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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 ARRANGEMENTS (GUOYAO)**

### **FINANCE LEASE ARRANGEMENTS (GUOYAO)**

On 26 September 2023 (after trading hours), the Group entered into the following Finance Lease Arrangements (Guoyao):

1. Heilongjiang College of Business and Technology entered into the Sale and Leaseback Agreement (Guoyao) I with Guoyao Holdings in respect of the sale and lease back of Leased Assets I at a sale price of RMB27,500,000 and total lease payment of RMB32,400,000; and
2. Heilongjiang College of Business and Technology entered into the Sale and Leaseback Agreement (Guoyao) II with Guoyao Holdings in respect of the sale and lease back of Leased Assets II at a sale price of RMB27,500,000 and total lease payment of RMB32,400,000.

### **LISTING RULES IMPLICATIONS**

Since both the Finance Lease Arrangement (Guoyao) I and the Finance Lease Arrangement (Guoyao) II were entered into with Guoyao Holdings, of similar nature and within a 12-month period, the Finance Lease Arrangement (Guoyao) I shall be aggregated with the Finance Lease Arrangement (Guoyao) II for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangements (Guoyao) is, on an aggregated basis, more than 5% but less than 25%, the transactions under the Finance Lease Arrangements (Guoyao) 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 26 September 2023 (after trading hours), the Group entered into the following Finance Lease Arrangements (Guoyao):

1. Heilongjiang College of Business and Technology entered into the Sale and Leaseback Agreement (Guoyao) I with Guoyao Holdings in respect of the sale and lease back of Leased Assets I at a sale price of RMB27,500,000 and total lease payment of RMB32,400,000; and
2. Heilongjiang College of Business and Technology entered into the Sale and Leaseback Agreement (Guoyao) II with Guoyao Holdings in respect of the sale and lease back of Leased Assets II at a sale price of RMB27,500,000 and total lease payment of RMB32,400,000.

## FINANCE LEASE ARRANGEMENTS (GUOYAO)

### Finance Lease Arrangement (Guoyao) I

#### 1. *Sale and Leaseback Agreement (Guoyao) I*

The principal terms of the Sale and Leaseback Agreement (Guoyao) I are summarized as follows:

**Date:** 26 September 2023

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

**Sale Price and Payment Term:** The total sale price is RMB27,500,000 which was determined after arm's length negotiations with reference to the appraised net value as at 15 September 2023 of RMB28,450,897.90 and the fair market price of the similar assets.

The sale price shall be paid by Guoyao Holdings to the Heilongjiang College of Business and Technology in two instalments. The first instalment of RMB2,500,000 shall be paid by Guoyao Holdings within 15 business days after the fulfilment of the following conditions:

- (i) Guoyao Holdings having received the payment notice (付款通知書) issued by Heilongjiang College of Business and Technology;

- (ii) Guoyao Holdings having received the receipt issued by Heilongjiang College of Business and Technology with regard to the payment of the sale price by Guoyao Holdings;
- (iii) Guoyao Holdings having received the photos of the Leased Assets I provided by Heilongjiang College of Business and Technology;
- (iv) Guoyao Holdings having received the certificates in relation to the ownership of the Leased Assets I, including the instruments or other certifying documents for the initial acquisition price of the Leased Assets I; and
- (v) Guoyao Holdings having received the original or the copy of the assets valuation report in respect of the Leased Assets I.

The second instalment of RMB25,000,000 shall be paid by Guoyao Holdings within 15 business days after the payment of the security deposit under the Sale and Leaseback Agreement (Guoyao) I by Heilongjiang College of Business and Technology.

**Leased Assets I:** The Leased Assets I comprises teaching machines, computers, laptops, a diesel railcar, microscopes, cameras etc.

The unaudited book value of the Leased Assets I as at 15 September 2023 amounts to approximately RMB30,297,563.

**Lease Term:** 36 months

**Total Lease Payment:** The total lease payment is RMB32,400,000, 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.

The total lease payment shall be paid by Heilongjiang College of Business and Technology to Guoyao Holdings quarterly pursuant to the lease payment schedule as set out in the Sale and Leaseback Agreement (Guoyao) I in 12 installments during the lease term.

**Security Deposit:** The total security deposit is RMB2,500,000, which shall be paid by Heilongjiang College of Business and Technology within two days after Guoyao Holdings's payment of the first instalment of the sale price.

Guoyao Holdings shall have right to use the security deposit to set off any due payables of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Guoyao) I and Heilongjiang College of Business and Technology shall top up the security deposit to RMB2,500,000 within five business days upon receipt of Guoyao Holdings's notice.

The security deposit of RMB2,500,000 shall be used to set off the final portion of the lease payment to be made by Heilongjiang College of Business and Technology provided that Heilongjiang College of Business and Technology has paid the rest amount of the lease and other payables. Guoyao Holdings shall return the remaining balance of the security deposit (if any) to Heilongjiang College of Business and Technology.

**Ownership of the Leased Assets I:** The ownership of the Leased Assets I shall be transferred to Guoyao Holdings upon its payment of the first instalment of the sale price.

Upon the expiry of the lease term, provided that there are no default events or the default events have been rectified, Heilongjiang College of Business and Technology is entitled to request Guoyao Holdings to transfer the ownership of the Leased Assets I 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.

## **2. *Guarantee for Sale and Leaseback Agreement (Guoyao) I***

Mr. Liu, Ms. Dong, Heilongjiang Liankang, Harbin Xiangzhen, Harbin Xiangge and Nantong Junhua are the joint liability guarantors for Heilongjiang College of Business and Technology to perform its obligations under the Sale and Leaseback Agreement (Guoyao) I. The guarantors provide joint liability guarantee to Guoyao Holdings for the liabilities of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Guoyao) I.

## Finance Lease Arrangement (Guoyao) II

### 1. Sale and Leaseback Agreement (Guoyao) II

**Date:** 26 September 2023

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

**Sale Price and Payment Term:** The total sale price is RMB27,500,000 which was determined after arm's length negotiations with reference to the appraised net value as at 15 September 2023 of RMB28,727,801.24 and the fair market price of the similar assets.

The sale price shall be paid by Guoyao Holdings to the Heilongjiang College of Business and Technology in two instalments. The first instalment of RMB2,500,000 shall be paid by Guoyao Holdings within 15 business days after the fulfilment of the following conditions:

- (i) Guoyao Holdings having received the payment notice (付款通知書) issued by Heilongjiang College of Business and Technology;
- (ii) Guoyao Holdings having received the receipt issued by Heilongjiang College of Business and Technology with regard to the payment of the sale price by Guoyao Holdings;
- (iii) Guoyao Holdings having received the photos of the Leased Assets II provided by Heilongjiang College of Business and Technology;
- (iv) Guoyao Holdings having received the certificates in relation to the ownership of the Leased Assets II, including the instruments or other certifying documents for the initial acquisition price of the Leased Assets II; and
- (v) Guoyao Holdings having received the original or the copy of the assets valuation report in respect of the Leased Assets II.

The second instalment of RMB25,000,000 shall be paid by Guoyao Holdings within 15 business days after the payment of the security deposit under the Sale and Leaseback Agreement (Guoyao) II by Heilongjiang College of Business and Technology.

**Leased Assets II:** The Leased Assets II comprises furniture, blackboards, computers, intelligent blackboards, routers, vehicle models etc.

The unaudited book value of the Leased Assets II as at 15 September 2023 amounts to approximately RMB31,078,313.93.

**Lease Term:** 36 months

**Total Lease Payment:** The total lease payment is RMB32,400,000, 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.

The total lease payment shall be paid by Heilongjiang College of Business and Technology to Guoyao Holdings quarterly pursuant to the lease payment schedule as set out in the Sale and Leaseback Agreement (Guoyao) II in 12 installments during the lease term.

**Security Deposit:** The total security deposit is RMB2,500,000, which shall be paid by Heilongjiang College of Business and Technology within two days after Guoyao Holdings's payment of the first instalment of the sale price.

Guoyao Holdings shall have right to use the security deposit to set off any due payables of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Guoyao) II and Heilongjiang College of Business and Technology shall top up the security deposit to RMB2,500,000 within five business days upon receipt of Guoyao Holdings's notice.

The security deposit of RMB2,500,000 shall be used to set off the final portion of the lease payment to be made by Heilongjiang College of Business and Technology provided that Heilongjiang College of Business and Technology has paid the rest amount of the lease and other payables. Guoyao Holdings shall return the remaining balance of the security deposit (if any) to Heilongjiang College of Business and Technology.

**Ownership of the Leased Assets II:** The ownership of the Leased Assets II shall be transferred to Guoyao Holdings upon its payment of the first instalment of the sale price.

Upon the expiry of the lease term, provided that there are no default events or the default events have been rectified, Heilongjiang College of Business and Technology is entitled to request Guoyao Holdings to transfer the ownership of the Leased Assets II 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.

## **2. *Guarantee for Sale and Leaseback Agreement (Guoyao) II***

Mr. Liu, Ms. Dong, Heilongjiang Liankang, Harbin Xiangzhen, Harbin Xiangge and Nantong Junhua are the joint liability guarantors for Heilongjiang College of Business and Technology to perform its obligations under the Sale and Leaseback Agreement (Guoyao) II. The guarantors provide joint liability guarantee to Guoyao Holdings for the liabilities of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Guoyao) II.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENTS (GUOYAO)**

By entering into the Finance Lease Arrangements (Guoyao), 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 I and Leased Assets II, because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Guoyao Holdings under the Finance Lease Arrangements (Guoyao). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangements (Guoyao) 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 would pay the nominal retention money to have the Leased Assets I and Leased Assets II transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangements (Guoyao) 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 Arrangements (Guoyao) 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 ARRANGEMENTS (GUOYAO)**

### **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.

### **Guoyao Holdings**

Guoyao Holdings is a state-owned enterprise established under the laws of the PRC and is principally engaged in financial leasing business in the PRC. Guoyao Holdings is held as to approximately 22.68% by Sinopharm Group Co. Ltd.\* (國藥控股股份有限公司), a company listed on the Stock Exchange (stock code: 1099) and being the single largest shareholder of Guoyao Holdings. The actual controller (實際控制人) of Guoyao Holdings is the State Council (國務院).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guoyao Holdings 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**

Since both the Finance Lease Arrangement (Guoyao) I and the Finance Lease Arrangement (Guoyao) II were entered into with Guoyao Holdings, of similar nature and within a 12-month period, the Finance Lease Arrangement (Guoyao) I shall be aggregated with the Finance Lease Arrangement (Guoyao) II for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangements (Guoyao) is, on an aggregated basis, more than 5% but less than 25%, the transactions under the Finance Lease Arrangements (Guoyao) constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.



## 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
“Finance Lease Arrangements (Guoyao)”	Finance Lease Arrangement (Guoyao) I and Finance Lease Arrangement (Guoyao) II
“Finance Lease Arrangement (Guoyao) I”	the purchase of the Leased Assets I by Guoyao Holdings and the lease back of the Leased Assets I to Heilongjiang College of Business and Technology
“Finance Lease Arrangement (Guoyao) II”	the purchase of the Leased Assets II by Guoyao Holdings and the lease back of the Leased Assets II to Heilongjiang College of Business and Technology
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Guoyao Holdings”	Guoyao Holdings (China) Finance Lease Co., Ltd.* (國藥控股(中國)融資租賃有限公司), a state-owned enterprise established under the laws of the PRC
“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
“Harbin Xiangzhen”	Harbin Xiangzhen Yincheng Zhiye Co., Ltd.* (哈爾濱祥振引城置業有限公司), a limited liability company established under the laws of the PRC, which is held as to 100% by Mr. Liu and Ms. Dong

“Heilongjiang College of Business and Technology”	Heilongjiang College of Business and Technology (黑龍江工商學院學院), a private regular undergraduate institution approved and established under the laws of PRC and a consolidated affiliated entity of the Company
“Heilongjiang Liankang”	Heilongjiang Liankang Business Information Consultation Co., Ltd.* (黑龍江聯康商務信息諮詢有限公司), a limited liability company established under the laws of the PRC, which is held as to 100% by Leader Education (HK) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets I”	certain assets, including teaching machines, computers, laptops, a diesel railcar, microscopes, cameras etc., which were sold by the Heilongjiang College of Business and Technology to Guoyao Holdings and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Guoyao) I
“Leased Assets II”	certain assets, including furniture, blackboards, computers, intelligent blackboards, routers, vehicle models etc, which were sold by the Heilongjiang College of Business and Technology to Guoyao Holdings and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Guoyao) II
“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
“Sale and Leaseback Agreement (Guoyao) I”	the sale and leaseback agreement dated 26 September 2023 between Guoyao Holdings and Heilongjiang College of Business and Technology in terms of Leased Assets I
“Sale and Leaseback Agreement (Guoyao) II”	the sale and leaseback agreement dated 26 September 2023 between Guoyao Holdings and Heilongjiang College of Business and Technology in terms of Leased Assets II
“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, 26 September 2023

*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*