("**Dalian Leading**") and 30% Henan Royal Inn Cultural Tourism Development Co., Ltd.* (河南皇家驛站文化旅遊開發有限公司) ("**Henan Royal Inn**"). Zhumadian Royal Inn is principally engaged in property development and tourism development. Dalian Leading is principally engaged in property development and is owned as to 99% by the Company and indirectly owned as to 0.5% by Tang Kai (唐鏞) and indirectly owned as to 0.5% by Wang Yuqi (王雨淇). According to the public search, Henan Royal Inn is principally engaged in property development and tourism development.

Henan Royal Inn is indirectly owned as to approximately 49% by Lu Xuewei (陸學偉), 15% by Wang Jun (王軍), 6% by Su Zeyun (蘇澤芸), 6% by Sha Cuimei (沙翠梅), and the remaining equity interests of Henan Royal Inn are held by state-owned companies.

The Purchaser and Purchaser Shareholder

The Purchase is state-owned company principally engaged in property development. The Purchaser is wholly owned by the Purchaser Shareholder which is principally engaged in infrastructure construction and investment. The Purchaser Shareholder is wholly-owned by Zhumadian Yicheng District People's Government* (駐馬店驛城區人民政府).

To the best of the Company's directors' (the "**Directors**") knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of the Purchaser is a governmental authority of the PRC and are third parties independent of the Company and its connected persons.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

"Board"	the board of Directors
"Company"	Leading Holdings Group Limited (領地控股集團有限公司) (formerly known as Leading China Holdings Limited (領地中國控股有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6999)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

“Disposal”	the disposal of the Land as contemplated under the Transfer Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land subject to the disposal under the Transfer Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchaser”	Zhumadian Zhengyu Real Estate Co., Ltd.* (駐馬店正譽房地產有限公司)
“Purchaser Shareholder”	Zhumadian Yicheng District Transportation Investment Group Co., Ltd.* (駐馬店市驛城區交通投資集團有限公司), a company wholly owned by Zhumadian Yicheng District People’s Government* (駐馬店驛城區人民政府), being the sole shareholder of the Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	the transfer agreement and ancillary documents for the disposal of the Land
“Vendor”	Zhumadian Shengshi Weiguang Real Estate Development Co., Ltd.* (駐馬店盛世偉光房地產開發有限公司), a subsidiary of the Company

“Vendor Shareholders” Zhumadian Royal Inn Cultural Tourism Development Co., Ltd.* (駐馬店皇家驛站文化旅遊開發有限公司), Dalian Leading Real Estate Development Co., Ltd.* (大連領地房地產開發有限公司) and Henan Royal Inn Cultural Tourism Development Co., Ltd.* (河南皇家驛站文化旅遊開發有限公司), being the shareholders of the Vendor

“%” per cent.

* *For identification purpose only*

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

Hong Kong, 27 January 2025

As at the date of this announcement, the board comprises Mr. Liu Yuhui and Mr. Luo Changlin as executive directors; and Ms. Luo Ying and Mr. Fang Min as independent non-executive Directors.