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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 (BANGYIN)

FINANCE LEASE ARRANGEMENT (BANGYIN)

On 15 January 2024 (after trading hours), the Group entered into the Finance Lease Agreement (Bangyin) with Bangyin Leasing in respect of the Finance Lease Arrangement (Bangyin).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Bangyin) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Bangyin) 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 15 January 2024 (after trading hours), the Group entered into the Finance Lease Agreement (Bangyin) with Bangyin Leasing in respect of the Finance Lease Arrangement (Bangyin).

FINANCE LEASE ARRANGEMENT (BANGYIN)

1. Finance Lease Agreement (Bangyin)

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

Date: 15 January 2024

Parties: (i) Heilongjiang College of Business and Technology (as the lessee), and

(ii) Bangyin Leasing (as lessor)

Lease Term: 36 months

Leased Assets (Bangyin): The Leased Assets (Bangyin) comprise of experimental equipment, construction equipment, elevators, electronics, displays, and VR headsets, etc.

The unaudited book value of the Leased Assets (Bangyin) as at 30 December 2023 amounts to approximately RMB41,450,548.

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

Upon the expiry of the lease term, subject to receipt of all lease payments, the retention money of RMB100 and other receivables under the Finance Lease Agreement (Bangyin), Bangyin Leasing shall transfer the ownership of the Leased Assets (Bangyin) back to Heilongjiang College of Business and Technology on an “as-is” basis.

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 as at 30 December 2023 of RMB30,176,725 and the fair market price of the similar assets.

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

- (i) Finance Lease Agreement (Bangyin) having been signed and having become effective;
- (ii) Bangyin Leasing having received the payment notice issued by the Heilongjiang College of Business and Technology;

- (iii) the registration of the Leased Assets (Bangyin) in the Registration Formula System for Movable Property Financing Leasing of the Credit Reference Center of the People's Bank of China (中國人民銀行徵信中心動產融資租賃登記公示系統) having been completed;
- (iv) Heilongjiang College of Business and Technology having obtained the resolution documents from its internal authorities consenting to the Finance Lease Arrangement (Bangyin);
- (v) the guarantors having obtained resolution documents from their internal authorities consenting to their guarantees related to the Finance Lease Arrangement (Bangyin);
- (vi) the guarantors having completed the signing of the guarantee agreements and having completed the guarantee registration procedures (if necessary);
- (vii) Bangyin Leasing having received the Heilongjiang College of Business and Technology's commitment to sign (and/or prompt its related parties, actual controllers to sign) the corresponding authorization letter as required by Bangyin Leasing; and
- (viii) other conditions required by Bangyin Leasing having been satisfied.

Total Lease Payment:

The total lease payment is RMB34,293,175, including the finance lease principal of RMB30,000,000 and the finance lease interest of RMB4,293,175, 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 Bangyin Leasing quarterly pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Bangyin) in 12 installments during the lease term.

Risk Deposit:

The amount of the risk deposit is RMB300,000. Heilongjiang College of Business and Technology has authorized Bangyin Leasing to deduct an amount equivalent to such risk deposit from the sale price of the Leased Assets (Bangyin).

2. Guarantee for Finance Lease Arrangement (Bangyin)

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

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

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

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.

Bangyin Leasing

Bangyin Leasing is an enterprise established under the laws of the PRC and is principally engaged in financial leasing business in the PRC. Bangyin Leasing is held as to 90% by Zhongyuan Bank Co., Ltd.* (中原銀行股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 1216), and 10% by Henan Wansong Construction Engineering Co., Ltd.* (河南萬松建設工程有限公司), a company owned as to 55% by Xinxiang City Lushida Commercial Co., Ltd* (新鄉市綠士達商貿有限公司) which is wholly owned by Wang Songling* (王嵩齡), 35% by Chuangyuan County Huamaotianjing Commercial Co., Ltd* (長垣縣華茂天境商貿有限公司) which is wholly owned by Song Yingxiong* (宋英雄), and 10% by Xu Yingke* (徐應克), under which the three individuals are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

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

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Bangyin) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Bangyin) 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:

“Bangyin Leasing”	Bangyin Financing Leasing Co., Ltd.* (邦銀金融租賃股份有限公司), an enterprise established under the laws of the PRC
“Board”	the board of Directors

“Company”	Leader Education Limited (立德教育股份有限公司) (stock code: 1449), an exempted company incorporated in the Cayman Islands with limited liability on 17 June 2019
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement (Bangyin)”	the finance lease agreement dated 15 January 2024 between Bangyin Leasing and Heilongjiang College of Business and Technology in terms of Leased Assets (Bangyin)
“Finance Lease Arrangement (Bangyin)”	the purchase of the Leased Assets (Bangyin) by Bangyin Leasing and the lease back of the Leased Assets (Bangyin) to Heilongjiang College of Business and Technology pursuant to the Finance Lease Agreement (Bangyin)
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Harbin Junfengda”	Harbin Junfengda Real Estate Development Co., Ltd.* (哈爾濱竣峰達房地產開發有限公司), a limited liability company established under the laws of the PRC, which is indirectly wholly owned by Mr. Liu and Ms. Dong
“Harbin Xiangge”	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司), a limited liability company established under the laws of the PRC and a consolidated affiliated entity of the Company
“Heilongjiang College of Business and Technology”	Heilongjiang College of Business and Technology (黑龍江工商學院), a private regular undergraduate institution approved and established under the laws of PRC and a consolidated affiliated entity of the Company
“Heilongjiang 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 (Bangyin)”	certain assets, including experimental equipment, construction equipment, elevators, electronics, displays, and VR headsets, etc. which were sold by Heilongjiang College of Business and Technology to Bangyin Leasing and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Bangyin)
“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
“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, 15 January 2024

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

* *For identification purpose only*