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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 (GUOSHENG)**

### **FINANCE LEASE ARRANGEMENT (GUOSHENG)**

On 19 January 2024 (after trading hours), the Group entered into the Sale and Leaseback Agreement (Guosheng) and the Consultation Service Agreement (Guosheng) with Qingdao Guosheng in respect of the Finance Lease Arrangement (Guosheng).

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Guosheng) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Guosheng) 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 19 January 2024 (after trading hours), the Group entered into the Sale and Leaseback Agreement (Guosheng) and the Consultation Service Agreement (Guosheng) with Qingdao Guosheng in respect of the Finance Lease Arrangement (Guosheng).

## FINANCE LEASE ARRANGEMENT (Guosheng)

### 1. Sale and Leaseback Agreement (Guosheng)

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

<b>Date:</b>	19 January 2024
<b>Parties:</b>	(i) Heilongjiang College of Business and Technology (as the lessee), and  (ii) Qingdao Guosheng (as lessor)
<b>Lease Term:</b>	36 months
<b>Leased Assets (Guosheng):</b>	The Leased Assets (Guosheng) comprise of displayers, printers, elevators, experimental equipment, video cameras, etc.  The unaudited book value of the Leased Assets (Guosheng) as at 11 December 2023 amounts to approximately RMB62,213,413.
<b>Ownership of the Leased Assets (Guosheng):</b>	The ownership of the Leased Assets (Guosheng) shall be transferred to Qingdao Guosheng 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 Sale and Leaseback Agreement (Guosheng), Qingdao Guosheng shall transfer the ownership of the Leased Assets (Guosheng) back to Heilongjiang College of Business and Technology.
<b>Sale Price and Payment Term:</b>	The total sale price is RMB40,000,000 which was determined after arm's length negotiations with reference to the appraised net value as at 11 December 2023 of approximately RMB55,120,480 and the fair market price of the similar assets.

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

- (i) the Sale and Leaseback Agreement (Guosheng) having been signed and having become effective;
- (ii) Qingdao Guosheng having received the original payment notice issued by the Heilongjiang College of Business and Technology; and
- (iii) other conditions reasonably required by Qingdao Guosheng having been satisfied.

**Total Lease Payment:**

The total lease payment is RMB43,677,165, including the finance lease principal of RMB40,000,000 and the finance lease interest of RMB3,677,165, 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 Qingdao Guosheng pursuant to the lease payment schedule as set out in the Sale and Leaseback Agreement (Guosheng) in 12 installments during the lease term.

**Effectiveness of the Sale and Leaseback Agreement (Guosheng):**

The Sale and Leaseback Agreement (Guosheng) shall come into effect after it is duly signed or stamped by the legal representatives of the parties and duly sealed.

**2. Consultation Service Agreement (Guosheng)**

Heilongjiang College of Business and Technology and Qingdao Guosheng also entered into the Consultation Service Agreement (Guosheng) on 19 January 2024 (after trading hours) under which Qingdao Guosheng agreed to provide consultancy services to Heilongjiang College of Business and Technology and Heilongjiang College of Business and Technology will pay a service fee of RMB2,000,000 to Qingdao Guosheng in one lump sum within 10 days from the effective date of the Consultation Service Agreement (Guosheng). The consultancy services cover professional advice and guidance on financial leasing business information, business development, financial analysis, etc.

### **3. Guarantee for Finance Lease Arrangement (Guosheng)**

Mr. Liu, Ms. Dong, Heilongjiang Liankang, Harbin Xiangge, Beijing Junhua, 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 (Guosheng). The guarantors provide joint liability guarantee to Qingdao Guosheng for the liabilities of Heilongjiang College of Business and Technology under the Finance Lease Arrangement (Guosheng).

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

By entering into the Finance Lease Arrangement (Guosheng), 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 (Guosheng), because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Qingdao Guosheng under the Finance Lease Arrangement (Guosheng). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Guosheng) 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 (Guosheng) transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Guosheng) 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 (Guosheng) 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 (GUOSHENG)**

#### **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.

## **Qingdao Guosheng**

Qingdao Guosheng is a state-owned enterprise established under the laws of the PRC and is principally engaged in financial leasing business in the PRC. Qingdao Guosheng is held as to 51% by Shandong Rongyue Financing Leasing Co., Ltd.\* (山東融越融資租賃有限公司) and 49% by Qingdao Ronghui Wealth Investment Holding Group Co., Ltd.\* (青島融匯財富投資控股集團有限公司). The actual controller (實際控制人) of Qingdao Guosheng is State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province\* (山東省人民政府國有資產監督管理委員會).

## **LISTING RULES IMPLICATIONS**

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

“Beijing Junhua”	Beijing Junhua Business Information Consulting Co., Ltd.* (北京峻華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
“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
“Consultation Service Agreement (Guosheng)”	the consultation service agreement dated 19 January 2024 between Qingdao Guosheng and Heilongjiang College of Business and Technology as part of Finance Lease Arrangement (Guosheng)
“Director(s)”	the director(s) of the Company

“Finance Lease Arrangement (Guosheng)”	(i) the purchase of the Leased Assets (Guosheng) by Qingdao Guosheng and the lease back of the Leased Assets (Guosheng) to Heilongjiang College of Business and Technology pursuant to the Sale and Leaseback Agreement (Guosheng); and (ii) the provision of the finance lease consultation services by Qingdao Guosheng to Heilongjiang College of Business and Technology pursuant to the Consultation Service Agreement (Guosheng)
“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 (Guosheng)”	certain assets, including displays, printers, elevators, experimental equipment, video cameras, etc., which were sold by Heilongjiang College of Business and Technology to Qingdao Guosheng and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Guosheng)
“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
“Qingdao Guosheng”	Qingdao Guosheng Financing Leasing Co., Ltd.* (青島國晟融資租賃有限公司), a state-owned enterprise established under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Leaseback Agreement (Guosheng)”	the sale and leaseback agreement dated 19 January 2024 between Qingdao Guosheng and Heilongjiang College of Business and Technology in terms of Leased Assets (Guosheng)
“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, 19 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*