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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)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN  
RELATION TO THE 2025 FRAMEWORK AGREEMENTS**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcements of the Company dated 6 July 2022, 18 August 2022 and 11 August 2023, respectively, and the circulars of the Company dated 3 August 2022 and 26 September 2023, respectively, in relation to the Existing Framework Agreements (which comprise of the Existing Framework Supply Agreements and the Existing Framework Procurement Agreements).

As the Existing Framework Agreements will expire on 31 December 2024 and Nanshan University, Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management intend to continue the continuing connected transactions contemplated thereunder after the said expiry, the Board is pleased to announce that on 4 November 2024, Nanshan University entered into a 2025 Framework Supply Agreement and a 2025 Framework Procurement Agreement with each of Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management (as the case may be) to renew the continuing connected transactions contemplated under the Existing Framework Agreements.

The 2025 Framework Agreements (which comprise of the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements) shall be effective from 1 January 2025 to 31 March 2027 (both days inclusive), subject to the fulfilment of the Conditions Precedent.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, 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.

Nanshan Group is 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, as at the date of this announcement. 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.

Mr. Song is the father of Mr. Song Jianbo (a non-executive Director) and the father-in-law of Ms. Sui (a controlling shareholder of the Company), and is therefore a connected person of the Company under the Listing Rules. As at the date of this announcement, (i) Longkou Nanshan is owned as to approximately 83.3% by Mr. Song, the registered school sponsor of Nanshan University, 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; (ii) Nanshan Development is owned as to approximately 63.7% by Mr. Song; and (iii) Longkou Management is owned as to approximately 70.0% by Mr. Song and approximately 30.0% by Ms. Lv. As such, Longkou Nanshan, Nanshan Development and Longkou Management are associates of Mr. Song Jianbo and Ms. Sui pursuant to the Listing Rules and are therefore connected persons of the Company. Accordingly, the transactions contemplated under the 2025 Framework Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given (i) the relationship between Mr. Song, Mr. Song Jianbo, Ms. Sui and their respective interests in the Connected Transaction Counterparties as described above; (ii) the similar nature of the 2025 Framework Supply Agreements; and (iii) the 2025 Framework Supply Agreements were all entered into on the same day, the transactions contemplated under the 2025 Framework Supply Agreements form a series of transactions which should be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules. By the same token, the transactions contemplated under the 2025 Framework Procurement Agreements also form a series of transactions and should be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps in respect of the 2025 Framework Procurement Agreements is more than 5.0%, and the maximum aggregate annual consideration payable under the 2025 Framework Procurement Agreements is more than HK\$10,000,000, the entering into of the 2025 Framework Procurement Agreements is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

With respect to the 2025 Framework Supply Agreements, as one or more of the applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps thereunder is more than 0.1% but all the applicable percentage ratios (other than the profits ratio) are less than 5.0%, and that the maximum aggregate annual consideration payable under the 2025 Framework Supply Agreements exceeds HK\$3,000,000, the entering into of the 2025 Framework Supply Agreements is subject to the reporting and announcement requirements but exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder. The Independent Financial Adviser, Somerley, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard in accordance with the Listing Rules.

## **EGM**

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder. As at the date of this announcement, Union Capital, which is wholly-owned by Ms. Sui, holds 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 is interested in 49.0% of the equity interest in Nanshan Group, Union Capital and its associate will abstain from voting on the proposed resolutions at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Union Capital, no other Shareholder has a material interest in the resolutions in respect of the 2025 Framework Procurement Agreements or should otherwise be required to abstain from voting on the resolutions to be proposed at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules.

## **CIRCULAR**

A circular containing, among others, (1) details of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (2) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (3) a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (4) such other information as required under the Listing Rules; and (5) a notice convening the EGM with the proxy form, is expected to be despatched to the Shareholders on or before 25 November 2024.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcements of the Company dated 6 July 2022, 18 August 2022 and 11 August 2023, respectively, and the circulars of the Company dated 3 August 2022 and 26 September 2023, respectively, in relation to the Existing Framework Agreements (which comprise of the Existing Framework Supply Agreements and the Existing Framework Procurement Agreements).

As the Existing Framework Agreements will expire on 31 December 2024 and Nanshan University, Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management intend to continue the continuing connected transactions contemplated thereunder after the said expiry, the Board is pleased to announce that on 4 November 2024, Nanshan University entered into a 2025 Framework Supply Agreement and a 2025 Framework Procurement Agreement with each of Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management (as the case may be) to renew the continuing connected transactions contemplated under the Existing Framework Agreements.

The 2025 Framework Agreements (which comprise of the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements) shall be effective from 1 January 2025 to 31 March 2027 (both days inclusive), subject to the fulfilment of the Conditions Precedent.

## **1. 2025 FRAMEWORK SUPPLY AGREEMENTS**

### **Principal terms**

The principal terms of the 2025 Framework Supply Agreements are set out as follows:

#### ***Date***

4 November 2024 (after trading hours)

#### ***Parties***

- (i) For the 2025 Framework Supply Agreement I, the parties are Nanshan University and Nanshan Group;
- (ii) For the 2025 Framework Supply Agreement II, the parties are Nanshan University and Longkou Nanshan;
- (iii) For the 2025 Framework Supply Agreement III, the parties are Nanshan University and Longkou Management; and
- (iv) For the 2025 Framework Supply Agreement IV, the parties are Nanshan University and Nanshan Development.

#### ***Subject matter of the Agreements***

Pursuant to the 2025 Framework Supply Agreements, Nanshan University agrees to provide the Group A Services to Nanshan Group, Longkou Nanshan, Longkou Management and Nanshan Development and their respective subsidiaries and/or associates during the term of the 2025 Framework Supply Agreements.

### ***Transaction principles***

As the 2025 Framework Supply Agreements only set out the framework of the transactions to be conducted, individual supply agreements shall be entered into for the specific Group A Services to be supplied by Nanshan University.

The terms of the individual supply agreements shall be negotiated by the parties at arm's length and on normal commercial terms in the ordinary course of business, and shall set out, among others, the scope and standard of the services to be supplied by Nanshan University, the consideration payable to Nanshan University, as well as the settlement method.

The scope of the individual supply agreements shall not exceed the scope specified under the 2025 Framework Supply Agreements. In the event of conflicts between the terms of the individual supply agreements and the 2025 Framework Supply Agreements, the terms of the 2025 Framework Supply Agreements shall prevail.

### ***Settlement method***

The prices payable to Nanshan University may be settled by periodic payments, in a lump sum or by instalments, or in such other manner as may be agreed between the parties under the individual supply agreements with reference to market practice according to the nature of services supplied.

### ***Termination***

The 2025 Framework Supply Agreements may be terminated prior to the expiration of their term by mutual written consent of the parties. Upon termination of the 2025 Framework Supply Agreements, the relevant individual supply agreements which are still subsisting shall also terminate accordingly.

### ***Condition precedent***

The 2025 Framework Supply Agreements are effective upon approval(s) by the Board having been obtained for the 2025 Framework Supply Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder. If the above condition precedent is not fulfilled, the 2025 Framework Supply Agreements will be automatically terminated.

### ***Term***

Subject to the fulfilment of the above condition precedent, the 2025 Framework Supply Agreements shall be effective during the period commencing from 1 January 2025 and ending on 31 March 2027 (both days inclusive).



## Pricing principles

The price of the Group A Services shall be determined as follows:

- (i) the published or listed price of the relevant services from time to time issued by Nanshan University. Such published or listed price is determined by Nanshan University on a “cost-plus” basis and will be subject to annual review by Nanshan University taking into account, among others, the costs of the relevant services to ensure that a reasonable profit is enjoyed by Nanshan University; and
- (ii) where there is no published or listed price, the price which Nanshan University charges its independent customers (who are Independent Third Parties) (“**Independent Customers**”) for the relevant services (where applicable), taking into account, among others, the specifications of the services supplied and the relevant costs of providing such services (where applicable).

For the training services to be provided by Nanshan University under the 2025 Framework Supply Agreements, Nanshan University will prepare a fee schedule annually listing out the respective training fees per participant for each staff grading according to seniority (e.g. ordinary staff grade, junior managerial grade etc.). In general, the training fees will commensurate with the seniority of the participants, reflecting the complexity and hence costs of the training services to be provided. The training fees as set out in the fee schedule will be determined on a “costs-plus” basis based on the expected cost plus a reasonable gross margin, with a tentative mark up rate of at least 10%, which may be revised from time to time, with reference to, among others, the fees charged by other market players in respect of the same or similar staff training services, in order to strike a balance between profitability and market competitiveness. In the event that the relevant customer under the 2025 Framework Supply Agreements requires customised staff training services that are not covered by the then existing fee schedule, Nanshan University will determine the training fees with reference to, among others, (a) the costs of providing the requested training services; (b) the fees charged against Independent Customers in respect of staff training services of similar nature or with similar elements (if any), and the final training fees charged by Nanshan University shall not be lower than such fees; and (c) the fees charged by other market players in respect of the same or similar staff training services (if any), so as to ensure that the final training fees charged by Nanshan University will be no less favourable than those offered to, or quoted by, Independent Customers.

With respect to the venue rental services to be provided by Nanshan University, Nanshan University will determine the rental fees with reference to, among others, (a) scale and duration of the relevant event proposed to be held at the requested venue; (b) the costs of providing the requested venue including utilities and relevant staff costs; (c) the fees charged against Independent Customers for renting the same venue (if any), and the final rental fees charged by Nanshan University shall not be

lower than such fees; and (d) the market rate of comparable venues in terms of floor area and availability of ancillary equipment, so as to ensure that the final rental fees charged by Nanshan University will be no less favourable than those offered to, or quoted by, Independent Customers.

With respect to the catering services to be provided by Nanshan University, they are the restaurants or canteens operated by Nanshan University which are opened to the public for business. The meals sold in such restaurants or canteens are the same for all customers (including Independent Customers), and are charged according to the same menu prices set by Nanshan University on a “costs-plus” basis with reasonable margin. Accordingly, the provision of catering services under the 2025 Framework Supply Agreements is no less favourable than that with Independent Customers.

## **2. 2025 FRAMEWORK PROCUREMENT AGREEMENTS**

### **Principal terms**

The principal terms of the 2025 Framework Procurement Agreements are set out as follows:

#### ***Date***

4 November 2024

#### ***Parties***

- (i) For the 2025 Framework Procurement Agreement I, the parties are Nanshan University and Nanshan Group;
- (ii) For the 2025 Framework Procurement Agreement II, the parties are Nanshan University and Longkou Nanshan; and
- (iii) For the 2025 Framework Procurement Agreement III, the parties are Nanshan University and Nanshan Development.

#### ***Subject matter***

Pursuant to the 2025 Framework Procurement Agreements, Nanshan University will procure the Group B Goods and Services from Nanshan Group, Longkou Nanshan and Nanshan Development and their respective subsidiaries and/or associates during the term of the 2025 Framework Procurement Agreements.



### ***Transaction principles***

As the 2025 Framework Procurement Agreements only set out the framework of the transactions to be conducted, individual procurement agreements shall be entered into for the specific Group B Goods and Services to be procured by Nanshan University.

The terms of the individual procurement agreements shall be negotiated by the parties at arm's length and on normal commercial terms in the ordinary course of business, and shall set out, among others, the scope and standard of the goods and services to be procured by Nanshan University, the consideration payable by Nanshan University, as well as the settlement method.

The scope of the individual procurement agreements shall not exceed the scope specified under the 2025 Framework Procurement Agreements. In the event of conflicts between the terms of the individual procurement agreements and the 2025 Framework Procurement Agreements, the terms of the 2025 Framework Procurement Agreements shall prevail.

### ***Settlement method***

The prices payable by Nanshan University shall be settled in accordance with the terms of the individual procurement agreements, to be determined with reference to market practice according to the nature of goods or services procured.

### ***Termination***

The 2025 Framework Procurement Agreements may be terminated prior to the expiration of their term by mutual written consent of the parties. Upon termination of the 2025 Framework Procurement Agreements, the relevant individual procurement agreements which are still subsisting shall also terminate accordingly.

### ***Conditions Precedent***

The 2025 Framework Procurement Agreements are effective upon fulfilment of the following conditions precedent:

- (i) approval(s) by the Board having been obtained for the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; and
- (ii) approval(s) by the Independent Shareholders having been obtained for the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder.

If the above conditions precedent are not fulfilled, the 2025 Framework Procurement Agreements will be automatically terminated.

## *Term*

Subject to the fulfilment of the above conditions precedent, the 2025 Framework Procurement Agreements shall be effective during the period commencing from 1 January 2025 and ending on 31 March 2027 (both days inclusive).

## **Pricing principles**

The price of the Group B Goods and Services shall be determined with reference to the price charged by at least two independent suppliers (who are Independent Third Parties) (“**Independent Suppliers**”) who offer the same or similar type of goods or services under normal commercial terms, taking into account the quantity of the goods or the specifications of the services procured (where applicable).

As the goods to be procured by Nanshan University under the 2025 Framework Procurement 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 Suppliers are available in the market, Nanshan University will seek and compare quotes for similar products from at least two Independent Suppliers in the market before making a purchase in order to determine if the prices offered by the relevant supplier under the 2025 Framework Procurement Agreements are comparable to those offered by such Independent Suppliers, and assess and review their fairness and reasonableness. If Nanshan University obtains more favourable prices for similar products under the 2025 Framework Procurement Agreements from Independent Suppliers, Nanshan University will negotiate with the relevant supplier under the 2025 Framework Procurement Agreements for reasonable price for such products, and has the full discretion not to procure from the relevant supplier under the 2025 Framework Procurement Agreements.

With respect to the repairing and maintenance services such as teaching equipment repairment and school facilities maintenance, campus sanitary and cleaning services, and gardening services such as lawn maintenance, laboratory testing services and catering and accommodation services to be procured by Nanshan University, Independent Suppliers are likewise available in the market. Similarly, Nanshan University will seek and compare quotes for similar services from at least two Independent Suppliers in the market before making a purchase in order to determine if the prices offered by the relevant supplier under the 2025 Framework Procurement Agreements are comparable to those offered by such Independent Suppliers, and assess and review their fairness and reasonableness. If Nanshan University obtains more favourable prices for similar services under the 2025 Framework Procurement Agreements from Independent Suppliers, Nanshan University will negotiate with the relevant supplier under the 2025 Framework Procurement Agreements for reasonable price for such services, and has the full discretion not to procure from the relevant supplier under the 2025 Framework Procurement Agreements.

For the venue and properties rental services (with term of lease not exceeding one year) to be procured by Nanshan University, Nanshan University will seek and compare quotes for at least two comparable venues or properties (in terms of floor area and availability of ancillary equipment) in the market from independent sources as and when the need for external venue or properties arises, so as to determine if the prices offered by the relevant supplier under the 2025 Framework Procurement Agreements are comparable to those offered in relation to comparable venues or properties, and assess and review their fairness and reasonableness. If Nanshan University obtains more favourable prices for comparable venues or properties under the 2025 Framework Procurement Agreements, Nanshan University will negotiate with the relevant supplier under the 2025 Framework Procurement Agreements for reasonable price for such venues or properties, and has the full discretion not to procure from the relevant supplier under the 2025 Framework Procurement Agreements.

## **ANNUAL CAPS AND BASIS OF DETERMINATION**

### **Historical Amounts**

The annual caps for the Existing Framework Supply Agreements and the Existing Framework Procurement Agreements for the period from 18 August 2022 to 31 December 2022 and the two years ending 31 December 2023 and 2024 are set out below:

	<b>For the period from 18 August 2022 to 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>
<b>Category</b>			
Existing Framework Supply Agreements	3,000	4,350	4,800
Existing Framework Procurement Agreements	18,500	60,000	70,000

The historical transaction amounts under the Existing Framework Agreements are set out as follows:

<b>Category</b>	<b>For the period from 18 August 2022 to 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the period from 1 January 2024 to 30 September 2024 (RMB'000)</b>
Existing Framework Supply Agreements	1,832	685	1,346
Existing Framework Procurement Agreements	16,408	52,905	39,868

The proposed annual caps for the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements for the three months ending 31 March 2025 and the two years ending 31 March 2026 and 2027 are set out below:

<b>Category</b>	<b>For the period from 1 January 2025 to 31 March 2025 <i>(Note)</i> (RMB'000)</b>	<b>For the year ending 31 March</b>	
		<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
2025 Framework Supply Agreements	1,250	5,000	5,750
2025 Framework Procurement Agreements	23,410	110,620	115,420

*Note:*

In response to the change of the financial year end date of the Company from 31 December to 31 March, the effective date of the proposed annual caps will align with the corresponding financial year.

The above proposed annual caps for the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements are determined with reference to, among others, the followings:

- (i) *the increase in total number of students 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 has in turn attracted students and enhanced student enrollment. For the school years 2021/2022, 2022/2023, 2023/2024 and 2024/2025, Nanshan University recorded an overall increasing trend in the total number of students of 29,047, 33,809, 34,958 and 39,093 students, respectively. In particular, in light of the approximately 11.8% increase in the total number of students of Nanshan University for the school year 2024/2025 as compared to that of the school year 2023/2024, it is expected that there will be an increase in the total number of students going forward, and a corresponding increase in the total amount of procurement payable by Nanshan University to Nanshan Group, Nanshan Development and Longkou Nanshan and their respective subsidiaries and/or associates in respect of the Group B Goods and Services. For the period from 18 August 2022 to 31 December 2022, for the year ended 31 December 2023 and for the period from 1 January 2024 to 30 September 2024, the historical transaction amounts under the Existing Framework Procurement Agreements were approximately RMB16.4 million, RMB52.9 million and RMB39.9 million, respectively. In light of the continuing growth in the total number of students for the past school years and the reasons set out in paragraph (ii) below, Nanshan University considers the proposed annual caps of the 2025 Framework Procurement Agreements as set out above to be justifiable;
- (ii) *the expected scale of operations of Nanshan University for the three months ending 31 March 2025 and the two years ending 31 March 2026 and 2027:* In light of the increase in the total number of students of Nanshan University and the expected growth going forward as disclosed in paragraph (i) above, it is expected that Nanshan University will continue to expand its scale of operations to cope with the corresponding increase in operational needs, which will in turn drive the demand for the Group B Goods and Services. Whilst such operational needs are positively correlated to the increase in the total number of students, certain of them are expected to increase in a progressive manner not squarely proportionate to the expected growth rate of the total number of students, in part due to their nature. For instance, Nanshan University has devised development plans in relation to its campus, which include, among other things, (a) expanding the healthcare college by expanding areas for student dormitories, teaching buildings and dining areas; (b) upgrading existing student dormitories; and (c) leasing additional venues and properties as additional housing capacity, teaching rooms, dining areas, and laboratories. Hence, it is expected that there will be an increase in demand for the Group B Goods and Services, in particular, new furniture and fixture, repairing and maintenance services, campus sanitary and dormitory management services, gardening services and venue and property rental services. Further, Nanshan

University has been outsourcing certain ancillary operations including campus sanitary and cleaning, and dormitory management. The expected increase in operational needs for such services is in turn driven by, among others, the expected growth in Nanshan University's total number of students, as well as the expected increase in Nanshan University's scale of operations. In addition to the above, the increase in the total number of students would expedite the wear and tear of school facilities, which would also drive Nanshan University's demand for school facilities maintenance services. In this connection, Nanshan University's expected demand for school facilities maintenance services each year is primarily based on the ages of the facilities, and adjusted for additional wear and tear due to the growth in the total number of students. In light of the aforesaid, the procurement needs of Nanshan University are expected to increase correspondingly, albeit not squarely proportionate to the expected growth in the total number of students, thus resulting in the increasing proposed annual caps under the 2025 Framework Procurement Agreements; and

- (iii) with respect to the 2025 Framework Supply Agreements, the expected needs of Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management and their subsidiaries and/or associates, taking into account, among others, their expected development plans and the expected increment, mobility, turnover and capabilities required of their staff, based on Nanshan University's communications with Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management.

## **REASONS FOR AND BENEFITS OF THE 2025 FRAMEWORK AGREEMENTS**

The transactions contemplated under the 2025 Framework Agreements will be conducted in the ordinary and usual course of business of Nanshan University.

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

With respect to the 2025 Framework Supply Agreements, the Directors (including the independent non-executive Directors but excluding the Director namely, Mr. Song Jianbo who has material interests in the transactions contemplated hereunder as described in the section headed "LISTING RULES IMPLICATIONS" of this announcement below) consider that:

- (i) the entering into of the 2025 Framework Supply Agreements are in the ordinary and usual course of business of the Group;
- (ii) the terms and conditions of the 2025 Framework Supply Agreements have been negotiated on an arm's length basis and are on normal commercial terms that are fair and reasonable;

- (iii) the proposed annual caps for the 2025 Framework Supply Agreements for the period from 1 January 2025 to 31 March 2025 and the years ending 31 March 2026 and 2027 are fair and reasonable; and
- (iv) the transactions contemplated under the 2025 Framework Supply Agreements are in the interests of the Company and the Shareholders as a whole.

As regards the 2025 Framework Procurement Agreements, the Directors (excluding (i) the independent non-executive Directors whose opinion will be set out in the letter from the Independent Board Committee in a circular to be issued by the Company; and (ii) the Director namely, Mr. Song Jianbo who has material interests in the transactions contemplated hereunder as described in the section headed “LISTING RULES IMPLICATIONS” of this announcement below) consider that:

- (i) the entering into of the 2025 Framework Procurement Agreements are in the ordinary and usual course of business of the Group;
- (ii) the terms and conditions of the 2025 Framework Procurement Agreements have been negotiated on an arm’s length basis and are on normal commercial terms that are fair and reasonable;
- (iii) the proposed annual caps for the 2025 Framework Procurement Agreements for the period from 1 January 2025 to 31 March 2025 and the years ending 31 March 2026 and 2027 are fair and reasonable; and
- (iv) the transactions contemplated under the 2025 Framework Procurement Agreements are in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

To ensure that the terms of the transactions under the 2025 Framework Agreements are on normal or better commercial terms and in accordance with the terms of the 2025 Framework Agreements, and in compliance with the Listing Rules, the following internal control measures will continue to be in place:

1. when possible connected transaction arises during the course of business of Nanshan University which falls under the 2025 Framework 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;



2. the relevant business department of Nanshan University will compare the quotations and transaction terms obtained from the customer and/or supplier identified with that obtained from Independent Third Parties in respect of comparable goods and/or services in accordance with the applicable pricing principles set out in the sections headed “1. 2025 FRAMEWORK SUPPLY AGREEMENTS — Pricing Principles” and “2. 2025 FRAMEWORK PROCUREMENT AGREEMENTS — Pricing Principles” of this announcement above, and the comparison results together with the customer and/or supplier identified will be presented to the compliance department of Nanshan University for review and approval. If the customer and/or supplier so identified and approved is a Connected Transaction Counterparty, the transaction will be subject to further approval as detailed in paragraph (3) below;
3. 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, on normal commercial terms or better, no less favourable than those with Independent Third Parties, and in compliance with the terms of the 2025 Framework Agreements;
4. if the possible connected transaction is approved to be conducted, the finance department of Nanshan University will regularly monitor the performance of the transaction to ensure that the transaction falls within the terms of the 2025 Framework Agreements;
5. the finance department of Nanshan University will also monitor the transaction amounts under the 2025 Framework Agreements regularly 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;
6. the independent non-executive Directors will be provided with details of the transactions contemplated under the 2025 Framework Agreements for the purpose of conducting annual review of the connected transactions under the 2025 Framework Agreements; and
7. the auditors of the Company will also conduct annual review of the transactions under the 2025 Framework Agreements.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

The Company is an investment holding company. The Group is principally engaged in offering private higher education and finance and operating lease services. Nanshan University is 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 date of this announcement, Nanshan Group is owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo.

### **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 date of this announcement, Longkou Nanshan is 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 date of this announcement, Nanshan Development is owned as to approximately 63.7%, 22.7% and 13.6% by Mr. Song, Nanshan Group and Ms. Sui, respectively.

### **Longkou Management**

Longkou Management is a company established in the PRC with limited liability, and is principally engaged in enterprise management. As at the date of this announcement, Longkou Management is owned as to approximately 70.0% and 30.0% by Mr. Song and Ms. Lv, respectively.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, 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.

Nanshan Group is 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, as at the date of this announcement. 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.

Mr. Song is the father of Mr. Song Jianbo (a non-executive Director) and the father-in-law of Ms. Sui (a controlling shareholder of the Company), and is therefore a connected person of the Company under the Listing Rules. As at the date of this announcement, (i) Longkou Nanshan is owned as to approximately 83.3% by Mr. Song, the registered school sponsor of Nanshan University, 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; (ii) Nanshan Development is owned as to approximately 63.7% by Mr. Song; and (iii) Longkou Management is owned as to approximately 70.0% by Mr. Song and approximately 30.0% by Ms. Lv. As such, Longkou Nanshan, Nanshan Development and Longkou Management are associates of Mr. Song Jianbo and Ms. Sui pursuant to the Listing Rules and are therefore connected persons of the Company. Accordingly, the transactions contemplated under the 2025 Framework Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given (i) the relationship between Mr. Song, Mr. Song Jianbo, Ms. Sui and their respective interests in the Connected Transaction Counterparties as described above; (ii) the similar nature of the 2025 Framework Supply Agreements; and (iii) the 2025 Framework Supply Agreements were all entered into on the same day, the transactions contemplated under the 2025 Framework Supply Agreements form a series of transactions which should be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules. By the same token, the transactions contemplated under the 2025 Framework Procurement Agreements also form a series of transactions and should be treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps under the 2025 Framework Procurement Agreements is more than 5.0%, and the maximum aggregate annual consideration payable under the 2025 Framework Procurement Agreements is more than HK\$10,000,000, the entering into of the 2025 Framework Procurement Agreements is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

With respect to the 2025 Framework Supply Agreements, as one or more of the applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps thereunder is more than 0.1% but all the applicable percentage ratios (other

than the profits ratio) are less than 5.0%, and that the maximum aggregate annual consideration payable under the 2025 Framework Supply Agreements exceeds HK\$3,000,000, the entering into of the 2025 Framework Supply Agreements is subject to the reporting and announcement requirements but exempt from the circular and Independent Shareholders' approval requirements under 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(s) for approving the 2025 Framework Agreements, the Proposed Annual Caps and the transactions contemplated thereunder.

Save as disclosed above, none of the other Directors has or is considered to have a material interest in the 2025 Framework Agreements, the Proposed Annual Caps and the transactions contemplated thereunder nor is required to abstain from voting on the Board resolution(s) for approving the 2025 Framework Agreements, the Proposed Annual Caps and the transactions contemplated thereunder.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder. The Independent Financial Adviser, Somerley, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard in accordance with the Listing Rules.

#### **EGM**

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder. As at the date of this announcement, Union Capital, which is wholly-owned by Ms. Sui, holds 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 is interested in 49.0% of the equity interest in Nanshan Group, Union Capital and its associate will abstain from voting on the proposed resolutions at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Union Capital, no other Shareholder has a material interest in the resolutions in respect of the 2025 Framework Procurement Agreements or should otherwise be required to abstain from voting on the resolutions to be proposed at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules.

## CIRCULAR

A circular containing, among others, (1) details of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (2) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (3) a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder; (4) such other information as required under the Listing Rules; and (5) a notice convening the EGM with the proxy form, is expected to be despatched to the Shareholders on or before 25 November 2024.

## DEFINITIONS

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

“2025 Framework Agreements”	the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements
“2025 Framework Procurement Agreement I”	the 2025 framework procurement agreement entered into between Nanshan University and Nanshan Group dated 4 November 2024, pursuant to which Nanshan University agreed to procure the Group B Goods and Services from Nanshan Group and its subsidiaries and/or associates
“2025 Framework Procurement Agreement II”	the 2025 framework procurement agreement entered into between Nanshan University and Longkou Nanshan dated 4 November 2024, pursuant to which Nanshan University agreed to procure the Group B Goods and Services from Longkou Nanshan and its subsidiaries and/or associates
“2025 Framework Procurement Agreement III”	the 2025 framework procurement agreement entered into between Nanshan University and Nanshan Development dated 4 November 2024, pursuant to which Nanshan University agreed to procure the Group B Goods and Services from Nanshan Development and its subsidiaries and/or associates
“2025 Framework Procurement Agreements”	the 2025 Framework Procurement Agreement I, 2025 Framework Procurement Agreement II and 2025 Framework Procurement Agreement III, and each a “2025 Framework Procurement Agreement”

“2025 Framework Supply Agreement I”	the 2025 framework supply agreement entered into between Nanshan University and Nanshan Group dated 4 November 2024, pursuant to which Nanshan University agreed to supply the Group A Services to Nanshan Group and its subsidiaries and/or associates
“2025 Framework Supply Agreement II”	the 2025 framework supply agreement entered into between Nanshan University and Longkou Nanshan dated 4 November 2024, pursuant to which Nanshan University agreed to supply the Group A Services to Longkou Nanshan and its subsidiaries and/or associates
“2025 Framework Supply Agreement III”	the 2025 framework supply agreement entered into between Nanshan University and Longkou Management dated 4 November 2024, pursuant to which Nanshan University agreed to supply the Group A Services to Longkou Management and its subsidiaries and/or associates
“2025 Framework Supply Agreement IV”	the 2025 framework supply agreement entered into between Nanshan University and Nanshan Development dated 4 November 2024, pursuant to which Nanshan University agreed to supply the Group A Services to Nanshan Development and its subsidiaries and/or associates
“2025 Framework Supply Agreements”	the 2025 Framework Supply Agreement I, 2025 Framework Supply Agreement II, 2025 Framework Supply Agreement III and 2025 Framework Supply Agreement IV, and each a “2025 Framework Supply Agreement”
“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)
“Conditions Precedent”	the conditions precedent in relation to the provision of the Group A Services and/or procurement of the Group B Goods and Services in accordance with the terms of the 2025 Framework Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules



“Connected Transaction Counterparties”	Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management 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 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder
“Existing Annual Cap(s)”	the existing annual cap(s) for the transactions contemplated under the Existing Framework Agreements
“Existing Framework Agreements”	the Existing Framework Supply Agreements and the Existing Framework Procurement Agreements
“Existing Framework Procurement Agreements”	the existing framework procurement agreements entered into between Nanshan University and each of Nanshan Group, Nanshan Development and Longkou Nanshan on 6 July 2022 (as supplemented and amended by the supplemental agreements entered into on 11 August 2023 in relation to the revision of annual caps, details of which are set out in the announcement and circular of the Company dated 11 August 2023 and 26 September 2023, respectively), pursuant to which Nanshan University agreed to procure the Group B Goods and Services from Nanshan Group, Nanshan Development and Longkou Nanshan and their respective subsidiaries and/or associates
“Existing Framework Supply Agreements”	the existing framework supply agreements entered into between Nanshan University and each of Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management on 6 July 2022, pursuant to which Nanshan University agreed to supply the Group A Services to Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management and their respective subsidiaries and/or associates
“Group”	the Company and its subsidiaries and consolidated affiliated entities, including Nanshan University



“Group A Services”	services including staff training services, venue rental services, catering services, and other types of services to be agreed by the relevant parties in writing from time to time
“Group B 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 and accommodation services, and other types of goods and services to be agreed by the relevant parties in writing from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board 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, established to advise the Independent Shareholders in respect of the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder
“Independent Financial Adviser” or “Sommerley”	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 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders (other than Union Capital) who are not required to abstain from voting at the EGM to approve the 2025 Framework Procurement Agreements, the proposed annual caps thereunder and the transactions contemplated thereunder
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Longkou Management”	Longkou Nanshan (new) Enterprise Management Co., Ltd.* (龍口新南山企業管理有限公司), a company established in the PRC with limited liability and is owned as to approximately 70.0% and 30.0% by Mr. Song and Ms. Lv, respectively, as at the date of this announcement
“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 is owned as to approximately 83.3% and 16.7% by Mr. Song and Ms. Lv, respectively, as at the date of this announcement
“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 date of this announcement
“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 is interested in 49.0% of the equity interest in Nanshan Group as at the date of this announcement
“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 is owned as to approximately 63.7%, 22.7% and 13.6% by Mr. Song, Nanshan Group and Ms. Sui, respectively, as at the date of this announcement
“Nanshan Group”	Nanshan Holdings Co., Ltd.* (南山集團有限公司), a company established in the PRC with limited liability, and is owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo, as at the date of this announcement
“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 announcement, excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Annual Cap(s)”	the proposed maximum total transaction amounts contemplated under the 2025 Framework Agreements for the period from 1 January 2025 to 31 March 2025 and the two years ending 31 March 2026 and 2027
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Union Capital”	Union Capital Pte. Ltd., a company incorporated in Singapore on 18 March 2010, one of the controlling shareholders of the Company and is wholly-owned by Ms. Sui as at the date of this announcement
“%”	per cent

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

Hong Kong, 4 November 2024

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

*The English translation of Chinese names or words in this announcement, where indicated by “\*”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*