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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)

DISCLOSEABLE TRANSACTIONS IN RELATION TO EXTENSION OF LOANS AND SUPPLEMENTAL ANNOUNCEMENT TO THE 2024/25 ANNUAL REPORT

EXTENSION OF LOANS

The Board hereby announces that:

1. On 27 March 2024, the Lender, a wholly-owned subsidiary of the Company, entered into Extension Loan Agreement I with Borrower A, pursuant to which the Lender has agreed to extend the maturity date of the loan under Loan Agreement I in the principal amount of approximately HK$47,029,000 from 24 September 2023 to 25 September 2024.

2. On 15 November 2023, the Lender, a wholly-owned subsidiary of the Company, entered into Extension Loan Agreement II with Borrower B, pursuant to which the Lender has agreed to extend the maturity date of the loan under Loan Agreement II in the principal amount of HK$165,000,000 from 15 November 2023 to 15 May 2024.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Extension Loan Agreement I and Extension Loan Agreement II exceeds 5% but is less than 25%, the Extension Loan Agreements constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and are subject to the notification and announcement requirements thereunder.

Based on the Company's understanding, interpretation and belief at the material time, as the grant of Loan Agreement I and Loan Agreement II did not trigger any disclosure requirements under the Listing Rules, and the Company did not consider the Extension Loan Agreement I and the Extension Loan Agreement II to be new transactions by their nature, the Company was not aware that the Extension Loan Agreements constituted discloseable transactions under Chapter 14 of the Listing Rules. Therefore, each of the Extension Loan Agreement I and Extension Loan Agreement II had not been announced by the Company in a timely manner in accordance with the relevant requirements under Rule 14.34 of the Listing Rules at the material time.

Nevertheless, following consultation with the Company's legal advisers and with reference to the Stock Exchange's Enforcement Bulletin (April 2024 edition), the Company acknowledges that each of the Extension Loan Agreement I and Extension Loan Agreement II should have been regarded as a notifiable transaction and constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. No announcement, as required under Rule 14.34 of the Listing Rules, was made at the time of the respective loan extensions. To align with the Stock Exchange's prevailing regulatory expectations and enhance transparency, the Company hereby issues this announcement and will take steps to strengthen its internal controls and enhance its staff training to ensure timely compliance with the Listing Rules going forward.

SUPPLEMENTAL ANNOUNCEMENT TO THE 2024/25 ANNUAL REPORT

The Company would like to provide further information in relation to the 2024/25 Annual Report.

The Board hereby announces that:

1. On 27 March 2024, the Lender, a wholly-owned subsidiary of the Company, entered into Extension Loan Agreement I with Borrower A, pursuant to which the Lender has agreed to extend the maturity date of the loan under Loan Agreement I in the principal amount of approximately HK$47,029,000 from 24 September 2023 to 25 September 2024.

2. On 15 November 2023, the Lender, a wholly-owned subsidiary of the Company, entered into Extension Loan Agreement II with Borrower B, pursuant to which the Lender has agreed to extend the maturity date of the loan under Loan Agreement II in the principal amount of HK$165,000,000 from 15 November 2023 to 15 May 2024.

The principal terms of the Extension Loan Agreements are summarised as follows:

Extension Loan Agreement I

Date:	27 March 2024
Parties:	1. the Lender; and 2. Borrower A.
Amount of the principal:	approximately HK$47,029,000
Interest:	24% per annum (payable on the extended maturity date)
Term:	The period commencing from the date of the Loan Agreement I and ending on 25 September 2024, the extended maturity date.
Guarantees:	Personal guarantee provided by the ultimate beneficial owner of Borrower A, Mr. Hu Xiutong.
Repayment:	Borrower A shall repay the entire principal amount outstanding, together with any accrued but unpaid interest or other sums due and payable on 25 September 2024 (subject to early repayment by Borrower A or call back requested by the Lender (if any)).

Extension Loan Agreement II

Date:	15 November 2023
Parties:	1. the Lender; and 2. Borrower B.
Amount of the principal:	HK$165,000,000
Interest:	15% per annum (payable on the extended maturity date)
Term:	The period commencing from the date of the Loan Agreement II and ending on 15 May 2024, the extended maturity date.
Guarantees:	Personal guarantee provided by the ultimate beneficial owner of Borrower B, Mr. You Yiyang.

Repayment:	Borrower B shall repay the entire principal amount outstanding, together with any accrued but unpaid interest or other sums due and payable on 15 May 2024 (subject to early repayment by Borrower B or call back requested by the Lender (if any)).

Basis of Interest Rate

The respective fixed annual interest rates of 24% and 15% under each of the Extension Loan Agreement I and Extension Loan Agreement II were negotiated on an arm's length basis among the Lender and each of Borrower A and Borrower B, respectively, with reference to (i) the respective interest rates under each of the Loan Agreement I and Loan Agreement II were 24% and 15%, respectively; (ii) the interest rate for similar loans previously granted by the Group to the Borrowers and other borrowers of the Group; (iii) the repayment history (where applicable) and creditworthiness and financial capacity of the borrowers; and (iv) the expected rates of return of the loans, considering that such loans were short-term loans, unsecured and of a higher risk profile compared to finance leases (which are backed by assets), for which the Group typically set lower interest rates as compared to short-term loans.

REASONS FOR AND BENEFITS OF THE EXTENSION OF LOANS

Whilst the Group is principally engaged in (i) finance leasing and (ii) provision of higher education in the PRC, the Company believes that using temporary idle funds reasonably and effectively will be conducive to enhancing the utilisation of capital and improving the level of income generated from idle funds. As the interest rates adopted of short-term loans were higher than the prevailing market deposit interest rates, the Board is of the view that it could increase the income from idle funds by granting the loans to the Borrowers rather than idling the funds at banks with minimal interests while looking for suitable finance lease projects, which could provide a positive impact on the cash flow of the Group. At the same time, considering that granting short-term loans is a form of investment of idle funds, in order to ensure that there would be sufficient level of cash for utilisation for potential finance lease projects as and when such opportunities arise, the Group has set relatively short tenures for short-term loans, typically ranging from one to five months.

The Company carefully weighed the risk of default against the potential for recovery, taking into account the respective Borrowers' representations regarding their repayment intentions and the personal guarantees provided by their respective ultimate beneficial owners. The Company considered that granting an extension, rather than pursuing immediate enforcement, would at the time offer a more practical and commercially reasonable path to maximise recovery.

In view of the above factors and the internal control measures of the due diligence work and credit risk assessment performed by the Board before extending each of the Loan Agreement I and Loan Agreement II at the material time, the Directors consider that the Extension Loan Agreements were entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PARTIES

The Group and the Lender

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

The Lender, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, is an investment holding company.

The Borrowers

Borrower A is an investment holding company incorporated in the British Virgin Islands with limited liability. It is wholly-owned and ultimately beneficially owned by Mr. Hu Xiutong.

Borrower B is an investment holding company incorporated in the British Virgin Islands with limited liability. It is wholly-owned and ultimately beneficially owned by Mr. You Yiyang.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Borrowers and their respective ultimate beneficial owners is an Independent Third Party.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Extension Loan Agreement I and Extension Loan Agreement II exceeds 5% but is less than 25%, the Extension Loan Agreements constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and are subject to the notification and announcement requirements thereunder.

Based on the Company's understanding, interpretation and belief at the material time, as the grant of Loan Agreement I and Loan Agreement II did not trigger any disclosure requirements under the Listing Rules, and the Company did not consider the Extension Loan Agreement I and the Extension Loan Agreement II to be new transactions by their nature, the Company was not aware that the Extension Loan Agreements constituted discloseable transactions under Chapter 14 of the Listing Rules. Therefore, each of the

Extension Loan Agreement I and Extension Loan Agreement II had not been announced by the Company in a timely manner in accordance with the relevant requirements under Rule 14.34 of the Listing Rules at the material time.

Nevertheless, following consultation with the Company's legal advisers and having regard to the regulatory expectations set out in the Stock Exchange's Enforcement Bulletin (April 2024 edition), the Company acknowledges that each of the Extension Loan Agreement I and Extension Loan Agreement II should have been regarded as a notifiable transaction under Chapter 14 of the Listing Rules. Based on the applicable percentage ratios, each of the Extension Loan Agreement I and Extension Loan Agreement II constituted a discloseable transaction of the Company under Rule 14.08 of the Listing Rules and, accordingly, an announcement should have been made pursuant to Rule 14.34 of the Listing Rules at the time of the respective loan extensions. The Company did not make such announcement at the relevant time. The Company hereby issues this announcement to provide the relevant information in respect of each of the Extension Loan Agreement I and Extension Loan Agreement II. The Company has since undertaken a review of its internal governance and compliance protocols and will implement appropriate measures to strengthen its internal controls and enhance its staff training, with a view to ensuring timely compliance with the Listing Rules going forward.

REMEDIAL MEASURES

In order to avoid reoccurrence of similar incidents in the future, the Company will adopt the following remedial measures:

(1) provide and arrange further guidance, materials checklists and trainings on regulatory compliance matters relating to notifiable transactions to the Directors and responsible staff of the business department of the Group to strengthen and reinforce their existing knowledge as well as their ability to identify potential issues at an early stage, ensure that they fully understand the requirements of the Listing Rules;

(2) review, strengthen and continue to monitor compliance assurance and reporting procedure, to conduct periodic risk assessments annually to identify emerging risks and updating internal control policies accordingly. The enhancements to the internal control policies in relation to, among other things, internal reporting within the Group and assessment of Listing Rules implications, will be reviewed and approved by the Board and circulated within the Group including the subsidiaries outside Hong Kong to unify the Group's internal system. Such enhanced internal control policies include requiring the business departments of the Company's subsidiaries to promptly report any proposals of loan extensions to the company secretarial department of the Company in order to ascertain whether there will be any implication(s) under Chapter 13, 14 and/or 14A of the Listing Rules; and

(3) as and when appropriate and necessary, consult relevant legal or other professional advisers in a timely manner prior to the entering into possible notifiable transactions or when notifiable transactions are being contemplated, so as to ensure that the Directors' understanding and interpretation of the Listing Rules are correct and the Group timely complies with the relevant requirements under the Listing Rules.

The guidance materials and checklists mentioned in paragraph numbered (1) of the above remedial measures are expected to be circulated by November 2025; the trainings stated therein were conducted in September 2025; and the review of the internal control policies mentioned in paragraph numbered (2) of the above remedial measures are expected to be conducted within 2 months from the date of this announcement. Other remedial measures are to be implemented on an on-going basis and will be carried out by the Company if and when appropriate.

The Directors believe that the implementation of the above remedial measures will strengthen and reinforce the knowledge of the responsible staff, management and Directors, improve the regulatory compliance ability of the Company and help prevent the reoccurrence of similar incidents in the future.

Further announcement(s) will be made by the Company to inform the Shareholders and potential investors of the Company of the progress of implementation of the remedial measures as and when appropriate.

FURTHER INFORMATION IN RELATION TO THE 2024/25 ANNUAL REPORT

Reference is made to the annual report of the Company for the year ended 31 March 2025 (the "**2024/25 Annual Report**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 2024/25 Annual Report.

Impairment losses recognised on other receivables

As disclosed in the 2024/25 Annual Report, during the year ended 31 March 2025, the Group recognised impairment loss on other receivables of approximately RMB163.6 million, of which approximately RMB155.4 million related to short-term loan receivables and relevant interest receivables. In accordance with the requirements of IFRS 9, the Group has adopted the ECL model on the IFRS 9 basis, which is the prescribed framework under IFRS 9 for estimating credit losses, to assess the recoverability of its short-term loan receivables as at 31 March 2025. The ECL was calculated based on the following formula which is consistent with IFRS 9:

$$\text{ECL} = \text{EAD} \times \text{PD} \times \text{LGD} \times \text{FLF}$$

Set out below are the value of inputs/assumptions adopted in the valuation:

(i) Exposure at Default (EAD) represents the outstanding balance of short-term loan receivables.

(ii) Probability of Default (PD) was assessed at 100% given that the short-term loan receivables were past due for more than 90 days and considered credit-impaired.

(iii) Loss Given Default (LGD) was determined as 1 minus the recovery rate, with the recovery rate benchmarked against historical averages published by Moody's.

(iv) Forward-Looking Factor (FLF) was derived through regression analysis incorporating macroeconomic indicators, including forecasted GDP growth, inflation rate and M2 money supply trends in the PRC. As it is expected that the economy of the PRC will slow down, FLF of 104% is assumed.

The Company would like to provide further information in relation to the 2024/25 Annual Report on the basis of determination of the LGD rates as follows.

The methods and basis used in determining the amount of the impairment

For the purpose of determining the amount of impairment, in calculating the respective ECL rates for the Short-term Loans, the LGD rates for the Short-term Loans were determined by referencing Moody's average ultimate debt recovery rates, adjusted to reflect the specific security and risk profiles of each loan. This methodology ensures that the LGD rates appropriately account for the differing risk profiles for different loans while remaining consistent with Moody's published recovery data.

Each of Short-term Loans 1 and 2 is secured by a personal guarantee provided by the respective borrower's ultimate beneficial owners, who undertook an absolute, irrevocable and unconditional obligation to the Lender to ensure full and timely repayment of all present and future indebtedness and obligations of the respective borrowers, but lacking collateral, which aligns them with Moody's senior unsecured loan category. Historical data from Moody's indicates that senior unsecured loans have an average recovery rate of 47%, reflecting lower recoveries due to their subordinated position in default scenarios. As a result, the LGD for these loans was calculated as 1 minus the recovery rate (1–0.47), yielding 53%.

In respect of Short-term Loan 3, pursuant to the personal guarantee provided by the ultimate beneficial owner of Borrower C (the "**Guarantor**"), the Guarantor undertook an absolute, irrevocable and unconditional obligation to the Lender to ensure full and timely repayment of all present and future indebtedness and obligations of Borrower C. The Company regarded this undertaking as giving the Group (as lender) a strong assurance of recoverability. In addition, the Company observed that the Guarantor's shareholding in a company listed on the Stock Exchange, the market value of which could cover the loan amount of Short-term Loan 3 at the material time, represents an asset that can be readily realised through public markets. Unlike unlisted shares which typically require a negotiated private sale, listed shares may be converted into cash more quickly. Moreover, because such shares are continuously traded and publicly quoted, with pricing and volume data updated in real time on the Stock Exchange, they provide an objective and transparent measure of value.

Having regard to the above, the Company considered that Short-term Loan 3 exhibits secured-like recovery characteristics, as the Guarantor's shareholding in the listed company as described above provided a more identifiable and readily realisable source of potential recovery than those available under Short-term Loans 1 and 2. This was considered to offer a higher degree of credit enhancement under the personal guarantee for Short-term Loan 3, thereby supporting a lower LGD for Short-term Loan 3.

As such, during the course of audit, Moody's long-term average recovery rate for senior secured bonds of 61.4% was used as a benchmark for Short-term Loan 3. This resulted in an LGD of 1 minus the recovery rate (1–0.614), or 38.6%, which was rounded to 39% for Short-term Loan 3.

The above further information should be read in conjunction with the 2024/25 Annual Report and does not affect other information contained in the 2024/25 Annual Report. Save as disclosed above, all other information contained in the 2024/25 Annual Report remains unchanged.

DEFINITIONS

"Board"	the board of Directors
"Borrower A"	MZSY International Service Company Limited
"Borrower B"	Monte Investment Holding Limited
"Borrowers"	Borrower A and Borrower B, collectively
"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)
"Director(s)"	the director(s) of the Company
"Extension Loan Agreement I"	the loan agreement dated 27 March 2024 made between the Lender and Borrower A in respect of a principal amount of approximately HK$47,029,000
"Extension Loan Agreement II"	the loan agreement dated 15 November 2023 made between the Lender and Borrower B in respect of a principal amount of HK$165,000,000
"Extension Loan Agreements"	Extension Loan Agreement I and Extension Loan Agreement II, collectively
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any entity(ies) or persons who, together with its ultimate beneficial owner(s), as far as the Directors are aware after having made all reasonable enquiries, are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
"Lender"	Perfect Summit Enterprises Limited, a limited liability company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement I"	a loan agreement dated 14 August 2023 made between the Lender and Borrower A in respect of a principal amount of HK$50,000,000.
"Loan Agreement II"	a loan agreement dated 15 March 2023 made between the Lender and Borrower B in respect of a principal amount of HK$165,000,000, as amended or supplemented from time to time.
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board
Alliance International Education Leasing Holdings Limited
Li Luqiang
Chairman

Hong Kong, 30 October 2025

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