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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 (HAIXIN)**

### **FINANCE LEASE ARRANGEMENT (HAIXIN)**

On 27 December 2023 (after trading hours), the Group entered into the Purchase Agreement (Haixin), the Consultation Service Agreement (Haixin) and the Finance Lease Agreement (Haixin) with Haixin Leasing in respect of the Finance Lease Arrangement (Haixin).

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Haixin) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Haixin) 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 27 December 2023 (after trading hours), the Group entered into the Purchase Agreement (Haixin), the Consultation Service Agreement (Haixin) and the Finance Lease Agreement (Haixin) with Haixin Leasing in respect of the Finance Lease Arrangement (Haixin).

## **FINANCE LEASE ARRANGEMENT (HAIXIN)**

### **1. Purchase Agreement (Haixin)**

The principal terms of the Purchase Agreement (Haixin) are summarized as follows:

**Date:** 27 December 2023

<b>Parties:</b>	<ul style="list-style-type: none"> <li>(i) Heilongjiang College of Business and Technology (as the seller), and</li> <li>(ii) Haixin Leasing (as the purchaser)</li> </ul>
<b>Leased Assets (Haixin):</b>	<p>The Leased Assets (Haixin) comprise experimental equipment, furniture, electronics, displays, and books, etc.</p> <p>The unaudited book value of the Leased Assets (Haixin) as at 18 December 2023 amounts to approximately RMB43,102,623.</p>
<b>Sale Price and Payment Term:</b>	<p>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 18 December 2023 of RMB39,678,729 and the fair market price of the similar assets.</p> <p>The sale price shall be paid by Haixin Leasing to Heilongjiang College of Business and Technology in one lump sum within five business days after the fulfilment of the following conditions:</p> <ul style="list-style-type: none"> <li>(i) the Finance Lease Agreement (Haixin) and other related documents having become effective;</li> <li>(ii) Haixin Leasing having entered into the guarantee contracts with the guarantors;</li> <li>(iii) Haixin Leasing having received the certificates in relation to the ownership of the Leased Assets (Haixin), original invoice and other documents requested by Haixin Leasing;</li> <li>(iv) Heilongjiang College of Business and Technology having purchased the insurance for the Leased Assets (Haixin) with Haixin Leasing as the sole beneficiary, and submitted the original insurance policy and endorsement to Haixin Leasing in accordance with the Finance Lease Agreement (Haixin);</li> </ul>

- (v) Haixin Leasing having received the internal approval(s) and external approval(s) (if needed) obtained by Heilongjiang College of Business and Technology for conducting the transactions contemplated under the Finance Lease Arrangement (Haixin);
- (vi) Haixin Leasing having received the confirmation letter of transfer and acceptance of the ownership of the Leased Assets (Haixin) issued by Heilongjiang College of Business and Technology;
- (vii) Heilongjiang College of Business and Technology having paid all handling fees to Haixin Leasing in accordance with the Finance Lease Agreement (Haixin); and
- (viii) other conditions stipulated in the Finance Lease Agreement (Haixin) having been satisfied.

**Ownership of the Leased Assets (Haixin):**

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

**Effectiveness of the Purchase Agreement (Haixin):**

The Purchase Agreement (Haixin) shall become effective upon the fulfilment of the following conditions:

- (i) the Purchase Agreement (Haixin) having been duly signed by the legal representatives or delegated persons of Haixin Leasing and Heilongjiang College of Business and Technology and having been duly sealed; and
- (ii) the Finance Lease Agreement (Haixin) having become effective.

## 2. Finance Lease Agreement (Haixin)

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

<b>Date:</b>	27 December 2023
<b>Parties:</b>	(i) Heilongjiang College of Business and Technology (as the lessee), and  (ii) Haixin Leasing (as lessor)
<b>Lease Term:</b>	36 months
<b>Sale Price and Payment Term:</b>	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 18 December 2023 of RMB39,678,729 and the fair market price of the similar assets.

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

- (i) Haixin Leasing having received its requested Finance Lease Agreement (Haixin) and related agreements, as well as the internal decision documents, relevant approval documents (if any), announcement (if any), and all other materials and documents duly signed or obtained by Heilongjiang College of Business and Technology;
- (ii) Haixin Leasing having received the handling fees and deposit payable by Heilongjiang College of Business and Technology;
- (iii) Haixin Leasing having received the effectively signed Purchase Agreement (Haixin), confirmation letter of transfer of the ownership of Leased Assets (Haixin) and confirmation letter of acceptance of Leased Assets (Haixin);

- (iv) Haixin Leasing having received the notice for payment issued by Heilongjiang College of Business and Technology;
- (v) Haixin Leasing having completed the registration of the Leased Assets (Haixin) in Uniform Registration Formula System for Movable Property Financing 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統一登記公示系統);
- (vi) neither Heilongjiang College of Business and Technology nor the Leased Assets (Haixin) having undergone significant adverse changes;
- (vii) all statements and guarantees made by Heilongjiang College of Business and Technology under the Finance Lease Agreement (Haixin) having been true, complete, and not significantly misleading;
- (viii) the national fiscal and tax related policies and financial regulatory policies having not changed significantly and the market financing cost having not increased significantly at the time of payment by Haixin Leasing compared to the signing date of the Finance Lease Agreement (Haixin); and
- (ix) other conditions required by Haixin Leasing having been satisfied.

**Total Lease Payment:**

The total lease payment is RMB32,930,608.33, including the finance lease principal of RMB30,000,000 and the finance lease interest of RMB2,930,608.33, 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 Haixin Leasing quarterly pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Haixin) in 12 installments during the lease term.

**Handling Fee:** Nil

**Expiry of Lease Term:** Upon the expiry of the lease term, provided that all lease payments and other payables under the Finance Lease Agreement (Haixin) having been paid by Heilongjiang College of Business and Technology, Heilongjiang College of Business and Technology is entitled to request Haixin Leasing to transfer the ownership of the Leased Assets (Haixin) back to Heilongjiang College of Business and Technology in consideration of the payment of a retention money of RMB1.00 by Heilongjiang College of Business and Technology.

### **3. Consultation Service Agreement (Haixin)**

Heilongjiang College of Business and Technology and Haixin Leasing also entered into the Consultation Service Agreement (Haixin) on 27 December 2023 (after trading hours) under which Haixin Leasing 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 RMB1,170,000 to Haixin Leasing within the date specified in payment notice issued by Haixin Leasing. The consultancy services cover industry analysis and information advice, business development advice, equipment operation analysis, financial analysis and financing advice, corporate internal management optimization services, etc.

### **4. Guarantee for Finance Lease Arrangement (Haixin)**

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 (Haixin). The guarantors provide joint liability guarantee to Haixin Leasing for the liabilities of Heilongjiang College of Business and Technology under the Finance Lease Arrangement (Haixin).

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

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

### **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.

### **Haixin Leasing**

Haixin Leasing is a state-owned enterprise established under the laws of the PRC and is principally engaged in financial leasing business in the PRC. Haixin Leasing is held as to 100% by Qingdao Haixin Jinlong Holdings Co., Ltd.\* (青島海信金隆控股有限公司). The actual controller (實際控制人) of Haixin Leasing is State-owned Assets Supervision and Administration Commission of the Qingdao City (青島市國有資產監督管理委員會).

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

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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:

“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 (Haixin)”	the consultation service agreement dated 27 December 2023 between Haixin Leasing and Heilongjiang College of Business and Technology as part of Finance Lease Arrangement (Haixin)
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement (Haixin)”	the finance lease agreement dated 27 December 2023 between Haixin Leasing and Heilongjiang College of Business and Technology in terms of Leased Assets (Haixin)



“Finance Lease Arrangement (Haixin)”	(i) the purchase of the Leased Assets (Haixin) by Haixin Leasing and the lease back of the Leased Assets (Haixin) to Heilongjiang College of Business and Technology pursuant to the Purchase Agreement (Haixin) and the Finance Lease Agreement (Haixin); and (ii) the provision of the finance lease consultation services by Haixin Leasing to Heilongjiang College of Business and Technology pursuant to the Consultation Service Agreement (Haixin)
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Haixin Leasing”	Qingdao Haixin Financial Leasing Co., Ltd.* (青島海信融資租賃有限公司), a state-owned enterprise established under the laws of the PRC
“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 (Haixin)”	certain assets, including experimental equipment, furniture, electronics, displayers, and books, etc., which were sold by Heilongjiang College of Business and Technology to Haixin Leasing and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Haixin)

“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
“Purchase Agreement (Haixin)”	the sale and purchase agreement dated 27 December 2023 between Haixin Leasing and Heilongjiang College of Business and Technology in terms of Leased Assets (Haixin)
“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, 27 December 2023

*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*