Leader Education Limited
立德教育股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1449)

MAJOR TRANSACTION
FINANCE LEASE ARRANGEMENT (LICHENG)

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On 25 April 2025 (after trading hours), Heilongjiang College of Business and Technology entered into the Finance Lease Agreement (Licheng) and the Service Agreement (Licheng) with Licheng Financing in respect of the Finance Lease Arrangement (Licheng) at a transfer price of RMB50,000,000 and total lease payment of RMB55,980,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of Finance Lease Arrangement (Licheng), exceeds 25% but is less than 100%, the Finance Lease Arrangement (Licheng) constitutes a major transaction of the Company. Therefore the Finance Lease Arrangement (Licheng) shall be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Finance Lease Arrangement (Licheng) if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve the Finance Lease Arrangement (Licheng) from Shuren Education (holding 300,000,000 Shares, and 100% owned by Ms. Dong) and Junhua Education (holding 196,674,000 Shares, and 100% owned by Mr. Liu, the spouse of Ms. Dong), being a closely allied group of Shareholders, which together hold 496,674,000 issued shares of the Company (representing approximately 74.50% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Finance Lease Arrangement (Licheng).

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Finance Lease Arrangement (Licheng) and the transactions contemplated thereunder; and (ii) financial information of the Group shall be despatched within 15 business days after publication of this announcement, i.e. on or before 20 May 2025. Since the Company requires additional time for preparation of the disclosure of certain financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

INTRODUCTION

On 25 April 2025 (after trading hours), Heilongjiang College of Business and Technology entered into the Finance Lease Agreement (Licheng) and the Service Agreement (Licheng) with Licheng Financing in respect of the Finance Lease Arrangement (Licheng) at a transfer price of RMB50,000,000 and total lease payment of RMB55,980,000.

PRINCIPAL TERMS OF THE FINANCE LEASE ARRANGEMENT (LICHENG)

The principal terms of the Finance Lease Arrangement (Licheng) are summarized as follows:

Finance Lease Agreement (Licheng)

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Date: 25 April 2025 (after trading hours)

Parties:
(i) Heilongjiang College of Business and Technology (as the lessee)
(ii) Licheng Financing (as the lessor)

Transfer Price and Payment: The total price of transferring the Leased Assets (Licheng) from Heilongjiang College of Business and Technology to Licheng Financing is RMB50,000,000, which was determined after arm's length negotiations with reference to the valuation price of approximately RMB61,750,000 as at 16 April 2025 and the fair market price of the similar assets.

Licheng Financing shall pay the transfer price within five business days after the Finance Lease Agreement (Licheng) comes into effect and upon the fulfillment of the following payment conditions:

(i) Licheng Financing receives the payment notice issued by Heilongjiang College of Business and Technology; and

(ii) Licheng Financing receives the receipt of RMB50,000,000 from Heilongjiang College of Business and Technology.

Leased Assets (Licheng):	The Leased Assets (Licheng) comprise electrical equipment, power distribution and supply equipment, water supply and drainage equipment, HVAC equipment, network and monitoring equipment, etc. The unaudited book value of the Leased Assets (Licheng) as at 16 April 2025 amounted to RMB65,000,000.
Lease Term:	36 months, starting from the date on which the transfer price for the Leased Assets (Licheng) was fully paid by Licheng Financing to Heilongjiang College of Business and Technology according to the Finance Lease Agreement (Licheng) (“**Lease Commencement Date (Licheng)**”).
Total Lease Payment:	The total lease payment is RMB55,980,000, which was determined after arm’s length negotiations with reference to the appraised net value of the Leased Assets (Licheng) of RMB61,750,000 as at 16 April 2025 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 Licheng Financing pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Licheng) in 9 installments in the 4th, 8th, 12th, 17th, 21st, 25th, 29th, 33rd and 36th month after the Lease Commencement Date (Licheng).
Ownership of the Leased Assets (Licheng):	Upon the expiry of the lease term, provided that Heilongjiang College of Business and Technology has paid all the amounts payable under the Finance Lease Agreement (Licheng), Licheng Financing shall transfer the ownership of the Leased Assets (Licheng) 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.
Service Fee:	RMB1,600,000, details of which are set out under the section headed “Service Agreement (Licheng)”.

Effectiveness Conditions:	The Finance Lease Agreement (Licheng) shall come into effect upon the following conditions:

(i) Licheng Financing receives the duly signed guarantee contract and guarantee letter;

(ii) Licheng Financing receives the duly signed Service Agreement (Licheng);

(iii) Licheng Financing receives and verifies the ownership certificates of the Leased Assets (Licheng);

(iv) Licheng Financing receives and verifies the board resolution of Heilongjiang College of Business and Technology approving the Finance Lease Arrangement (Licheng); and

(v) Licheng Financing receives and verifies the shareholder resolutions issued by Harbin Xiangge.

Service Agreement (Licheng)

The principal terms of the Service Agreement (Licheng) are summarized as follows:

Date: 25 April 2025 (after trading hours)

Parties:

(i) Heilongjiang College of Business and Technology (as the recipient of service)

(ii) Licheng Financing (as the service provider)

Fee: RMB1,600,000, which shall be paid in one lump sum by Heilongjiang College of Business and Technology to Licheng Financing within five business days after the Lease Commencement Date (Licheng) and shall be non-refundable.

The service fees under the Service Agreement (Licheng) were determined after arm's length negotiations, with reference to the prevailing market fees for finance lease arrangements of similar types and scales of assets.

Principle Terms: Licheng Financing shall provide the consulting services related to strategic planning, business consulting, process optimization, industry competitive analysis, financial planning consulting, management consulting, and other services to Heilongjiang College of Business and Technology.

Guarantee for Finance Lease Agreement (Licheng)

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

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

By entering into the Finance Lease Arrangement (Licheng), the Group would gain access to financial resources to fund the construction of the campus of the Group and support its general working capital needs while the Group's operation would not be affected by the Finance Lease Arrangement (Licheng) because there is no transfer of possession or use of the assets to Licheng Financing under the Finance Lease Arrangement (Licheng). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Licheng) 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 could pay the nominal retention money to have the Leased Assets (Licheng) transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Licheng) are in effect largely similar to borrowing a secured loan.

The Directors are of the opinion that the terms and conditions of the Finance Lease Arrangement (Licheng) 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 (LICHENG)

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.

Licheng Financing

Licheng Financing is a limited liability company established under the laws of the PRC on 3 April 2015 and is principally engaged in financial leasing business, leasing business, and other businesses. Licheng Financing is owned as to approximately 87.77% and 12.23% by Orchid Industry Limited（蘭苑實業有限公司）and Changfa Financial Holdings (Changchun) Co., Ltd.*（長發金融控股（長春）有限公司）. Orchid Industry Limited is owned as to Chang Development (Hong Kong) Company Limited, which is in turn 100% owned by Changfa Financial Holdings (Changchun) Co., Ltd.*（長發金融控股（長春）有限公司）. Changfa Financial

Holdings (Changchun) Co., Ltd.*（長發金融控股（長春）有限公司）is 100% owned by Changchun Urban Development Investment Holdings (Group) Co., Ltd.*（長春市城市發展投資控股（集團）有限公司）, which is in turn 100% owned by Changchun City State-owned Assets Supervision and Administration Commission.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Licheng Financing and its ultimate beneficial owner(s) (if applicable) are third parties independent from the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

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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 thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"Finance Lease Agreement (Licheng)"	the finance lease agreement dated 25 April 2025 between Licheng Financing and Heilongjiang College of Business and Technology as part of the Finance Lease Arrangement (Licheng)
"Finance Lease Arrangement (Licheng)"	(i) the transfer of the Leased Assets (Licheng) to Licheng Financing; (ii) the lease of the Leased Assets (Licheng) to Heilongjiang College of Business and Technology; and (iii) the provision of services by Licheng Financing to Heilongjiang College of Business and Technology, pursuant to the Finance Lease Agreement (Licheng) and the Service Agreement (Licheng), respectively
"Group"	the Company, its subsidiaries and consolidated affiliated entities from time to time
"Harbin Xiangge"	Harbin Xiangge Enterprise Management Co., 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
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HVAC"	heating, ventilation, and air conditioning

"Junhua Education"	Junhua Education Limited (竣華教育有限公司), a company incorporated under the laws of the British Virgin Islands on 18 June 2019 and wholly-owned by Mr. Liu
"Leased Assets (Licheng)"	certain assets, including electrical equipment, power distribution and supply equipment, water supply and drainage equipment, HVAC equipment, network and monitoring equipment, etc., which were transferred by Heilongjiang College of Business and Technology to Licheng Financing and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Licheng)
"Licheng Financing"	Licheng Financial Leasing (Shanghai) Co., Ltd.* (利程融資租賃(上海)有限公司), a limited liability company established under the laws of the PRC
"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, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Service Agreement (Licheng)"	the services agreement dated 25 April 2025 as part of the Finance Lease Arrangement (Licheng)
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"Shuren Education"	Shuren Education Limited (樹人教育有限公司), a company incorporated under the laws of the British Virgin Islands on 18 June 2019 and wholly-owned by Ms. Dong

"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, 25 April 2025

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*