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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 (POWCHAN)

FINANCE LEASE ARRANGEMENT (POWCHAN)

On 30 October 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Sale and Purchase Agreement (Powchan), the Finance Lease Agreement (Powchan) and the Service Agreement (Powchan) with Powchan Financial in respect of the sale and lease back of Leased Assets (Powchan) at a sale price of RMB30,000,000 and total lease payment of RMB31,800,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions under the Finance Lease Arrangement (Powchan) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Powchan) 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 30 October 2024 (after trading hours), Heilongjiang College of Business and Technology entered into the Sale and Purchase Agreement (Powchan), the Finance Lease Agreement (Powchan) and the Service Agreement (Powchan) with Powchan Financial in respect of the sale and lease back of Leased Assets (Powchan) at a sale price of RMB30,000,000 and total lease payment of RMB31,800,000.

FINANCE LEASE ARRANGEMENT (POWCHAN)

1. Sale and Purchase Agreement (Powchan)

The principal terms of the Sale and Purchase Agreement (Powchan) are summarized as follows:

Date: 30 October 2024

Parties: (i) Heilongjiang College of Business and Technology, and
(ii) Powchan Financial

Sale Price and Payment Term: The total sale price is RMB30,000,000 which was determined after arm's length negotiations with reference to the appraised net value of approximately RMB32,143,512 as at 6 August 2024 and the fair market price of the similar assets.

The sale price shall be paid by Powchan Financial to the Heilongjiang College of Business and Technology within a reasonable period of time after the following conditions being fulfilled within three months after signing the Sale and Purchase Agreement (Powchan):

- (1) Powchan Financial having received the signed Sale and Purchase Agreement (Powchan), Finance Lease Agreement (Powchan) and the guarantee agreements;
- (2) Powchan Financial having received the original payment notice (付款通知書) issued by Heilongjiang College of Business and Technology;
- (3) Powchan Financial having received the receipt issued by Heilongjiang College of Business and Technology for the full sale price of the Leased Assets (Powchan), with the agreement number indicated;
- (4) Powchan Financial having received the certificates in relation to the ownership of the Leased Assets (Powchan), and Powchan Financial having examined and confirmed;
- (5) Powchan Financial having received the original/copy of the resolution of the decision-making authority of Heilongjiang College of Business and Technology agreeing on the transactions under the Sale and Purchase Agreement (Powchan) and Finance Lease Agreement (Powchan), and Powchan Financial having examined and confirmed;

- (6) Powchan Financial having received the photos of set-up site of the Leased Assets (Powchan) provided by Heilongjiang College of Business and Technology, and Powchan Financial having examined and confirmed;
- (7) Powchan Financial having received the original/copy of the resolutions of the decision-making authority of the guarantors agreeing on the provision of guarantee for Heilongjiang College of Business and Technology's obligations under the Finance Lease Agreement (Powchan) and Powchan Financial having examined and confirmed; and
- (8) Powchan Financial having received such other documents as it may reasonably require in relation to any of the matters under the Sale and Purchase Agreement (Powchan).

**Leased Assets
(Powchan):**

The Leased Assets (Powchan) comprises surveying and mapping equipment, hydraulic equipment, laboratory and test equipment, electrical equipment, transport equipment, data observation equipment, etc.

The unaudited book value of the Leased Assets (Powchan) as at 6 August 2024 amounts to approximately RMB34,938,600.

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

The ownership of the Leased Assets (Powchan) shall be transferred to Powchan Financial upon its payment of the first instalment of the sale price.

2. Finance Lease Agreement (Powchan)

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

Date: 30 October 2024

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

Lease Term: 12 months

Total Lease Payment: The total lease payment is RMB31,800,000, which was determined after arm's length negotiations with reference to the appraised net value of the Leased Assets (Powchan) as at 6 August 2024 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 Powchan Financial pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Powchan) in four installments during the lease term.

Ownership of the Leased Assets (Powchan): Upon the expiry of the lease term, provided that Heilongjiang College of Business and Technology has fulfilled all obligations under the Finance Lease Agreement (Powchan), Powchan Financial shall issue a Certificate of Transfer of Ownership (所有權轉讓證明書) to Heilongjiang College of Business and Technology within 15 business days, and the ownership of the Leased Assets (Powchan) shall be transferred from Powchan Financial to Heilongjiang College of Business and Technology at nil consideration on the issue date of the Certificate of Transfer of Ownership.

3. Service Agreement (Powchan)

Heilongjiang College of Business and Technology and Powchan Financial also entered into the Service Agreement (Powchan) on 30 October 2024 (after trading hours) under which Powchan Financial agreed to provide services to Heilongjiang College of Business and Technology and Heilongjiang College of Business and Technology will pay a service fee of RMB50,000 to Powchan Financial within three business days after receipt of the notice from Powchan Financial. The services cover professional advice and guidance on industry consultation and information analysis, macro-economy analysis, corporation management optimization and financing consultation etc.

4. Guarantee for the Sale and Purchase Agreement (Powchan)

Mr. Liu, Ms. Dong, Heilongjiang Liankang, Harbin Xiangge, Harbin Junfengda, Nantong Junhua Science and Technology, Nantong Junhua School and Tianjin Quanren are the joint liability guarantors for Heilongjiang College of Business and Technology to perform its obligations under the Finance Lease Agreement (Powchan). The guarantors provide joint and several liability guarantee to Powchan Financial for the liabilities of Heilongjiang College of Business and Technology under the Finance Lease Agreement (Powchan).

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

By entering into the Finance Lease Arrangement (Powchan), 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 (Powchan), because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Powchan Financial under the Finance Lease Arrangement (Powchan). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Powchan) 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 have the Leased Assets (Powchan) transferred back to the Group at nil consideration. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Powchan) 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 (Powchan) 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 (POWCHAN)

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.

Powchan Financial

Powchan Financial, a company established in the PRC with limited liability, is owned as to 40.81% by COSCO SHIPPING Development Co., Ltd.* (中遠海運發展股份有限公司), a PRC company listed on the Main Board of the Stock Exchange (stock code: 2866) and Shanghai Stock Exchange (stock code: 601866); as to 36.99% by Zhongbao Investment Co., Ltd.* (中保投資有限責任公司), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會); and as to 22.20% by China State-owned Enterprises Mixed Ownership Fund Co., Ltd.* (中國國有企業混合所有制改革基金有限公司), which is ultimately controlled by the State Council (國務院). The actual controller (實際控制人) of Powchan Financial is the State Council (國務院).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Powchan Financial 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 (Powchan) is more than 5% but less than 25%, the transactions under the Finance Lease Arrangement (Powchan) 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 (Powchan)”	the finance lease agreement dated 30 October 2024 entered into between Powchan Financial and Heilongjiang College of Business and Technology in terms of the Leased Assets (Powchan)
“Finance Lease Arrangement (Powchan)”	(i) the purchase of the Leased Assets (Powchan) by Powchan Financial and the lease back of the Leased Assets (Powchan) to Heilongjiang College of Business and Technology pursuant to the Sale and Purchase Agreement (Powchan) and the Finance Lease Agreement (Powchan); and (ii) the provision of financing consultation services by Powchan Financial to Heilongjiang College of Business and Technology pursuant to the Service Agreement (Powchan)
“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 held as to 100% by Harbin Xiangzhen Yincheng Zhiye Co., Ltd.* (哈爾濱祥振引城置業有限公司), a limited liability company established under the laws of the PRC, which is held as to 100% 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 (Powchan)”	certain assets, including surveying and mapping equipment, hydraulic equipment, laboratory and test equipment, electrical equipment, transport equipment, data observation equipment, etc., which were sold by the Heilongjiang College of Business and Technology to Powchan Financial and leased back to Heilongjiang College of Business and Technology pursuant to the Sale and Purchase Agreement (Powchan) and the Finance Lease Agreement (Powchan)
“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 School”	Nantong Junhua Secondary Vocational School Co., Ltd* (南通峻華中等職業學校有限公司), a limited liability company established under the laws of the PRC, which is held as to 100% by Nantong Junhua Science and Technology
“Nantong Junhua Science and Technology”	Nantong Junhua Science and Technology Innovation Park Co., 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

“Powchan Financial”	Powchan Financial Group Co., Ltd.* (海發寶誠融資租賃有限公司, formerly known as 中遠海運租賃有限公司), a limited liability company established under the laws of the PRC
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement (Powchan)”	the sale and purchase agreement dated 30 October 2024 entered into between Powchan Financial and Heilongjiang College of Business and Technology in terms of the Leased Assets (Powchan)
“Service Agreement (Powchan)”	the service agreement dated 30 October 2024 between Powchan Financial and Heilongjiang College of Business and Technology as part of Finance Lease Arrangement (Powchan)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Quanren”	Tianjin Quanren Vocational Secondary School Co., Ltd* (天津全人職業中等專業學校有限公司), a limited liability company established under the laws of the PRC and a consolidated affiliated entity of the Company
“%”	per cent

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

Harbin, Heilongjiang Province, PRC, 30 October 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