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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Alliance International Education Leasing Holdings Limited**, 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)****RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
THE 2025 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 19 of this circular. A letter of advice from Somerley (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 22 to 37 of this circular. A letter from the Independent Board Committee is set out on pages 20 to 21 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 Thursday, 12 December 2024 at 10:00 a.m. is set out on pages 43 to 45 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 or any adjournment thereof 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.

21 November 2024

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DEFINITIONS

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

“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 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 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 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”
“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

DEFINITIONS

“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 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 Goods and Services from Nanshan Group, Nanshan Development and Longkou Nanshan and their respective subsidiaries and/or associates
“Group”	the Company and its subsidiaries and consolidated affiliated entities, including Nanshan University
“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

DEFINITIONS

“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
“Latest Practicable Date”	18 November 2024, 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 is 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 is interested in 49.0% of the equity interest in Nanshan Group as at the Latest Practicable Date

DEFINITIONS

“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 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 is owned as to 51.0% by Nanshan Village Committee and 49.0% by Mr. Song Jianbo, as at the Latest Practicable Date
“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. 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
“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
“Proposed Annual Cap(s)”	the proposed maximum total transaction amounts contemplated under the 2025 Framework Procurement 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“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 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. Yuen Kin Shan
Ms. Liu Meina

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

21 November 2024

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

Reference is made to the announcement of the Company dated 4 November 2024.

The purpose of this circular is to provide you with, among other things, (i) further details on the 2025 Framework Procurement Agreements, the transactions contemplated thereunder and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder; and (iii) a letter of advice from Somerley to the

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Independent Board Committee and the Independent Shareholders in respect of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder.

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 Procurement Agreements.

As the Existing Framework Procurement Agreements will expire on 31 December 2024, and Nanshan University, Nanshan Group, Nanshan Development and Longkou Nanshan intend to continue the continuing connected transactions contemplated thereunder after the said expiry, on 4 November 2024, Nanshan University entered into a 2025 Framework Procurement Agreement with each of Nanshan Group, Nanshan Development and Longkou Nanshan to renew the continuing connected transactions contemplated under the Existing Framework Procurement Agreements.

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 thereunder.

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 Goods and Services from the Connected Transaction Counterparties during the term of the 2025 Framework Procurement Agreements.

LETTER FROM THE BOARD

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 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.

LETTER FROM THE BOARD

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

As at the Latest Practicable Date, the condition precedent set out in (i) above has been fulfilled. Other than that, none of the other conditions precedent has been fulfilled as at the Latest Practicable Date.

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 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 Connected Transaction Counterparties are comparable to those offered by such Independent Suppliers, and assess and review their fairness and reasonableness. If Nanshan University obtains more favourable prices and for similar products under the 2025 Framework Procurement Agreements from Independent Suppliers, Nanshan University will negotiate with the Connected Transaction Counterparties for reasonable price for such products, and has the full discretion not to procure from the Connected Transaction Counterparties.

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 Connected Transaction Counterparties 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

LETTER FROM THE BOARD

Suppliers, Nanshan University will negotiate with the Connected Transaction Counterparties for reasonable price for such services, and has the full discretion not to procure from the Connected Transaction Counterparties.

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 Connected Transaction Counterparties 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 Connected Transaction Counterparties for reasonable price for such venues or properties, and has the full discretion not to procure from the Connected Transaction Counterparties.

3. ANNUAL CAPS AND BASIS OF DETERMINATION

Historical Amounts

The annual caps for 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:

	For the period from 18 August 2022 to 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the year ending 31 December 2024 (RMB'000)
Existing Framework Procurement Agreements	18,500	60,000	70,000

LETTER FROM THE BOARD

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

	For the period from 18 August 2022 to 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the period from 1 January 2024 to 30 September 2024 (RMB'000)
Existing Framework			
Procurement Agreements	16,408	52,905	39,868
Existing Annual Caps	18,500	60,000	70,000 <i>(Note)</i>
Utilisation (%)	88.6%	88.1%	57.0% <i>(Note)</i>

Note:

The Existing Annual Cap of RMB70.0 million represents the annual cap for the year ending 31 December 2024, and utilisation is calculated based on such full year annual cap.

Proposed Annual Caps

The Proposed Annual Caps for 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:

	For the period from 1 January 2025 to 31 March 2025 <i>(Note)</i> (RMB'000)	For the year ending 31 March 2026 (RMB'000)	2027 (RMB'000)
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 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,*

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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 student 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 the Connected Transaction Counterparties in respect of the 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; and

- (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 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 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

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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.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 FRAMEWORK PROCUREMENT AGREEMENTS

The transactions contemplated under the 2025 Framework Procurement 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.

The Directors (excluding (i) the independent non-executive Directors whose recommendation is set out in the letter from the Independent Board Committee in this circular; and (ii) Mr. Song Jianbo, who has material interests in the transactions contemplated hereunder as described in the section headed "7. LISTING RULES IMPLICATIONS" of this circular 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.

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5. INTERNAL CONTROL MEASURES

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

- (a) when possible connected transaction arises during the course of business of Nanshan University which falls under the 2025 Framework Procurement 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;
- (b) the relevant business department of Nanshan University will compare the quotations and transaction terms obtained from the 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 section headed “2. 2025 FRAMEWORK PROCUREMENT AGREEMENTS — 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 (c) below;
- (c) 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 Procurement Agreements;
- (d) if the possible connected transaction is approved to be conducted, the finance department of Nanshan University will monitor the performance of the transaction at least on a quarterly basis to ensure that the transaction falls within the terms of the 2025 Framework Procurement Agreements;
- (e) the finance department of Nanshan University will also monitor the transaction amounts under the 2025 Framework Procurement 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;

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- (f) the independent non-executive Directors will be provided with details of the transactions contemplated under the 2025 Framework Procurement Agreements for the purpose of conducting annual review of the connected transactions under the 2025 Framework Procurement Agreements; and
- (g) the auditors of the Company will also conduct annual review of the transactions under the 2025 Framework Procurement Agreements.

6. 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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, Nanshan Development is 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. LISTING RULES IMPLICATIONS

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, 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.

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 Latest Practicable Date, (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; 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 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 Procurement 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 Procurement Agreements; and (iii) the 2025 Framework Procurement Agreements were all entered into on the same day, the transactions contemplated under the 2025 Framework Procurement 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.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the Proposed Annual Caps 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.

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 Procurement Agreements, the Proposed Annual Caps and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Save as disclosed above, none of the other Directors has or is considered to have a material interest in the 2025 Framework Procurement 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 Procurement Agreements, the Proposed Annual Caps and the transactions contemplated thereunder.

8. 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. Please refer to the letter form the Independent Board Committee on pages 20 to 21 of this circular, which sets out the recommendation from the Independent Board Committee in respect of the 2025 Framework Procurement Agreements, the Proposed Annual Caps 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. Please refer to the letter form Somerley on pages 22 to 36 of this circular, which sets out the advice from Somerley in respect of the 2025 Framework Procurement Agreements, the Proposed Annual Caps and the transactions contemplated thereunder.

9. 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 Thursday, 12 December 2024 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, to approve the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder. The notice of the EGM is set on pages 43 to 45 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. Tuesday, 10 December 2024 at 10:00 a.m.) before the time appointed for holding the EGM or any adjournment thereof (as the 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.

LETTER FROM THE BOARD

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 9 December 2024 to Thursday, 12 December 2024, 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 Friday, 6 December 2024.

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 49.0% of the equity interest in Nanshan Group as at the Latest Practicable Date, Union Capital and its associate(s) will abstain from voting on the proposed resolution in relation to the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder, at the EGM. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, save for Union Capital and its associate(s), 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 resolution to be proposed at the EGM.

10. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee on pages 20 to 21 of this circular, which sets out the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder; and (ii) the letter from Somerley, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders on pages 22 to 37 of this circular, which contains the advice of Somerley in respect of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder.

The Directors (excluding (i) the independent non-executive Directors whose recommendation is set out in the letter from the Independent Board Committee in this circular; and (ii) Mr. Song Jianbo who has material interests in the transactions contemplated hereunder as described in the section headed "7. LISTING RULES IMPLICATIONS" of this circular above) consider that:

- (i) the entering into of the 2025 Framework Procurement Agreements are in the ordinary and usual course of business of the Group;

LETTER FROM THE BOARD

- (ii) the terms of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps, are on normal commercial terms or better that are fair and reasonable;
- (iii) the Proposed Annual Caps under 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 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 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder.

11. 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 2025 Framework Procurement Agreements, including the Proposed 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)

21 November 2024

To the Independent Shareholders,

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2025 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 2025 Framework Procurement Agreements, including the Proposed Annual Caps and the transactions contemplated thereunder. Somerley 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, together with the principal factors and reasons which Somerley has taken into consideration in arriving such advice, are set out on pages 22 to 37 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 stated in its letter of advice, we 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 of the 2025 Framework Procurement Agreements, including the Proposed Annual Caps, are normal commercial terms or better that are fair and reasonable;

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

- (iii) the Proposed Annual Caps under 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 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 2025 Framework Procurement Agreements, including the Proposed 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

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

21 November 2024

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2025 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 relation to the renewal of the framework procurement agreements (the “**Transactions**”). Details of the Transactions are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company dated 21 November 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

As set out in the Board Letter, on 4 November 2024, Nanshan University entered into a 2025 Framework Procurement Agreement with each of the Connected Transaction Counterparties (being Nanshan Group, Nanshan Development and Longkou Nanshan) for the procurement of the Goods and Services.

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, 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. Mr. Song is the

LETTER FROM SOMERLEY

father of Mr. Song Jianbo and the father-in-law of Ms. Sui, and is therefore a connected person of the Company under the Listing Rules. Further, as at the Latest Practicable Date, (i) Nanshan Development is owned as to approximately 63.7% by Mr. Song; and (ii) Longkou Nanshan is owned as to approximately 83.3% by Mr. Song 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. As such, Nanshan Development and Longkou Nanshan 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 Procurement Agreements will constitute continuing connected transactions of the Company under Chapter 14A 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 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.

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 relation to the Transactions. 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 (i) a major transaction and continuing connected transactions (details of which are set out in the Company's circular dated 19 December 2022); and (ii) the revision of annual cap of continuing connected transactions (details of which are set out in the Company's circular dated 26 September 2023). The past engagements were 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 engagements, Somerley Capital Limited received normal professional fees from the Company. Having considered the independent advisory nature of the past engagements, as at the Latest Practicable Date, there were no relationships or interests between Somerley Capital Limited and (a) the Group, and (b) 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.

LETTER FROM SOMERLEY

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 opinion with respect to the Transactions, we have taken into account the principal factors and reasons set out below.

1. Information on the Group

As mentioned in the Board Letter, the Group is principally engaged in offering private higher education and finance and operating lease services. The Group provides higher education through Nanshan University.

2. Information on Nanshan University

As advised by the Management, Nanshan University is located in Longkou City, Shandong Province, the PRC, and is a private institution of higher education that provides undergraduate and junior college diploma programmes approved by the Ministry of Education of the PRC.

3. Information on the Connected Transaction Counterparties

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

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

4. Reasons for and benefits of the Transactions

As set out in the sections headed “1. Information on the Group” and “2. Information on Nanshan University” of this letter above, the Group is principally engaged in, among other things, providing private higher education in the PRC through Nanshan University, and Nanshan University is a private institution of higher education that provides undergraduate and junior college diploma programmes approved by the Ministry of Education of the PRC.

We have discussed with the Management regarding the reasons for entering into the 2025 Framework Procurement Agreements. We understand that Nanshan University has been procuring different Goods and Services from the Connected Transaction Counterparties under the Existing Framework Procurement Agreements. As advised by the Management, the Goods and Services that Nanshan University has procured include clothing such as staff uniforms, furniture and fixtures, gifts and souvenirs, repair and maintenance services, campus sanitation and cleaning services, gardening services, and venue and property rental services with lease terms not exceeding one year. We understand from the Management that the Goods and Services procured under the Existing Framework Procurement Agreements are used for the daily operations of Nanshan University, and are important for maintaining the on-going operation of Nanshan University.

As set out in the Board Letter, Nanshan University and the Connected Transaction Counterparties have an amicable business relationship with no major disputes in the past few years, and the Management considers that the Connected Transaction Counterparties are reliable business partners. As advised by the Management, the Connected Transaction 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 Connected Transaction Counterparties will be able to provide the Goods and Services to the Group in a timely and efficient manner. As a result, Nanshan University entered into the 2025 Framework Procurement Agreements with the Connected Transaction Counterparties to renew the framework procurement agreements to ensure a stable and on-going operation of the university.

Taking into account (i) that the transactions contemplated under the 2025 Framework Procurement Agreements are in line with the principal business of the Group; (ii) that the Group has been conducting transactions with the Connected Transaction Counterparties under the Existing Framework Procurement Agreements with no major disputes and the renewal of framework procurement agreements represent continuation of such business relationship; and (iii) the business networks of the Connected Transaction Counterparties, we concur with the Directors’ view that the Transactions are in the interests of the Company and the Shareholders as a whole and are in the ordinary and usual course of business of the Group.

5. Principal terms of the 2025 Framework Procurement Agreements

Set out below is a summary of the principal terms of the 2025 Framework Procurement Agreements, details of which are set out in the section headed “2025 FRAMEWORK PROCUREMENT AGREEMENTS” of the Board Letter.

LETTER FROM SOMERLEY

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 Goods and Services from the Connected Transaction Counterparties during the term of the 2025 Framework Procurement Agreements.

Term

Commencing from 1 January 2025 and ending on 31 March 2027 (both days inclusive).

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 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.

LETTER FROM SOMERLEY

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.

Pricing principles

The price of the Goods and Services shall be determined with reference to the price charged by at least two 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).

(i) Procurement of goods

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 Connected Transaction Counterparties 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 Connected Transaction Counterparties for reasonable price for such products, and has the full discretion not to procure from the Connected Transaction Counterparties.

(ii) Procurement of services

With respect to the repairing and maintenance services such as teaching equipment repairment and school facilities maintenance, campus sanitary and cleaning services, gardening services such as lawn maintenance, laboratory testing services, catering services 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 engagement in order to determine if the prices offered by the Connected Transaction Counterparties 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 Connected Transaction Counterparties for reasonable price for such services, and has the full discretion not to procure from the Connected Transaction Counterparties.

LETTER FROM SOMERLEY

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 Connected Transaction Counterparties 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 Connected Transaction Counterparties for reasonable price for such venues or properties, and has the full discretion not to procure from the Connected Transaction Counterparties.

Assessment of the pricing policy of the 2025 Framework Procurement Agreements

In relation to the pricing policy mentioned above, for our due diligence purpose, we have obtained and reviewed the relevant documents in relation to the pricing of the Goods and Services under the Existing Framework Procurement Agreements. As set out above and based on our discussion with the Management, pricing policy of the Goods and Services is classified into three categories: (i) goods; (ii) services (other than venue and property rental services); and (iii) venue and property rental services.

As advised by the Management, under the Existing Framework Procurement Agreements, the procurement of (i) goods and (ii) services have been carried out since 18 August 2022 (being the date of the Existing Framework Procurement Agreements approved by the independent shareholders of the Company). Therefore, for our due diligence purpose, we have selected, on a sampling basis, one transaction for each of the procurement of (i) goods and (ii) services under the Existing Framework Procurement Agreements, for each of (a) the period from 18 August 2022 to 31 December 2022; (b) the year ended 31 December 2023; and (c) the nine months ended 30 September 2024. On the other hand, we understand from the Management that Nanshan University did not procure any venue and property rental services under the Existing Framework Procurement Agreements for the period from 18 August 2022 to 31 December 2022, and only procured such services from 2023 as a result of the establishment of the healthcare college of Nanshan University. As such, for the procurement of venue and property rental services, we have selected, on a sampling basis, one transaction for each of (i) the year ended 31 December 2023, and (ii) the nine months ended 30 September 2024.

Based on the selection criteria mentioned above, we have selected a total of 8 transactions. For each of the transaction selected, we have obtained the corresponding quotations made by the Connected Transaction Counterparties and the Independent Suppliers and/or based on independent sources to the Group.

LETTER FROM SOMERLEY

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 Suppliers (for procurement of goods and services) or independent sources (for procurement of venue and properties rental services), and the prices of the Goods and Services offered by the Connected Transaction Counterparties were no less favourable than those offered by the Independent Suppliers or based on the independent sources.

In view of the above, we are of the view that the pricing terms of the 2025 Framework Procurement Agreements are on normal commercial terms and are fair and reasonable.

6. The Proposed Annual Caps

The historical transaction amounts under the Existing Framework Procurement Agreements are set out in the Board Letter and are summarized as follows:

	For the period from 18 August 2022 to 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the period from 1 January 2024 to 30 September 2024 (RMB'000)
Existing Framework Procurement Agreements	16,408	52,905	39,868

The Proposed Annual Caps for 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 in the Board Letter and are summarized as follows:

	For the period from 1 January 2025 to 31 March 2025 (RMB'000)	For the year ending 31 March 2026 (RMB'000)	2027 (RMB'000)
2025 Framework Procurement Agreements	23,410	110,620	115,420

To assess the reasonableness of the Proposed Annual Caps under the 2025 Framework Procurement Agreements, we have reviewed and discussed with the Management a calculation of the estimated amount of Goods and Services to be procured by Nanshan University from the Connected Transaction Counterparties for each of: (i) the period from 1 January 2025 to 31 March 2025 (the “**2025 First Quarter**”); (ii) the year ending 31 March 2026; and (iii) the year ending 31 March 2027, along with their respective underlying bases and assumptions (the “**Proposed Annual Caps Calculation**”).

LETTER FROM SOMERLEY

As mentioned in the section headed “4. Reasons for and benefits of the Transactions” in this letter above, the Goods and Services to be procured under the 2025 Framework Procurement Agreements are essential for the daily operations of Nanshan University and for maintaining its on-going activities. We understand from the Management that the Goods and Services will be utilized in various areas of daily operations of Nanshan University, such as repairment and maintenance services, catering services, leasing services, and renovation services. Additionally, we understand that the demand for the Goods and Services under the 2025 Framework Procurement Agreements for the 2025 First Quarter and two years ending 31 March 2026 and 2027 depends on (i) the number of students in that period/year and (ii) the scale of daily operations and development plans of Nanshan University.

Further details of the Proposed Annual Cap are set out below.

The Proposed Annual Cap for the 2025 First Quarter

As mentioned in this section above, the demand for the Goods and Services depends on, among other factors, the number of students in each period/year. We have discussed with the Management and understand that the total number of students at Nanshan University increased from 29,047 during the school year of 2021/2022 to 33,809 during the school year of 2022/2023, and further increased to 34,958 during the school year of 2023/2024. As advised by the Management, the total number of students reached 39,093 during the school year of 2024/2025, representing a further increase of approximately 11.8% from the previous year. The average growth rate of the total student population was approximately 10.5% over these four school years. With this increment of student population, the Management estimates that the demand for different types of Goods and Services will also increase. Additionally, due to the increase in the number of students and as part of Nanshan University’s development plan, the Management expects a further expansion on the campus, including leasing of buildings for student dormitories and teaching rooms. Based on our discussion with the Management, we understand that Nanshan University plans to have an expansion of the healthcare college in 2025. The Management expects the demand for the Goods and Services to increase after expanding the healthcare college, such as the demand for repairment and maintenance services, catering services, gardening services, and gifts and souvenirs (the “**Goods and Services for Daily Operation**”). According to the Proposed Annual Caps Calculation, the estimated procurement amount for the Goods and Services for Daily Operation is approximately RMB15.5 million for the 2025 First Quarter. For our due diligence purposes, we have reviewed the Proposed Annual Caps Calculation and discussed with the Management regarding the basis of determining the Goods and Services for Daily Operation. We understand that the estimated procurement amount for the Goods and Services for Daily Operation mainly included (i) repair and maintenance services; (ii) gardening services; (iii) administrative services; and (iv) catering services.

For repair and maintenance services, we understand from the Management that the estimated procurement amount is determined based on the amounts for (a) regular repair and maintenance services and (b) project-based repair and maintenance services.

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We have obtained and reviewed the relevant calculation of the estimated transaction amount for the regular and project-based repair and maintenance services for the 2025 First Quarter. For regular repair and maintenance services, we noted that Nanshan University has considered the historical transaction amount and expected increase in demand as a result of the expected increase in total number of students. Based on our review, we noted that the estimated amount of regular repair and maintenance services represents an increase of approximately 12.0% as compared to the estimated transaction amount for the year ending 31 December 2024 on a pro-rata basis, which is in line with the increase in total number of students of approximately 11.8% in the school year of 2024/2025. We understand that Nanshan University plans to carry out different repairs and maintenance projects. When determining the estimated transaction amount for project-based repair and maintenance services, Nanshan University has considered the repair and maintenance plan for the 2025 First Quarter, and we noted that such amount was based on the quotations received by Nanshan University. For gardening services, the estimated procurement amount is based on (a) historical transaction amount, (b) the campus size following the expansion of the healthcare college, and (c) the quotations received by Nanshan University. We have obtained and reviewed a summary provided by the Management of the size of campus requiring gardening services and the estimated amount for gardening services of each area of Nanshan University. We noted that the estimated transaction amounts for gardening services were determined based on the size of campus requiring gardening services and the quotations obtained for the gardening services. For administrative services, Nanshan University has considered the historical transaction amount and the costs for additional administrative staff required as a result of the expected increase in total number of students. As discussed with the Management, we understand that the estimated cost for additional administrative services is based on the requirement of each department and the prevailing market salaries of the respective function. For catering services, we noted that Nanshan University has considered the (a) historical transaction amount, (b) the additional procurement needs as a result of the expected increase in total number of students, and (c) the number of school days during the period.

As part of the expansion of the healthcare college to provide housing capacity and teaching rooms for students, Nanshan University aims to expand its area for student dormitories, teaching buildings, and dining areas to meet operational requirements and student expectations. We have discussed with the Management and understand that Nanshan University expects to rent an additional gross area of approximately 77,000 square meters, for providing additional housing capacity, teaching rooms, dining areas and laboratories in the campus of the healthcare college (the “**New Rental Properties**”), starting in January 2025. As advised by the Management, we understand that Nanshan University has been renting a gross area of approximately 30,000 square meters from the Connected Transaction Counterparties since August 2023 for approximately RMB1.76 million per year for two student dormitories (the “**Existing Rental Properties**”). For the estimated amounts for the New Rental Properties, the Management estimates the amount for the venue and properties rental services to be RMB30 million per year. As advised by the Management, we understand that the rental rate per square meter of the New Rental Properties is expected to be higher than

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the Existing Rental Properties mainly because of the differences in the usage of the properties. The Existing Rental Properties are leased for student dormitories, and are used for providing housing capacity for students. On the other hand, the New Rental Properties are leased for both student dormitories and teaching buildings, including setting up of laboratories. As such, Nanshan University will need to lease properties which are capable to fulfill relevant regulatory requirements and other experimental needs, which would result in a higher rental rate. For our due diligence purposes, we have obtained from the Company the quotations made by the Connected Transaction Counterparties and the Independent Suppliers, for these additional venue and properties rental services. We note that the expected amount of the additional venue and properties rental service of RMB30 million was provided by the Connected Transaction Counterparties, which is the lowest quotation that Nanshan University has obtained. As such, the Management expects the venues and properties rental service for the 2025 First Quarter would amount to approximately RMB7.94 million.

Based on the above, the Proposed Annual Cap for the 2025 First Quarter is determined to be approximately RMB23.4 million.

The Proposed Annual Cap for the year ending 31 March 2026

As advised by the Management, considering the significant growth in the total number of students in previous years and based on current estimation, Nanshan University estimates a slight increase in total number of students for the school year of 2025/2026 compared to the school year of 2024/2025. When determining the expected amounts for the Goods and Services for the year ending 31 March 2026, the Management has taken into account (i) the estimated transaction amount for the Goods and Services for Daily Operation for the 2025 First Quarter of approximately RMB15.5 million, and (ii) the estimated needs for both school years of 2024/2025 and 2025/2026. Given that the expected increase in the total number of student in the school year of 2025/2026 is modest compared to the previous school year, the Management has estimated a corresponding slight growth in demand for the Goods and Services for Daily Operation for the year ending 31 March 2026. According to the Proposed Annual Caps Calculation, the estimated amount for the Goods and Services for Daily Operation is approximately RMB65 million for the year ending 31 March 2026.

As mentioned in this section above, Nanshan University expects to rent a total gross area of 107,000 square meters from the Connected Transaction Counterparties for providing housing capacity, teaching rooms, dining areas and laboratories. Based on the expected amount for the venues and properties rental service for the 2025 First Quarter of approximately RMB7.94 million and after considering the full year effect, the Management estimates the expected amount for the venues and properties rental service for the year ending 31 March 2026 to be approximately RMB31.76 million.

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In addition, as advised by the Management, some of the student dormitories at Nanshan University are dilapidated and no longer meet the needs of the students. As such, in order to provide modern and comfortable accommodations to the students, Nanshan University has been upgrading student dormitories since 2023. Based on the current development plan, Nanshan University will upgrade three student dormitories during the year ending 31 March 2026. For our due diligence purposes, we have obtained and reviewed the relevant quotations obtained by Nanshan University for upgrading the three student dormitories. We noted that Nanshan University received three quotations, and two of which were from Independent Suppliers. We note that the Management has estimated the cost for upgrading the student dormitories based on the lowest quotation of RMB14 million provided by the Connected Transaction Counterparties.

Based on the above, the Proposed Annual Cap for the year ending 31 March 2026 is determined to be approximately RMB110.62 million.

The Proposed Annual Cap for the year ending 31 March 2027

As advised by the Management, when determining the expected amounts for the Goods and Services for the year ending 31 March 2027, the Management has taken into account (i) the estimated transaction amount for the Goods and Services for Daily Operation for the year ending 31 March 2026 of approximately RMB65 million, and (ii) the estimated needs for the Goods and Services for both school years of 2025/2026 and 2026/2027. The Management expects the growth in the total number of student for the school year of 2026/2027 is similar to school year of 2025/2026. Therefore, the Management has estimated a corresponding slight growth in demand for Goods and Services for Daily Operation for the year ending 31 March 2027 as compared to 2026. According to the Proposed Annual Cap Calculation, the estimated amount for the Goods and Services for Daily Operation is approximately RMB70 million for the year ending 31 March 2027.

As mentioned in this section above, Nanshan University expects to continue to rent a total gross area of 107,000 square meters from the Connected Transaction Counterparties to provide housing capacity, teaching rooms, dining areas, and laboratories. The Management estimates that the expected amount for the rental of the venues and properties for the year ending 31 March 2027 is approximately RMB31.76 million, which is the same as the estimated amount for the year ending 31 March 2026.

In addition, as advised by the Management, Nanshan University will further upgrade three student dormitories during the year ending 31 March 2027. The Management estimated that the costs for upgrading the student dormitories during the year ending 31 March 2027 will be roughly the same as those during the year ending 31 March 2026. Therefore, the Management has estimated the cost for upgrading three student dormitories for the year ending 31 March 2027 to be RMB14 million.

Based on the above, the Proposed Annual Cap for the year ending 31 March 2027 is determined to be approximately RMB115.42 million.

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Taking into account the above, we consider that the Proposed Annual Caps are fair and reasonable.

7. Internal control, review and conditions of the transactions contemplated under the 2025 Framework Procurement Agreements

According to the Board Letter, to ensure that the terms of the transactions under the 2025 Framework Procurement Agreements are on normal commercial terms or better and in accordance with the terms of the 2025 Framework Procurement Agreements, and in compliance with the Listing Rules, the Group will implement the following internal control measures:

- a) when possible connected transaction arises during the course of business of Nanshan University which falls under the 2025 Framework Procurement 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;
- b) the relevant business department of Nanshan University will compare the quotations and transaction terms obtained from the 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 section headed “2. 2025 FRAMEWORK PROCUREMENT AGREEMENTS — Pricing Principles” of the Board Letter, 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 (c) below;
- c) 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 Procurement Agreements;
- d) if the possible connected transaction is approved to be conducted, the finance department of Nanshan University will monitor the performance of the transaction at least on a quarterly basis to ensure that the transaction falls within the terms of the 2025 Framework Procurement Agreements;
- e) the finance department of Nanshan University will also monitor the transaction amounts under the 2025 Framework Procurement 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

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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;

- f) the independent non-executive Directors will be provided with details of the transactions contemplated under the 2025 Framework Procurement Agreements for the purpose of conducting annual review of the connected transactions under the 2025 Framework Procurement Agreements; and
- g) the auditors of the Company will also conduct annual review of the transactions under the 2025 Framework Procurement Agreements.

As set out in the Company's 2023 annual report, the independent non-executive have reviewed the continuing connected transactions of the Company (including the Existing Framework Procurement Agreements and the transactions contemplated thereunder) during the year ended 31 December 2023 and have confirmed that the continuing connected transactions entered into by the Group (i) were in the ordinary and usual course of its business, (ii) on normal commercial terms or on terms no less favourable than those available to or from independent third parties, and (iii) in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole (the "**INEDs' Confirmation**").

The auditors of the Company (the "**Auditors**") have been engaged to review the continuing connected transactions of the Group (including the Existing Framework Procurement Agreements and the transactions contemplated thereunder) during fifteen months ended 31 March 2024. The Auditor has issued an assurance report containing in accordance with Rule 14A.56 of the Listing Rules confirming that (i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board; (ii) for transactions involving the provisions of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (iii) nothing has come to their attention that causes them to believe that the continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the annual cap as stipulated in the relevant agreements governing the transactions as set by the Company (the "**Auditors' Confirmation**").

In compliance with the Listing Rules, the Transactions are subject to a number of conditions which include, among other things:

- (i) the Proposed Annual Caps will not be exceeded;
- (ii) the independent non-executive Directors must, in accordance with the Listing Rules, review annually the transactions contemplated under the 2025 Framework Procurement Agreements and confirm in the Company's annual report whether the transactions contemplated under the 2025 Framework Procurement Agreements have been entered into (a) in the ordinary and usual course of

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business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

- (iii) the Auditors must, in accordance with the Listing Rules, review annually the transactions contemplated under the 2025 Framework Procurement Agreements and they must confirm in a letter to the Board whether anything has come to their attention that causes them to believe that the transactions:
 - (a) have not been approved by the Board;
 - (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
 - (c) were not entered into, in all material respects, in accordance with the relevant agreement(s) governing the transactions; and
 - (d) have exceeded the Proposed Annual Caps;
- (iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or the Auditors cannot confirm the matters as required;
- (v) the Company must allow, and ensure that the Connected Transaction Counterparties allow, the Auditors sufficient access to their records of the transactions for the purpose of the auditors' reporting on the transactions contemplated under the 2025 Framework Procurement Agreements. The Board must state in the annual report whether the auditors of the Company have confirmed the matters set out in Rule 14A.56 of the Listing Rules; and
- (vi) the Company must comply with the applicable provisions of the Listing Rules governing continuing connected transactions in the event that the total amount of the transactions contemplated under the 2025 Framework Procurement Agreements exceeds the relevant Proposed Annual Cap(s), or that there is any material amendment to the terms of the 2025 Framework Procurement Agreements.

In light of the conditions imposed on the continuing connected transactions, in particular, (1) the procedures of the internal control measures to be implemented by the Group, (2) the limit of the value of the transactions by way of the Proposed Annual Caps; (3) the on-going review by the independent non-executive Directors and the Auditors regarding the terms of the transactions under the 2025 Framework Procurement Agreements; and (4) the on-going review by the Auditors confirming the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the transactions contemplated under the 2025 Framework Procurement Agreements and safeguard the interests of the Independent Shareholders.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors, we consider that (i) the Transactions are in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; (ii) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (iii) the Proposed Annual Caps 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 Transactions.

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 March 2024, 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 C3 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⁾	3,531,797 Shares (L)	0.21%
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 0.21% 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 or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or 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%
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%
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 are 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 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., 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 (other than the Directors and chief executives of the Company) who have interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or had interests of 5% or more of the issued capital of the Company as 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 at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2024 (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	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 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 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 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 March 2024, being the date to which the latest published audited accounts of the Company were made up.

8. DOCUMENTS ON DISPLAY

A copy of each of the 2025 Framework Procurement Agreements 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.

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 Thursday, 12 December 2024 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 21 November 2024.

ORDINARY RESOLUTION

“THAT

the 2025 Framework Procurement 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 Proposed 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 2025 Framework Procurement 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 2025 Framework Procurement Agreements and/or the transactions contemplated under or incidental to the 2025 Framework Procurement Agreements.”

By order of the Board

Alliance International Education Leasing Holdings Limited

Song Jianbo

Chairman

Hong Kong, 21 November 2024

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 Monday, 9 December 2024 to Thursday, 12 December 2024, 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 Friday, 6 December 2024.
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 Tuesday, 10 December 2024) 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 Thursday, 12 December 2024, the EGM will not be held on Thursday, 12 December 2024 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.
10. As at the date of this notice of EGM, the Board comprises Mr. Li Luqiang, Mr. Liu Zhenjiang, Mr. Yuen Kin Shan and Ms. Liu Meina 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.