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## **ALLIANCE INTERNATIONAL EDUCATION LEASING HOLDINGS LIMITED**

### **友聯國際教育租賃控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1563)**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **THE SUBSCRIPTION**

The Board is pleased to announce that on 22 May 2023 (after trading hours), the Company entered into separate Subscription Agreements with each of the Subscribers. Pursuant to all the Subscription Agreements, the Company conditionally agreed to allot and issue, and Subscriber A and Subscriber B conditionally agreed to subscribe for an aggregate of 109,080,000 Subscription Shares at the Subscription Price of HK\$4.65 per Subscription Share.

The gross proceeds from the Subscription are expected to be approximately HK\$507,222,000. The net proceeds from the Subscription (after deducting applicable costs, expenses and fees incurred in the Subscription) are estimated to be approximately HK\$507,000,000. The net price per Subscription Share will be approximately HK\$4.65. The number of 109,080,000 Subscription Shares to be subscribed under the Subscription Agreements represents approximately (i) 6.45% of the issued share capital of the Company as at the date of this announcement; and (ii) 6.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, subject to the completion of the Subscription and assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription.

Completion of each Subscription is not inter-conditional upon the completion of the other Subscription.

## GENERAL MANDATE

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be allotted and issued pursuant to the General Mandate.

**Completion is subject to the fulfillment of the conditions set out in the Subscription Agreements. The Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## THE SUBSCRIPTION

The Board is pleased to announce that on 22 May 2023 (after trading hours), the Company entered into separate Subscription Agreements with each of the Subscribers. Pursuant to all the Subscription Agreements, the Company conditionally agreed to allot and issue, and Subscriber A and Subscriber B conditionally agreed to subscribe for an aggregate of 109,080,000 Subscription Shares at the Subscription Price of HK\$4.65 per Subscription Share.

## THE SUBSCRIPTION AGREEMENTS

Each of the Subscription Agreements is on substantially the same terms (other than the identity of the Subscribers and the number of Subscription Shares) and the principal terms of the Subscription Agreements are summarized below:

### Date

22 May 2023 (after trading hours)

### Parties and number of Subscription Shares:

Subscription Agreements	Parties	No. of Subscription Shares	Consideration (HK\$)
Subscription Agreement A	(1) The Company (2) Chunda International Capital Management Co., Ltd. (淳大國際資本管理有限公司)	64,080,000	297,972,000
Subscription Agreement B	(1) The Company (2) Ms. Yang Fuyi (陽馥伊)	45,000,000	209,250,000
Total:		<u>109,080,000</u>	<u>507,222,000</u>

## **Subscription Shares**

The number of 109,080,000 Subscription Shares to be subscribed under the Subscription Agreements represents approximately (i) 6.45% of the issued share capital of the Company as at the date of this announcement; and (ii) 6.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, subject to the completion of the Subscription and assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription. The aggregate nominal value of the Subscription Shares will be US\$109.08.

## **Conditions of the Subscription**

Completion of the Subscription under each Subscription Agreement is conditional upon fulfillment of the following conditions:

- (1) listing of and permission to deal in the Subscription Shares being granted by the Listing Committee (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (2) the Shares remaining listed and traded on the Stock Exchange, and no queries or opposition being received or anticipated to be received from the Stock Exchange on the listing status of the Company;
- (3) the parties to the Subscription Agreement having obtained all necessary consents, approvals and permission (if applicable) from the relevant organizations, regulatory bodies, government authorities (including the Stock Exchange) as may be required to be obtained in respect of the Subscription and the transactions contemplated under the relevant Subscription Agreement;
- (4) the representations and warranties given by the Company under the Subscription Agreement remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to and including the date of completion of the Subscription; and
- (5) the representations and warranties given by the Subscriber under the Subscription Agreement remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to and including the date of the completion of the Subscription.

Save and except for conditions (4) and (5) as set out above which can be waived by the parties to the Subscription Agreement, no other conditions can be waived. If the conditions are not fulfilled (or waived, if applicable) on or prior to 14 July 2023 or such later date as may be agreed between the Company and the Subscriber in writing (the “**Subscription Long Stop Date**”).

If the conditions are not fulfilled on or before the Subscription Long Stop Date, all obligations of the Company and the Subscriber under each Subscription Agreement shall cease and determine and neither party thereon shall have any claim against the other in relation to the Subscription Agreement save for any antecedent breach of any obligation which may accrue under the Subscription Agreement prior to such termination.

### **Completion of the Subscription**

Completion of each Subscription shall take place within 3 Business Days after the fulfillment or waiver (where permissible) of the conditions set out in the relevant Subscription Agreement (or such other date as the parties thereto may agree in writing).

For Subscription Agreement B, Subscriber B may request the Subscription Shares to be issued and allotted to a company wholly owned and controlled by Subscriber B.

Completion of each Subscription is not inter-conditional upon the completion of the other Subscription.

### **INFORMATION ON THE SUBSCRIBERS**

Based on the information publicly available, details of the Subscribers or ultimate beneficial owners are shown below:

Subscriber A is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. It is wholly-owned by Dr. Liu Zhiwei who has extensive experience in securities investments. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement Dr. Liu Zhiwei, directly and indirectly, holds approximately 0.85% of the Shares and Wealthking Investments Limited (a company listed on the Stock Exchange with stock code 1140, in which Dr. Liu Zhiwei controls issued shares of approximately 26.15%) holds approximately 0.56% of the Shares. Apart from such shareholdings, Subscriber A and its ultimate beneficial owner Dr. Liu Zhiwei are Independent Third Parties and do not otherwise have any interest in the Shares within the meaning of Part XV of the SFO. It is expected that neither Subscriber A nor Dr. Liu Zhiwei will become a substantial shareholder of the Company immediately upon the completion of Subscription Agreement A.

Subscriber B is an individual who is a Hong Kong resident and has over 10 years experience in making investments in the Hong Kong capital market. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Subscriber B is an Independent Third Party and does not otherwise have any interest in the Shares within the meaning of Part XV of the SFO. It is expected that Subscriber B will not become a substantial shareholder of the Company immediately upon the completion of Subscription Agreement B.

## **SUBSCRIPTION PRICE**

The Subscription Price being HK\$4.65 per Subscription Share and representing:

- (i) a discount of approximately 16.96% to the closing price of HK\$5.60 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 18.99% to the average closing prices of HK\$5.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined with reference to the prevailing market price and the recent trade volume of the Shares and was negotiated on an arm's length between the Company and each of the Subscribers. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and is in the interests of the Company and the Shareholders as a whole.

## **RANKING OF THE SUBSCRIPTION SHARES**

The Subscription Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Subscription Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Subscription Shares. The Subscription Shares, when issued and fully paid, will rank *pari passu* in all aspects among themselves and with the Shares in issue on the date of the allotment and issue of the Subscription Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates (by reference to the information on shareholdings available to the Company as at the date of this announcement) the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription, on the assumption that there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription.

Name of Shareholders	Shareholdings as at the date of this announcement		Shareholdings Immediately after completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Union Capital Pte. Ltd. ("Union Capital") <sup>(1)</sup>	768,475,221	45.45%	768,475,221	42.69%
RongJin Enterprise Management & Consulting Co., Ltd ("RongJin") <sup>(2)</sup>	7,881,797	0.47%	7,881,797	0.44%
Subscriber A	—	—	64,080,000	3.56%
Subscriber B	—	—	45,000,000	2.50%
Other public Shareholders <sup>(3)</sup>	<u>914,556,982</u>	<u>54.08%</u>	<u>914,556,982</u>	<u>50.81%</u>
Total	<u>1,690,914,000</u>	<u>100%</u>	<u>1,799,994,000</u>	<u>100%</u>

Notes:

1. Union Capital is wholly-owned by Ms. Sui Yongqing. Ms. Sui Yongqing is therefore deemed to be interested in the Shares in which Union Capital is interested pursuant to the SFO.
2. RongJin is wholly-owned by Mr. Li Luqiang, an executive Director. Mr. Li Luqiang is therefore deemed to be interested in the Shares in which RongJin is interested pursuant to the SFO.
3. As at the date of this announcement, other public Shareholders include Dr. Liu Zhiwei who, directly and indirectly, holds approximately 0.85% of the Shares and Wealthking Investments Limited (a company listed on the Stock Exchange with stock code 1140, in which Dr. Liu Zhiwei controls issued shares of approximately 26.15%) which holds approximately 0.56% of the Shares.

## **APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES**

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of and permission to deal in the Subscription Shares on the Stock Exchange.

### **GENERAL MANDATE**

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the AGM. Under the General Mandate, the Directors are authorized to allot, issue or deal with up to 300,000,000 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM.

Since the grant of the General Mandate on 24 May 2022 and up to the date of this announcement, 190,914,000 Shares have been allotted and issued pursuant to the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares. Accordingly, the Subscription Shares will be allotted and issued under the General Mandate and shall not be subject to any further approval by the Shareholders.

### **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Group is principally engaging in offering private higher education and finance lease services.

The net proceeds of HK\$669,600,000 raised by the Company via placing and subscription completed in December 2022 have been fully utilized on the Group's finance leasing business. It reinforces the Directors' belief that there is an increasing demand for finance leasing business. The Board intends to utilize the net proceeds from the Subscription as working capital and future development purposes for the Group's finance leasing business. The Directors believe that the Subscription will also broaden the shareholder base of the Company. For the avoidance of doubt, no part of the net proceeds from the Subscription will be applied as consideration for the acquisition of 煙台南山學院 (English translated name being Yantai Nanshan University) as set out in the Company's circular dated 3 August 2022.

Further, the Directors consider that the Subscription is currently the preferred methods of fund raising as compared with other equity fund raising exercises based on time and costs involved. Terms of each Subscription Agreement (including the Subscription Price) were determined after arm's length negotiations between the Company and each of the Subscribers. The Directors (including the independent non-executive Directors) consider the Subscription Price and the terms of the Subscription Agreements and the Subscription to be fair and reasonable and are in the interests of the Company and its Shareholders as a whole. As none of the Directors has any material interest in the Subscription, no Director was required to abstain from voting on the board resolutions passed in connection with this announcement.

The gross proceeds from the Subscription are expected to be approximately HK\$507,222,000. The net proceeds from the Subscription (after deducting applicable costs, expenses and fees incurred in the Subscription) are estimated to be approximately HK\$507,000,000. The net price per Subscription Share will be approximately HK\$4.65.

### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Set out below is the fund-raising activities conducted by the Company during the past twelve months immediately prior to the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of announcement</b>
30 November 2022	Placing of 47,160,000 Shares under the General Mandate and Subscription of 143,754,000 Shares under the General Mandate	HK\$669,600,000	Utilizing for the Group's finance leasing business	Fully utilized as intended

Save as the abovementioned, the Company had not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this announcement.

## GENERAL

Completion of the Subscription is subject to the fulfillment of the conditions set out in the Subscription Agreements. The Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“AGM”	the annual general meeting of the Company held on 24 May 2022
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	Alliance International Education Leasing Holdings Limited (友聯國際教育租賃控股有限公司), a company incorporated in the Cayman Islands with limited liability on 19 January 2015, whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 1563)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 300,000,000 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or persons, or entity or entities who/which is/are not a connected person(s) of the Company
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	ordinary share(s) with par value of US\$0.000001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Subscriber A and/or Subscriber B
“Subscriber A”	Chunda International Capital Management Co., Ltd. (淳大國際資本管理有限公司), a company incorporated in British Virgin Islands with limited liability
“Subscriber B”	Ms. Yang Fuyi (陽馥伊), an individual who is a Hong Kong resident
“Subscription”	the subscription for the Subscription Shares by each Subscriber on the terms and subject to the conditions set out in the relevant Subscription Agreement
“Subscription Agreement(s)”	Subscription Agreement A and/or Subscription Agreement B
“Subscription Agreement A”	the subscription agreement dated 22 May 2023 and entered into by the Company and Subscriber A (as may be amended or varied from time to time by an agreement in writing duly executed by the parties to the subscription agreement)
“Subscription Agreement B”	the subscription agreement dated 22 May 2023 and entered into by the Company and Subscriber B (as may be amended or varied from time to time by an agreement in writing duly executed by the parties to the subscription agreement)
“Subscription Price”	HK\$4.65 per Subscription Share
“Subscription Share(s)”	an aggregate of 109,080,000 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements

“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“trading day”	a day on which securities are traded or dealt with on the Stock Exchange
“%”	per cent

By Order of the Board  
**Alliance International Education Leasing Holdings Limited**  
**Song Jianbo**  
*Chairman*

Hong Kong, 22 May 2023

*As at the date of this announcement, the Board comprises Mr. Li Luqiang, Mr. Liu Zhenjiang, Mr. Luo Zhenming, Mr. Qiao Renjie and Mr. Yuen Kin Shan as executive Directors; Mr. Song Jianbo and Mr. Jiao Jianbin as non-executive Directors; and Mr. Liu Changxiang, Mr. Liu Xuewei, Mr. Jiao Jian, Mr. Shek Lai Him Abraham and Ms. Xing Li as independent non-executive Directors.*