Leader Education Limited
立德教育股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1449)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2022

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Leader Education Limited (the "**Company**") is pleased to announce the unaudited interim consolidated financial results of the Company, its subsidiaries and affiliates (collectively the "**Group**", "**our Group**", "**we**" or "**us**") for the six months ended 28 February 2022 (the "**Period**"), together with the comparative figures for the corresponding period of 2021.

HIGHLIGHTS

	Six months ended		
	28 February 2022	28 February 2021	**Percentage change**
	RMB'000	*RMB'000*	
Revenue	**131,756**	97,943	+34.5%
Gross profit	**51,905**	48,714	+6.6%
Profit before tax	**36,354**	30,530	+19.1%
Profit for the period	**36,354**	30,530	+19.1%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2022

	Notes	**Six months ended 28 February 2022** *RMB'000* **(Unaudited)**	Six months ended 28 February 2021 *RMB'000* (Unaudited)
REVENUE	*4*	**131,756**	97,943
Cost of sales		**(79,851)**	(49,229)
Gross profit		**51,905**	48,714
Other income and gains	*4*	**6,027**	957
Selling expenses		**(1,008)**	(1,065)
Administrative expenses		**(14,585)**	(10,247)
Other expenses, net		**(1,700)**	(1,079)
Finance costs		**(4,285)**	(6,750)
PROFIT BEFORE TAX	*5*	**36,354**	30,530
Income tax expense	*6*	**—**	—
PROFIT FOR THE PERIOD		**36,354**	30,530

	Notes	Six months ended 28 February 2022 *RMB'000* (Unaudited)	Six months ended 28 February 2021 *RMB'000* (Unaudited)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on transaction of financial statements		**3,893**	3,745
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**3,893**	3,745
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on transaction of financial statements		**(3,298)**	(10,242)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(3,298)**	(10,242)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**595**	(6,497)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**36,949**	24,033
Profit attributable to:			
Owners of the parent		**36,354**	30,530
Total comprehensive income attributable to:			
Owners of the parent		**36,949**	24,033
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted	*8*		
— For profit for the period		**RMB0.0545**	RMB0.0458

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2022

	Notes	**28 February 2022** ***RMB'000*** **(Unaudited)**	31 August 2021 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,655,838**	1,574,412
Right-of-use assets		**67,658**	15,498
Other intangible assets		**3,242**	2,604
Prepayments for purchase of property, plant and equipment and right-of-use assets		**27,324**	75,348
Other non-current assets		**11,296**	8,000
Total non-current assets		**1,765,358**	1,675,862
CURRENT ASSETS			
Financial assets at fair value through profit or loss		**8,263**	—
Prepayments, other receivables and other assets		**18,279**	17,888
Cash and cash equivalents		**151,237**	303,934
Total current assets		**177,779**	321,822
CURRENT LIABILITIES			
Contract liabilities	*9*	**106,617**	169,384
Other payables and accruals	*10*	**70,643**	81,367
Interest-bearing bank and other borrowings and interest accruals		**228,470**	197,768
Deferred income		**249**	249
Total current liabilities		**405,979**	448,768
NET CURRENT LIABILITIES		**(228,200)**	(126,946)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,537,158**	1,548,916

	Notes	28 February 2022 RMB'000 (Unaudited)	31 August 2021 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings and interest accruals		**649,598**	679,777
Deferred income		**1,929**	2,053
Other long term liability	*10*	**—**	18,404
Total non-current liabilities		**651,527**	700,234
Net assets		**885,631**	848,682
EQUITY			
Equity attributable to owners of the parent			
Share capital		**46,292**	46,292
Reserves		**839,339**	802,390
Total equity		**885,631**	848,682

1. CORPORATE AND GROUP INFORMATION

Leader Education Limited (the "**Company**") was incorporated in the Cayman Islands on 17 June 2019 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 28 February 2022 (the "**Period**"), the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in providing private higher education services in the People's Republic of China (the "**PRC**").

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the Period has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the Group's annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 August 2021. The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand except otherwise indicated.

Going concern

The Group recorded net current liabilities of RMB228,200,000 as at 28 February 2022. Included therein were the contract liabilities of RMB106,617,000, which will be settled by education services provided by the Group rather than settled by cash.

In view of the net current liabilities position, the directors of the Group have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Taking into account the financial resources available to the Group, including the internally generated funds from operation and existence of sufficient facility of RMB100,000,000, and the ability of management in adjusting the pace of its operation expansion, the directors of the Group are of the opinion that the Group is able to meet in full its financial obligations as and when they fall due for the foreseeable future and it is appropriate to prepare the unaudited interim condensed consolidated financial information on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2021, except for the adoption of the following revised IFRSs for the first time for the Period's financial information:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform — Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of private higher education services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about operating segments is presented.

Geographical information

During the Period, the Group operated within one geographical segment because all of its revenue was generated in the PRC and over 90% of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical segment information is presented.

Information about major customers

No revenue derived from service provided to a single customer accounted for 10% or more of the total revenue of the Group during the Period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gain is as follows:

	Six months ended 28 February 2022 *RMB'000* **(Unaudited)**	Six months ended 28 February 2021 *RMB'000* (Unaudited)
Revenue from contracts with customers		
Tuition fees	**121,463**	89,794
Boarding fees	**10,293**	8,149
Total revenue from contracts with customers	**131,756**	97,943
Other income and gains		
Rental income	**323**	363
Bank interest income	**24**	110
Government grants*		
— Related to income	**5,125**	210
— Related to assets	**124**	62
Fair value gains on financial assets at fair value through profit or loss	**170**	—
Others	**261**	212
	6,027	957

* There are no unfulfilled conditions or contingencies relating to such government grants recognised.

5. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Six months ended 28 February 2022 *RMB'000* **(Unaudited)**	Six months ended 28 February 2021 *RMB'000* (Unaudited)
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**28,410**	20,602
Pension scheme contributions	**5,310**	3,048
	33,720	23,650
Depreciation of property, plant and equipment	**17,284**	13,745
Depreciation of right-of-use assets	**1,274**	242
Amortisation of other intangible assets	**577**	700
Central heating cost	**4,878**	3,401
Bank interest income	**(24)**	(110)
Fair value gains on financial assets at fair value through profit or loss	**(170)**	—
Government grants		
— related to income	**(5,125)**	(210)
— related to assets	**(124)**	(62)

6. INCOME TAX

	Six months ended 28 February 2022 *RMB'000* **(Unaudited)**	Six months ended 28 February 2021 *RMB'000* (Unaudited)
Current income tax — Mainland China	**—**	—

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, it is not subject to income tax from business carried out in the Cayman Islands.

Leader Education (HK) Limited, which was incorporated in Hong Kong, was subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Period. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period.

Considering that the relevant taxation policy regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remains unchanged and no further new and specific tax implementation regulations are announced, if the school nature has not yet been changed, Heilongjiang College of Business and Technology ("**Heilongjiang College**") did not pay corporate income tax for the income from formal educational services and has enjoyed the preferential tax treatments during the Period. Following the completion of the registration of Heilongjiang College as a for-profit private school, Heilongjiang College may be subject to corporate income tax at a rate of 25% in respect of service fees it receives from the provision of formal educational services, if it does not enjoy any preferential tax treatment. As such, significant impact on the Group's profit and loss may arise.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, except for Heilongjiang College, and the preferential rate of 20% under the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises (SEMs) available to Heilongjiang Liankang Business Information Consulting Co., Ltd., other companies of the Group which operate in Mainland China are subject to Corporate Income Tax at a rate of 25% on their respective taxable income.

7. INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 28 February 2022 (six months ended 28 February 2021: nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 666,667,000 (28 February 2021: 666,667,000) in issue during the Period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 28 February 2022 and 28 February 2021.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 28 February 2022	Six months ended 28 February 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**36,354**	30,530

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**666,667,000**	666,667,000

9. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	28 February 2022	31 August 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Tuition fees	**97,975**	156,729
Boarding fees	**8,642**	12,655
	106,617	169,384

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The students are entitled to the refund of the payment in relation to the proportionate service not yet provided.

10. OTHER PAYABLES AND ACCRUALS

	28 February 2022 *RMB'000* **(Unaudited)**	31 August 2021 *RMB'000* (Audited)
Payables for purchase of property, plant and equipment	**44,386**	45,833
Payables for co-operation costs	**—**	18,404
Miscellaneous expenses received from students *(note (i))*	**7,329**	16,034
Payables for salaries and welfares	**5,432**	5,781
Payables for labour union expenditure	**2,561**	2,132
Payables for central heating cost	**—**	1,073
Other tax payable	**21**	24
Other payables	**10,914**	10,490
	70,643	99,771
Current portion	**70,643**	81,367
Non-current portion:		
Payables for co-operation costs included in other long term liability	**—**	18,404

The above balances are unsecured and non-interest-bearing.

Note (i): The amounts represent the miscellaneous expenses received from students which will be paid out on behalf of students.

11. EVENTS AFTER THE PERIOD

There were no significant events of the Group after the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group derives its revenue from the tuition fees and boarding fees that the Group collects from its students.

Revenue increased by RMB33.9 million or 34.5% from RMB97.9 million for the six months ended 28 February 2021 to RMB131.8 million for the six months ended 28 February 2022. The increase was mainly due to the following reasons: (i) revenue from tuition fees has increased by RMB31.7 million or 35.3% from RMB89.8 million for the six months ended 28 February 2021 to RMB121.5 million for the six months ended 28 February 2022; and (ii) revenue from boarding fees has increased by RMB2.2 million or 26.3% from RMB8.1 million for the six months ended 28 February 2021 to RMB10.3 million for the six months ended 28 February 2022. For the 2021/22 school year, the tuition fee standards are RMB29,800 per year for general majors and RMB29,800 per year for art majors, respectively (2020/21 school year: RMB20,000 and RMB22,000, respectively). The new tuition fee standards are only applicable for new students admitted for 2021/22 school year and other students are subject to the tuition fee standards then applicable at their year of admission. The boarding fee rate for the 2021/22 school year is in the range of RMB2,200 to RMB2,400 per year (2020/21 school years: RMB2,000 to RMB2,200 per year). The total number of students enrolled has increased from 9,554 for the 2020/21 school year to 9,879 for the 2021/22 school year.

Cost of Sales

Cost of sales primarily consists of remunerations and benefits of our employees, depreciation and amortisation, heating costs, training expenses, maintenance costs, teaching expenses and utilities, as well as property management cost, cleaning and greenery fees, travel expenses, office expenses, student activity costs and others.

Cost of sales increased by RMB30.6 million or 62.2% from RMB49.2 million for the six months ended 28 February 2021 to RMB79.8 million for the six months ended 28 February 2022. The increase was mainly due to: (i) staff costs increased by RMB9.5 million or 44.6% from RMB21.2 million for the six months ended 28 February 2021 to RMB30.7 million for the six months ended 28 February 2022, mainly due to the combined effects of the increase in remuneration and benefits payable to the teachers of the Group as well as the increase in the number of teachers; (ii) increase in teaching expenses of RMB6.0 million of courses production costs related to the cooperation with Phoenix Digital Media (Beijing) Education Technology Co., Ltd.* (鳳凰數媒（北京）教育科技有限公司); (iii) increase in maintenance costs of RMB4.1 million, mainly due to more maintenance on campus buildings occurred in current period; (iv) increase in depreciation and amortisation of RMB4.1 million, mainly due to the increase in campus buildings and teaching facilities; (v) student activity costs increased by RMB2.8 million, mainly due to the student activity costs of RMB2.8 million related to the Winter Olympic Games occurred in current period; and (vi) Other costs of sales increased as increase in number of teachers and more training were conducted to enhance our teaching quality.

Gross Profits and Gross Profits Margin

Gross profits margin represents the percentage of gross profits to the revenue of the Group.

Gross profits increased by RMB3.2 million or 6.6% from RMB48.7 million for the six months ended 28 February 2021 to RMB51.9 million for the six months ended 28 February 2022, mainly due to fact that the growth of revenue was slightly higher than that of corresponding cost. Gross profits margin has decreased from 49.7% for the six months ended 28 February 2021 to 39.4% for the six months ended 28 February 2022. The increase in the student number led to a corresponding increase in teaching expenses and remunerations and salaries of teaching staff. Furthermore, with a view to enhancing our teaching quality continuously, our Group incurred expenses for constructing and maintaining campus buildings and teaching facilities, expenses in relation to the Phoenix Academy through cooperation with Phoenix Digital Media (Beijing) Education Technology Co., Ltd.* (鳳凰數媒（北京）教育科技有限公司), and expenses for establishing the broadcasting and television program production and visual communication design majors, etc.. The combined effects of the abovementioned factors led to the decrease in gross profits margin.

Other Income and Gains

Other income and gains consist primarily of bank interest income, rental income, and government grants.

With respect to other income and gains, the amount for the six months ended 28 February 2022 increased by RMB5.1 million as compared to the amount for six months ended 28 February 2021 which was mainly due to government grant of RMB5.0 million received from Harbin Finance Bureau due to successful listing.

Selling Expenses

Selling expenses primarily consist of promotion expenses and admission expenses of different disciplines and the remunerations of personnel of our admission office.

The selling expenses remained relatively stable as compared to the six months ended 28 February 2021.

Administrative Expenses

Administrative expenses consist of administrative staff's salaries costs, depreciation and amortisation, consultation fee, travel expenses incurred by our administrative staff for business trips and for running errands, heating costs, entertainment costs and others.

Administrative expenses has increased by RMB4.4 million or 42.3% from RMB10.2 million for the six months ended 28 February 2021 to RMB14.6 million for the six months ended 28 February 2022, mainly due to (i) the increase in staff costs as a result of the combined effects of the increase in the number of administrative staff of the Group and the increase in remunerations and benefits payable to them, (ii) the increase in depreciation and amortisation by RMB0.6 million or 20.2% from RMB2.9 million for the six months ended 28 February 2021 to RMB3.5 million for the six months ended 28 February 2022 primarily due to the increase in the fixed assets for administration use in order to keep up with business development and the increase in the number of administrative staff; (iii) the increase in consultation fee by RMB2.6 million, which mainly represented attorney's fee, financial advisory and corporate consulting fees; and (iv) the increase in other professional services costs, office expenses and miscellaneous expenses to support the business growth of the Group.

Finance Costs

Finance costs primarily consist of (i) interest on bank loans and other borrowings; and (ii) interest on sale and leaseback liabilities. Finance costs decreased from RMB6.8 million for the six months ended 28 February 2021 to RMB4.3 million for the six months ended 28 February 2022. Our interest expenses increased by approximately RMB0.9 million from approximately RMB24.5 million for the six months ended 28 February 2021 to approximately RMB25.4 million for the six months ended 28 February 2022. During the six months ended 28 February 2022, among all interest expenses, a total amount of RMB4.3 million (six months ended 28 February 2021: RMB6.8 million) was not capitalised, which were related to (among others): (a) borrowing from Huatai Principal Investment Group Limited primarily for repaying other loans from certain other financial institutions, and (b) borrowings from certain banks in China which were mainly used for daily working capital or purposes not related to construction of property, plant and equipment, while interest expenses on other borrowings and sale and leaseback liabilities of approximately RMB21.1 million (six months ended 28 February 2021: RMB17.7 million) was fully capitalised.

Income Tax Expenses

During the six months ended 28 February 2022, the Group did not record any taxation, which remained the same as the corresponding period in 2021. For details of the income tax applicable to our Group, please refer to note 6 of the notes to financial statements in this announcement.

Profit for the Period

Due to the combined effects of aforementioned factors, the Group recorded a profit of RMB36.4 million for the six months ended 28 February 2022, representing an increase of approximately 19.1% as compared to RMB30.5 million for the six months ended 28 February 2021.

Property, Plant and Equipment

As at 28 February 2022, the Group's property, plant and equipment amounted to approximately RMB1,655.8 million, representing an increase of RMB81.4 million from approximately RMB1,574.4 million as at 31 August 2021. The increase was primarily due to the increase of construction in progress of Hanan Campus and the increase of electronic equipment for daily operation in connection with the use of Hanan Campus.

Working Capital Sufficiency

Despite the fact that we have recorded net current liabilities positions as at 28 February 2022, our Directors are of the view that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of this announcement, based on the following considerations:

- we have been accumulating net profits;

- we expect to generate cash flow from our operations with payment of tuition fees by our students in the upcoming 2021/2022 school year; and

- as at the date of this announcement, we had unutilised facilities of RMB100.0 million and historically we have been able to obtain external financings and do not foresee any impediment to do so in the future if such need arises.

Our future working capital requirements will depend on a number of factors, including, but not limited to, our operating income, the size of our school operation, constructing new school campus, maintaining and upgrading existing school facilities, purchasing additional educational equipment for our school and hiring additional teachers and other staff. Going forward, we believe that our working capital requirements will be satisfied by cash generated from our operations, bank loans and other borrowings, and other funds raised from the capital markets as and when appropriate from time to time.

Liquidity and Capital Resources

As at 28 February 2022, the Group's cash and cash equivalents were approximately RMB151.2 million, as compared with approximately RMB303.9 million as at 31 August 2021. The decrease was mainly attributable to the expansion of Hanan Campus in connection with its second phase construction and payment related to the development of the Yangtze River Delta Industry-Education Integrated Base* (長三角產教融合基地).

As at 28 February 2022, the Group's bank and other borrowings and interest accruals amounted to approximately RMB878.1 million (as at 31 August 2021: RMB877.5 million), of which approximately RMB10.7 million (equivalent to US$1.5 million) were dominated in U.S. dollar, and the others were denominated in Renminbi. As at 28 February 2022, our bank and other borrowings borne effective interest rates ranging from 4.00% to 14.09% per annum (as at 31 August 2021: 4.00%–14.09%).

Gearing Ratio

As at 28 February 2022, our gearing ratio, which is calculated as total debt (including all interest-bearing bank loans and other borrowing) divided by total equity, was approximately 1.0, which was the same as at 31 August 2021.

Capital Expenditures

Capital expenditures during the Period were primarily related to the construction of the school premises of Hanan Campus, maintaining and upgrading existing school premises and acquisition of new school and land for education purpose. For the six months ended 28 February 2022, the Group's capital expenditures were RMB153.4 million (six months ended 28 February 2021: RMB110.5 million).

Capital Commitments

As at 28 February 2022, the Group had contracted but not provided for capital commitments of approximately RMB47.8 million (as at 31 August 2021: RMB35.1 million), which were primarily related to the to the acquisition of property, plant and equipment.

Contingent Liabilities

As at 28 February 2022, the Group had no significant contingent liabilities.

Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. During the six months ended 28 February 2022, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. The Group did not enter into any financial instrument for hedging purpose.

Significant Investments, Acquisitions and Disposals

During the Period, there were no significant investments held nor other material acquisitions and disposals of subsidiaries and associated companies.

Pledge of Assets

As at 28 February 2022, the Group's sale and leaseback liabilities of approximately RMB334.5 million (as at 31 August 2021: RMB309.9 million) were guaranteed by the Group's total fixed assets of approximately RMB178.9 million (as at 31 August 2021: RMB179.0 million).

BUSINESS REVIEW

During the six months ended 28 February 2022, our Group operated one school, namely, Heilongjiang College of Business and Technology, in Harbin City, Heilongjiang Province. Heilongjiang College of Business and Technology consists of two campuses, namely Songbei Campus and Hanan Campus.

In addition, the Group entered into the land-use rights grant contract to acquire the land-use rights of 86,056 sq.m. in Hai'an City, Jiangsu Province in January 2021 to develop the Yangtze River Delta Industry-Education Integration Base* (長三角產教融合基地). The construction of the base has been underway. The phase 1 project with a floor area of 36,296 sq.m. is expected to be completed and put into use at the end of 2024.

As at 28 February 2022, the school covered a total area of approximately 542,009 sq.m. with gross floor area (GFA) of 310,480 sq.m. The property, plant and equipment were valued at RMB1,655.8 million.

As at 28 February 2022, the school had 641 teachers and 9,879 full-time students enrolled in undergraduate programmes. The table below sets out the data of student enrollments in the past three academic years (excluding students who withdrew during the respective academic years):

Academic year	**Student enrollment**
2019/2020 academic year	8,807
2020/2021 academic year	9,554
2021/2022 academic year	9,879

As at 28 February 2022, the utilisation rate of our school was 77.9% (as at 28 February 2021: 75.3%), which is calculated by dividing the number of undergraduate students enrolled by the maximum student capacity for the current academic year.

Our school offered 26 undergraduate majors in the 2021/22 academic year, including 11 in engineering, 5 in management, 3 in economics, 2 in literature, and 5 in art. The newly added majors in the 2020/2021 academic year were transportation and vehicle engineering.

For the six months ended 28 February 2022, the average tuition fees of our school amounted to RMB22,316 (six months ended 28 February 2021: RMB18,994), while our average boarding fees amounted to RMB2,018 (six months ended 28 February 2021: RMB1,706).

During the Period, we continued to offer quality educational services, and our graduates performed well in the job market. The year-end employment rate of our class of 2021 graduates reached 89.66%, and employer satisfaction over our graduates reached 94% overall.

The school highlighted innovation and entrepreneurship education, in which it continuously achieved excellent results. Guided by teachers represented by the "business + joint teaching team", more than 100 students have won the first prizes and the special prizes in the "Xuechuang Cup" National College Students Entrepreneurship Comprehensive Simulation Competition for five consecutive years, and won a total of 16 first prizes in the provincial competitions in the past five years. Students were granted more than 130 awards including the third prizes or above in the national-level professional discipline competitions including "Challenger Cup" and "Lan Qiao Cup".

The school, which places a high emphasis on employment, regards employment as the most important task and assumes its primary responsibility as a secondary college to ensure that all graduates can achieve employment. By leveraging on the network platform, the employment department provided "cloud-based" services, focused on implementing four "uninterrupted" employment services including post recommendation, guidance and training, key assistance and continuous services, facilitated the implementation of policy-based posts, and actively developed market-based posts, which played a vital role amid the pandemic.

With great importance attached to and actions taken in industry-education integration and school-enterprise cooperation, the school gradually embarks on a path of innovation-driven development with the deep industry-education integration that brings talent training and industrial transformation and upgrading in line with national strategic needs. Its moves include the establishment of a talent workstation of Haimen District, Nantong City and a talent service station of Hai'an Human Resources and Social Security Bureau, Nantong, and the signing of a cooperation framework agreement on talents with Rongcheng City. It further promoted the integration of the school, the local authorities and enterprises in talent introduction, training and sharing, targeted employment for enterprises, innovation ecosystem and so forth. This fully reflects the school's concept of employment based in Heilongjiang and serving the whole country.

Impact of COVID-19 Pandemic

Since the outbreak of the 2019 novel coronavirus disease ("**COVID-19**") first reported in China in December 2019, the outbreak has endangered the health of many Chinese residents and severely disrupted tourism and local economies across the country. However, thanks to the concerted efforts of the Chinese government and the whole society, the pandemic has been basically brought under control in China, with sporadic outbreaks occurring in a few places, which will be gradually controlled with unremitting efforts. Currently, mainland China has relatively fewer risk areas compared with other countries in the world.

The outbreak of COVID-19 has no significant impact on our revenue and financial position for the six months ended 28 February 2022. On one hand, we have collected tuition fees and boarding fees in advance at the beginning of the 2021/2022 academic year in September 2021. On the other hand, in order to prevent and cope with COVID-19 that has been continuing in the globe for more than two years, we have expanded our online teaching capability and resources by, among others, entering into a service agreement with Beijing Muhua Information Technology Co., Ltd.* (北京慕華信息科技有限公司) for a term of three years commencing from August 2020, to enable us to offer online education services and apply various intelligent teaching tools. Our online education model is very mature. Accordingly, we expect that we can generally continue to render education services without the need of refunding tuition fees.

Update on acquisition of Qiqihar College

On 6 January 2021, Heilongjiang Liankang Business Information Consulting CO., Ltd.* (黑龍江聯康商務信息諮詢有限公司) ("**Heilongjiang Liankang**"), an indirect wholly-owned subsidiary of the Company, and Heilongjiang Yunjian Construction and Development (Group) Company Limited* (黑龍江運建建築開發(集團)股份有限公司) (the "**Vendor**") entered into a framework agreement for the acquisition of Qiqihar College at a total consideration of RMB35 million. The first deposit of RMB3,000,000 was paid by Heilongjiang Liankang to the Vendor pursuant to the framework agreement.

Due to the Vendor's failure to fulfill the conditions precedent under the framework agreement, in March 2022, Heilongjiang Liankang has obtained a judgment against the Vendor from the Harbin Songbei District People's Court for the refund of the RMB3,000,000. The Vendor has filed an appeal in respect of the judgment. The Company will make further disclosure in respect of further update in this matter as and when appropriate.

Prospects

Market Overview

As of 28 February 2022, the state has issued a number of policies to support and encourage the development of vocational education.

In June 2021, the "Vocational Education Law of the People's Republic of China (Revised Draft)" was submitted to the National People's Congress for deliberation. The draft stated that "vocational education and general education have the same important status" and supported social forces to run schools.

Decree No. 741 of the “Implementing Regulations of the Law of the People’s Republic of China on the Promotion of Private Education (the “**Implementation Regulations**”), which came into effect on 1 September 2021, expressly encourages enterprises to organize or participate in the implementation of vocational education in the forms such as sole proprietorship, joint venture and cooperation. It also grants all private schools the right to change their sponsors regardless of their attributes, which is a positive signal for vocational education.

In October 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the “Opinions on Promoting the High-Quality Development of Modern Vocational Education”, clearly supporting and encouraging listed companies and industry leaders to develop vocational education, and encouraging applied undergraduate schools to carry out vocational undergraduate education, quantifying the scale of undergraduate enrolment in vocational education and achieving the long-term goal of basically building a skilled society by 2035.

On the basis of grasping the national vocational education development policy, the Company actively works on internal and external construction, aiming at expanding the scale of schooling. After listing, the Company has built a new Nantong-Hai’an-Lifa Industry-Education Integration Campus in Yangtze Delta, one of the regions with the highest population growth and economic vitality in China. A school-running pattern of “one school, two places, and three campuses” has been formed. At the same time, the Company is actively expanding and improving the Hanan Campus in Harbin to increase the student capacity and lay a foundation for increasing the number of students.

Business Progress

The Company is a large private higher academic education service provider in Heilongjiang Province of China, ranking first in the field of private education in Heilongjiang Province. China’s private higher education market offers many market opportunities, and we have strong potential for further business development.

During the Period, although COVID-19 occurred sporadically in China from time to time, we still managed to provide students with online teaching at any time according to the needs of pandemic prevention and control. In addition, after more than one year of operation, the online teaching model has been mature, and COVID-19 poses no significant impact on business.

By continuously strengthening connotation construction and improving school-running conditions, we have maintained a high level of employment rate, and applied to education authorities to increase enrollment plan year by year, which not only improved resource utilization rate of the school, but also increased the Company’s income source. In 2021, 205 more students can be enrolled than in 2020 according to the enrollment plan.

The Company closely follows the national policies, adheres to high-quality and high-compliant education, and continues to develop in-depth in teaching faculty, teaching facilities, integration of industry and education, speciality construction, and campus culture construction.

In terms of the construction of teaching facilities, especially laboratory construction and teaching equipment, more investment has been continuously input. At present, in response to the Ministry of Education's promotion of digital economy teaching, the School has applied for and been approved to build one of the few "New Finance Smart Learning Factories" in China, which is expected to be completed and put into use by the end of 2022. After completion, the advanced experimental environment will bring new experience to students' practice and training, which will greatly improve the effect of students' training.

In terms of the integration of industry and education, our orientation is a private application-oriented university in China. We focus on cultivating students' practical skills that meet the needs of China's economic development. In 2021, the average employment rate of graduates of our higher education courses has reached 89.66%.

By deeply implementing the policy of "school-enterprise cooperation, collaborative education", we have successively established long-term and stable cooperative relations with 120 well-known leading companies with influence on the Northeast Region, the Yangtze River Delta region, the Pearl River Delta Region and other places, providing a broad space for the experimental base construction, personnel training, practice and employment, social services. In this way, students, the school, enterprises and the market can achieve a win-win and sustainable professional and skilled personnel training route.

In terms of speciality construction, the Company closely follows the needs of society and the market, continuously enriches its speciality settings, and gradually forms a superior professional group focusing on new business disciplines, new engineering, artificial intelligence, big data, digital creativity and other advantageous discipline groups with multiple disciplines developing collaboratively. We will further develop and refine the speciality construction and development of railways, high-speed railways, light rails, urban rails, civil aviation services, etc., and provide excellent undergraduate professionals for improving the concentration of advantageous industries in the province and the transportation industry across China.

In terms of campus construction, in order to create a comfortable and beautiful learning and living environment with strong cultural atmosphere for students, in addition to continuously improving the construction of teaching facilities, we also pay attention to the construction of campus culture. At present, the facilities such as school museum, railway museum and campus culture wall are under construction while the campus lake is upgrading and reforming to realize the target of 3A scenic campus and build it to an international cultural exchange centre.

Development Strategy

During the 14th Five-Year Plan period, China's education has entered a new stage of high-quality development, and building a high-quality education system is the main goal of the new stage.

The Company will, as always, actively promote academic education and vocational education through internal generation and external extension, adhere to the school-running orientation of application-oriented universities, and continue to create value for shareholders.

Adhere to the strategy of combining organic growth and mergers and acquisitions

In view of our excellent record in providing high-quality private higher education and industry reputation, China's education department will accept our application to increase the number of admissions under the premise that we can prove that we have sufficient school capacity, appropriate facilities, high-quality educational programs, and high-standard employment rate. These are our main goals for self-construction and expansion by mergers and acquisitions. We will continuously strengthen the software and hardware construction, teaching faculty, teaching quality, internship and employment, and other aspects of the school.

After listing, we built a new Nantong-Hai'an-Lifa Industry-Education Integration Campus, which was the first in the industry to allow college students to complete university studies, life and internships on different campuses, and enrich their life experience. With the centre of "Nantong-Hai'an-Lifa Industry-Education Integration Campus", we would like to influence the whole Yangtze River Delta Region, and carry out school-enterprise cooperation with multiple enterprises to implement the model that combines learning, internship and practical training. This innovative new model of industry-education integration has been recognized by the Heilongjiang Provincial Department of Education and will be promoted as a demonstration in major colleges and universities in the province. This industry-education integration base becomes the talent training and exchange platform for economic and social development in the Yangtze River Delta Region, and also greatly expands the channels and scope of students' scientific research, internship and employment. It not only improves the popularity and recognition of the school, but also lay the foundation for social recognition. The base can bring significant benefits to the Group.

In terms of mergers and acquisitions, we will give priority to high-quality secondary schools, colleges, and higher vocational education licenses and schools in the three northeast provinces that are within our manageable distance. At the same time, the Nantong campus will radiate the Yangtze River Delta, and comprehensively promote the acquisition in a solid manner with the judgement of the combined factors of regional advantages, school running level, profitability, synergy, consideration level and school-running concept, etc.

Updates to the Plan to Comply With the Qualification Requirement

Details of the updates on the PRC laws and regulations which have a material impact on the Group have been set out in the sections headed "Latest Regulatory Development" and "PRC Laws and Regulations Relating to Foreign Ownership in the Education Industry" in the Annual Report of the Company.

As disclosed in the Prospectus and the Annual Report, we have adopted a specific plan and have taken concrete steps which we believe are meaningful endeavors to demonstrate compliance with the Qualification Requirement. On 15 October 2019, Leader Education LLC was established in Chicago, Illinois and is an indirect wholly-owned subsidiary of the Company. Leader Education LLC plans to operate and manage a higher education institution (the "**US School**") in the State of Illinois, US to be established, which is planned to provide programs focusing on business studies. On 21 February 2020, we filed a notice of intent for operation to the Illinois Board of Higher Education (IBHE). On 22 May 2020, we entered into a service agreement with an Independent Third Party, with an aim to design the education program to be offered by the US School and submit applications with the IBHE regarding the establishment of the US School. In the past two years, as COVID-19 has spread around the world and the international environment has changed dramatically, international business communication has been greatly affected. In particular, the epidemic in the United States is extremely serious, which has severely disrupted transportation and restricted flights between China and the United States, and seriously affected personnel exchanges between the two countries. Therefore, the application for establishment of the US School cannot proceed as scheduled. The Company would accelerate the process of application in the United States after the epidemic ends or improves.

EMPLOYEES AND REMUNERATION POLICY

As at 28 February 2022, the Group had 641 full-time employees and 301 part-time employees (as at 28 February 2021: 540 full-time employees and 281 part-time employees). The Company believes that attracting, recruiting and retaining high-quality employees are essential to the success and sustainability of the Group. The remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and financial results of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The total remuneration cost (including directors' fee) incurred by the Group for the six months ended 28 February 2022 was RMB34.4 million (six months ended 28 February 2021: RMB24.7 million).

GLOBAL OFFERING AND USE OF PROCEEDS FROM GLOBAL OFFERING

On the Listing Date, 166,667,000 new Shares with a nominal value of US$0.01 each of the Company (aggregate nominal value: US$1,666,670) were issued at a price of HK$2.10 per Share in connection with the Company's initial public offering. On 26 August 2020, the Over-allotment Option (as defined in the Prospectus) was partially exercised, pursuant to which an aggregate of 9,000,000 Shares (the "**Over-allotment Shares**") held by Junhua Education Limited were sold to the Sole Global Coordinator (as defined in the Prospectus) at a price of HK$2.10 per Share. The Company did not receive any of the net proceeds from the sale of the Over-allotment Shares by Junhua Education Limited.

Net proceeds from the initial public offering of the Company amounted to approximately HK$333.2 million, after deducting underwriting fees and relevant expenses. Such amounts were used and are expected to be continued to be applied in the manner set out in the Prospectus. The unutilised net proceeds were deposited at the interest bearing bank accounts held by the Company.

As at 28 February 2022, the utilisation of the net proceeds is as follows:

	Percentage of total net proceeds	Net proceeds	Utilised up to 28 February 2022	Unutilised up to 28 February 2022	Expected timeline for full utilisation of the relevant proceeds
		HK$ million	*HK$ million*	*HK$ million*	
Expand Hanan Campus in connection with the construction of the second phase	40%	133.2	133.2	—	N/A
Repay principals and interests of borrowings from financial institutions	30%	100.0	87.0	13.0	30 June 2023 [2]
Acquire other schools to expand the Group's school network	20%	66.6	3.6	63.0	31 December 2023 [3]
Fund the Group's working capital and general corporate purposes	10%	33.4	33.4	—	N/A
Total		333.2	257.2	76.0	

Notes:

(1) The above figures are subject to rounding.

(2) We have extended the term of an existing loan with a financial institution and it is expected that the unutilised portion of net proceeds will be utilised for repayment of interest and/or principal thereunder by 30 June 2023.

(3) As at 28 February 2022, the Group has utilised an amount of approximately RMB3.0 million (equivalent to HK$3.6 million) as deposit in connection with the proposed acquisition of the sponsorship interest in Qiqihar College. Please refer to the paragraph headed "Update on acquisition of Qiqihar College" in this announcement for the latest development of the acquisition. Save as disclosed above, we have not identified other acquisition targets. The remainder of net proceeds earmarked for acquisition of other schools will be applied after the Group has identified and entered into legally binding agreement to acquire the same.

SUBSEQUENT EVENTS

As at the date of this announcement, there was no significant event subsequent to 28 February 2022.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders.

During the six months ended 28 February 2022, except for the deviations noted below, the Company had complied with the code provisions of the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code.

CG Code C.2.1

CG Code C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Liu Laixiang is currently both the Chief Executive Officer and Chairman of the Board. As Mr. Liu has been managing the business and in charge of the overall strategic planning of Harbin Xiangge since 2007 and Heilongjiang College of Business and Technology (including its predecessor) since 2011, the Board believes that vesting the roles and functions of both Chief Executive Officer and Chairman in the same person can ensure consistent leadership and efficient discharge of executive functions within the Group which is beneficial to the overall operation and management of our Group. The balance of power and authority is ensured by the operation of the senior management and the Board, both of which comprise experienced and high-calibre individuals. The Board comprises five other experienced and high-calibre individuals including two other executive Directors (excluding Ms. Dong Ling, who is Mr. Liu's spouse) and three independent non-executive Directors, who would be able to offer advice from various perspectives. For major decisions of our Group, the Board will make consultations with appropriate Board committees and senior management. The Group considers that the balance of power and authority of the Board will not be impaired under the present arrangement. Therefore, our Directors consider that the present arrangement is beneficial to and in the interest of our Company and our Shareholders as a whole.

Our Directors will continue to review and consider splitting the roles of the Chairman of our Board and the Chief Executive Officer of our Company at an appropriate time if necessary.

CG Code D.2.5

Under CG Code provision D.2.5, the Group should have an internal audit function. The Group conducted a review on the need for setting up an internal audit department. Having considered the Group's relatively simple operating structure, the Board considered that it shall be directly responsible for risk management and internal control systems of the Group. The Board, through the Audit Committee, had conducted a review on the risk management and internal control systems of the Group. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Appropriate measures have been put in place to manage the risks and no major issue was identified.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all Directors of the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code regarding directors' and supervisors' securities transactions throughout the six months ended 28 February 2022.

Meanwhile, since the Listing Date, the Company has also adopted a code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, Mr. Chan Ngai Fan, Mr. Zhang Su and Mr. Cao Shaoshan. Mr. Chan Ngai Fan is the chairman of the Audit Committee. The primary duties of the Audit Committee include but not limited to supervising our internal control, risk management, financial information disclosure and financial reporting matters. Its composition and written terms of reference are in line with the CG Code.

The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 28 February 2022 including the interim report and discussed with the management of the Company and is of the view that such financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 28 February 2022.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 28 February 2022.

PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Group and to the best knowledge of the Directors, the Group maintained sufficient public float as the public Shareholders held not less than 25% of the issued share capital of the Group as required by the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.leader-education.cn). The interim report for the six months ended 28 February 2022 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the Shareholders of the Company and available on the same websites in due course.

DEFINITIONS

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

"Annual Report"	the 2021 annual report published by the Company on 30 December 2021
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"CG Code"	the corporate governance code contained in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group", "our Group", "we" or "us"	the Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"Hanan Campus"	a campus of Heilongjiang College of Business and Technology, located at North of Yucai Road, West Street of Limin Development Zone, Harbin City, Heilongjiang Province, the PRC
"Harbin Xiangge"	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司), formerly known as Harbin Xiangge Zhiye Co Ltd.* (哈爾濱祥閣置業有限公司), a limited liability company established under the laws of the PRC and is held as to 60% by Ms. Dong Ling and 40% by Mr. Liu Laixiang each being an executive Director and a Controlling Shareholder of the Company
"Heilongjiang College of Business and Technology" or "our school"	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
"HK$" and "HK cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	the International Financial Reporting Standards (which include all International Financial Reporting Standards, International Accounting Standards and interpretations) issued by the International Accounting Standards Board
"Listing Date"	6 August 2020, since which the Shares of the Company have been listed on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules
"Prospectus"	the prospectus of the Company dated 27 July 2020
"Qiqihar College"	Qiqihar Institute of Technology* (齊齊哈爾理工職業學院), a junior college (普通專科院校) with its existing campus in Qiqihar, Heilongjiang Province, the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) of US$0.01 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Songbei Campus"	a campus of Heilongjiang College of Business and Technology, located at Xinxing Dongguang Village, Zhoujia Dongyue Village, Shuangcheng District, Harbin City, Heilongjiang Province, the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"%"	per cent.

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

Harbin, Heilongjiang Province, PRC, 29 April 2022

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.*