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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)

DISCLOSEABLE TRANSACTIONS FINANCE LEASE ARRANGEMENT (HENGQIN)

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On 11 November 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Equipment Purchase Agreement (Hengqin) and the Finance Lease Agreement (Hengqin) with Hengqin Leasing in respect of the sale and lease back of Leased Assets (Hengqin) at a sale price of RMB30,000,000 and total lease payment of RMB33,999,405.35.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Hengqin) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Hengqin) constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 11 November 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Equipment Purchase Agreement (Hengqin) and the Finance Lease Agreement (Hengqin) with Hengqin Leasing in respect of the sale and lease back of Leased Assets (Hengqin) at a sale price of RMB30,000,000 and total lease payment of RMB33,999,405.35.

FINANCE LEASE ARRANGEMENT (HENGQIN)

1. Equipment Purchase Agreement (Hengqin)

The principal terms of the Equipment Purchase Agreement (Hengqin) are summarized as follows:

Date: 11 November 2024

Parties: (i) Heilongjiang College of Business and Technology; and
(ii) Hengqin Leasing

Sale Price and Payment Term: The total sale price is RMB30,000,000 which was determined after arm's length negotiations with reference to the appraised net value of approximately RMB34,035,383 as at 1 November 2024 and the fair market price of the similar assets.

The sale price shall be paid by Hengqin Leasing to the Heilongjiang College of Business and Technology in one lump sum after the following conditions being fulfilled:

- (1) Hengqin Leasing having received the signed Equipment Purchase Agreement (Hengqin), Finance Lease Agreement (Hengqin), guarantee agreements and other legal documents;
- (2) Hengqin Leasing having received the resolutions of Heilongjiang College of Business and Technology approving the transactions under Equipment Purchase Agreement (Hengqin) and Finance Lease Agreement (Hengqin);
- (3) Hengqin Leasing having received the guarantee registration certificate(s) for the guarantees under Equipment Purchase Agreement (Hengqin) and/or Finance Lease Agreement (Hengqin) as required by law or the agreements;
- (4) Hengqin Leasing having received the payment notice (付款通知書) and the receipt confirmation (收款確認書) in the full amount of the purchase price of the Leased Assets (Hengqin) from Heilongjiang College of Business and Technology;
- (5) Hengqin Leasing having received the confirmation of acceptance of Leased Assets (Hengqin) and the confirmation of transfer of ownership signed by Heilongjiang College of Business and Technology;

- (6) Heilongjiang College of Business and Technology having fully paid lease handling fees, security deposits (if any) and other payables under the Finance Lease Agreement (Hengqin);
- (7) Hengqin Leasing having received resolutions of the guarantors approving the guarantees under the Finance Lease Agreement (Hengqin), or the published announcement of the guarantors (if the guarantor is a listed company or a subsidiary of a listed Company);
- (8) Hengqin Leasing having received the nameplates or on-site photos of the Leased Assets (Hengqin) at the installation site (if applicable);
- (9) Hengqin Leasing having received a screenshot of the original fixed asset ledger or a fixed assets list (officially sealed) (if applicable);
- (10) Hengqin Leasing having received the original commitment letter regarding ownership of the Leased Assets (Hengqin) and the original asset appraisal report, being satisfactory to it; and
- (11) the pledge registration of the Leased Assets (Hengqin) in The Unified Registration and Publicity System of Movable Property Financing (動產融資統一登記公示系統) having been completed.

**Leased Assets
(Hengqin):**

The Leased Assets (Hengqin) consists of networking devices, computing equipment (such as chassis, cameras, printers and monitors), experiment platforms, laboratory instruments (such as measurement and testing machines), multimedia tools (such as projectors and smart boards), simulation warehouses, etc.

The unaudited book value of the Leased Assets (Hengqin) as at 1 November 2024 amounts to approximately RMB34,647,296.

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

The ownership of the Leased Assets (Hengqin) shall be transferred to Hengqin Leasing upon its payment of the sale price.

2. Finance Lease Agreement (Hengqin)

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

Date:	11 November 2024
Parties:	(i) Heilongjiang College of Business and Technology (as the lessee); and (ii) Hengqin Leasing (as the lessor)
Lease Term:	36 months
Handling Fee:	RMB850,000
Total Lease Payment:	The total lease payment is RMB33,999,405.35, which was determined after arm's length negotiations with reference to the appraised net value of the Leased Assets (Hengqin) as at 1 November 2024 and the prevailing market interest rates and trading terms of the similar finance lease arrangements.

The total lease payment shall be paid by Heilongjiang College of Business and Technology to Hengqin Leasing pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Hengqin) in twelve installments during the lease term.

Ownership of the Leased Assets (Hengqin):	Upon the expiry of the lease term, provided that Heilongjiang College of Business and Technology has paid all payables under the Finance Lease Agreement (Hengqin) and there are no continuing events of default, Heilongjiang College of Business and Technology is entitled to request Hengqin Leasing to transfer the ownership of the Leased Assets (Hengqin) 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 and on an "as-is" basis.
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3. Guarantee for the Finance Lease Agreement (Hengqin)

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT (HENGQIN)

By entering into the Finance Lease Arrangement (Hengqin), the Group would gain access to financial resources to fund the construction of Hanan Campus and support its general working capital needs while the Group's operation would not be affected by the sale of the Leased Assets (Hengqin), because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Hengqin Leasing under the Finance Lease Arrangement (Hengqin). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Hengqin) 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 (Hengqin) transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Hengqin) 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 (Hengqin) 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 (HENGQIN)

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.

Hengqin Leasing

Hengqin Leasing, a company established in the PRC with limited liability, is owned as to 50.0% by Hengqin Financial Investment Group Co., Ltd.* (橫琴金融投資集團有限公司) and as to 50.0% by Hengqin Golden Investment Leasing (Hong Kong) Limited* (橫琴金投租賃(香港)有限公司).

Hengqin Golden Investment Leasing (Hong Kong) Limited is indirectly wholly owned by Hengqin Financial Investment Group Co., Ltd.* (橫琴金融投資集團有限公司). Hengqin Financial Investment Group Co., Ltd.* (橫琴金融投資集團有限公司) is owned as to 10.0% by Guangdong Provincial Department of Finance (廣東省財政廳) and as to 90.0% by Zhuhai Gree Group Co., Ltd.* (珠海格力集團有限公司), which is owned as to 90.0% by State-owned Assets Supervision and Administration Commission of the People's Government of Zhuhai (珠海市人民政府國有資產監督管理委員會) and as to 10.0% by Guangdong Provincial Department of Finance.

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

LISTING RULES IMPLICATIONS

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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:

“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
“Equipment Purchase Agreement (Hengqin)”	the equipment purchase agreement dated 11 November 2024 entered into between Hengqin Leasing and Heilongjiang College of Business and Technology in terms of the Leased Assets (Hengqin)
“Finance Lease Agreement (Hengqin)”	the finance lease agreement dated 11 November 2024 entered into between Hengqin Leasing and Heilongjiang College of Business and Technology in terms of the Leased Assets (Hengqin)
“Finance Lease Arrangement (Hengqin)”	the purchase of the Leased Assets (Hengqin) by Hengqin Leasing and the lease back of the Leased Assets (Hengqin) to Heilongjiang College of Business and Technology pursuant to the Equipment Purchase Agreement (Hengqin) and the Finance Lease Agreement (Hengqin)
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time

“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
“Hengqin Leasing”	Hengqin Jintou International Financial Leasing Co., Ltd.* (橫琴金投國際融資租賃有限公司), a limited liability company established under the laws of PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets (Hengqin)”	certain assets, including networking devices, computer equipment, laboratory instruments and multimedia tools, etc., which were sold by the Heilongjiang College of Business and Technology to Hengqin Leasing and leased back to Heilongjiang College of Business and Technology pursuant to the Equipment Purchase Agreement (Hengqin) and the Finance Lease Agreement (Hengqin)
“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 School”	Nantong Junhua Secondary Vocational School Co., Ltd* (南通峻華中等職業學校有限公司), a limited liability company established under the laws of the PRC, which is indirectly wholly owned by the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Harbin, Heilongjiang Province, PRC, 11 November 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*