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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 (JIANGSU JZ)

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On 13 June 2024 (after trading hours), the Group entered into the Finance Lease Agreement (Jiangsu JZ) and Leased Assets Transfer Agreement (Jiangsu JZ) with Jiangsu Jinzu in respect of the Finance Lease Arrangement (Jiangsu JZ).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Jiangsu JZ) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Jiangsu JZ) 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 13 June 2024 (after trading hours), the Group entered into the Finance Lease Agreement (Jiangsu JZ) and Leased Assets Transfer Agreement (Jingsu JZ) with Jiangsu Jinzu in respect of the Finance Lease Arrangement (Jiangsu JZ).

FINANCE LEASE ARRANGEMENT (JIANGSU JZ)

1. Finance Lease Agreement (Jiangsu JZ)

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

Date: 13 June 2024

Parties: (i) Heilongjiang College of Business and Technology (as the lessee), and
(ii) Jiangsu Jinzu (as lessor)

Lease Term: 12 months

**Leased Assets
(Jiangsu JZ):**

The Leased Assets (Jiangsu JZ) comprise of electronic teaching equipment, experimental equipment, electronic training equipment, etc.

The unaudited book value of the Leased Assets (Jiangsu JZ) as at 30 March 2024 amounts to approximately RMB25,259,662.

**Ownership of the Leased
Assets (Jiangsu JZ):**

Upon the expiry of the lease term, subject to receipt of all lease payments, any overdue interests, a nominal sale price of RMB5,000 and other receivables under the Finance Lease Agreement (Jiangsu JZ), Jiangsu Jinzu shall transfer the ownership of the Leased Assets (Jiangsu JZ) back to Heilongjiang College of Business and Technology on an “as-is” basis.

**Sale Price and Payment
Term:**

The total sale price is RMB20,000,000 which was determined after arm’s length negotiations with reference to the appraised net value as at 30 March 2024 of RMB21,902,189 and the fair market price of the similar assets.

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

- (i) the Finance Lease Agreement (Jiangsu JZ) having become effective and the registration of the Leased Assets (Jiangsu JZ) having been completed;
- (ii) the Leased Assets Transfer Agreement (Jiangsu JZ) having become effective;
- (iii) each of the guarantee agreements having become effective;
- (iv) Jiangsu Jinzu having received the resolutions from the guarantors approving their guarantee;
- (v) Jiangsu Jinzu having received the resolution(s) from Heilongjiang College of Business and Technology approving the Finance Lease Arrangement (Jiangsu JZ);
- (vi) Jiangsu Jinzu having received the payment notice (付款通知書) issued by the Heilongjiang College of Business and Technology;
- (vii) Jiangsu Jinzu having received the statement of the ownership and status of the Leased Assets (Jiangsu JZ); and
- (viii) Jiangsu Jinzu having received the valuation report of the Leased Assets (Jiangsu JZ).

Total Lease Payment: The total lease payment is RMB20,966,626, including the finance lease principal of RMB20,000,000 and the finance lease interest of RMB966,626, 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 actual amount of the lease interest shall be adjusted on 1 January of each financial year based on the one-year loan prime rate as published by the National Interbank Funding Center in December of the prior financial year.

The total lease payment shall be paid by Heilongjiang College of Business and Technology to Jiangsu Jinzu quarterly pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Jiangsu JZ) in four installments during the lease term.

Effectiveness of the Finance Lease Agreement (Jiangsu JZ): The Finance Lease Agreement (Jiangsu JZ) shall come into effect after being duly signed and stamped or being duly signed electronically by the parties.

2. Leased Assets Transfer Agreement (Jiangsu JZ)

The principal terms of the Leased Assets Transfer Agreement (Jiangsu JZ) are summarized as follows:

Date: 13 June 2024

Parties: (i) Heilongjiang College of Business and Technology (as the seller), and
(ii) Jiangsu Jinzu (as the buyer)

Sale Price: RMB20,000,000

Principle Terms: Heilongjiang College of Business and Technology agreed to sell and Jiangsu Jinzu agreed to purchase the Leased Assets (Jiangsu JZ) at a consideration of RMB20,000,000, which was determined after arm's length negotiation.

The ownership of the Leased Assets (Jiangsu JZ) shall be transferred to Jiangsu Jinzu upon its first payment of the sale price.

Effectiveness of the Leased Assets Transfer Agreement (Jiangsu JZ): It shall come into effect after the Finance Lease Agreement (Jiangsu JZ) being duly signed and the Leased Assets Transfer Agreement (Jiangsu JZ) being duly signed and stamped or being duly signed electronically by the parties.

3. Guarantee for Finance Lease Arrangement (Jiangsu JZ)

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

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

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

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.

Jiangsu Jinzu

Jiangsu Jinzu is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600901). It is principally engaged in finance lease business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiangsu Jinzu 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 (Jiangsu JZ) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Jiangsu JZ) 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 Agreement (Jiangsu JZ)”	the finance lease agreement dated 13 June 2024 between Jiangsu Jinzu and Heilongjiang College of Business and Technology in terms of Leased Assets (Jiangsu JZ)
“Finance Lease Arrangement (Jiangsu JZ)”	the purchase of the Leased Assets (Jiangsu JZ) by Jiangsu Jinzu and the lease back of the Leased Assets (Jiangsu JZ) to Heilongjiang College of Business and Technology pursuant to the Finance Lease Agreement (Jiangsu JZ) and the Leased Assets Transfer Agreement (Jiangsu JZ)
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“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
“Jiangsu Jinzu”	Jiangsu Financing Leasing Co., Ltd.* (江蘇金融租賃股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 600901)
“Leased Assets (Jiangsu JZ)”	certain assets, including electronic teaching equipment, experimental equipment, electronic training equipment, etc. which were sold by Heilongjiang College of Business and Technology to Jiangsu Jinzu and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Jiangsu JZ)
“Leased Assets Transfer Agreement (Jiangsu JZ)”	the transfer agreement dated 13 June 2024 between Jiangsu Jinzu and Heilongjiang College of Business and Technology as part of the Finance Lease Arrangement (Jiangsu JZ)
“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
“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, 13 June 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*