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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)

**VOLUNTARY ANNOUNCEMENT
FORMATION OF A PARTNERSHIP**

The Board is pleased to announce that:

- (i) on 2 May 2023, Union Fund I GP (an indirect wholly-owned subsidiary of the Company) and Xiehai Bulk entered into the Initial Limited Partnership Agreement, pursuant to which Union Fund I GP (as General Partner) and Xiehai Bulk (as initial Limited Partner) agreed to form the Partnership; and
- (ii) on 10 July 2023 (after trading hours), Union Fund I GP and Xiehai Bulk entered into the Amended and Restated Limited Partnership Agreement, which replaces and substitutes the Initial Limited Partnership Agreement; and Union Shipping Leasing (a wholly-owned subsidiary of the Company) executed the Deed of Adherence of Union Shipping Leasing, pursuant to which it is admitted as an additional Limited Partner to the Partnership and a party to the Amended and Restated Limited Partnership Agreement.

Pursuant to the Deed of Adherence of Union Shipping Leasing, Union Shipping Leasing, as Limited Partner, proposed to contribute US\$12.5 million to the Partnership.

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules are less than 5%, the formation of the Partnership does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

This announcement is made by the Company on a voluntary basis for the purpose of providing to shareholders and potential investors of the Company an update on the latest business development of the Group.

The Board is pleased to announce that:

- (i) on 2 May 2023, Union Fund I GP (an indirect wholly-owned subsidiary of the Company) and Xiehai Bulk entered into the Initial Limited Partnership Agreement, pursuant to which Union Fund I GP (as General Partner) and Xiehai Bulk (as initial Limited Partner) agreed to form the Partnership; and
- (ii) on 10 July 2023 (after trading hours), Union Fund I GP and Xiehai Bulk entered into the Amended and Restated Limited Partnership Agreement which replaces and substitutes the Initial Limited Partnership Agreement; and Union Shipping Leasing (a wholly-owned subsidiary of the Company) executed the Deed of Adherence of Union Shipping Leasing, pursuant to which it is admitted as an additional Limited Partner to the Partnership and a party to the Amended and Restated Limited Partnership Agreement.

THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Amended and Restated Limited Partnership Agreement are set out below:

- Date: 10 July 2023
- Name of the Partnership: Union Shipping Fund I L.P. (友聯航運一期基金有限合夥)
- Parties:
- (1) Union Fund I GP, as the General Partner;
 - (2) Union Shipping Leasing, as a Limited Partner; and
 - (3) Xiehai Bulk, as a Limited Partner.

Investment objective

The Partnership will focus on the acquisition of shares and interests of special purpose vehicles that hold ship or maritime vessels. The General Partner may also conduct any incidental or ancillary business for the purpose of realising such objective of the Partnership.

The commitment of the Partners

Pursuant to the Deed of Adherence of Union Shipping Leasing, Union Shipping Leasing has committed to contribute US\$12.5 million to the Partnership.

Xiehai Bulk will enter into another deed of adherence to the Amended and Restated Limited Partnership Agreement with the Partnership.

Unless otherwise approved by the Advisory Committee, the General Partner shall not accept applications for additional commitments to the Partnership, if, and to the extent that, by doing so, the Fund Commitments would exceed US\$500 million.

The minimum commitment by each Limited Partner shall be US\$1 million. The General Partner may in its sole discretion accept subscriptions of lesser amounts as permitted by applicable laws (if any).

Liability of the Partners

In the event that the Partnership is unable to pay its debts, liabilities or obligations, including, without limitation, with respect to the costs and expenses payable by the Partnership, the liability of a Limited Partner shall be limited to the amount of its commitment which, at such date, remains available for drawdown, plus any amount that may be returnable to the Partnership, and the General Partner will without any limitation be liable for such of the Partnership's debts, liabilities and obligations as exceed the total liability of the Limited Partners in accordance with the ELP Act.

Term of the Partnership

The Partnership commenced on 5 May 2023 and shall continue its business until the seventh anniversary of the First Closing Date unless it is dissolved sooner in accordance with the provisions of the Amended and Restated Limited Partnership Agreement.

At any time prior to expiry of the initial term, the term of the Partnership may be extended by the General Partner for a period of two years in its sole and absolute discretion. At any time prior to the expiry of such extended term, the term of the Partnership may be further extended by the General Partner with the approval of the Advisory Committee for a further period of up to two years.

Investment Period

The investment period of the Partnership (the "**Investment Period**") shall be the period from the First Closing Date to the earliest of:

- (i) the fifth anniversary of the First Closing Date, subject to extension of two years in the discretion of the General Partner, and additional extension of two years as the General Partner so determined with the approval of the Advisory Committee;

- (ii) the date when the General Partner reasonably determines that the Partnership is fully invested, provided that, the General Partner shall not make such determination until the date when at least 75% in aggregate of the Fund Commitments have been drawn down, invested, committed, reserved or allocated for specific investments or further financings of portfolio companies; and
- (iii) the date on which the Investment Period is terminated pursuant to provisions of the Amended and Restated Limited Partnership Agreement.

Management of the Partnership

General Partner

Subject to the Investment Management Agreement, the General Partner shall have exclusive responsibility for the operation of the Partnership and the management, conduct and control of its business and affairs and shall make all investments and other decisions on behalf of the Partnership, as deemed necessary, appropriate or advisable by the General Partner.

The General Partner has the full power and authority, on behalf of the Partnership and with the power to bind the Partnership, to do all other things and acts necessary to carry out the purposes of the Partnership or as is required of it by the Amended and Restated Limited Partnership Agreement.

Management fee

The General Partner shall be entitled to receive management fees and the management fees in respect of all Limited Partners (including any Affiliated Partner) for a full calendar year shall be:

- (i) during the period from the First Closing Date to the end of the Investment Period, equal to, on a progressive basis, the sum of:
 - (a) in respect of such part of the Fund Commitments which does not exceed US\$100 million (inclusive), one and a half per cent. (1.5%) of such part of the Total Commitment; and
 - (b) in respect of such part of the Fund Commitments which exceeds US\$100 million (exclusive), one per cent. (1%) of such part of the Total Commitment;
- (ii) thereafter, one per cent. (1%) of the net amount of (a) the commitment used or deemed to be used for the acquisition costs of all investments reduced by (b) the commitment used or deemed to be used for the acquisition costs for investments which (in whole or in part) have already been realised.

The management fee shall be allocated to each of the Limited Partners (including any Affiliated Partner) pro rata to their respective commitment.

Investment Manager

CNCB, a limited company incorporated in Hong Kong with limited liability and a licensed corporation permitted to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities for the purpose of the SFO, will act as the Investment Manager and provide certain investment management services to the Partnership pursuant to the terms and conditions of the Investment Management Agreement.

Subject to the overall supervision and direction of the General Partner, the Investment Manager will identify and evaluate the suitable opportunities for investment and divestment by the Partnership and make investment decisions in connection with the Partnership's acquisition or sale of assets.

Investment Advisor

The General Partner will, at the cost of the Partnership, engage the Investment Advisor to provide certain investment advisory services to the Partnership pursuant to the terms and conditions of the Investment Advisory Agreement.

Overall Strategy and Operation Committee

The General Partner will establish an overall strategy and operation committee for the Partnership (the "**Overall Strategy and Operation Committee**"). Subject to and under the supervision and direction of the General Partner, the Overall Strategy and Operation Committee will be responsible for, among others:

- (i) establishing, reviewing and monitoring the performance of the Partnership's overall management and operation strategy;
- (ii) coordinating and liaising with the works of all parties relevant to the Partnership including the General Partner, the Investment Manager and the Investment Advisor in order to ensure the effective performance of the Partnership's overall strategy and integrated operation;
- (iii) reviewing and monitoring the Partnership's investment strategy and performance;
- (iv) reviewing and monitoring the strategy and performance of the Partnership's ship investment business;
- (v) reviewing and monitoring the performance of the service providers of the Partnership; and
- (vi) establishing, reviewing and monitoring the Partnership's internal controls and policies.

The members of the Overall Strategy and Operation Committee shall comprise the senior officers of the General Partner, the Investment Manager and Xiehai Bulk and the General Partner may from time to time admit any other eligible person as a member of the Overall Strategy and Operation Committee.

REASONS FOR AND BENEFITS OF FORMATION OF THE PARTNERSHIP

With the loosening COVID-19 restrictions, it is expected that the global economy will gradually recover and the worldwide demand for crude oil, liquefied natural gas (LNG), various metals and chemicals will grow gradually in the foreseeable future, thereby leading to increasing demand for transportation of such raw materials by way of shipping. As such, the Company intends to expand its finance leasing business into the shipping segment and the investment in the Partnership will provide synergy and contribute to its ship leasing business by allowing the Company to establish business network and further explore business opportunities in this segment.

As the Partnership will be managed by the General Partner (an indirect wholly-owned subsidiary of the Company) and controlled by Union Shipping Leasing (a wholly-owned subsidiary of the Company), the Partnership will become a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company after the commitment on the First Closing Date.

As such, the Directors consider that the formation of the Partnership and the entering into of the Amended and Restated Limited Partnership Agreement is consistent with the Group's business development strategy to look for investment opportunities to enhance the development of the Group and to broaden and strengthen the revenue bases of the Group. Should the transactions contemplated under the Amended and Restated Limited Partnership Agreement materialise, it is expected that the diversification of the business of the Group will provide a better return to the shareholders of the Company.

INFORMATION OF THE GENERAL PARTNER

Union Fund I GP is an exempted company incorporated in the Cayman Islands and an indirectly wholly-owned subsidiary of the Company.

INFORMATION OF UNION SHIPPING LEASING

Union Shipping Leasing is an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company.

INFORMATION OF XIEHAI BULK

Xiehai Bulk is a private company limited by shares incorporated in Singapore. It is principally engaged in shipping, ship management, ship agency services and ship parts wholesale, etc..

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Xiehai Bulk and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

DEFINITIONS

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

- “Advisory Committee” a committee of representatives of Limited Partners established by the General Partner, which shall, among others, provide overall policy guidance with respect to the Partnership in accordance with the Amended and Restated Limited Partnership Agreement
- “Affiliated Partners” the General Partner and any other Partner that is an Associate thereof
- “Amended and Restated Limited Partnership Agreement” the amended and restated limited partnership agreement entered into between Union Fund I GP and Xiehai Bulk dated 10 July 2023, which replaces and substitutes the Initial Limited Partnership Agreement
- “Associate” has the meaning as defined in the Amended and Restated Limited Partnership Agreement, for instance, in relation to the person concerned:
- (a) if such person concerned is a person other than a natural person, any other person that directly or indirectly controls, is controlled by or is under common control with such person concerned; or
 - (b) if such person concerned is a natural person, any other person that is a relative of such person concerned or is directly or indirectly controlled by such person concerned; subject to certain exceptions as stated therein;
- for the purpose of this definition, “control” means (a) ownership of more than 50% of the issued shares or equity interests or registered capital; or (b) the power to direct management or policies of such person (including power to appoint a majority of board of the directors)
- “Board” the board of Directors

“CNCB”	CNCB (Hong Kong) Capital Limited, a limited company incorporated in Hong Kong with limited liability and a licensed corporation permitted to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities for the purpose of SFO
“Company”	Alliance International Education Leasing Holdings Limited (友聯國際教育租賃控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 1563)
“Deed of Adherence of Union Shipping Leasing”	the deed of adherence to the Amended and Restated Limited Partnership Agreement entered into between Union Shipping Leasing and the Partnership on 10 July 2023
“Directors”	the director(s) of the Company
“ELP Act”	the Exempted Limited Partnership Act (as amended from time to time) of the Cayman Islands
“First Closing Date”	10 July 2023
“Fund Commitments”	the aggregate of the Total Commitments and, if any, the total commitments by investors to each Parallel Vehicle
“General Partner”	the general partner of the Partnership and as at the date of the announcement, Union Fund I GP
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Initial Limited Partnership Agreement”	the initial exempted limited partnership agreement relating to the Partnership and entered into between Union Fund I GP and Xiehai Bulk on 2 May 2023
“Investment Advisor”	the investment advisor as defined in the Investment Advisory Agreement (or its successor for the time being)
“Investment Advisory Agreement”	the investment advisory agreement to be entered into between the Investment Advisor and the General Partner, as amended or varied from time to time
“Investment Manager”	the investment manager of the Partnership, namely CNCB (or its successor for the time being)

“Investment Management Agreement”	the investment management agreement entered into between the Investment Manager and the General Partner on 10 July 2023, as amended or varied from time to time
“Limited Partners”	the persons admitted as limited partners of the Partnership, and as the date of this announcement, namely Union Shipping Leasing and Xiehai Bulk
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parallel Vehicle”	any limited partnership, pooled investment vehicle or other entity established pursuant to the Amended and Restated Limited Partnership Agreement which will co-invest with the Partnership from time to time
“Partner(s)”	the General Partner and/or any of the Limited Partners, as the context requires
“Partnership”	Union Shipping Fund I L.P. (友聯航運一期基金有限合夥), an exempted limited partnership incorporated in the Cayman Islands
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Total Commitments”	the aggregate amount of the commitments of all the Partners as of the date of determination
“Union Fund I GP”	Union Fund I GP Limited, an exempted company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Union Shipping Leasing”	Union Shipping Leasing Limited, an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“US\$”	United States dollar, the lawful currency of the United States of America

“Xiehai Bulk” Xiehai Bulk (Singapore) Pte. Ltd., a private company limited by shares incorporated in Singapore

“%” per cent.

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

Hong Kong, 10 July 2023

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