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If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**REVISION OF ANNUAL CAPS OF
CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
THE FRAMEWORK PROCUREMENT AGREEMENTS
AND
NOTICE OF EGM**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 18 of this circular. A letter of advice from Somerley Capital (as defined herein) containing its advice and recommendation to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) is set out on pages 21 to 32 of this circular. A letter from the Independent Board Committee is set out on pages 19 to 20 of this circular.

A notice convening the EGM to be held on 13th Floor, T4, Qiaochengfang, No. 4080, Qiaoxiang Road, Nanshan District, Shenzhen, Guangdong, the PRC on Tuesday, 17 October 2023 at 10:00 a.m. is set out on pages 38 to 40 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.aiel-holdings.com>).

If you are not able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish, and in such event, the form of proxy shall be deemed to be revoked. In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

26 September 2023

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Alliance International Education Leasing Holdings Limited (友聯國際教育租賃控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1563)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Transaction Counterparties”	Nanshan Group, Nanshan Development and Longkou Nanshan and their respective subsidiaries and/or associates
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting or any adjournment thereof of the Company to be convened to consider and, if thought fit, approve the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder
“Existing Annual Cap(s)”	the existing annual cap(s) for the transactions contemplated under the Framework Procurement Agreements
“Framework Procurement Agreement I”	the framework procurement agreement entered into between Nanshan University and Nanshan Group dated 6 July 2022, pursuant to which Nanshan University agreed to procure the Goods and Services from Nanshan Group and its subsidiaries and/or associates
“Framework Procurement Agreement II”	the framework procurement agreement entered into between Nanshan University and Longkou Nanshan dated 6 July 2022, pursuant to which Nanshan University agreed to procure the Goods and Services from Longkou Nanshan and its subsidiaries and/or associates

DEFINITIONS

“Framework Procurement Agreement III”	the framework procurement agreement entered into between Nanshan University and Nanshan Development dated 6 July 2022, pursuant to which Nanshan University agreed to procure the Goods and Services from Nanshan Development and its subsidiaries and/or associates
“Framework Procurement Agreements”	the Framework Procurement Agreement I, Framework Procurement Agreement II and Framework Procurement Agreement III
“Goods and Services”	(a) goods including clothes such as staff uniforms, furniture and fixtures, gifts and souvenirs, gasoline, petrol and diesel and other products; and (b) services including repairing and maintenance services, campus sanitary and cleaning services, gardening services, venue and property rental services with term of lease not exceeding one year, laboratory testing services, catering services, accommodation services, construction services and property upgrade services, and other types of goods and services to be agreed by the relevant parties in writing from time to time
“Group”	the Company and its subsidiaries and consolidated affiliated entities, including Nanshan University
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising Mr. Liu Changxiang, Mr. Liu Xuwei, Mr. Jiao Jian, Mr. Shek Lai Him Abraham and Ms. Xing Li, each an independent non-executive Director, established to advise the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder
“Independent Financial Adviser” or “Sommerley Capital”	Sommerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	the Shareholders, other than Union Capital, who are not required to abstain from voting at the EGM to approve the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder
“independent third party(ies)”	entity(ies) or person(s) that is not a connected person of the Company
“Latest Practicable Date”	20 September 2023, being the latest practicable date prior to publication of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longkou Nanshan”	Longkou Nanshan (new) Investment Development Co., Ltd.* (龍口新南山投資發展有限公司), a company established in the PRC with limited liability and was owned as to approximately 83.3% and 16.7% by Mr. Song and Ms. Lv, respectively, as at the Latest Practicable Date
“Mr. Song”	Mr. Song Zuowen (宋作文), the father-in-law of Ms. Sui, the father of Mr. Song Jianbo, and the registered school sponsor of Nanshan University as at the Latest Practicable Date
“Mr. Song Jianbo”	Mr. Song Jianbo (宋建波), a non-executive Director and the spouse of Ms. Sui and the son of Mr. Song, the legal representative, chairman and general manager of Nanshan Group, and was interested in 49% of the equity interest in Nanshan Group as at the Latest Practicable Date
“Ms. Lv”	Ms. Lv Shuling (呂淑玲), the mother-in-law of Ms. Sui and the spouse of Mr. Song
“Ms. Sui”	Ms. Sui Yongqing (隋永清), one of the controlling shareholders of the Company, the daughter-in-law of Mr. Song and the wife of Mr. Song Jianbo
“Nanshan Development”	Shandong Nanshan Construction Development Co., Ltd.* (山東南山建設發展股份有限公司), a company established in the PRC and was owned as to approximately 63.7%, 22.7% and 13.6% by Mr. Song, Nanshan Group and Ms. Sui, respectively, as at the Latest Practicable Date
“Nanshan Group”	Nanshan Holdings Co., Ltd.* (南山集團有限公司), a company established in the PRC with limited liability, and was owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo, as at the Latest Practicable Date

DEFINITIONS

“Nanshan University”	Yantai Nanshan University* (煙台南山學院), located in Longkou City, Shandong Province, the PRC (中國山東省龍口市), a private school registered and approved on 17 October 2000 as a private non-enterprise unit under the laws of the PRC, and its subordinate entities and units from time to time
“Nanshan Village Committee”	the village member committee of Nanshan Village, Dongjiang Street, Longkou City (龍口市東江街道南山村村民委員會), Shandong Province, the PRC
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Revised Annual Caps”	the proposed revised annual caps for the transactions contemplated under the Supplemental Agreements
“Revised Caps Announcement”	the announcement of the Company dated 11 August 2023 in relation to the entering into of the Supplement Agreements and the revision of the Existing Annual Caps to the Revised Annual Caps
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	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
“Supplemental Agreement I”	the supplemental agreement entered into between Nanshan University and Nanshan Group dated 11 August 2023, pursuant to which Nanshan University and Nanshan Group agreed to revise the Existing Annual Caps to the Revised Annual Caps
“Supplemental Agreement II”	the supplemental agreement entered into between Nanshan University and Longkou Nanshan dated 11 August 2023, pursuant to which Nanshan University and Longkou Nanshan agreed to revise the Existing Annual Caps to the Revised Annual Caps

DEFINITIONS

“Supplemental Agreement III”	the supplemental agreement entered into between Nanshan University and Nanshan Development dated 11 August 2023, pursuant to which Nanshan University and Nanshan Development agreed to revise the Existing Annual Caps to the Revised Annual Caps
“Supplemental Agreements”	the Supplemental Agreement I, Supplemental Agreement II and Supplemental Agreement III
“Union Capital”	Union Capital Pte. Ltd., a company incorporated in Singapore on 18 March 2010, one of the controlling shareholders of the Company and was wholly-owned by Ms. Sui as at the Latest Practicable Date
“%”	per cent

English translation of company names in Chinese which are marked with “” are for identification purpose only. In the event of any inconsistency, the Chinese name prevails.*

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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)

Executive Directors:

Mr. Li Luqiang (*Chief Executive Officer*)

Mr. Liu Zhenjiang

Mr. Luo Zhenming

Mr. Qiao Renjie

Mr. Yuen Kin Shan

Registered Office:

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Non-executive Directors:

Mr. Song Jianbo (*Chairman of the Board*)

Mr. Jiao Jianbin

Principal place of business in Hong Kong:

Unit 2602, 26th Floor, One Hennessy

No. 1 Hennessy Road

Wan Chai

Hong Kong

Independent non-executive Directors:

Mr. Liu Changxiang

Mr. Liu Xuewei

Mr. Jiao Jian

Mr. Shek Lai Him Abraham

Ms. Xing Li

26 September 2023

To the Shareholders

Dear Sir/Madam,

**REVISION OF ANNUAL CAPS OF
CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
THE FRAMEWORK PROCUREMENT AGREEMENTS
AND
NOTICE OF EGM**

1. INTRODUCTION

References are made to (1) the announcements of the Company dated 6 July 2022 and 18 August 2022, respectively, as well as the circular of the Company dated 3 August 2022 in relation to the Framework Procurement Agreements, pursuant to which Nanshan University agreed to procure the Goods and Services from the Connected Transaction

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Counterparties during the term of the Framework Procurement Agreements, and (2) the Revised Caps Announcement in relation to the entering into of the Supplemental Agreements and the revision of the Existing Annual Caps to the Revised Annual Caps.

The purpose of this circular is to provide you with, among other things, (i) further information on the Supplemental Agreements and the Revised Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder; (iii) a letter of advice from Somerley Capital to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder; and (iv) a notice of the EGM with the proxy form.

2. THE SUPPLEMENTAL AGREEMENTS

As the actual demand for the Goods and Services under the Framework Procurement Agreements is expected to exceed the original expectations which will result in a corresponding increase in the total amount of expected procurement payable by Nanshan University to the Connected Transaction Counterparties under such agreements, the aggregate amount of expected procurement payable by Nanshan University to the Connected Transaction Counterparties under the Framework Procurement Agreements are expected to be higher than the level envisaged at the time when the parties entered into the Framework Procurement Agreements. Accordingly, the Board expects that the Existing Annual Caps of RMB33 million and RMB37 million for the years ending 31 December 2023 and 2024, respectively, may not be sufficient and proposes such annual caps be revised and increased to the revised annual caps of RMB60 million and RMB70 million for the years ending 31 December 2023 and 2024, respectively through the entering into of the Supplemental Agreements on 11 August 2023.

Principal terms of the Supplemental Agreements

The principal terms of the Supplemental Agreements are set out as follows:

- Date: 11 August 2023 (after trading hours)
- Parties:
- (i) For the Supplemental Agreement I, the parties are Nanshan University and Nanshan Group;
 - (ii) For the Supplemental Agreement II, the parties are Nanshan University and Longkou Nanshan; and
 - (iii) For the Supplemental Agreement III, the parties are Nanshan University and Nanshan Development.

LETTER FROM THE BOARD

Subject matter of the Supplemental Agreements: Pursuant to the Supplemental Agreements, Nanshan University and the Connected Transaction Counterparties agreed to revise the Existing Annual Caps to the Revised Annual Caps. Save for the revision of the Existing Annual Caps to the Revised Annual Caps, all other terms and conditions under the Framework Procurement Agreements shall remain unchanged.

Conditions precedent: The Supplemental Agreements are effective upon fulfilment of the following conditions precedent:

- (i) approval(s) by the Board having been obtained for the Revised Annual Caps contemplated under the Supplemental Agreements; and
- (ii) approval(s) by the Independent Shareholders having been obtained for the Revised Annual Caps contemplated under the Supplemental Agreements.

3. REVISION OF EXISTING ANNUAL CAPS

Historical Transaction Amount

The historical transaction amounts under the Framework Procurement Agreements and utilisation of the Existing Annual Caps under the Framework Procurement Agreements are set out as follows:

	For the period from 18 August 2022 to 31 December 2022 RMB million	For the six months ended 30 June 2023 RMB million (Unaudited)
Historical Transaction Amounts	16.4	17.6
Existing Annual Caps	18.5	33.0 ^(Note)
Utilisation (%)	88.6%	53.3% ^(Note)

Note: The Existing Annual Cap of RMB33.0 million represents the annual cap for the year ending 31 December 2023, and utilisation is calculated based on such annual cap.

LETTER FROM THE BOARD

The Revised Annual Caps

The table below sets out the aggregate amount of the Existing Annual Caps and the Revised Annual Caps for the Framework Procurement Agreements for the years ending 31 December 2023 and 2024:

	Year ending 31 December 2023	Year ending 31 December 2024
	<i>RMB million</i>	<i>RMB million</i>
Existing Annual Caps	33	37
Revised Annual Caps	<u>60</u>	<u>70</u>

Basis of Determination of the Revised Annual Caps

The Revised Annual Caps under the Supplemental Agreements are determined after taking into account the following factors:

- (i) the increase in student enrolment of Nanshan University and its expected growth going forward, as well as the historical transaction amounts. Nanshan University has been endeavouring to provide quality education services, which have in turn attracted students and enhanced student enrolment. For the school year 2022/2023, Nanshan University recorded a substantial increase in number of student enrolment to 13,990 students, which was approximately 41.2% higher as compared to that of 9,908 students for the school year 2021/2022. Such growth in student enrolment was also significantly higher than the previously estimated average student enrolment growth rate of 8.6% per school year. Accordingly, the actual demand for the Goods and Services under the Framework Procurement Agreements is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of expected procurement payable by Nanshan University to the Connected Transaction Counterparties under such agreements. For the period from 18 August 2022 to 31 December 2022, the historical transaction amount under the Framework Procurement Agreements was approximately RMB16.4 million, which represented approximately 88.6% utilisation of the Existing Annual Cap for the same period. For the six months ended 30 June 2023, based on the unaudited management accounts of the Group, the historical transaction amount under the Framework Procurement Agreements was approximately RMB17.6 million, which represented approximately 53.33% utilisation of the Existing Annual Cap for the year ending 31 December 2023. In light of the significant increment in student enrolment for the school year 2022/2023, the Group has upward adjusted the projections on the total number of students of Nanshan University for the coming school years. As compared to the first half of 2023, the demand for the Goods and Services for the second half of

LETTER FROM THE BOARD

2023 is expected to increase alongside the enrolment of new students. The annual cap for the year ending 31 December 2024 has also been increased to RMB70.0 million as a result; and

- (ii) the expected scale of operations of Nanshan University for the years ending 31 December 2023 and 2024. With the increase in student enrolment as mentioned in (i) above, coupled with the development plan of Nanshan University including the planned establishment of a new healthcare college, Nanshan University plans to (a) construct an additional education service centre with a gross floor area of approximately 2,483 square metres, (b) upgrade six student dormitories with housing capacity of approximately 6,000 students in total, and (c) lease additional venues and properties as teaching complex and student dormitories, in order to cope with its increasing operational needs. In such connection, it is expected that the upgrading of two student dormitories and the construction of the additional education service centre will be carried out in the second half of 2023, such that a higher demand for the Goods and Services is expected for the second half of 2023 as compared to the first half of 2023. The increase in student enrolment would also expedite the wear and tear of school facilities, which would in turn exacerbate the operational needs of Nanshan University. Accordingly, the demand for Goods and Services, in particular, repairing and maintenance services, campus sanitary and cleaning services and gardening services, is expected to increase for the years ending 31 December 2023 and 2024.

4. PRICING PRINCIPLES

The price of the Goods and Services shall be determined with reference to the price charged by at least two independent third party suppliers who offer the same or similar type of goods or services under normal commercial terms, taking into account the quantity and specifications of the goods and services procured (where applicable).

Procurement of goods

The goods procured or to be procured by Nanshan University under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements), including staff uniforms, furniture and fixtures such as desks and chairs, gifts and souvenirs such as desktop ornaments, and gasoline, petrol and diesel, are all normal goods and commodities where independent third party suppliers are available in the market. As such, Nanshan University will seek and compare quotes for similar goods from at least two independent third party suppliers in the market before making a purchase in order to determine if the prices and terms offered by the relevant Connected Transaction Counterparties under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered by such independent third party suppliers, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment

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criteria including unit price, quality and suitability of the goods, payment terms, and time required for the provision and delivery of the goods, with reference to the specific needs of Nanshan University. As a matter of general principle, if all suppliers quoted are able to satisfy the needs of Nanshan University in terms of quality and suitability of goods and lead time, priority will be given to the supplier that offers the lowest unit price. If Nanshan University is able to obtain more favourable prices and terms for similar goods from independent third party suppliers, it will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such goods, and has the full discretion not to procure from the Connected Transaction Counterparties.

Procurement of services

With respect to repairing and maintenance services such as teaching equipment repairment and school facilities maintenance, campus sanitary and cleaning services, gardening and greening services such as lawn maintenance, laboratory testing services, catering and accommodation services, construction services and property upgrade services procured or to be procured by Nanshan University, independent third party suppliers are likewise available in the market. Nanshan University will seek and compare quotes for similar services from at least two independent third party suppliers in the market before making a purchase in order to determine if the prices and terms offered by the relevant Connected Transaction Counterparties under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered by such independent third party suppliers, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment criteria including price, quality and suitability of the services, payment terms, and time required for the provision of the services, with reference to the specific needs of Nanshan University. As a matter of general principle, if all suppliers quoted are able to satisfy the needs of Nanshan University in terms of quality and suitability of services and lead time, priority will be given to the supplier that offers the lowest price. If Nanshan University is able to obtain more favourable prices and terms for similar services from independent third party suppliers, Nanshan University will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such services, and has the full discretion not to procure from the Connected Transaction Counterparties.

For the venue and property rental services (with term of lease not exceeding one year) procured or to be procured by Nanshan University, Nanshan University will seek and compare quotes for at least two comparable venues or properties (in terms of location, floor area and availability of fixtures and fittings, where applicable) of independent third parties in the market, so as to determine if the prices and terms offered by the relevant Connected Transaction Counterparties under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered in relation to comparable venues or properties, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment

LETTER FROM THE BOARD

criteria including the rent, payment terms, option to renew, overall condition and earliest available date of the venues or properties. As a matter of general principle, if all venues or properties quoted are able to satisfy the needs of Nanshan University, particularly in terms of earliest available date and option to renew, priority will be given to the venue or property with lowest rent per square metre. If Nanshan University is able to obtain more favourable prices and terms for comparable venues or properties, Nanshan University will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such venues or properties, and has the full discretion not to procure from the Connected Transaction Counterparties.

5. REASONS AND BENEFITS OF THE SUPPLEMENTAL AGREEMENTS

The transactions contemplated under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) have been and will continue to be conducted in the ordinary and usual course of business of Nanshan University, hence the Group.

In view of the long-standing and amicable business relationship between Nanshan University and the Connected Transaction Counterparties, the Connected Transaction Counterparties are reliable business partners and future business cooperation between Nanshan University and the Connected Transaction Counterparties will be beneficial to the operations of the Nanshan University, and the Group.

The Directors (excluding the independent non-executive Directors whose recommendation is set out in the letter from the Independent Board Committee in this circular) consider that:

- (i) the terms of the Supplemental Agreements, including the Revised Annual Caps, are normal commercial terms or better in the ordinary and usual course of business that are fair and reasonable;
- (ii) the Revised Annual Caps under the Supplemental Agreements for the years ending 31 December 2023 and 2024 are fair and reasonable; and
- (iii) the transactions contemplated under the Supplemental Agreements are in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

6. INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company. The Group is principally engaged in (i) finance leasing and provision of finance leasing and advisory services to customers mainly in the healthcare, aviation, shipping and public infrastructure industries in the PRC, and (ii) provision of private higher education in the PRC

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primarily through Nanshan University, a private institution of higher education that provides undergraduate and junior college diploma programmes, the financial results of which are consolidated into the consolidated financial statements of the Group.

Nanshan Group

Nanshan Group is a company established in the PRC with limited liability. Nanshan Group, together with its subsidiaries, are a conglomerate with principal businesses encompassing aluminium, textile apparel, petrochemical, finance, aviation, real estate, healthcare, education, shipping and tourism. As at the Latest Practicable Date, Nanshan Group was owned as to 51.0% by the Nanshan Village Committee and 49.0% by Mr. Song Jianbo.

Nanshan Village Committee

Nanshan Village Committee is a special legal person registered with the local bureau of civil affairs in Longkou. According to the Law on the Organisation of Village Committees of the PRC (中華人民共和國村民委員會組織法), Nanshan Village Committee is responsible for the villagers' council and the villagers' representative council and report work to them, and it is a primary-level collective self-governance organisation which operates for the villagers' self-governance, self-education and self-service.

Nanshan Village Committee administers public affairs and matters for public welfare, mediates civilian disputes, assists in the maintenance of social security and reverts villagers' opinions, requests and suggestions to the People's government.

Nanshan Village Committee consists of six members. These members are elected by the representatives of the villagers in Nanshan Village. There are no beneficial owners for Nanshan Village Committee.

Longkou Nanshan

Longkou Nanshan is a company established in the PRC with limited liability. Longkou Nanshan, together with its subsidiaries, are principally engaged in a range of businesses from catering, exhibition, hospitality to production and sales of construction materials. As at the Latest Practicable Date, Longkou Nanshan was owned as to approximately 83.3% and 16.7% by Mr. Song and Ms. Lv, respectively.

Nanshan Development

Nanshan Development is a company established in the PRC with limited liability, and is principally engaged in property management and property development and sales. As at the Latest Practicable Date, Nanshan Development was owned as to approximately 63.7%, 22.7% and 13.6% by Mr. Song, Nanshan Group and Ms. Sui, respectively.

LETTER FROM THE BOARD

7. INTERNAL CONTROL MEASURES

The Group has adopted the following internal control procedures to manage the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) and the transactions contemplated thereunder, so as to ensure the compliance with the Listing Rules:

- (i) when possible connected transaction arises during the course of business of Nanshan University which falls under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements), relevant staff will report to the finance department of Nanshan University regarding the details of the connected party and the possible transaction with such connected party;
- (ii) when the needs for the Goods and Services arise, the relevant business department of Nanshan University will obtain quotations and transaction terms from at least two independent third parties in respect of comparable goods or services. The relevant business department of Nanshan University will compare the quotations and transaction terms obtained in accordance with the applicable pricing principles set out in “4. Pricing Principles” above, and the comparison results together with the supplier identified will be presented to the compliance department of Nanshan University for review and approval. If the supplier so identified and approved is a Connected Transaction Counterparty, the transaction will be subject to further approval as detailed in paragraph (iii) below;
- (iii) the possible connected transaction will need to be approved by the management of Nanshan University, who will consider, among others, whether the terms and price of the transaction are fair and reasonable, normal commercial terms or better, no less favourable than those with independent third parties, and in compliance with the terms of the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements);
- (iv) if the possible connected transaction is approved to be conducted, the finance department of Nanshan University will regularly monitor the performance of the transaction at least on a quarterly basis to ensure that the transaction falls within the terms of the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements);
- (v) the finance department of Nanshan University will also regularly monitor the transaction amounts under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) at least on a quarterly basis to ensure that the transaction amounts have not exceeded and will not exceed the approved annual caps. If the actual transaction amount reaches a certain percentage of the approved annual caps, or it is expected that a substantial portion of the approved annual caps will be utilised within a short period of time, the finance department of Nanshan University will report to the chief financial officer of the Company, who will then consider whether it is necessary to revise the annual caps amount and re-comply with the relevant Listing Rules requirements;

LETTER FROM THE BOARD

- (vi) the independent non-executive Directors will be provided with the Framework Procurement Agreements, the Supplemental Agreements, the quotations obtained, as well as the report on the transaction details, for the purpose of conducting annual review of the connected transactions under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements); and
- (vii) the auditors of the Company will also conduct annual review of the transactions under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements).

8. LISTING RULES IMPLICATIONS

The Company has effective control over Nanshan University and enjoys 70.0% of the economic benefits generated by Nanshan University and the financial results of Nanshan University has been consolidated to the consolidated financial statements of the Group.

As at the Latest Practicable Date, Nanshan Group was owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo, a non-executive Director, who is also the legal representative, chairman and general manager of Nanshan Group. Given Mr. Song Jianbo is a non-executive Director and the spouse of Ms. Sui, a controlling shareholder of the Company, Nanshan Group is an associate of Mr. Song Jianbo and Ms. Sui pursuant to the Listing Rules and is therefore a connected person of the Company. Further, as at the Latest Practicable Date, (i) Longkou Nanshan was owned as to approximately 83.3% by Mr. Song, the registered school sponsor of Nanshan University, the father of Mr. Song Jianbo and the father-in-law of Ms. Sui, and a connected person of the Company, and approximately 16.7% by Ms. Lv, the spouse of Mr. Song, the mother of Mr. Song Jianbo and the mother-in-law of Ms. Sui, and (ii) Nanshan Development was owned as to approximately 63.7% by Mr. Song. As such, Longkou Nanshan and Nanshan Development are associates of Mr. Song Jianbo and Mr. Song pursuant to the Listing Rules and are therefore connected persons of the Company. Accordingly, the transactions contemplated under the Supplemental Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, as the Company proposes to revise the annual caps for its continuing connected transactions, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. In addition, pursuant to the note under Rule 14A.35 of the Listing Rules, if there is any material variation of its terms in relation to connected transaction, the Company must announce such fact as soon as practicable and must also re-comply with the relevant Listing Rules.

Given (i) the relationship between Mr. Song and Mr. Song Jianbo and their respective interests in the Connected Transaction Counterparties, (ii) the similar nature of the Supplemental Agreements, and (iii) the Supplemental Agreements are all entered into within a 12-month period, the transactions under the Framework Procurement Agreements as revised by the Supplemental Agreements form a series of transactions which should be treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As one

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or more of the applicable percentage ratios (other than the profit ratio) in respect of the Revised Annual Caps under the Supplemental Agreements is more than 5.0%, and the aggregate annual consideration payable under the Framework Procurement Agreements as revised by the Supplemental Agreements, on an annual basis, is more than HK\$10,000,000, the revision of the Existing Annual Caps to the Revised Annual Caps through the entering into of the Supplemental Agreements is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Mr. Song Jianbo, in view of his interests in the Connected Transaction Counterparties as mentioned above, has abstained from voting on the board resolution for approving the Supplemental Agreements including the Revised Annual Caps. Save as disclosed above, none of the Directors has abstained from voting on such board resolution.

9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Liu Changxiang, Mr. Liu Xuewei, Mr. Jiao Jian, Mr. Shek Lai Him Abraham and Ms. Xing Li, each an independent non-executive Director, has been established to advise the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder, and to advise the Independent Shareholders as to how to vote at the EGM. Please refer to the letter form the Independent Board Committee on pages 19 to 20 of this circular, which sets out the recommendation from the Independent Board Committee in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.

Somerley Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect. Please refer to the letter form Somerley Capital on pages 21 to 32 of this circular, which sets out the advice from Somerley Capital in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.

10. EGM AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held on 13th Floor, T4, Qiaochengfang, No. 4080, Qiaoxiang Road, Nanshan District, Shenzhen, Guangdong, the PRC on Tuesday, 17 October 2023 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, to approve the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder. The notice of the EGM is set on pages 38 to 40 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours (i.e. Sunday, 15 October 2023 at 10:00 a.m.) before the time appointed for holding the EGM or any adjournment thereof (as the

LETTER FROM THE BOARD

case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be), if you so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 13 October 2023 to Tuesday, 17 October 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 12 October 2023.

Votes on the resolution to be considered at the EGM shall be taken by poll. As at the Latest Practicable Date, Union Capital, which is wholly owned by Ms. Sui, held 768,475,221 Shares, representing approximately 45.45% of the entire issued share capital of the Company. Given that, among others, Mr. Song is the father-in-law of Ms. Sui, and that Ms. Sui is the wife of Mr. Song Jianbo, a non-executive Director who is also the legal representative, chairman and general manager of Nanshan Group and was interested in 49% of the equity interest in Nanshan Group as at the Latest Practicable Date, Union Capital will abstain from voting on the resolution in relation to the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder, at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save as Union Capital, no Shareholder has a material interest in the resolution to be proposed at the EGM who shall abstain from voting at the EGM.

11. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee on pages 19 to 20 of this circular, which sets out the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder; and (ii) the letter from Somerley Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders on pages 21 to 32 of this circular, which contains the advice of Somerley Capital in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.

The Directors (excluding the independent non-executive Directors whose recommendation is set out in the letter from the Independent Board Committee in this circular) consider that:

- (i) the terms of the Supplemental Agreements, including the Revised Annual Caps, are normal commercial terms or better in the ordinary and usual course of business that are fair and reasonable;

LETTER FROM THE BOARD

- (ii) the Revised Annual Caps under the Supplemental Agreements for the years ending 31 December 2023 and 2024 are fair and reasonable; and
- (iii) the transactions contemplated under the Supplemental Agreements are in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.

12. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, setting out its recommendation to the Independent Shareholders in relation to the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.



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)

26 September 2023

To the Independent Shareholders,

Dear Sir/Madam,

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK PROCUREMENT AGREEMENTS

We refer to the circular issued by the Company to the Shareholders of even date (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder. Somerley Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of the advice of Somerley Capital, together with the principal factors and reasons which Somerley Capital has taken into consideration in arriving such advice, are set out on pages 21 to 32 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Somerley Capital stated in its letter of advice, we consider that:

- (i) the terms of the Supplemental Agreements, including the Revised Annual Caps, are normal commercial terms or better in the ordinary and usual course of business that are fair and reasonable;

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

- (ii) the Revised Annual Caps under the Supplemental Agreements for the years ending 31 December 2023 and 2024 are fair and reasonable; and
- (iii) the transactions contemplated under the Supplemental Agreements are in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Agreements, including the Revised Annual Caps and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Alliance International Education Leasing Holdings Limited

Mr. Liu Changxiang
Independent non-executive Director

Mr. Liu Xuewei
Independent non-executive Director

Mr. Jiao Jian
Independent non-executive Director

Mr. Shek Lai Him Abraham
Independent non-executive Director

Ms. Xing Li
Independent non-executive Director

LETTER FROM SOMERLEY CAPITAL

The following is the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

26 September 2023

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK PROCUREMENT AGREEMENTS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent board committee and the independent shareholders of Alliance International Education Leasing Holdings Limited (the “**Company**”) in respect of the revision of annual caps of the continuing connected transactions in relation to the framework procurement agreements for the two years ending 31 December 2023 and 31 December 2024 (the “**Annual Caps Revision**”). Details of the Annual Caps Revision are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company dated 26 September 2023 (the “**Circular**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On 6 July 2022, Nanshan University and each of Nanshan Group, Longkou Nanshan and Nanshan Development entered into the Framework Procurement Agreements, pursuant to which Nanshan University agreed to procure the Goods and Services from the Connected Transaction Counterparties during the term of the Framework Procurement Agreements. The transactions contemplated under the Framework Procurement Agreements were approved by the independent shareholders of the Company at the extraordinary general meeting on 18 August 2022.

As set out in the Board Letter, the actual demand for the Goods and Services under the Framework Procurement Agreements is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of procurement payable by Nanshan University to the Connected Transaction Counterparties for the two years ending 31 December 2023 and 2024. The Board expects that the Existing Annual Caps may not be sufficient. On 11 August 2023, Nanshan University entered into the Supplemental

LETTER FROM SOMERLEY CAPITAL

Agreements with Nanshan Group, Longkou Nanshan and Nanshan Development to revise the Existing Annual Caps to the Revised Annual Caps for the two years ending 31 December 2023 and 2024.

As at the Latest Practicable Date, the Company has effective control over Nanshan University and enjoys 70.0% of the economic benefits generated by Nanshan University and the financial results of Nanshan University has been consolidated to the consolidated financial statements of the Group. As at the Latest Practicable Date, Nanshan Group is owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo, who is also a non-executive director and the legal representative, chairman and general manager of Nanshan Group. Given Mr. Song Jianbo is a non-executive Director and the spouse of Ms. Sui, a controlling shareholder of the Company, Nanshan Group is an associate of Mr. Song Jianbo and Ms. Sui pursuant to the Listing Rules and is therefore a connected person of the Company. Further, as at the Latest Practicable Date, (i) Longkou Nanshan is owned as to approximately 83.3% by Mr. Song, the registered school sponsor of Nanshan University, the father of Mr. Song Jianbo and the father-in law of Ms. Sui, and 16.7% by Ms. Lv, the spouse of Mr. Song, the mother of Mr. Song Jianbo and the mother-in-law of Ms. Sui, and (ii) Nanshan Development is owned as to approximately 63.7% by Mr. Song. As such, Longkou Nanshan and Nanshan Development are associates of Mr. Song pursuant to the Listing Rules and are therefore connected persons of the Company. As one or more of the applicable percentage ratios in respect of the Revised Annual Caps under the Supplemental Agreements calculated under Rule 14.07 of the Listing Rules exceeds 5%, and the aggregate annual consideration payable is more than HK\$10,000,000, the transactions contemplated under the Supplemental Agreements and the Revised Annual Caps constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are therefore subject to reporting, announcement and independent shareholders' approval requirements.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Changxiang, Mr. Liu Xuewei, Mr. Jiao Jian, Mr. Shek Lai Him Abraham and Ms. Xing Li, has been established to advise the Independent Shareholders in respect of the Supplemental Agreements and the Revised Annual Caps. We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard (the "**Engagement**").

During the past two years, Somerley Capital Limited has acted as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to a major transaction and continuing connected transaction (details of which are set out in the Company's circular dated 19 December 2022). The past engagement was limited to providing independent advisory services to the independent board committee and independent shareholders of the Company pursuant to the Listing Rules. Under the past engagement, Somerley Capital Limited received normal professional fees from the Company. As at the Latest Practicable Date, there were no relationships or interests between (a) Somerley Capital Limited and (b) the Group and the Connected Transaction Counterparties that could reasonably be regarded as a hindrance to our

independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the Engagement.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group (the “**Management**”) and we have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. However, we have not conducted any independent investigation into the business and affairs of the Group or the Connected Transaction Counterparties, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice and recommendation with regard to the Supplemental Agreements and the Revised Annual Caps, we have taken into account the principal factors and reasons set out below:

1. Information of the Group

The Group is principally engaged in (i) finance leasing and provision of finance leasing and advisory services to customers mainly in the healthcare, aviation, shipping and public infrastructure industries in the PRC, and (ii) provision of private higher education in the PRC primarily through Nanshan University, a private institution of higher education that provides undergraduate and junior college diploma programmes.

2. Information of Nanshan Group, Nanshan Village Committee, Longkou Nanshan and Nanshan Development

Nanshan Group is a company established in the PRC with limited liability. Nanshan Group, together with its subsidiaries, are a conglomerate with principal businesses encompassing aluminium, textile apparel, petrochemical, finance, aviation, real estate, healthcare, education, shipping and tourism.

Nanshan Village Committee is a special legal person registered with the local Bureau of Civil Affairs in Longkou. According to the Law on the Organisation of Village Committees of the PRC (中華人民共和國村民委員會組織法), Nanshan Village Committee is responsible for the villagers’ council and the villagers’ representative council and report work to them, and it is a primary-level collective self-governance organisation which operates for the villagers’ self-governance, self-education and self-service.

LETTER FROM SOMERLEY CAPITAL

Longkou Nanshan is a company established in the PRC with limited liability. Longkou Nanshan, together with its subsidiaries, is principally engaged in a range of businesses from catering, exhibition, hospitality to production and sales of construction materials.

Nanshan Development is a company established in the PRC with limited liability, and is principally engaged in property management and property development and sales.

3. Reasons for the Annual Caps Revision

As mentioned in the section headed “1. Information of the Group” of this letter above, the Group is principally engaged in, among other things, the provision of private higher education in the PRC primarily through Nanshan University. Nanshan University has entered into the Framework Procurement Agreements with Nanshan Group, Longkou Nanshan and Nanshan Development, pursuant to which Nanshan University has agreed to procure the Goods and Services from the Connected Transaction Counterparties during the term of the Framework Procurement Agreements.

As disclosed in the annual report of the Company for the year ended 31 December 2022, the number of student admission to Nanshan University recorded a stable growth and the total number of student enrolments has been on a rising trend. As advised by the Management, the total number of students at Nanshan University has increased significantly from approximately 23,000 students for the school year 2018/2019 to approximately 32,800 students for the school year 2022/2023, with an increase in student enrolments from approximately 8,800 students for the school year 2019/2020 to approximately 9,900 students for the school year 2021/2022 and approximately 14,000 students for the school year 2022/2023. The Management expects the scale of operations of Nanshan University will continue to grow in the coming years with the increasing number of student enrolments. Based on the number of approved-to-enrol students and the development plan of Nanshan University, it is expected that there will be no less than 12,000 students enrolled for each of the school year 2023/2024 and the school year 2024/2025, which exceed the expectation of the number of student enrolments when Nanshan University entered into the Framework Procurement Agreements.

Given the expected increase in the number of students of Nanshan University as mentioned above, it is expected that Nanshan University will need to prepare more Goods and Services for its day-to-day operation. In addition, we understand from the Management that with the increasing number of student enrolments at Nanshan University, it is necessary to look for extra suitable housing capacity near Nanshan University to provide additional accommodation to satisfy the housing needs of the students. Also, to cope with the increased demand for catering services with the increasing number of student enrolments, Nanshan University plans to construct an additional education service centre, providing catering services and dining spaces to students.

As advised by the Management, Nanshan University and the Connected Transaction Counterparties have a long-standing and amicable business relationship and the Group has procured the Goods and Services from the Connected Transaction Counterparties with no major disputes in the past few years. Also, as advised by the Management, the Connected Transactions Counterparties have strong business networks in the area where Nanshan University is located and given the Group's close relationship with the Connected Transaction Counterparties, the Management considers the Connected Transaction Counterparties reliable business partners. The Management considers that the past transactions between the Group and the Connected Transaction Counterparties were conducted under fair and reasonable terms, and it is appropriate to continue the business relationship with the Connected Transaction Counterparties so as to maintain a stable operation of Nanshan University. In view of the above, the Management considers that the Group would need to procure more Goods and Services from the Connected Transaction Counterparties and proposes to revise the Existing Annual Caps to the Revised Annual Caps through entering into the Supplemental Agreements.

Taking into account (i) the reasons and benefits of the Annual Caps Revision as mentioned above; (ii) that the transactions contemplated under the Supplemental Agreements are in line with the Group's principal business; (iii) the expected scale of operations of Nanshan University for the coming years; and (iv) that the Group has been conducting transactions with the Connected Transaction Counterparties with no major disputes over the past few years, we concur with the Management's view that the transactions contemplated under the Supplemental Agreements are in the interests of the Company and the Shareholders as a whole and is in the ordinary and usual course of business of the Group.

4. Pricing policies of the transactions contemplated under the Supplemental Agreements

As set out in the Board Letter, the price of the Goods and Services shall be determined with reference to the price charged by at least two independent third party suppliers who offer the same or similar type of goods or services under normal commercial terms, taking into account the quantity and specifications of the goods and services procured (where applicable).

Procurement of goods

The goods procured or to be procured by Nanshan University under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements), including staff uniforms, furniture and fixtures such as desks and chairs, gifts and souvenirs such as desktop ornaments, and gasoline, petrol and diesel, are all normal goods and commodities where independent third party suppliers are available in the market. As such, Nanshan University will seek and compare quotes for similar goods from at least two independent third party suppliers in the market before making a purchase in order to determine if the prices and terms offered by the relevant Connected Transaction Counterparties

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under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered by such independent third party suppliers, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment criteria including unit price, quality and suitability of the goods, payment terms, and time required for the provision and delivery of the goods, with reference to the specific needs of Nanshan University. As a matter of general principle, if all suppliers quoted are able to satisfy the needs of Nanshan University in terms of quality and suitability of goods and lead time, priority will be given to the supplier that offers the lowest unit price. If Nanshan University is able to obtain more favourable prices and terms for similar goods from independent third party suppliers, it will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such goods, and has the full discretion not to procure from the Connected Transaction Counterparties.

Procurement of services

With respect to repairing and maintenance services such as teaching equipment repairment and school facilities maintenance, campus sanitary and cleaning services, gardening and greening services such as lawn maintenance, laboratory testing services, catering and accommodation services, construction services and property upgrade services procured or to be procured by Nanshan University, independent third party suppliers are likewise available in the market. Nanshan University will seek and compare quotes for similar services from at least two independent third party suppliers in the market before making a purchase in order to determine if the prices and terms offered by the relevant Connected Transaction Counterparties under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered by such independent third party suppliers, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment criteria including price, quality and suitability of the services, payment terms, and time required for the provision of the services, with reference to the specific needs of Nanshan University. As a matter of general principle, if all suppliers quoted are able to satisfy the needs of Nanshan University in terms of quality and suitability of services and lead time, priority will be given to the supplier that offers the lowest price. If Nanshan University is able to obtain more favourable prices and terms for similar services from independent third party suppliers, Nanshan University will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such services, and has the full discretion not to procure from the Connected Transaction Counterparties.

For the venue and property rental services (with term of lease not exceeding one year) procured or to be procured by Nanshan University, Nanshan University will seek and compare quotes for at least two comparable venues or properties (in terms of location, floor area and availability of fixtures and fittings, where applicable) of independent third parties in the market, so as to determine if the prices and terms offered by the relevant Connected Transaction Counterparties under the Framework Procurement Agreements (as supplemented and amended by the Supplemental Agreements) are comparable to those offered in relation to comparable venues or properties, and assess and review their fairness and reasonableness. When making such comparison, Nanshan University will take into consideration various assessment criteria including the rent, payment terms, option to renew, overall condition and earliest available date of the venues or properties. As a matter of general principle, if all venues or properties quoted are able to satisfy the needs of Nanshan University, particularly in terms of earliest available date and option to renew, priority will be given to the venue or property with lowest rent per square metre. If Nanshan University is able to obtain more favourable prices and terms for comparable venues or properties, Nanshan University will negotiate with the relevant Connected Transaction Counterparties for comparable price and terms for such venues or properties, and has the full discretion not to procure from the Connected Transaction Counterparties.

We noted that the pricing policies of the transactions contemplated under the Supplemental Agreements are similar to those set out under the Framework Procurement Agreements. For due diligence purpose, we have reviewed one set of the relevant pricing document for each of the procurement of goods, procurement of services and procurement of venue and property rental services of Nanshan University. Based on our review, we note that Nanshan University has followed the aforesaid pricing principles by comparing to the prices of comparable goods and services from at least two independent sources.

Having considered the above, we are of the view that the pricing terms of procurement for the Goods and Services are fair and reasonable so far as the Independent Shareholders are concerned.

5. The Revised Annual Caps

The Supplemental Agreements, dated 11 August 2023, were entered into between Nanshan University and the Connected Transaction Counterparties, to revise the Existing Annual Caps to the Revised Annual Caps for the two years ending 31 December 2023 and 2024.

LETTER FROM SOMERLEY CAPITAL

The table below sets out the aggregate amount of the historical transaction amounts under the Framework Procurement Agreements for the period from 18 August 2022 (date of the Framework Procurement Agreements were being approved by the independent shareholders of the Company) to 31 December 2022 and the six months ended 30 June 2023, and the Existing Annual Caps and the Revised Annual Caps.

	For the period from 18 August 2022 to 31 December 2022	For the six months ended 30 June 2023	For the year ending 31 December 2023	For the year ending 31 December 2024
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical transaction amounts	16.4	17.6	N/A	N/A
Existing Annual Caps	18.5	N/A	33	37
Revised Annual Caps	N/A	N/A	60	70

In our assessment of the reasonableness of the Revised Annual Caps under the Supplemental Agreements, we have reviewed and discussed with the Management of the estimation of the Goods and Services to be procured by Nanshan University from the Connected Transaction Counterparties for the years ending 31 December 2023 and 2024 and the underlying bases and assumptions respectively. The basis of determining the Revised Annual Caps are further discussed below.

5.1 The basis of determining the Revised Annual Cap for the year ending 31 December 2023 (the “2023 Revised Annual Cap”)

5.1.1 Construction of an education service centre by 2023

As advised by the Management, the expected total number of students at Nanshan University will increase from approximately 32,800 students in the school year 2022/2023 to approximately 36,000 students in the school year 2023/2024. With the increasing number of student enrolments, the Group considers there is a necessity to construct an education service centre for students to meet their dietary needs and provide dining spaces to students. We have discussed with the Management and understand that the construction of the education service centre will be carried out in the second half of 2023. Based on the internal construction plan of the education service centre obtained from Nanshan University, we noted that the Group expects the cost for the construction of the education service centre will be approximately RMB12 million.

For our due diligence purpose, we have reviewed the relevant tender documents obtained by Nanshan University in relation to the construction of the education service centre, which comprise, (a) three tender documents for procurement of building construction services (two of which were obtained from independent third parties) and (b) four tender documents for procurement of furnishings (three of which were obtained from independent third parties), and noted that the Management has estimated the cost for the construction based on the tender documents.

5.1.2 To upgrade two student dormitories during 2023

Nanshan University has reviewed the current status of the student dormitories and noted that some of them could no longer satisfy the needs of the students of the university. Therefore, the Group plans to upgrade two student dormitories by the end of 2023, in order to offer students more comfortable and modernised accommodation. According to the internal upgrading plan of the students dormitories obtained from Nanshan University, we noted that the Group expects the cost for upgrading two student dormitories will be approximately RMB7.2 million.

For our due diligence purpose, we have reviewed the relevant tender documents obtained by Nanshan University in relation to upgrading two student dormitories, which comprise, (a) three tender documents for procurement of building refurbishment services (two of which were obtained from independent third parties) and (b) four tender documents for procurement of furnishings (three of which were obtained from independent third parties), and noted that the Management has estimated the cost for upgrading two student dormitories based on the tender documents.

5.1.3 Leasing for extra housing capacity and campus area of the healthcare college

As a result of the increasing need for housing capacity to meet the needs from the students, Nanshan University expects to rent a gross area of approximately 24,000 square metres from Nanshan Group starting from the middle of the third quarter of 2023 to provide extra housing capacity for students, and such extra housing capacity would provide extra residential place for students.

We also discussed with the Management and understand that Nanshan University has performed research on the market rental rate of suitable buildings where Nanshan University is located. Based on such research and the latest discussion with the Connected Transaction Counterparties, the Management has estimated the rental rate to be RMB0.5 per square metre per day. We have reviewed the relevant research information and noted that Nanshan University has compared the estimated rental rate with the market rental rate of two comparable venues from an independent source. Accordingly, the Management expects that rental expense of approximately RMB1.79 million will be incurred for renting extra housing capacity the year ending 31 December 2023.

Also, to cope with the latest development of Nanshan University, Nanshan University plans to provide additional area for its healthcare college. The expected gross floor area of the additional healthcare college area is approximately 43,000 square metres, including teaching rooms and auditorium. As advised by the Management, due to the constraint in size of the current campus of Nanshan University and the time needed for constructing of a new campus area, Nanshan University has planned to lease the suitable buildings for the purpose of expanding the healthcare college starting from the middle of the third quarter of 2023.

According to the current plan of Nanshan University, we noted that the rental expense for the healthcare college is expected to be approximately RMB3.23 million for the year ending 31 December 2023. We have discussed with the Management and understand that the Management has estimated such amount based on the expected rental area needed and the expected rental rate as obtained from market research.

5.1.4 Increase in demand for the Goods and Services

With the increase in total number of students of Nanshan University, the Management estimates that the demand for the Goods and Services for the second half of the year is generally to be more than the first half of the year as a result of all the new students are being enrolled in September. Therefore, alongside the increase in student enrolment, the operational needs of Nanshan University would increase, in particular, food procurements, repairing and maintenance services, campus sanitary and cleaning services and gardening services, and the demand for the Goods and Services is expected to increase for the year ending 31 December 2023.

After considering the abovementioned factors, the Management has estimated the 2023 Revised Annual Cap to be RMB60 million and we are of the view that the 2023 Revised Annual Cap is fair and reasonable.

5.2 *The basis of determining the Revised Annual Cap for the year ending 31 December 2024 (the “2024 Revised Annual Cap”)*

5.2.1 *To upgrade four student dormitories during 2024*

As discussed in the section above, the Group considers there is a need to upgrade the student dormitories in order to offer a better learning environment to the students. Therefore, Nanshan University expect to further upgrade another four student dormitories by the end of 2024. According to the internal upgrading plan of the student dormitories of Nanshan University, we noted that the Group expects the cost for upgrading four dormitories will be approximately RMB14.7 million. We have discussed with the Management and understand that the basis of estimating such amount is consistent with that for estimating the costs of upgrading two student dormitories in 2023.

5.2.2 *Continuity of leasing for extra housing capacity and campus of the healthcare college*

As mentioned in the paragraph above, Nanshan University has planned to start renting a gross area of approximately 67,000 square metres in total from Nanshan Group, starting from the middle of the third quarter of 2023, to provide extra housing capacity for students and additional area for healthcare college. As discussed with the Management, such leasing will extend throughout the year ending 31 December 2024.

According to the current plan of Nanshan University, we noted that the rental expense is expected to be approximately RMB12.3 million for the year ending 31 December 2024. We have discussed with the Management and understand that the Management has estimated such an amount based on the same rental area and the same expected rental rate used to determine the rental expenses for the year ending 31 December 2023.

5.2.3 *The 2023 Revised Annual Cap and further increase in demand for the Goods and Services*

We understand that the Management has also considered the 2023 Revised Annual Cap and the further increase in demand for the Goods and Services as a result of the increase in number of students for school year 2024/2025 and the expanded campus size following the expansion of the healthcare college when determining the 2024 Revised Annual Cap. Accordingly, the Management expects that the demand for the Goods and Services will further increase for the year ending 31 December 2024.

After considering the abovementioned factors, the Management has estimated the 2024 Revised Annual Cap to be RMB70 million and we are of the view that the 2024 Revised Annual Cap is fair and reasonable.

LETTER FROM SOMERLEY CAPITAL

OPINION AND RECOMMENDATION

Having taken into account the above principal factors, we consider that (i) the Annual Caps Revision is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole; and (ii) the Revised Annual Caps under the Supplemental Agreements are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the EGM to approve the Supplemental Agreements and the transactions contemplated thereunder (including the Revised Annual Caps).

Yours faithfully,
For and on behalf of
SOMERLEY CAPITAL LIMITED
Clifford Cheng
Director

Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over ten years of experience in the corporate finance industry.

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 about 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. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Company since 31 December 2022, the date to which the latest published audited financial statements of the Company were made up.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which: (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register required to be kept by the Company under Section 352 of the SFO; or (c) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), were set out below:

Long positions in shares/underlying shares of the Company

Name of Directors/ chief executive	Capacity/ nature of interest	Number and class of Shares ⁽¹⁾	Percentage of interest in the Company
Mr. Li Luqiang	Interest in controlled corporation ⁽²⁾	7,881,797 Shares (L)	0.47%
	Beneficial owner	621,000 Shares (L)	0.04%
Mr. Song Jianbo	Interest of spouse ⁽³⁾	768,475,221 Shares (L)	45.45%

Notes:

- (1) The letter “L” denotes the person’s long positions in the Shares.
- (2) The Company was owned as to approximately 0.47% by Rongjin Enterprise Management & Consulting Co., Ltd. (“**Rongjin**”). Rongjin is wholly-owned by Mr. Li Luqiang. Mr. Li Luqiang is therefore deemed to be interested in the Shares in which Rongjin is interested pursuant to the SFO.
- (3) The Company was owned as to approximately 45.45% by Union Capital. Union Capital is wholly-owned by Ms. Sui, who is the spouse of Mr. Song Jianbo. Pursuant to the SFO, Ms. Sui is deemed to be interested in the Shares in which Union Capital is interested, and Mr. Song Jianbo is deemed to be interested in the Shares in which Ms. Sui is interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which: (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register required to be kept by the Company under Section 352 of the SFO; or (c) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial shareholders

As at the Latest Practicable Date, so far as was known to the Directors of the Company, the following persons/entities (other than the Directors or chief executive of the Company) had interests of 5% or more of the issued capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in shares/underlying shares of the Company

Name of substantial shareholder	Capacity/ nature of interest	Number and class of Shares ⁽¹⁾	Percentage of interest in the Company
Union Capital	Beneficial owner	768,475,221 Shares (L)	45.45%
Ms. Sui	Interest in controlled corporation ⁽²⁾	768,475,221 Shares (L)	45.45%

Name of substantial shareholder	Capacity/ nature of interest	Number and class of Shares ⁽¹⁾	Percentage of interest in the Company
PA Investments Funds SPC ("PA Investor")	Beneficial owner	135,001,120 Shares (L)	7.98%
Ping An of China Securities (Hong Kong) Company Limited	Interest in controlled corporation ⁽³⁾	135,001,120 Shares (L)	7.98%
Ping An Securities Co., Ltd.	Interest in controlled corporation ⁽³⁾	135,001,120 Shares (L)	7.98%
China Ping An Trust Co., Ltd.	Interest in controlled corporation ⁽³⁾	135,001,120 Shares (L)	7.98%
Ping An Insurance (Group) Company of China, Ltd. ("Ping An Insurance")	Interest in controlled corporation ⁽³⁾	135,001,120 Shares (L)	7.98%

Notes:

- (1) The letter "L" denotes the person's long positions in the Shares.
- (2) The Company was owned as to approximately 45.45% by Union Capital. Union Capital is wholly-owned by Ms. Sui. Ms. Sui is therefore deemed to be interested in the Shares in which Union Capital is interested pursuant to the SFO.
- (3) PA Investor was established as a segregated portfolio company and 100% of the management shares in PA Investor were owned by Ping An of China Securities (Hong Kong) Company Limited, which was in turn wholly-owned by Ping An Securities Co., Ltd.* (平安證券股份有限公司), which was then owned by Ping An Insurance as to approximately 40.96% and owned by China Ping An Trust Co., Ltd. (平安信託有限責任公司) as to approximately 55.7%, which was owned by Ping An Insurance as to approximately 99.9%. Ping An of China Securities (Hong Kong) Company Limited, Ping An Securities Co., Ltd., China Ping An Trust Co., Ltd. and Ping An Insurance are therefore be deemed, or taken to be interested in the Shares in which PA Investor is interested pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons who have interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had entered into or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. INTERESTS IN ASSETS, TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

As the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular, which is significant in relation to the business of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors and their respective close associates was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business as required to be disclosed under Rule 8.10 of the Listing Rules.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Somerley Capital	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Somerley Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, Somerley Capital did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Somerley Capital did not have any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up.

8. DOCUMENTS ON DISPLAY

A copy of the following documents will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.aiel-holdings.com>) for a period of 14 days from the date of this circular:

- (a) the Framework Procurement Agreements; and
- (b) the Supplemental Agreements.

9. MISCELLANEOUS

Except for the names in Chinese, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Alliance International Education Leasing Holdings Limited (the “**Company**”) will be held on 13th Floor, T4, Qiaochengfang, No. 4080, Qiaoxiang Road, Nanshan District, Shenzhen, Guangdong, the PRC on Tuesday, 17 October 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 26 September 2023.

ORDINARY RESOLUTION

“**THAT**

the Supplemental Agreements (copies of which have been produced to the EGM marked “A” and initialed by the chairperson of the EGM for the purpose of identification), including the Revised Annual Caps and the transactions thereunder, be and are hereby confirmed, authorised and ratified; and any one of the Directors be and is hereby authorised to do all such acts and things and to sign and execute all such other documents or instrument for and on behalf of the Company (including the affixation of the common seal of the Company where required) as he/she may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to, the Supplemental Agreements and to implement the transactions contemplated thereunder, and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the Supplemental Agreements and/or the transactions contemplated under or incidental to the Supplemental Agreements.”

By order of the Board

Alliance International Education Leasing Holdings Limited

Song Jianbo

Chairman

Hong Kong, 26 September 2023

NOTICE OF EGM

Principal place of business in Hong Kong:

Unit 2602, 26th Floor, One Hennessy
No. 1 Hennessy Road
Wan Chai
Hong Kong

Notes:

1. All resolutions at the EGM will be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.aiel-holdings.com) in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of himself. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder. A form of proxy for use at the EGM is enclosed herewith.
3. Where there are joint registered holders of any Share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 13 October 2023 to Tuesday, 17 October 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 12 October 2023.
6. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the EGM (i.e. not later than 10:00 a.m. on Sunday, 15 October 2023) or any adjournment thereof (as the case may be).
7. Delivery of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM or any adjourned meeting or upon the poll concerned and, in such event, the instrument appointing a proxy will be deemed to be revoked.

NOTICE OF EGM

8. If a tropical cyclone warning signal number 8 or above or is hoisted, or “extreme conditions” caused by super typhoons or a black rainstorm warning is/are in force at or at any time after 7:30 a.m. on Tuesday, 17 October 2023, the EGM will not be held on Tuesday, 17 October 2023 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Shareholders may contact Customer Service Hotline of Tricor Investor Services Limited at (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.
9. The translation into the Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice of EGM, 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 Xuwei, Mr. Jiao Jian, Mr. Shek Lai Him Abraham and Ms. Xing Li as independent non-executive Directors.