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INTERNATIONAL ALLIANCE FINANCIAL LEASING CO., LTD.

国际友联融资租赁有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1563)

**DISCLOSEABLE TRANSACTION
FINANCE LEASE AGREEMENT**

FINANCE LEASE AGREEMENT

On 20 December 2022 (after trading hours), the Lessor, a direct wholly-owned subsidiary of the Company, and the Lessee entered into the Finance Lease Agreement, pursuant to which the Lessor agreed to lease the Aircraft to the Lessee with a lease period of 36 months.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect the transactions contemplated under the Finance Lease Agreement is over 5% but less than 25%, the transactions contemplated thereunder constitute a discloseable transaction for the Company. Accordingly, such transactions are subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

FINANCE LEASE AGREEMENT

The Board is pleased to announce that on 20 December 2022 (after trading hours), the Lessor, a direct wholly-owned subsidiary of the Company, and the Lessee entered into the Finance Lease Agreement, pursuant to which the Lessor agreed to lease the Aircraft to the Lessee with a lease period of 36 months.

The principal terms of the Finance Lease Agreement are set out as follows:

Date

20 December 2022

Parties

- (1) the Lessor; and
- (2) the Lessee.

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

The Aircraft to be leased

One Gulfstream G550 aircraft.

Rental Fees and Interest Rates

The rental fees to be received by the Group for the leasing of the Aircraft to the Lessee represent the principal amounts and interest income. The principal amount under the Finance Lease Agreement shall be US\$29,250,000.

The interest rate charged to the Lessee under the Finance Lease Agreement is initially set at 6.4%. The interest rate shall be adjusted half-yearly based on the SOFR one month prior to the next due date of the rental fees in the same direction and to the same extent, except the rental fees prior to the adjustment.

The rental fees for the Aircraft were determined after arm's length negotiation between the parties and on normal commercial terms, and are comparable to the prevailing market rate for aircraft finance lease transactions of comparable nature.

Lease Period

36 months, commencing from the date to be specified in the notification of commencement of lease to be issued by the Lessor of the Finance Lease Agreement.

Refundable Security Deposit

The refundable security deposit payable by the Lessee shall be US\$292,500. It is non-interest bearing and refundable to the Lessee upon the expiry of the Finance Lease Agreement.

Payment and Delivery Term

The rental fee payments shall be made by the Lessee in six (6) instalments and payable on a half-yearly basis throughout the term of the Finance Lease Agreement.

The Aircraft is expected to be delivered to the Lessee in or about January 2023.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The entering into of the Finance Lease Agreement is consistent with the Company's business development strategy. The transaction demonstrates the Group's capability to continue providing aircraft solutions to meet customers' needs and expanding its customer portfolio with lease terms acceptable to the Group.

The Directors believe that the Finance Lease Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. The Group continues to look for potential new clients through, among others, provision of high quality customer service to them. The Directors expect that the commercial activities will be more active and the aviation industry (particularly, private jets) will recover.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in (i) finance leasing and provision of finance leasing and advisory services to customers mainly in the healthcare, aviation and public infrastructure industries in the PRC, and (ii) provision of private higher education in the PRC. The Lessor, a wholly-owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability.

INFORMATION OF THE LESSEE

The Lessee is a company incorporated in the British Virgin Islands with limited liability. It is incorporated for the purpose of leasing the Aircraft.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated in accordance with the Listing Rules in respect the transactions contemplated under the Finance Lease Agreement is over 5% but less than 25%, the transactions contemplated thereunder constitute a discloseable transaction for the Company. Accordingly, such transactions are subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Aircraft”	one Gulfstream G550 aircraft
“Board”	the board of Directors
“Company”	International Alliance Financial Leasing Co., Ltd. (国际友联融资租赁有限公司), 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
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 20 December 2022 entered into between the Lessor and the Lessee in respect of the finance leasing of the Aircraft
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lessee”	Celestial Pivot Limited, a company incorporated in the British Virgin Islands with limited liability, being the lessee under the Finance Lease Agreement
“Lessor”	Leading Elite International Limited, a company incorporated in the British Virgin Islands with limited Liability, a direct wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) with par value of US\$0.000001 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“SOFR”	US Secured Overnight Financing Rate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent.

By order of the Board
International Alliance Financial Leasing Co., Ltd.
Jiao Jianbin
Non-executive Director

Hong Kong, 20 December 2022

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