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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)

**MAJOR TRANSACTIONS
FINANCE LEASE ARRANGEMENT (GUOTAI)
AND
FINANCE LEASE ARRANGEMENT (HAIER)**

A letter from the Board is set out on pages 5 to 17 of this circular.

The Finance Lease Arrangement (Guotai), the Finance Lease Arrangement (Haier) and the transactions contemplated thereunder have been approved by written shareholder's approval obtained from Shuren Education and Junhua Education, 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) pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company. This circular is being despatched to the Shareholder for information only.

24 December 2024

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Announcements”	the announcements of the Company dated 11 November 2024 in relation to, among other things, the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier)
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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 (Haier)”	the consultation service agreement dated 11 November 2024 between Haier and Heilongjiang College of Business and Technology as part of Finance Lease Arrangement (Haier)
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the director(s) of the Company
“Finance Lease Agreement (Guotai)”	the finance lease agreement dated 11 November 2024 between Guotai Leasing and Heilongjiang College of Business and Technology in terms of the Leased Assets (Guotai)
“Finance Lease Arrangement (Guotai)”	the purchase of the Leased Assets (Guotai) by Guotai Leasing and the lease back of the Leased Assets (Guotai) to Heilongjiang College of Business and Technology with Leased Assets (Guotai) as collateral pursuant to the Finance Lease Agreement (Guotai) and the Mortgage Agreement (Guotai)

DEFINITIONS

“Finance Lease Arrangement (Haier)”	(i) the purchase of the Leased Assets (Haier) by Haier and the lease back of the Leased Assets (Haier) to Heilongjiang College of Business and Technology; and (ii) the provision of the finance lease consultancy services by Haier to Heilongjiang College of Business and Technology, pursuant to the Sale and Leaseback Agreement (Haier) and the Consultation Service Agreement (Haier) respectively
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Guotai Leasing”	Guotai Leasing Group Co., Ltd.* (國泰租賃有限公司), a limited liability company established under the laws of the PRC
“Haier”	Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司), a limited liability company established under the laws of the PRC
“Harbin Xiangge”	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司), formerly known as Harbin Xiangge Zhiye Co., Ltd.* (哈爾濱祥閣置業有限公司), 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
“Independent Third Parties”	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons
“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
“Latest Practicable Date”	19 December 2024, being the latest practicable date for ascertaining certain information in this circular

DEFINITIONS

“Leased Assets (Guotai)”	certain assets, including teaching machines, computers, laptops, printers, projectors, microscopes, cameras, laboratory and test equipment, elevators, a diesel railcar, heating equipment, drainage equipment, electrical equipment, etc., which were sold by the Heilongjiang College of Business and Technology to Guotai Leasing and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Guotai)
“Leased Assets (Haier)”	certain assets, including boilers, computers, sterilization cabinet, intelligent blackboards, working tables, chairs, beds, book cases, printers etc, which were sold by Heilongjiang College of Business and Technology to Haier and leased back to Heilongjiang College of Business and Technology pursuant to the Finance Lease Arrangement (Haier)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgage Agreement (Guotai)”	the mortgage agreement dated 11 November 2024 between Guotai Leasing and Heilongjiang College of Business and Technology in terms of the Leased Assets (Guotai)
“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 77.97% by Heilongjiang College of Business and Technology and 23.03% by Leader Education (HK) Limited
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Previous Finance Lease Arrangement (Haier)”	(i) the purchase of certain assets of Heilongjiang College of Business and Technology by Haier and the lease-back to Heilongjiang College of Business and Technology pursuant to the sale and leaseback agreement entered into between Haier and Heilongjiang College of Business and Technology on 13 December 2023 and 28 June 2024, respectively; and (ii) the provision of the finance lease consultation services by Haier to Heilongjiang College of Business and Technology pursuant to the consultation service agreement entered into between Haier and Heilongjiang College of Business and Technology on 13 December 2023 and 28 June 2024, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Leaseback Agreement (Haier)”	the sale and leaseback agreement dated 11 November 2024 between Haier and Heilongjiang College of Business and Technology in terms of Leased Assets (Haier) as part of Finance Lease Arrangement (Haier)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	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.

* *for identification purpose only*

LETTER FROM THE BOARD

Leader Education Limited

立德教育股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1449)

Executive Directors:

Mr. Liu Laixiang

(Chairman and Chief Executive Officer)

Ms. Dong Ling

Mr. Wang Yunfu

Mr. Che Wenge

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Hutchins Drive

Independent non-executive Directors:

Mr. Zhang Su

Mr. Cao Shaoshan

Mr. Chan Ngai Fan

Principal place of business in Hong Kong:

Unit 26, 14/F., Solo Building

41-43 Carnarvon Road

Tsimshatsui, Kowloon

Hong Kong

24 December 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
FINANCE LEASE ARRANGEMENT (GUOTAI)
AND
FINANCE LEASE ARRANGEMENT (HAIER)**

INTRODUCTION

Reference is made to the Announcements.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Finance Lease Arrangement (Guotai), the Finance Lease Arrangement (Haier) and the transactions contemplated thereunder; and (ii) other general information of the Company.

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BACKGROUND

On 11 November 2024 (after trading hours), Heilongjiang College of Business and Technology entered into (i) the Finance Lease Agreement (Guotai) and the Mortgage Agreement (Guotai) with Guotai Leasing in respect of the Finance Lease Arrangement (Guotai); and (ii) the Sale and Leaseback Agreement (Haier) and the Consultation Service Agreement (Haier) with Haier in respect of the Finance Lease Arrangement (Haier).

FINANCE LEASE ARRANGEMENT (GUOTAI)

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

1. Finance Lease Agreement (Guotai)

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

Date:	11 November 2024
Parties:	(i) Heilongjiang College of Business and Technology (as the lessee), and (ii) Guotai Leasing (as the lessor)
Sale Price and Payment Term:	The total sale price is RMB50,000,000 which was determined after arm's length negotiations with reference to the appraised net value of approximately RMB50,952,091.61 as at 11 October 2024 and the fair market price of the similar assets.

The sale price shall be paid by Guotai Leasing to the Heilongjiang College of Business and Technology after the following conditions being fulfilled:

- (1) Heilongjiang College of Business and Technology or a third party required by Guotai Leasing having provided guarantee for the performance of Heilongjiang College of Business and Technology under the Finance Lease Agreement (Guotai), the relevant guarantee documents of which having been signed and entered into force, and the relevant formalities having been completed;
- (2) Guotai Leasing having received from Heilongjiang College of Business and Technology the relevant property ownership certificates, original invoices, and other documents deemed necessary by Guotai Leasing to prove the ownership of the Leased Assets (Guotai);

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- (3) Heilongjiang College of Business and Technology having purchased sufficient insurance for the Leased Assets (Guotai) in accordance with the Finance Lease Agreement (Guotai), and Guotai Leasing having received the originals of the aforesaid insurance policy, endorsement letter and other valid insurance contract documents (if applicable);
- (4) Guotai Leasing having received the internal resolutions and decisions of Heilongjiang College of Business and Technology consenting to the Finance Lease Arrangement (Guotai) and any other necessary governmental approvals;
- (5) Guotai Leasing having received the receipt issued by Heilongjiang College of Business and Technology for the purchase price of the Leased Assets (Guotai); and
- (6) Guotai Leasing having received the handling fee paid by Heilongjiang College of Business and Technology under the Finance Lease Agreement (Guotai).

As at the Latest Practicable Date, all of the above conditions have been fulfilled and the total sale price under the Finance Lease Agreement (Guotai) has been received by Heilongjiang College of Business and Technology.

Leased Assets (Guotai): The Leased Assets (Guotai) comprises teaching machines, computers, laptops, printers, projectors, microscopes, cameras, laboratory and test equipment, elevators, a diesel railcar, heating equipment, drainage equipment, electrical equipment, etc.

The unaudited book value of the Leased Assets (Guotai) as at 11 October 2024 amounts to approximately RMB54,787,195.26.

Lease Term: 36 months

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Total Lease Payment: The total lease payment is RMB56,605,584.33, which includes the finance lease principal of RMB50,000,000 and the finance lease annual interest of RMB6,605,584.33, which represents an annual interest rate of 7.5% and 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 Guotai Leasing quarterly pursuant to the lease payment schedule as set out in the Finance Lease Agreement (Guotai) in 12 installments during the lease term.

Handling Fee: RMB1,100,000, which shall be paid by Heilongjiang College of Business and Technology before Guotai Leasing makes any payment for the sale price under the Finance Lease Agreement (Guotai) and non-refundable upon Guotai Leasing's payment of its first installment of sale price.

Such handling fee shall be deemed as the management service fee for the management services provided by Guotai Leasing to Heilongjiang College of Business and Technology, including but not limited to introduction and recommendation of financial leasing tools, provision of information on the financial leasing industry, formulation of financial leasing plans, etc.

Ownership of the Leased Assets (Guotai): The ownership of the Leased Assets (Guotai) shall be transferred to Guotai Leasing upon its payment of the first instalment of the sale price.

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 (Guotai), or with the written consent of Guotai Leasing, Heilongjiang College of Business and Technology is entitled to request Guotai Leasing to transfer the ownership of the Leased Assets (Guotai) back to Heilongjiang College of Business and Technology at the end of the lease term on an "as-is" basis, in consideration of the payment of a retention money of RMB1 by Heilongjiang College of Business and Technology.

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2. Mortgage Agreement (Guotai)

The principal terms of the Mortgage Agreement (Guotai) are summarized as follows:

Date: 11 November 2024

Parties: (i) Guotai Leasing (as the mortgagee), and
(ii) Heilongjiang College of Business and Technology (as the mortgagor)

Scope of Guarantee: All obligations under the Finance Lease Agreement (Guotai), including but not limited to, all payment obligations, representations, warranties, undertakings and liabilities of the Heilongjiang College of Business and Technology under the Finance Lease Agreement (Guotai), the principal amount of RMB50,000,000, lease payment interest, liquidated damages, interest on overdue rent occupancy, damages, interest on the delayed performance of the effective legal documents doubled, other payables and costs of realization of obligations and security interests.

Collateral: Heilongjiang College of Business and Technology agrees to create and register a mortgage on the Leased Assets (Guotai) under the Finance Lease Agreement (Guotai) which has been authorized and entrusted by Guotai Leasing.

3. Guarantee for the Finance Lease Agreement (Guotai)

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

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FINANCE LEASE ARRANGEMENT (HAIER)

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

1. Sale and Leaseback Agreement (Haier)

The principal terms of the Sale and Leaseback Agreement (Haier) are summarized as follows:

Date:	11 November 2024 (after trading hours)
Parties:	(i) Heilongjiang College of Business and Technology (as the lessee), and (ii) Haier (as the lessor)
Sale Price and Payment:	The total sale price is RMB60,000,000 which was determined after arm's length negotiations with reference to the valuation price of approximately RMB60,375,003 as at 29 October 2024 and the fair market price of the similar assets.

The sale price shall be paid by Haier to Heilongjiang College of Business and Technology in two instalments. The first instalment of RMB2,400,000 (subject to the deduction of the security deposit of RMB600,000) shall be paid by Haier within 10 business days after the fulfilment of the following conditions:

- (i) Haier having received a receipt from Heilongjiang College of Business and Technology in the amount of RMB60,000,000;
- (ii) Haier having received a payment notice issued by Heilongjiang College of Business and Technology in respect of the payment of this first instalment;
- (iii) Haier having received and endorsed the original valuation report for the Leased Assets (Haier) provided by Heilongjiang College of Business and Technology;
- (iv) Haier having received the checking and acceptance confirmation letter of the Leased Assets (Haier) issued by Heilongjiang College of Business and Technology; and

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- (v) Haier having received the videos or photos of the Leased Assets (Haier) provided by Heilongjiang College of Business and Technology.

The second instalment of RMB57,600,000 shall be paid by Haier within 10 business days after the fulfilment of the following conditions:

- (i) the conditions for the first instalment as described above having been satisfied; and
- (ii) Haier having received a payment notice issued by Heilongjiang College of Business and Technology in respect of the payment of this second instalment.

As at the Latest Practicable Date, all of the above conditions have been fulfilled and the total sale price under the Sale and Leaseback Agreement (Haier) has been received by Heilongjiang College of Business and Technology.

Leased Assets (Haier): The Leased Assets (Haier) comprises of boilers, computers, sterilization cabinet, intelligent blackboards, working tables, chairs, beds, book cases, printers etc.

The unaudited book value of the Leased Assets (Haier) as at 29 October 2024 amounts to approximately RMB67,777,450.

Lease Term: 36 months

Total Lease Payment: The total lease payment is approximately RMB67,260,100, including the finance lease payment and the retention fee of RMB100, 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.

After the Sale and Leaseback Agreement (Haier) becoming effective, Haier shall have the right to make adjustments to the lease payment in accordance with the adjustments of the loan prime rate published by the People's Bank of China. The actual lease payment amount shall be confirmed in the Actual Lease Payment Schedule (實際租金支付表) and the Lease Adjustment Notice (租金調整通知書) issued by Haier.

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- Security Deposit: The total security deposit is RMB600,000, which shall be deducted from the first instalment of the sale price paid by Haier to Heilongjiang College of Business and Technology.
- Haier shall have the right to use the security deposit to set off any due payables of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Haier) and Heilongjiang College of Business and Technology shall top up the security deposit to RMB600,000 in such cases.
- The security deposit of RMB600,000 shall be used to set off the final portion(s) of the lease payment and the retention fee to be made by Heilongjiang College of Business and Technology provided that there are no default events or the default events have been rectified. Haier shall return the remaining balance of the security deposit (if any) to Heilongjiang College of Business and Technology.
- Ownership of the Leased Assets (Haier): The ownership of the Leased Assets (Haier) shall be transferred to Haier upon the date of stamping the checking and acceptance confirmation letter of the Leased Assets (Haier) by Heilongjiang College of Business and Technology.
- Upon the expiry of the lease term, provided that there are no continuing events of default, and subject to receipt of all lease payments and other receivables under the Sale and Leaseback Agreement (Haier), Haier shall transfer the ownership of the Leased Assets (Haier) to Heilongjiang College of Business and Technology on an “as-is” basis.
- Effectiveness of the Sale and Leaseback Agreement (Haier): The Sale and Leaseback Agreement (Haier) shall come into effect upon the fulfilment of the following conditions:
- (i) Haier having received the original resolution(s) or other similar documents issued by the internal authority(ies) of Heilongjiang College of Business and Technology consenting to the transaction contemplated under the Sale and Leaseback Agreement (Haier);

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- (ii) Haier having received the original resolution(s) issued by the internal authority(ies) of the guarantors under the Sale and Leaseback Agreement (Haier) consenting to their guarantees for Heilongjiang College of Business and Technology to perform its obligations thereunder;
- (iii) each of Ms. Dong and Mr. Liu having entered into the guarantee agreement with Haier; and
- (iv) each of Harbin Xiangge and Nantong Junhua having entered into the guarantee agreement with Haier.

As of the Latest Practicable Date, all of above conditions precedent have been fulfilled and none of them has been waived.

2. Consultation Service Agreement (Haier)

Heilongjiang College of Business and Technology and Haier also entered into the Consultation Service Agreement (Haier) on 11 November 2024 (after trading hours) under which Haier 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 RMB1,800,000 to Haier within three business days after signing the Consultation Service Agreement (Haier). The consultancy services cover professional advice and guidance on macro-economy analysis, finance lease introduction and finance lease arrangement analysis etc.

3. Guarantee for the Sale and Leaseback Agreement (Haier)

Mr. Liu, Ms. Dong, Harbin Xiangge and Nantong Junhua are the joint liability guarantors for Heilongjiang College of Business and Technology to perform its obligations under the Sale and Leaseback Agreement (Haier). The guarantors provide joint liability guarantee to Haier for the liabilities of Heilongjiang College of Business and Technology under the Sale and Leaseback Agreement (Haier).

EFFECTIVE INTEREST RATES

Set out below are the effective interest rates for the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier):

	Effective Interest Rate
Leased Assets (Guotai)	9.01%
Leased Assets (Haier)	9.51%

LETTER FROM THE BOARD

BOOK VALUE OF AND NET PROFITS ATTRIBUTABLE TO THE LEASED ASSETS (GUOTAI) AND THE LEASED ASSETS (HAIER)

The book value and the net profits attributable to the Leased Assets (Guotai) and the Leased Assets (Haier) for each of the financial years ended 31 August 2023 and 31 August 2024 are as follows:

		Year ended 31 August	
		2023	2024
		(RMB)	(RMB)
Leased Assets (Guotai)	Book Value	54,787,195.26	54,787,195.26
	Net Profits	N/A	N/A
Leased Assets (Haier)	Book Value	15,692,000.00	67,777,450.00
	Net Profits	N/A	N/A

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

By entering into the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier), 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 adversely affected by the sale of the Leased Assets (Guotai) and Leased Assets (Haier), because such assets are immediately leased back to the Group. There is no transfer of possession or use of the assets to Guotai Leasing or Haier under the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier). According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier) 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 (Guotai) and the Leased Assets (Haier) transferred back to the Group. Therefore, in substance and in terms of accounting treatment, the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier) 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 (Guotai) and the Finance Lease Arrangement (Haier) are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT (GUOTAI) AND THE FINANCE LEASE ARRANGEMENT (HAIER)

According to the International Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement (Guotai) and the Finance Lease Arrangement (Haier) 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.

Under the Finance Lease Arrangement (Guotai), it is expected that (i) the total assets of the Group will be increased to reflect the cash to be received from the sale proceeds of the Leased Assets (Guotai) of RMB50,000,000 respectively and (ii) the total liabilities of the Group will be increased by the amount of such proceeds, being RMB50,000,000 for the Leased Assets (Guotai), to reflect the liability of the Group.

Under the Finance Lease Arrangement (Haier), it is expected that (i) the total assets of the Group will be increased to reflect the cash to be received from the sale proceeds of the Leased Assets (Haier) of RMB60,000,000 respectively and (ii) the total liabilities of the Group will be increased by the amount of such proceeds, being RMB60,000,000 for the Leased Assets (Haier), to reflect the liability of the Group.

LISTING RULES IMPLICATIONS

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

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of Finance Lease Arrangement (Haier), on a standalone basis, exceeds 25% but is less than 100%, the Finance Lease Arrangement (Haier) constitutes a major transaction of the Company. When aggregated with the Previous Finance Lease Arrangements (Haier), which were entered into with the same party during the 12-month period, the Finance Lease Arrangement (Haier) still constitutes a major transaction as the highest applicable ratio on an aggregated basis exceeds 25% but is less than 100%. Therefore the Finance Lease Arrangement (Haier) shall subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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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 (Guotai) and the Finance Lease Arrangement (Haier) 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 (Guotai) and the Finance Lease Arrangement (Haier) 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 circular, 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 (Guotai) and the Finance Lease Arrangement (Haier).

INFORMATION ON THE PARTIES

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.

Guotai Leasing

Guotai Leasing, a company established in the PRC with limited liability, is owned as to 82.30% by Shandong Guohui Investment Co., Ltd.* (山東國惠投資控股集團有限公司), a PRC company wholly owned by State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government (山東省人民政府國有資產監督管理委員會); and as to 17.70% by Shandong Salt Group Co., Ltd.* (山東省鹽業集團有限公司), which is in turn owned as to 90% by Shandong Guohui Investment Co., Ltd.* (山東國惠投資控股集團有限公司) and as to 10% by Shandong Caixin Assets Operation Co., Ltd.* (山東省財欣資產運營有限公司), a wholly owned company of Department of Finance of Shandong Province (山東省財政廳). The actual controller (實際控制人) of Guotai Leasing is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government (山東省人民政府國有資產監督管理委員會).

LETTER FROM THE BOARD

Haier

Haier is a limited liability company established under the laws of the PRC and is principally engaged in financial leasing business and financial services in the PRC. Haier is owned as to 38.97%, 32.30% and 28.73% by Haier Group (Qingdao) Finance Holding Co., Ltd.* (海爾集團(青島)金融控股有限公司), Shanghai Haizhu Yunju Enterprise Management Consulting Partnership (Limited Partnership)* (上海海鑄雲聚企業管理諮詢合夥企業(有限合夥)) and Haier International Co., Limited respectively.

Haier Group (Qingdao) Finance Holding Co., Ltd.* (海爾集團(青島)金融控股有限公司) is a wholly-owned subsidiary of Qingdao Haironghui Holdings Co., Ltd.* (青島海融匯控股有限公司). Qingdao Haironghui Holdings Co., Ltd. is owned as to 51.20% to Haier Group Corporation (海爾集團公司) (“**Haier Group**”) and as to 48.80% by Qingdao HaiChuangKe Management Consulting Enterprise (Limited Partnership)* (青島海創客管理諮詢企業(有限合夥)), which is owned as to 31.81% by Qingdao Hai Chuang II Management Consulting Enterprise (Limited Partnership)* (青島海創二管理諮詢企業(有限合夥)), as to 22.23% by Qingdao Hai Chuang III Management Consulting Enterprise (Limited Partnership)* (青島海創三管理諮詢企業(有限合夥)), as to 18.19% by Qingdao Hai Chuang I Management Consulting Enterprise (Limited Partnership)* (青島海創壹管理諮詢企業(有限合夥)), as to 15.00% by Qingdao Hai Chuang IV Management Consulting Enterprise (Limited Partnership)* (青島海創肆管理諮詢企業(有限合夥)), as to 12.27% by Qingdao Hai Chuang V Management Consulting Enterprise (Limited Partnership)* (青島海創伍管理諮詢企業(有限合夥)), and as to 0.50% by Qingdao Hai Chuangke Investment Management Co., Ltd.* (青島海創客投資管理有限公司). Shanghai Haizhu Yunju Enterprise Management Consulting Partnership (Limited Partnership) is indirectly owned as to 100% by Haier Group (Qingdao) Finance Holding Co., Ltd.* (海爾集團(青島)金融控股有限公司). Haier International Co., Limited is a wholly-owned subsidiary of Haier (HK) Investment Co., Limited, which in turn is a wholly-owned subsidiary of Haier Group. According to publicly available information, the nature of Haier Group is a collectively-owned enterprise. Pursuant to the Regulation of the People’s Republic of China on Urban Collectively-Owned Enterprises (2016 Revision), the property of Haier Group, being a socialist economic organisation, is collectively owned by the working masses, subject to joint work, with distribution according to work as the principal distribution method. In light of its enterprise nature, Haier Group has no shareholders.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Haier and Guotai Leasing and each of their ultimate beneficial owner (if applicable) are third parties independent from the Company, and its connected persons (as defined in the Listing Rules).

FURTHER INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
Leader Education Limited
LIU Laixiang
Chairman

1. CONSOLIDATED FINANCIAL STATEMENTS

Details of the financial information of the Group for each of the financial years ended 31 August 2022, 31 August 2023 and 31 August 2024 are disclosed in the following documents which have been published on both the website of the Stock Exchange and the website of the Company (<http://www.leader-education.cn>).

- Annual results announcement of the Company for the year ended 31 August 2024 published on 29 November 2024 (pages 2 to 10) (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1129/2024112901720.pdf>)
- Annual report of the Company for the year ended 31 August 2023 published on 21 December 2023 (pages 68 to 140) (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1221/2023122100443.pdf>)
- Annual report of the Company for the year ended 31 August 2022 published on 22 December 2022 (pages 65 to 140) (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1222/2022122200451.pdf>)

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

Security and guarantees

As at the close of business of 31 October 2024, the Group's sale and leaseback borrowings were secured by the Group's assets of approximately RMB120.9 million, and the Group's bank loans and interest accruals were secured by the Group's assets of approximately RMB265.1 million.

Bank and other borrowings and interest accruals

As at the close of business of 31 October 2024, the Group had bank and other outstanding borrowings and interest accruals of approximately RMB1,039.7 million, of which approximately RMB136.0 million was guaranteed, approximately RMB666.4 million was guaranteed and secured and approximately RMB237.3 million were unguaranteed and unsecured.

Commitments

As at the close of business of 31 October 2024, the Group's capital commitments to make contracted payment amounted to RMB129.5 million.

Contingent liabilities

As at 31 October 2024, the Group did not incur any material contingent liabilities.

Save as aforesaid or as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have at the close of business on 31 October 2024 any other debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are satisfied after due and careful consideration and taking into account the present internal financial resources available to the Group, the banking facilities presently available, the effect of the transactions contemplated under the Finance Lease Arrangement (Guotai) and Finance Lease Arrangement (Haier) and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 August 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

Market Overview

The Company is a large private formal higher education service provider in Heilongjiang Province, ranking top in the private education sector of the province. It has been growing rapidly over the last few years.

As of 31 August 2024, the State issued many policy documents to support and encourage the development of education, including vocational and private education.

Policy documents that were published in recent years included the Overall Plan for Coordinating and Promoting the Construction of World-Class Universities and First-class Disciplines, Implementation Plan for the Reform on National Vocational Education, Proposal of the Central Committee of the Communist Party of China and the State Council on Comprehensively Deepening the Reform of Teacher Force Construction in the New Era and China's Education Modernization 2035, which have established the top-level design and strategic deployment for the development of higher education in China.

In particular, favourable policies for private and vocational education announced in 2021 included: In June 2021, the Vocational Education Law of the People's Republic of China (Revised Draft) was submitted to the National People's Congress for deliberation. The draft stated that "vocational education and general education have the same importance" and supported private schools. Decree No. 741 of the Implementing Regulations of the Law of the People's Republic of China on the Promotion of Private Education, which came into effect on 1 September 2021, expressly encourages enterprises to organise or participate in organizing private vocational schools through sole proprietorship, joint venture and cooperation in accordance with relevant laws. It also grants all private schools the right to change their sponsors regardless of their nature.

Development Direction and Targets

The school has firmly established the talent cultivation positioning of "fostering high quality application-oriented talents with a sense of patriotism, service dedication, innovation and entrepreneurship awareness, solid professional knowledge and skills, strong practical ability, great competence and all-round development in ethics, intellect, physique, aesthetics and hardwork"; adhered to the service orientation of "establishing foothold in Heilongjiang in the pursuit of nationwide presence, serving the regional economic and social development"; and defined the development target of "being a provincial first-class, nationally renowned and high-level application-oriented college with distinctive characteristics".

Development Plan

- Firstly: We will establish in-depth cooperation with international education groups to improve dual education and talent training model.
- Secondly: We will invest in vocational education and establish vocational colleges, education groups and school-enterprise integration bases in the Yangtze River Delta and Beijing Tianjin-Hebei, gradually forming a new schooling model of school-enterprise integration.
- Thirdly: We will develop big health-related majors and sub-academies.
- Fourthly: We will develop a digital lifelong learning system, and create a “future learning centre” and a website featuring a wide selection of digital education.
- Fifthly: We will combine our leading majors with the Belt and Road Initiative, and actively promote education for foreign students.

In the future, the Company will develop systematic, multi-tiered and multi-dimensional operation of education services, scale up schooling step by step, and create values for Shareholders.

Progress of transforming into a For-profit Private School

In accordance with the Implementation Rules for the Classification and Registration of Private Schools issued by the Ministry of Education and other four agencies and relevant documents, as well as the implementation opinion on “encouraging social forces to engage in education to promote the healthy development of private schools” announced successively in various provinces, the Heilongjiang College of Business and Technology has made significant progress in its application for transforming into a for-profit school, and its application has been approved by the Ministry of Education. In compliance with relevant documents and policies to be issued by the competent education authorities, the school will firmly protect the legal rights of students during the three-year transition period, complete the transfer of assets from non-profit to for-profit school, and enforce the property rights of legal entities. It will complete the procedures of credit and debt disposal, and transfer of teachers’ employment contracts and employment affiliation. The school will improve its operation and management plan during the transition period to achieve smooth non-profit to for-profit transformation.

Updates to the Plan to Comply With the Qualification Requirement

As disclosed in the Prospectus and the 2021 Annual Report, we have adopted a specific plan and have taken concrete steps which we believe are meaningful endeavors to demonstrate compliance with the Qualification Requirement. On 15 October 2019, Leader Education LLC was established in Chicago, Illinois and is an indirect wholly-owned subsidiary of the Company. Leader Education LLC plans to operate and manage a higher education institution (the “**US School**”) in the State of Illinois, US to be established, which is planned to provide programs focusing on business studies. On 21 February 2020, we filed a notice of intent for operation to the Illinois Board of Higher Education (“**IBHE**”). On 22 May 2020, we entered into a service agreement with an independent third party, with an aim to design the education program to be offered by the US School and submit applications with the IBHE regarding the establishment of the US School. Due to the spread of the COVID-19 in various countries around the world from 2020 to 2022, the Group’s progress in establishing the US School has been slow and was unable to advance in a timely manner. Although the COVID-19 came to an end in 2023, due to the increasingly complicated international environment, particularly the fierce international competition, our progress in establishing the US School has also been affected. Competition is emphasized in the education system of the United States. Keen competition can be seen both in terms of standardized examinations and courses, but we did not adopt a blind approach to proceed, which resulted in the failure of the establishment of the US School as scheduled. However, we will actively identify problems and continue to improve, hoping to complete the application for establishment of the US School as soon as possible.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept under section 352 of the SFO, or as notified the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Directors’ interests in the Company:

Name	Capacity	Number of Shares Interested ⁽¹⁾	Approximate percentage of Issued share capital of the Company ⁽¹⁾
Mr. Liu ⁽²⁾⁽³⁾	Interest in a controlled corporation	496,674,000 (L)	74.5% (L)
Ms. Dong ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation	496,674,000 (L)	74.5% (L)

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Junhua Education is 100% owned by Mr. Liu and he is therefore deemed to be interested in all the Shares held by Junhua Education.
- (3) Mr. Liu is the spouse of Ms. Dong and he is therefore deemed to be interested in the Shares held by Ms. Dong.
- (4) Shuren Education is 100% owned by Ms. Dong and she is therefore deemed to be interested in all the Shares held by Shuren Education.
- (5) Ms. Dong is the spouse of Mr. Liu and she is therefore deemed to be interested in the Shares held by Mr. Liu.

Long positions in the Shares and/or underlying Shares of the associated corporations

Name	Capacity	Associated corporation	Amount of registered capital	Percentage of Shareholding ⁽¹⁾
Mr. Liu ⁽²⁾⁽⁴⁾	Beneficial owner/ interest of spouse	Harbin Xiangge Zhiye Co., Ltd.* (哈爾濱祥閣置業有限公司)	RMB40,000,000	100% (L)
	Interest in a controlled corporation/interest of spouse	Heilongjiang College of Business and Technology	RMB183,000,000	100% (L)
Ms. Dong ⁽³⁾⁽⁵⁾	Beneficial owner/ interest of spouse	Harbin Xiangge Zhiye Co., Ltd.* (哈爾濱祥閣置業有限公司)	RMB40,000,000	100% (L)
	Interest in a controlled corporation/interest of spouse	Heilongjiang College of Business and Technology	RMB183,000,000	100% (L)

Notes:

- (1) The letter “L” denotes the person’s long position in the relevant shares/securities.
- (2) Mr. Liu is the beneficial owner of 40% of equity interest in Harbin Xiangge; his spouse, Ms. Dong is the beneficial owner of the remaining 60% of equity interest. Mr. Liu is deemed to be interest in all the equity interest held by Ms. Dong in Harbin Xiangge.
- (3) Ms. Dong is the beneficial owner of 60% of equity interest in Harbin Xiangge; her spouse, Mr. Liu is the beneficial owner of the remaining 40% of equity interest. Ms. Dong is deemed to be interest in all the equity interest held by Mr. Liu in Harbin Xiangge.
- (4) Harbin Xiangge is the sole school sponsor and holding all equity interest of Heilongjiang College of Business and Technology. Harbin Xiangge is 40% owned by Mr. Liu and thus he is deemed to be interested in all the shares held by Harbin Xiangge in Heilongjiang College of Business and Technology; at the same time, he is the spouse of Ms. Dong and he is therefore deemed to be interested in the shares held by Ms. Dong through Harbin Xiangge under the SFO.
- (5) Harbin Xiangge is the sole school sponsor and holding all equity interest of Heilongjiang College of Business and Technology. Harbin Xiangge is 60% owned by Ms. Dong and thus she is deemed to be interested in all the shares held by Harbin Xiangge in Heilongjiang College of Business and Technology; at the same time, she is the spouse of Mr. Liu and she is therefore deemed to be interested in the shares held by Mr. Liu through Harbin Xiangge under the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, no Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

As at the Latest Practicable Date, none of the Directors had direct or indirect material interest in any assets which have been, since 31 August 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group.

There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following corporations/persons (other than Directors or the chief executive of the Company) had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity	Number of Shares Interested ⁽¹⁾	Approximate percentage of shareholding ⁽¹⁾
Junhua Education Limited ⁽²⁾⁽³⁾	Beneficial owner	196,674,000	29.5%
Shuren Education Limited ⁽⁴⁾⁽⁵⁾	Beneficial owner	300,000,000	45.0%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Junhua Education is 100% owned by Mr. Liu and he is therefore deemed to be interested in all the shares of the Company held by Junhua Education under the SFO.
- (3) Mr. Liu is the spouse of Ms. Dong. Mr. Liu is deemed to be interested in all the shares of the Company in which Ms. Dong is interested under the SFO.
- (4) Shuren Education is 100% owned by Ms. Dong and she is therefore deemed to be interested in all the shares of held by Shuren Education under the SFO.
- (5) Ms. Dong is the spouse of Mr. Liu. Ms. Dong is deemed to be interested in all the shares of the Company in which Mr. Liu is interested under the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

4. MATERIAL CONTRACTS

The Group has entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular which is or may be material:

- (1) the sale and leaseback agreement dated 18 January 2023 between Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) at the purchase price of RMB50,750,000 and the total lease payment of RMB57,680,100;

- (2) the sale and leaseback agreement I dated 13 June 2023 between Shanghai A-JEX Finance Lease Co., Ltd.* (上海愛建融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Shanghai A-JEX Finance Lease Co., Ltd.* (上海愛建融資租賃股份有限公司) at the purchase price of RMB20,000,000 and the total lease payment of RMB22,450,000;
- (3) the sale and leaseback agreement II dated 13 June 2023 between Shanghai A-JEX Finance Lease Co., Ltd.* (上海愛建融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Shanghai A-JEX Finance Lease Co., Ltd.* (上海愛建融資租賃股份有限公司) at the purchase price of RMB20,000,000 and the total lease payment of RMB22,450,000;
- (4) the sale and leaseback agreement dated 13 June 2023 between Haitong Unitrust International Financial Leasing Co., Ltd.* (海通恆信國際融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Haitong Unitrust International Financial Leasing Co., Ltd.* (海通恆信國際融資租賃股份有限公司) at the purchase price of RMB70,000,000 and the total lease payment of RMB80,000,000;
- (5) the sale and leaseback agreement dated 26 September 2023 between Jinyuan Huaxing (China) Finance Lease Co., Ltd.* (金源華興融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Jinyuan Huaxing (China) Finance Lease Co., Ltd.* (金源華興融資租賃有限公司) at the purchase price of RMB30,000,000 and the total lease payment of RMB33,300,000;
- (6) the sale and leaseback agreement I dated 26 September 2023 between Guoyao Holdings (China) Finance Lease Co., Ltd.* (國藥控股(中國)融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Guoyao Holdings (China) Finance Lease Co., Ltd.* (國藥控股(中國)融資租賃有限公司) at the purchase price of RMB27,500,000 and the total lease payment of RMB32,400,000;

- (7) the sale and leaseback agreement II dated 26 September 2023 between Guoyao Holdings (China) Finance Lease Co., Ltd.* (國藥控股(中國)融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Guoyao Holdings (China) Finance Lease Co., Ltd.* (國藥控股(中國)融資租賃有限公司) at the purchase price of RMB27,500,000 and the total lease payment of RMB32,400,000;
- (8) the finance lease agreement dated 9 November 2023 between Tonghui Jiatai Financial Leasing (Tianjin) Co., Ltd.* (通匯嘉泰融資租賃(天津)有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Tonghui Jiatai Financial Leasing (Tianjin) Co., Ltd.* (通匯嘉泰融資租賃(天津)有限公司) at the purchase price of RMB60,000,000 and the total lease payment of RMB66,450,000;
- (9) the sale and leaseback agreement dated 13 December 2023 between Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) at the purchase price of RMB40,000,000 and the total lease payment of approximately RMB45,450,100;
- (10) the purchase agreement and the finance lease agreement dated 27 December 2023 between Qingdao Haixin Financial Leasing Co., Ltd.* (青島海信融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Qingdao Haixin Financial Leasing Co., Ltd.* (青島海信融資租賃有限公司) at the purchase price of RMB30,000,000 and the total lease payment of RMB32,930,608.33;
- (11) the finance lease agreement dated 15 January 2024 between Bangyin Financing Leasing Co., Ltd.* (邦銀金融租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Bangyin Financing Leasing Co., Ltd.* (邦銀金融租賃股份有限公司) at the purchase price of RMB30,000,000 and the total lease payment of RMB34,293,175;

- (12) the sale and leaseback agreement dated 19 January 2024 between Qingdao Guosheng Financing Leasing Co., Ltd.* (青島國晟融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Qingdao Guosheng Financing Leasing Co., Ltd.* (青島國晟融資租賃有限公司) at the purchase price of RMB40,000,000 and the total lease payment of RMB43,677,165;
- (13) the finance lease agreement dated 26 January 2024 between Zhejiang Construction Financial Leasing Co., Ltd.* (浙江建設融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Zhejiang Construction Financial Leasing Co., Ltd.* (浙江建設融資租賃有限公司) at the purchase price of RMB70,000,000 and the total lease payment of RMB80,252,400;
- (14) the finance lease agreement dated 19 April 2024 between Haitong Unitrust International Financial Leasing Co., Ltd. (海通恆信國際融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Unitrust International Financial Leasing Co., Ltd. (海通恆信國際融資租賃股份有限公司) at the purchase price of RMB20,000,000 and the total lease payment of RMB23,210,000;
- (15) the finance lease agreement dated 13 June 2024 between Jiangsu Financing Leasing Co., Ltd.* (江蘇金融租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Jiangsu Financing Leasing Co., Ltd.* (江蘇金融租賃股份有限公司) at the purchase price of RMB20,000,000 and the total lease payment of RMB20,966,626;
- (16) the sale and lease back agreement dated 28 June 2024 between Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Haier Financial Services China Co., Ltd.* (海爾融資租賃股份有限公司) at the purchase price of RMB20,000,000 and the total lease payment of RMB22,190,100;

- (17) the sale and purchase agreement and finance lease agreement dated 30 October 2024 between Powchan Financial Group Co., Ltd.* (海發寶誠融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Powchan Financial Group Co., Ltd.* (海發寶誠融資租賃有限公司) at the purchase price of RMB30,000,000 and the total lease payment of RMB31,800,000;
- (18) the equipment purchase agreement and the finance lease agreement dated 11 November 2024 between Hengqin Jintou International Financial Leasing Co., Ltd.* (橫琴金投國際融資租賃有限公司) and Heilongjiang College of Business and Technology pursuant to which the certain assets of Heilongjiang College of Business and Technology were purchased and leased back to Heilongjiang College of Business and Technology by Hengqin Jintou International Financial Leasing Co., Ltd.* (橫琴金投國際融資租賃有限公司) at the purchase price of RMB30,000,000 and the total lease payment of RMB33,999,405.35;
- (19) the Finance Lease Agreement (Guotai); and
- (20) the Sale and Leaseback Agreement (Haier).

5. LITIGATION AND CLAIMS

At as the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

7. GENERAL

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

The company secretary of the Company is Mr. Chang Eric Jackson, who is a member of Hong Kong Institute of Certified Public Accountants.

The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, Hutchins Drive. The Headquarters and principal place of business in PRC is at Qunying Jie No. 33, Xueyuan Road, Limin Development Zone, Harbin City, Heilongjiang Province, the PRC. The principal place of business in Hong Kong is at Unit 26, 14/F., Solo Building, 41-43 Carnarvon Road, Tsimshatsui, Kowloon, Hong Kong. The Hong Kong Share Registrar of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

8. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.leader-education.cn>) for a period of 14 days from the date of this circular:

1. Finance Lease Agreement (Guotai)
2. Mortgage Agreement (Guotai)
3. Personal guarantee of Mr. Liu and Ms. Dong in respect of Finance Lease Arrangement (Guotai)
4. Corporate guarantee of Harbin Xiangge in respect of Finance Lease Arrangement (Guotai)
5. Sale and Leaseback Agreement (Haier)
6. Consultation Service Agreement (Haier)
7. Personal guarantee of Mr. Liu and Ms. Dong in respect of Finance Lease Arrangement (Haier)
8. Corporate guarantee of Harbin Xiangge in respect of Finance Lease Arrangement (Haier)
9. Corporate guarantee of Nantong Junhua in respect of Finance Lease Arrangement (Haier)