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## **Leader Education Limited**

**立德教育股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1449)**

### **MAJOR TRANSACTION FINANCE LEASE ARRANGEMENT (ZHEJIAN)**

#### **FINANCE LEASE ARRANGEMENT (ZHEJIAN)**

On 26 January 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Finance Lease Agreement (Zhejiang) and the Leased Assets Transfer Agreement (Zhejiang) with Zhejiang Leasing in respect of the Finance Lease Arrangement (Zhejiang).

#### **LISTING RULES IMPLICATIONS**

As the highest applicable ratio of the Finance Lease Arrangement (Zhejiang) exceeds 25% but is less than 100%, the Finance Lease Arrangement (Zhejiang) constitutes a major transaction for the Company and therefore shall subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Finance Lease Arrangement (Zhejiang) if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve the Finance Lease Arrangement (Zhejiang) from Shuren Education (holding 300,000,000 Shares, and 100% owned by Ms. Dong) and Junhua Education (holding 196,674,000 Shares, and 100% owned by Mr. Liu, the spouse of Ms. Dong), being a closely allied group of Shareholders, which together hold 496,674,000 issued shares of the Company (representing approximately 74.50% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Finance Lease Arrangement (Zhejiang).

## DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Finance Lease Arrangement (Zhejiang) and the transactions contemplated thereunder; and (ii) financial information of the Group shall be despatched within 15 business days after publication of this announcement, i.e. on or before 20 February 2024. Since the Company requires additional time to allow for preparation of the disclosure of certain financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

## INTRODUCTION

On 26 January 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Finance Lease Agreement (Zhejiang) and the Leased Assets Transfer Agreement (Zhejiang) with Zhejiang Leasing in respect of the Finance Lease Arrangement (Zhejiang).

## FINANCE LEASE ARRANGEMENT (ZHEJIAN)

The principal terms of the Finance Lease Arrangement (Zhejiang) are summarized as follows:

### 1. Finance Lease Agreement (Zhejiang)

The principal terms of the Finance Lease Agreement (Zhejiang) are summarized as follows:

**Date:** 26 January 2024 (after trading hours)

**Parties:** (i) Heilongjiang College of Business and Technology (as the lessee), and  
(ii) Zhejiang Leasing (as the lessor)

**Sale Price:** The total sale price is RMB70,000,000 which was determined after arm's length negotiations with reference to the appraised net value as at 15 January 2024 of approximately RMB82,558,522 and the fair market price of the similar assets.

The sale price shall be paid by Zhejian Leasing to Heilongjiang College of Business and Technology upon the request of Heilongjiang College of Business and Technology after the following conditions being fulfilled or waived by Zhejian Leasing:

- (i) all parties involved, including Zhejian Leasing, Heilongjiang College of Business and Technology and the guarantors, having signed all legal documents related to Finance Lease Arrangement (Zhejian);
- (ii) Heilongjiang College of Business and Technology having fully paid the service fee, deposit, and first lease payment as required by Zhejian Leasing, and having provided the guarantee or other risk control measures stipulated in Finance Lease Arrangement (Zhejian), and all guarantees and risk control measures having been implemented and becoming effective;
- (iii) Heilongjiang College of Business and Technology having provided the documents required by Zhejian Leasing in accordance with Zhejian Leasing's requirements and having ensured that the copies submitted are consistent with the originals and are stamped with the official seal;
- (iv) if it is agreed that Heilongjiang College of Business and Technology shall purchase insurance, Heilongjiang College of Business and Technology having paid the full insurance premium for the Leased Assets (Zhejian) as agreed, or having changed the first beneficiary of the existing insurance policy to Zhejian Leasing or its designated third party, and submitted the original insurance policy and endorsement to Zhejian Leasing;
- (v) the transfer of ownership of the Leased Assets (Zhejian) having been completed, both Zhejian Leasing and Heilongjiang College of Business and Technology having signed the Leased Assets Transfer Agreement (Zhejian) and the receipt confirmation of Leased Assets (Zhejian) and the value of the Leased Assets (Zhejian) having not decreased compared to when the Finance Lease Agreement (Zhejian) was signed;

- (vi) Heilongjiang College of Business and Technology having fulfilled other responsibilities or obligations that should be fulfilled in advance as stipulated in Finance Lease Arrangement (Zhejiang) and no default having been occurred;
- (vii) the guarantors having not violated the provisions of the Finance Lease Arrangement (Zhejiang) and its related guarantee agreements;
- (viii) the Leased Assets (Zhejiang) having been registered as requested by Zhejiang Leasing; and
- (ix) Heilongjiang College of Business and Technology having issued receipts or invoices to Zhejiang Leasing in accordance with the requirements of national tax policies.

**Leased Assets (Zhejiang):** The Leased Assets (Zhejiang) comprise of computers, electronic teaching equipment, printers, display devices, cameras, etc.

The unaudited book value of the Leased Assets (Zhejiang) as at 15 January 2024 amounts to approximately RMB87,215,126.

**Ownership of the Leased Assets (Zhejiang):**

Upon the expiry of the lease term, provided that all lease payments and other payables under the Finance Lease Agreement (Zhejiang) having been paid by Heilongjiang College of Business and Technology, the ownership of the Leased Assets (Zhejiang) shall be transferred back to Heilongjiang College of Business and Technology in consideration of the payment of a retention money of RMB100 by Heilongjiang College of Business and Technology.

**Lease Term:**

36 months

**Total Lease Payment:**

The total lease payment is RMB80,252,400, including the finance lease principal of RMB70,000,000 and the finance lease interest of RMB10,252,400, which was determined after arm's length negotiations with reference to the appraised net value and the prevailing market interest rates and trading terms of the similar finance lease arrangements.

**First Lease Payment:** RMB700,000

**Deposit:** RMB1,400,000

Zhejiang Leasing shall have the right to use the deposit to set off any due payables of Heilongjiang College of Business and Technology under the Finance Lease Agreement (Zhejiang) and Heilongjiang College of Business and Technology shall top up the security deposit to RMB1,400,000 in such cases within five business days.

The deposit of RMB1,400,000 shall be used to set off the final portion(s) of the lease payment and other payables to be made by Heilongjiang College of Business and Technology. Zhejiang Leasing shall return the remaining balance of the deposit (if any) to Heilongjiang College of Business and Technology.

**Effectiveness of the Finance Lease Agreement (Zhejiang):** The Finance Lease Agreement (Zhejiang) shall come into effect after it is duly signed or stamped by the legal representatives of the parties.

## **2. Leased Assets Transfer Agreement (Zhejiang)**

The principal terms of the Leased Assets Transfer Agreement (Zhejiang) are summarized as follows:

**Date:** 26 January 2024

**Parties:** (i) Heilongjiang College of Business and Technology (as the seller), and  
(ii) Zhejiang Leasing (as the buyer)

**Sale Price:** RMB70,000,000

**Principle Terms:** Heilongjiang College of Business and Technology agreed to sell and Zhejiang Leasing agreed to purchase the Leased Assets (Zhejiang) at a consideration of RMB70,000,000, which was determined after arm's length negotiation. The ownership of the Leased Assets (Zhejiang) shall be transferred to Zhejiang Leasing upon its first payment of the sale price.

### **3. Guarantee for the Finance Lease Agreement (Zhejiang)**

Mr. Liu, Ms. Dong, Harbin Xiangge, Nantong Junhua and Heilongjiang College of Business and Technology Co., Ltd. are the joint liability guarantors for Heilongjiang College of Business and Technology to perform its obligations under the Finance Lease Agreement (Zhejiang). The guarantors provide joint liability guarantee to Zhejiang Leasing for the liabilities of Heilongjiang College of Business and Technology under the Finance Lease Agreement (Zhejiang).

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT (ZHEJIAN)**

By entering into the Finance Lease Arrangement (Zhejiang), the Group would gain access to financial resources to support its general working capital needs while the Group's operation would not be adversely affected by the sale of the Leased Assets (Zhejiang), because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Zhejiang Leasing under the Finance Lease Arrangement (Zhejiang). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Zhejiang) do not constitute a disposal of assets and will not give rise to any gain or loss to be recorded in the Group's income statement. Upon expiry of the lease term, the Group could pay the nominal retention money to have the Leased Assets (Zhejiang) transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Zhejiang) are in effect the largely similar to borrowing a secured loan.

The Directors are of the opinion that the terms and conditions of the Finance Lease Arrangement (Zhejiang) are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **INFORMATION ABOUT THE PARTIES TO THE FINANCE LEASE ARRANGEMENT (ZHEJIAN)**

#### **The Group**

The Company is principally engaged in investment holding and the Group is principally engaged in providing private higher education services in the PRC through Heilongjiang College of Business and Technology.

Heilongjiang College of Business and Technology is a consolidated affiliated entity of the Company, and is a private regular undergraduate institution approved and established under the laws of PRC.

## **Zhejiang Leasing**

Zhejiang Leasing is a state-owned enterprise established under the laws of PRC, and is principally engaged in the provision of finance lease services. Zhejiang Leasing is owned as to approximately 62.19% by Zhejiang Erqing Group Co., Ltd.\* (浙江省二輕集團有限責任公司), approximately 20.5% by Shandong Zhejiang Guangjie Investment Management Co., Ltd.\* (浙江廣傑投資管理有限公司) and approximately 17.31% by Jinchen International Development (Hong Kong) Co., Ltd.\* (金辰國際發展(香港)有限公司). Both of Shandong Zhejiang Guangjie Investment Management Co., Ltd.\* (浙江廣傑投資管理有限公司) and Jinchen International Development (Hong Kong) Co., Ltd.\* (金辰國際發展(香港)有限公司) are indirectly wholly owned by Zhejiang Erqing Group Co., Ltd.\* (浙江省二輕集團有限責任公司), which is ultimately supervised and managed by State-owned Assets Supervision and Administration Commission of the People's Government of Zhejiang Province (浙江省人民政府國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Zhejiang Leasing and its ultimate beneficial owner (if applicable) are third parties independent from the Company and its connected persons (as defined in the Listing Rules).

## **LISTING RULES IMPLICATIONS**

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Finance Lease Arrangement (Zhejiang) if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve the Finance Lease Arrangement (Zhejiang) from Shuren Education (holding 300,000,000 Shares, and 100% owned by Ms. Dong) and Junhua Education (holding 196,674,000 Shares, and 100% owned by Mr. Liu, the spouse of Ms. Dong), being a closely allied group of Shareholders, which together hold 496,674,000 issued shares of the Company (representing approximately 74.50% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Finance Lease Arrangement (Zhejiang).

## DESPATCH OF CIRCULAR

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## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Leader Education Limited (立德教育股份有限公司) (stock code: 1449), an exempted company incorporated in the Cayman Islands with limited liability on 17 June 2019
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement (Zhejiang)”	the finance lease agreement dated 26 January 2024 between Zhejiang Leasing and Heilongjiang College of Business and Technology in terms of Leased Assets (Zhejiang)
“Finance Lease Arrangement (Zhejiang)”	the purchase of the Leased Assets (Zhejiang) by Zhejiang Leasing and the lease back of the Leased Assets (Zhejiang) to Heilongjiang College of Business and Technology pursuant to the Finance Lease Agreement (Zhejiang) and the Leased Assets Transfer Agreement (Zhejiang)
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Harbin Xiangge”	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司), a limited liability company established under the laws of the PRC and a consolidated affiliated entity of the Company

“Heilongjiang College of Business and Technology”	Heilongjiang College of Business and Technology (黑龍江工商學院), a private regular undergraduate institution approved and established under the laws of PRC and a consolidated affiliated entity of the Company
“Heilongjiang College of Business and Technology Co., Ltd.”	Heilongjiang College of Business and Technology Co., Ltd.* (黑龍江工商學院有限公司), a limited liability company established under the laws of the PRC, which is held as to 100% by Harbin Xiangge
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets (Zhejiang)”	certain assets, including computers, electronic teaching equipment, printers, display devices, cameras, etc, which were sold by Heilongjiang College of Business and Technology to Zhejiang Leasing and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Zhejiang)
“Leased Assets Transfer Agreement (Zhejiang)”	the transfer agreement dated 26 January 2024 between Zhejiang Leasing and Heilongjiang College of Business and Technology as part of the Finance Lease Arrangement
“Listing Rules”	the rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Laixiang (劉來祥), the Chairman, the Chief Executive Officer, an executive Director and the spouse of Ms. Dong
“Ms. Dong”	Ms. Dong Ling (董玲), an executive Director and the spouse of Mr. Liu
“Nantong Junhua”	Nantong Junhua Kechuangyuan Ltd* (南通峻華科創園有限公司), a limited liability company established under the laws of the PRC, which is held as to 55.97% by Heilongjiang College of Business and Technology and 44.03% by Leader Education (HK) Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company

“Shareholder(s)”	the holder(s) of Share(s)
“Shuren Education”	Shuren Education Limited (樹人教育有限公司), a company incorporated under the laws of the British Virgin Islands on 18 June 2019 and wholly-owned by Ms. Dong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Leasing”	Zhejiang Construction Financial Leasing Co., Ltd.* (浙江建設融資租賃有限公司), a state-owned enterprise established under the laws of the PRC
“%”	per cent

By the order of the Board  
**Leader Education Limited**  
**Liu Laixiang**  
*Chairman*

Harbin, Heilongjiang Province, PRC, 26 January 2024

*As at the date of this announcement, the executive Directors are Mr. Liu Laixiang, Ms. Dong Ling, Mr. Wang Yunfu and Mr. Che Wenge; and the independent non-executive Directors are Mr. Zhang Su, Mr. Cao Shaoshan and Mr. Chan Ngai Fan.*

\* *For identification purpose only*