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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO (I) DISPOSAL OF A WHOLLY OWNED SUBSIDIARY; (II) THE CO-CONSTRUCTION AGREEMENT; (III) THE LOAN AGREEMENTS AND NON-COMPLIANCE OF THE LISTING RULES

Reference is made to the announcements of Leader Education Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 28 April 2026 and 1 June 2026 (the "**Announcements**") in relation to, among other things, the disposal of equity interest in Tianjin Quanren Co., the Co-construction Agreement, the Co-construction Supplemental Agreement (the "**Co-construction Arrangement**"), the Loan Agreements, and the Loan Supplemental Agreements (the "**Loan Arrangement(s)**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The board of directors of the Company (the "**Board**") would like to provide the following supplemental information regarding the Disposal, the Co-construction Arrangements, and the Loan Arrangements.

COMMERCIAL RATIONALE FOR THE DISPOSAL AND THE CO-CONSTRUCTION AGREEMENT

1. Commercial rationale for the Disposal

The Co-construction Agreement was entered into at a time when Tianjin Quanren Co. was within the Group, and the co-construction of the Base was conceived and initiated as an intra-group project to support the Group's core education business. While the Base holds strategic value for the Group's core education business, particularly in fulfilling practical teaching and student internship objectives, and is expected to generate revenue in the future, the Board's decision to dispose of the equity interest in Tianjin Quanren

Co. for a consideration of RMB8.0 million was based on a comprehensive assessment of the following factors:

(a) **Historical loss-making position and valuation.** Tianjin Quanren Co. has been loss-making over the past two financial years, recording net losses of approximately RMB4.36 million and RMB21.69 million for the years ended 31 August 2024 and 2025, respectively. The appraised value of the entire shareholders' equity in Tianjin Quanren Co. as at 31 December 2025, as determined by an independent valuer, was approximately RMB3.716 million. The disposal consideration of RMB8.0 million therefore represents a premium over its appraised value, and allows the Group to dispose of a loss-making entity at a premium and immediately halt further financial losses.

(b) **Capital expenditure and working capital pressures.** The Base has not yet achieved full operation and requires substantial and continuous capital expenditure going forward. Retaining the equity interest in Tianjin Quanren Co. would mean that the Group would have to continue to bear these heavy future funding requirements. The Disposal allows the Group to cap its financial exposure, shift the burden of future capital investments to the Purchaser, and prevent further drain on the Group's working capital.

(c) **Uncertainty in projected revenues.** Tianjin Quanren Co.'s projected annual revenue depends on, among other things, Tianjin Quanren School obtaining the necessary qualification to offer undergraduate programmes and its successful future operation. There is no certainty as to whether or when such application will be approved, if at all.

In determining the consideration of the Disposal and the valuation of Tianjin Quanren Co., the outstanding amounts due from Tianjin Quanren Co. to the Group and the expected future benefits of the Base were taken into account. Having considered the above factors, the Board considered the Disposal to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

2. Commercial rationale for the continuing Co-construction Arrangements

As at the date of this announcement, approximately RMB258.3 million had been provided by Heilongjiang College of Business and Technology to Tianjin Quanren Co. under the Co-construction Arrangements, representing approximately 86.1% of the total funding cap of RMB300.0 million, of which only approximately RMB20.4 million was advanced after completion of the Disposal. The continuing funding under the Co-construction Agreement does not constitute a new financial exposure, as the agreement was entered into when Tianjin Quanren Co. was part of the Group. If the Group had discontinued its funding and caused the project to be suspended at this advanced construction stage, the substantial capital already deployed would have been exposed to significant impairment risks, resulting in heavy or even total loss of the

intended strategic and financial benefits. The current arrangement represents the Group's prudent risk mitigation strategy by disposing of the equity interest while preserving its contractual rights under the Co-construction Agreement, the Group effectively caps its future capital expenditure while safeguarding its historical investments.

3. Operation model of the Base

(a) **Operator.** Pursuant to the Co-construction Agreement, Heilongjiang College of Business and Technology (as the funding party) entrusted Tianjin Quanren Co. (as the construction and operation party) to plan and construct the Base in Jingjin New City, Baodi District, Tianjin. Tianjin Quanren Co. takes overall responsibility for all aspects of the construction of the Base and is responsible for the long-term operation and management of the Base after its completion, including daily operation management (teaching arrangement coordination, personnel management and facility maintenance), liaison with local enterprises and industry associations, and the establishment of the safety assurance system and daily safety management. Tianjin Quanren Co. bears the operation risk of the Base. As the construction and operation party, it is responsible for establishing a sound operation management system and equipping professional teaching support, logistics and safety management teams to ensure the long-term stable operation of the Base, and bears the corresponding financial management, safety and logistics obligations. The Group's financial exposure is strictly capped at the fixed maximum funding commitment of RMB300.0 million under the Co-construction Agreement, and the Group has no legal obligation to advance any funds beyond this fixed contractual limit.

(b) **Revenue and profit entitlement.** Tianjin Quanren Co. is entitled to all revenue and profits generated from the operation of the Base, including income from internship, practical training and research-based learning services, vocational education programmes, public training, property leasing and, subject to approval, undergraduate education programmes. The Group does not share in the operating revenue or profits of the Base.

(c) **Fund.** The fund flow under the Co-construction Arrangements is as follows:

- **Provision of funds:** prior to each drawdown request, Tianjin Quanren Co. is required to submit a fund utilisation plan (including the specific purposes, budget breakdown and relevant supporting documents) to Heilongjiang College of Business and Technology. Upon review and approval by the College, the corresponding funds are disbursed to a bank account designated by Tianjin Quanren Co. within five (5) business days;

- **Fund management:** the funds are subject to the principle of "earmarked funds for specified purposes and separate accounting" (專款專用、專項核算). Tianjin Quanren Co. shall not misappropriate the funds for any purpose outside the agreed scope, and the Group is entitled to conduct regular inspections and special audits (including through third-party audit institutions) on the utilisation of the funds;

4. Repayment

Pursuant to the Co-construction Supplemental Agreement, the outstanding co-construction borrowings bear interest at 8% per annum. The principal is repayable in seven (7) annual instalments commencing on 30 December 2026, and all outstanding borrowings (together with accrued interest) shall be fully repaid on or before 30 December 2032, funded primarily through the operating cash flow of the Base.

5. Benefits to the Group from the transactions

The Board considers that the Group derives the following benefits and enforceable economic interests from the Disposal and the Co-construction Arrangements:

(a) **Preferential pricing and usage privileges for the Group's students.** The Group is entitled to access the services provided by the Base at preferential rates. Pursuant to the Co-construction Agreement, the Group may regularly organise students from relevant programmes to participate in internships, practical training and experiential learning activities at the Base, and is entitled to participate in the formulation and revision of the Base's talent cultivation plans and practical training curricula. The Group also has a priority right of use over the teaching and scientific research outcomes (such as course resources, technical patents and research reports) generated by the Base, and any external transfer or licensing of such outcomes requires the mutual agreement of both parties.

(b) **Interest income.** The outstanding co-construction borrowings bear interest at 8% per annum, representing a premium of approximately 450 basis points over the prevailing five-year-and-above loan prime rate ("**LPR**") of approximately 3.5%, providing the Group with meaningful interest income through to 30 December 2032.

(c) **Supervision, inspection and audit rights.** The Group is entitled to conduct quarterly on-site inspections of the Base's operations and semi-annual teaching quality assessments, to participate in decision-making on major matters of the Base, and to require Tianjin Quanren Co. to rectify any identified issues within a specified timeframe.

(d) **Remedies for breach.** In the event of misuse of funds (as confirmed by third-party audit), failure to meet the agreed construction standards, or failure to pass the Group's operational quality assessment, the Group is entitled to demand the return of 50% to 100% of the funds provided, together with liquidated damages equal to 20% of the funds provided, and compensation for other losses.

(e) **Asset protection upon statutory termination.** Upon termination of the Co-construction Agreement for statutory reasons (i.e. force majeure events rendering the fundamental purpose of the contract unachievable, such as natural disasters or major public emergencies, promulgation of mandatory national or local policies and regulations, government resumption of the educational land, or revocation of relevant educational licences and qualifications), the ownership of the fixed assets of the Base (including land use rights, buildings and equipment) shall vest in Heilongjiang College of Business and Technology.

6. Construction progress

As at the date of this announcement, the main structural construction of the Base under the Co-construction Agreement has been completed, and the interior and exterior finishing works are approximately 80% completed. The construction of the Base is expected to be fully completed and put into operation by the end of 2026.

UNSECURED NATURE OF THE LENDING

Neither the RMB23.12 million loans under the Loan Agreements nor the outstanding borrowings under Co-construction Agreement are secured by any mortgage, charge, pledge, or third-party guarantee.

The Co-construction Agreement and the Loan Agreements were entered into when Tianjin Quanren Co. and Tianjin Quanren School were within the Group, and such fundings were intra-group transactions for which no security was required at the time. Following the Disposal, the Group has relied primarily on contractual protections, including (i) comprehensive supervisory rights under the Co-construction Agreement (quarterly on-site inspections, semi-annual teaching quality assessments, regular inspections and special audits of fund utilisation, and the right to demand rectification of any non-compliant use of funds); (ii) the vesting of the fixed assets of the Base in Heilongjiang College of Business and Technology upon statutory termination of the Co-construction Agreement; (iii) in respect of the loans, purpose restrictions, early termination rights upon material adverse change, daily late payment penalty of 0.03%, and the right to recall all funds upon misuse; and (iv) the 8% per annum interest rate on the co-construction borrowings, which represents a premium of approximately 450 basis points over the prevailing five-year-and-above LPR and reflects, among other things, the unsecured nature of the arrangement.

The Board assessed the creditworthiness and repayment ability of the Quanren Group by reviewing its unaudited consolidated management accounts for the years ended 31 August 2024 and 2025, the construction progress and current operation of the Base, the projected repayment sources, and the results of public background searches and litigation checks. The Board noted that the Quanren Group's total assets of approximately RMB382.6 million as at 31 August 2025 (consisting primarily of the land, buildings and facilities of the Base) provide reasonable coverage for its outstanding indebtedness, partially mitigating the default risk despite the absence of formal security. The Board will continue to monitor the financial position of the Quanren Group by requesting updated financial information and exercising its supervisory and audit rights under the Co-construction Agreement.

NON-COMPLIANCE IN RESPECT OF THE LOAN SUPPLEMENTAL AGREEMENTS AND REMEDIAL ACTIONS

1. Non-compliance regarding the Loan Supplemental Agreements

Following the completion of the Disposal on 30 January 2026, Tianjin Quanren Co. and Tianjin Quanren School ceased to be subsidiaries of the Group and became connected persons of the Company. On 1 June 2026, the Company entered into the Loan Supplemental Agreements to amend the originally interest-free loans to bear an interest rate of 3.5% per annum and extend the maturity date to 31 December 2030.

At the time of entering into the Loan Supplemental Agreements, as no further principal amounts were involved, the Company performed the size tests solely by reference to the newly agreed interest amounts. If the total value of the outstanding principals under the Loan Agreements is taken into account in calculating the size tests for the Loan Supplemental Agreements, the highest applicable percentage ratio, on an aggregated basis, is more than 5% but less than 25%. As Tianjin Quanren Co. and Tianjin Quanren School became connected persons of the Company following completion of the Disposal, the transactions contemplated under the Loan Supplemental Agreements constitute discloseable transactions and connected transactions under Chapters 14 and 14A of the Listing Rules, and are subject to the reporting, announcement and independent shareholders' approval requirements thereunder.

Accordingly, the Company did not fully comply with the independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules in respect of the Loan Supplemental Agreements. The non-compliance was primarily due to an inadvertent misunderstanding regarding the calculation of the size tests. Save as disclosed above and in the announcement dated 28 April 2026 in respect of the Disposal, no other non-compliance with Chapters 14 and 14A of the Listing Rules has been identified in respect of the Co-construction Agreement, the Co-construction Supplemental Agreement, the Loan Agreements and the Loan Supplemental Agreements.

2. Remedial actions

To rectify the aforementioned non-compliance and to safeguard the interests of the Company and its shareholders, the Company has proposed and is currently negotiating with Tianjin Quanren Co. and Tianjin Quanren School to enter into termination agreements. Pursuant to the proposed termination agreements, the Loan Agreements and the Loan Supplemental Agreements will be terminated, and the borrowers will be required to repay the outstanding principal amount of RMB23.12 million together with all accrued and unpaid interest immediately upon signing. As at the date of this announcement, the loans from the Group to Quanren Group have been fully settled.

To prevent the recurrence of similar incidents, the Company adopted the internal control procedures for connected transactions on 10 August 2026, which include, among others:

- **Responsible personnel:** The Board assumes overall responsibility, the company secretary (the "**Company Secretary**") and the chief financial officer (the "**CFO**") work as the coordinators (the "**Coordinators**") to closely monitor the notifiable transactions and connected transactions of the Group, and the audit committee (the "**Audit Committee**") of the Board and the internal audit department shall supervise the execution of the procedures, with the support of the Company's Hong Kong legal advisers. Specifically, (i) the Company Secretary shall review the connected transactions and report to the Board quarterly; (ii) the internal audit department of the Company shall issue an annual connected transaction review report to check the details of all existing connected transactions to identify any instances of non-compliance; and (iii) any material matters such as amendments to the existing agreements or events of default shall be reported to the Coordinators as soon as practicable.

- **Tiered approvals:** Before entering into any connected transactions, the business department shall verify the counterparty's connected person status and submit a pre-transaction assessment form to the Coordinators for their further determination on the required approval procedures. Specifically, (i) approval by both the CFO and Company Secretary are required for connected transactions that do not require any disclosure requirements pursuant to the Listing Rules; (ii) pre-review by the Audit Committee and subsequent approval by the Board are required for connected transactions that are subject to reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under the Listing Rules; and (iii) independent Shareholders' approval must be obtained for connected transactions that trigger such requirements under the Listing Rules. Furthermore, any amendment, supplement, or termination of an agreement, including, but not limited to, the provision of additional funding or adjustments to pricing or repayment terms, shall be treated as a new transaction and must be subject to the identical approval procedures as a newly executed agreement. The execution of any agreement prior to obtaining the requisite approvals is strictly prohibited.

- **Connected persons register:** The Company Secretary is responsible for maintaining a comprehensive register of connected persons. This register records the connected persons (as defined in the Listing Rules). To ensure its accuracy and timeliness, the register is updated within five business days upon any changes, verified on a monthly basis, and subject to a comprehensive annual review. Furthermore, the updated register is circulated on a regular basis to the Directors, the internal audit department, relevant departments, and its Hong Kong legal advisers to facilitate the accurate identification of connected persons and to ensure that proper verification procedures are strictly implemented prior to the commencement of any transaction negotiations.

- **Reporting and review:** The Company has put in place a strict reporting and review system with multiple levels to closely monitor connected transactions. Every month, the finance department must submit detailed records of connected transactions to the Coordinators for regular checking. Every quarter, the Company Secretary gathers transaction updates and compliance advice to present to the Board and external legal advisers. Once a year, the internal audit department conducts a complete review and issues a full compliance report within thirty days after the financial year ends.

- **Training:** All Directors and senior management shall complete a training by the end of 2026 on, among other matters, the identification of connected persons, compliance obligations under Chapters 14 and 14A of the Listing Rules, internal control requirements and the consequences of non-compliance. Thereafter, all Directors and senior management shall participate in annual training(s) on the Listing Rules on an ongoing basis.

Save as supplemented above, all other information contained in the Announcements remains unchanged.

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

Harbin, Heilongjiang Province, PRC, 28 October 2026

As at the date of this announcement, the executive Directors are Mr. Liu Laixiang, Ms. Dong Ling, Mr. Wang Yunfu and Mr. Lu Jun; and the independent non-executive Directors are Mr. Zhang Su, Mr. Chan Ngai Fan and Mr. Xu Xiong.