

TARGET

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LEADER EDUCATION LTD: THIS COMPANY NEEDED AN INJECTION OF CASH ... IN SOMEWHAT OF A HURRY !

And, It Is likely To Ask For A Second Helping, Too

Unquestionably, the Controlling Shareholders of Leader Education Ltd (立德教育有限公司) (Code: 1449, Main Board, The Stock Exchange of Hongkong Ltd) have been forced, due to circumstances throughout the 18 years of the existence of this Company, to put some (or a goodly part) of their Real Assets as collateral in order to placate any and all concerns of the Company's bankers in respect of securing much-needed loans.

As at February 29, 2020, the Controlling Shareholders had pledged their Real Assets to banks, those assets, having a market value of about 298,226,000 renminbi (about \$HK337,791,643.00).

Those pledged Real Assets represented 215 percent of the entire Revenue of the Company with regard to the Financial Year, ended August 31, 2019.

Real Assets are generally defined as being:

'An investment asset class that covers investments in physical assets, such as real estate, energy, and infrastructure. Real assets have an inherent physical worth. Real assets differ from financial assets in that financial assets get their value from a contractual right and are typically intangible.'

The History And Business Of Leader Education Ltd

Leader Education Ltd published and disseminated its Global Offering Prospectus in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, on Monday, July 27, 2020.

At Page 147 of this 611-page document, it was stated that the history of the Company could be traced back to May of 2002 when the People's Government of Heilongjiang Province approved the proposal by NAU (Northeast Agricultural University [東北農業大學]) and Harbin Software Zone Development Company Ltd (哈爾濱軟件園發展有限公司) ("Harbin Software") to co-invest in establishing the Chengdong College of Northeast Agricultural University ("Chengdong College") (東北農業大學成棟學院), the predecessor of Heilongjiang

College of Business and Technology (黑龍江工商學院), in Harbin City, Heilongjiang Province, the PRC, proper, being separate and distinct from the HKSAR of the PRC.

The Founder of Leader Education Ltd was Mr Liu Lai Xiang (劉來祥), a businessman, formerly engaged in making investments since 1995 in various industries, including furniture and cross-border trade in the PRC.

Mr Liu Lai Xiang, along with this wife, Ms Dong Ling (董玲), established Daqing Xiangge Property Development Ltd (大慶市祥閣房地產開發有限公司), *‘focusing on property development business which flourished due to the increasing need for housing and infrastructure supply in China during that time.’*

Mr and Mrs Liu Lai Xiang were both graduates of Harbin Normal University (哈爾濱師範大學) and, according to Page 147 of the Global Offering Prospectus, they were mutually encouraged to enter the education industry in the Heilongjiang Province of the PRC.

The following two paragraphs are copied from Page 147 of the Global Offering Prospectus, verbatim:

‘... seeing the opportunities arising from the needs for talents for furthering the development of China as well as the desire to make contributions to society, since 2006, Mr. Liu and Ms. Dong have gradually focused their efforts on and made significant investment in the higher education industry in Heilongjiang Province supported by the profits accumulated from their property investment and other businesses.

‘They first invested in the construction of Limin Campus of Heilongjiang College of Science and Technology (黑龍江科技學院利民校區) (“Limin Campus”) and Mr. Liu was actively involved in managing its operations (while Ms. Dong was a passive investor). Building on this experience, they further participated (through Harbin Xiangge [Harbin Xiangge Enterprise Management Ltd (哈爾濱祥閣企業管理有限公司)]) in the consolidation of resources between Limin Campus and Chengdong College, the latter of which has continued to develop and become the current Heilongjiang College. The current school sponsor of Heilongjiang College, Harbin Xiangge (which has been ultimately and beneficially owned by Mr. Liu and Ms. Dong since its incorporation on February 7, 2007) became the school sponsor of Chengdong College in June 2011. Since then, Mr. Liu and Ms. Dong (through companies owned by them, including Harbin Xiangge) have indirectly held all the school sponsor’s interest in Heilongjiang College (or Chengdong College, its predecessor).’

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