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)

FINAL RESULTS ANNOUNCEMENT FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- For the fifteen months ended 31 March 2024, profit for the period amounted to approximately RMB182.8 million, as compared with the profit of approximately RMB372.1 million for the year ended 31 December 2022.
- For the fifteen months ended 31 March 2024, revenue amounted to approximately RMB811.8 million, representing an increase of approximately 120.1% as compared with that of approximately RMB368.8 million for the year ended 31 December 2022.
- For the fifteen months ended 31 March 2024, profit before tax amounted to approximately RMB306.0 million, compared with the profit before tax of approximately RMB415.0 million for the year ended 31 December 2022.
- As at 31 March 2024, total assets amounted to approximately RMB3,679.3 million, representing a decrease of approximately 11.9% as compared with that of approximately RMB4,174.6 million as at 31 December 2022.
- As at 31 March 2024, total shareholders' equity amounted to approximately RMB2,801.0 million, representing an increase of approximately 7.8% as compared with that of approximately RMB2,598.0 million as at 31 December 2022.
- For the fifteen months ended 31 March 2024, the return on equity was approximately 6.8%.
- For the fifteen months ended 31 March 2024, the return on total assets was approximately 4.7%.

The board (the "**Board**") of directors (the "**Directors**") of Alliance International Education Leasing Holdings Limited (the "**Company**") is pleased to present the results of the Company and its subsidiaries (collectively, the "**Group**") for the fifteen months ended 31 March 2024 (the "**Reporting Period**") and the comparative figures for the year ended 31 December 2022 ("**FY2022**") as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2024

	Notes	**Fifteen months ended 31 March 2024** *RMB'000*	Year ended 31 December 2022 *RMB'000*
Revenue	*4*	**811,782**	368,796
Cost of services		**(370,437)**	(112,816)
Gross profit		**441,345**	255,980
Other income, gains or losses	*5*	**82,664**	28,216
Gain on bargain purchase	*24*	—	270,483
Selling and distribution expenses		**(19,593)**	(6,370)
Administrative expenses		**(120,159)**	(52,806)
Finance costs	*6*	**(53,841)**	(76,984)
Impairment losses recognised on financial assets, net	*7*	**(24,447)**	(3,500)
Profit before tax	*8*	**305,969**	415,019
Income tax expense	*9*	**(123,213)**	(42,899)
Profit for the period/year		**182,756**	372,120
Other comprehensive income (expense):			
Item that will not be reclassified subsequently to profit or loss:			
Net fair value gain on financial assets at fair value through other comprehensive income		**8,590**	—
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(5,948)**	5,884
Other comprehensive income for the period/year		**2,642**	5,884
Total comprehensive income for the period/year		**185,398**	378,004

	Note	Fifteen months ended 31 March 2024 RMB'000	Year ended 31 December 2022 RMB'000
Profit for the period/year attributable to:			
Owners of the Company		**140,110**	360,386
Non-controlling interests		**42,646**	11,734
		182,756	372,120
Total comprehensive income for the period/year			
Owners of the Company		**142,752**	366,270
Non-controlling interests		**42,646**	11,734
		185,398	378,004
Earnings per share			
(Expressed in RMB Yuan per share)			
Basic and diluted	*11*	**0.0829**	0.2388

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	**31 March 2024**	31 December 2022
		RMB'000	*RMB'000*
Non-current assets			
Property and equipment	*12*	**1,034,875**	824,078
Right-of-use assets	*13*	**441,722**	460,780
Intangible assets		**36,717**	48,636
Finance lease receivables	*14*	**752,650**	916,068
Financial assets at fair value through other comprehensive income	*18*	**181,653**	—
Other receivables	*15*	**2,138**	471
Deferred tax assets	*16*	**77,299**	91,454
		2,527,054	2,341,487
Current assets			
Inventories		**1,702**	2,013
Finance lease receivables	*14*	**490,305**	1,226,508
Financial assets at fair value through profit or loss	*17*	**184,550**	83,000
Trade and other receivables	*15*	**284,290**	295,806
Bank balances	*19*	**191,446**	225,832
		1,152,293	1,833,159
Current liabilities			
Trade, bills and other payables	*20*	**325,988**	535,378
Deposits from finance lease customers	*14*	**33,247**	96,181
Lease liabilities		**6,883**	4,869
Contract liabilities	*21*	**217,120**	292,238
Income tax payables		**55,034**	17,026
Deferred income	*22*	**3,620**	15,352
Borrowings	*23*	**76,299**	308,475
		718,191	1,269,519
Net current assets		**434,102**	563,640
Total assets less current liabilities		**2,961,156**	2,905,127

	Notes	**31 March 2024** *RMB'000*	31 December 2022 *RMB'000*
Capital and reserves			
Share capital		**11**	11
Reserves		**2,381,977**	2,239,225
Equity attributable to owners of the Company		**2,381,988**	2,239,236
Non-controlling interests		**419,018**	358,724
Total equity		**2,801,006**	2,597,960
Non-current liabilities			
Deposits from finance lease customers	*14*	**55,502**	75,046
Lease liabilities		**29,710**	33,000
Other payables	*20*	**—**	152,647
Deferred income	*22*	**3,283**	23,227
Borrowings	*23*	**71,655**	20,850
Deferred tax liabilities	*16*	**—**	2,397
		160,150	307,167
		2,961,156	2,905,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2024

1. GENERAL INFORMATION

Alliance International Education Leasing Holdings Limited (the "**Company**") is an exempted company with limited liability incorporated in the Cayman Islands on 19 January 2015, with a registered share capital of United States Dollar ("**USD**") 50,000. The registered address of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 2602, 26th Floor, One Hennessy, No. 1 Hennessy Road, Wanchai, Hong Kong. Its controlling shareholder is Union Capital Pte. Ltd. ("**Union Capital**"), a company incorporated in Singapore. Union Capital is solely owned by Ms. Sui Yongqing. The Company was listed on The Stock Exchange of Hong Kong Limited with the stock code of 1563.

Pursuant to a special resolution passed at the Company's extraordinary general meeting held on 14 February 2023, subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands having obtained by way of issue of a certificate on change of name, the name of the Company changed from "International Alliance Financial Leasing Co., Ltd. 国际友联融资租赁有限公司" to "Alliance International Education Leasing Holdings Limited 友聯國際教育租賃控股有限公司" (the "**Change of Name**"). Subsequently, the Certificate of Change of Name was issued by the Registrar of Companies in the Cayman Islands on 14 February 2023 and the Change of Name has taken effect on the same date accordingly.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in offering private higher education services and finance and operating lease services. The Company is an investment holding company.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Change of financial year end date

Pursuant to a resolution of the Board dated 29 June 2023, the Company's financial year end date has been changed from 31 December to 31 March commencing from the financial period from 1 January 2023 to 31 March 2024 in order to enable the Group to rationalise and better mobilise its resources with higher efficiency for the preparation of its interim and annual results announcements and reports. Accordingly, the comparative figures presented for the audited consolidated statement of profit or loss and other comprehensive income, audited consolidated statement of change in equity, audited consolidated statement of cash flows and related notes which cover the audited figures of the financial year from 1 January 2022 to 31 December 2022 may not be comparable with the amounts shown for the current period.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") which are effective for the Group's financial year beginning 1 January 2023:

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the other new and amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied IAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

There was no impact on the consolidated statement of financial position because the related deferred tax balances qualify for offsetting under IAS 12. There was no impact on the opening retained earnings as at 1 January 2022. The key impact to the Group relates to the disclosures of the component of deferred tax assets and liabilities is disclosed in Note 16.

Amendments to IFRSs issued but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 16	Lease liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure of Financial Statements[4]
IFRS 19	Subsidiaries without Public Accountability — Disclosures[4]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument[3]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.
5 Effective for annual periods beginning on or after a date to be determined.

The Directors of the Company anticipate that, the application of the amendments to IFRSs will have no material impact on the financial performance and the financial position of the Group.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 *Operating segments* are as follows:

1. Private higher education services — provision of tuition services, student accommodation services and other education services; and

2. Finance and operating leasing — provision of sale-leaseback and direct finance leasing services and rendering vessel chartering.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the fifteen months ended 31 March 2024

	Private higher education services *RMB'000*	Finance and operating leasing *RMB'000*	Total *RMB'000*
REVENUE			
External sales	**606,543**	**205,239**	**811,782**
Segment profit	**195,965**	**125,884**	**321,849**
Unallocated other income, gains or losses			**20,365**
Unallocated administrative expenses			**(16,301)**
Unallocated finance costs			**(19,944)**
Profit before tax			**305,969**

For the year ended 31 December 2022

	Private higher education services *RMB'000*	Finance and operating leasing *RMB'000*	Total *RMB'000*
REVENUE			
External sales	159,934	208,862	368,796
Segment profit	39,112	137,861	176,973
Unallocated other income, gains or losses			2,821
Gain on bargain purchase			270,483
Unallocated administrative expenses			(24,775)
Unallocated finance costs			(10,483)
Profit before tax			415,019

4. REVENUE

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes. An analysis of the Group's revenue for the period/year is as follows:

	Notes	**Fifteen months ended 31 March 2024** ***RMB'000***	Year ended 31 December 2022 *RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by services lines			
Tuition fees	*a*	**550,193**	145,784
Boarding fees	*a*	**49,637**	12,710
Other education service fees	*b*	**6,713**	1,440
		606,543	159,934
Revenue from other source			
Finance lease services		**184,972**	208,862
Operating lease rental income		**20,267**	—
		811,782	368,796

Notes:

(a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which was recognised over time, i.e. the academic year, of the services rendered.

(b) Other education service fees mainly represented income received from the provision of other education services including training services to the students, which was recognised over time, i.e. the periods of the applicable program, of the services rendered.

Disaggregation of revenue from contracts with customers by timing of recognition

	Fifteen months ended 31 March 2024	Year ended 31 December 2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time	**606,543**	159,934

Transaction price allocated to the remaining performance obligations for contracts with customers

The tuition fees, boarding fees and other education service fees contracts are with an original expected duration of one year or less. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the Reporting Period.

5. OTHER INCOME, GAINS OR LOSSES

	Fifteen months ended 31 March 2024	Year ended 31 December 2022
	RMB'000	*RMB'000*
Government grants *(Note)*	**5,415**	7,631
Net exchange gains	**12,581**	2,757
Rental income	**16,118**	4,289
Sales of education materials	**3,385**	3,712
Investment and interest income	**40,814**	8,395
Loss on disposal of property and equipment	**(216)**	(434)
Others	**4,567**	1,866
	82,664	28,216

Note: Government grants represent local governments' offer for the refund of value-added tax of approximately RMB5,001,000 (2022: RMB6,631,000) to enterprises in the finance leasing industry and subsidies of approximately RMB414,000 (2022: RMB1,000,000) from the local governments for supporting private higher education businesses. The government grants are one-off in nature with no specific conditions.

6. FINANCE COSTS

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Interest expense on:		
— Borrowings	**13,872**	35,581
— Imputed interest on deposits from finance lease customers	**17,931**	27,837
— Imputed interest on consideration payable	**19,762**	10,358
— Bills payables	**—**	2,587
— Lease liabilities	**2,276**	621
	53,841	76,984

7. IMPAIRMENT LOSSES RECOGNISED ON FINANCIAL ASSETS, NET

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Finance lease receivables	**(8,813)**	1,264
Other receivables	**(15,634)**	(4,764)
	(24,447)	(3,500)

8. PROFIT BEFORE TAX

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Profit before tax has been arrived at after charging:		
Directors' remuneration	**7,832**	3,973
Salaries, bonus and other employee benefits	**206,482**	62,858
Retirement benefits schemes contributions	**41,131**	12,240
Total staff costs	**255,445**	79,071
Auditor's remuneration	**1,950**	2,610
Depreciation of property and equipment	**93,161**	13,716
Depreciation of right-of-use assets	**24,282**	8,390
Amortisation of intangible assets	**11,919**	3,774

9. INCOME TAX EXPENSE

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Current income tax		
PRC Enterprise Income Tax ("EIT")	**113,631**	36,992
Over provision in prior year		
PRC EIT	**(2,176)**	—
Deferred income tax expense *(Note 16)*	**11,758**	5,907
	123,213	42,899

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the Reporting Period, nor has any dividend been proposed since the end of the Reporting Period (2022: nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is as follows:

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Profit for the period/year	**140,110**	360,386
Number of shares		
Weighted average number of shares in issue *('000)*	**1,690,914**	1,509,415

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the Reporting Period and the year ended 31 December 2022.

12. PROPERTY AND EQUIPMENT

Property and equipment consist of (i) property and buildings, (ii) education equipment, (iii) furniture and other equipment, (iv) motor vehicles, and (v) vessel and the carrying amounts at 31 March 2024 are (i) RMB732,324,000, (ii) RMB44,345,000, (iii) RMB14,656,000, (iv) RMB5,403,000 and (v) RMB238,147,000 (31 December 2022: (i) RMB773,617,000, (ii) RMB24,789,000, (iii) RMB21,240,000, (iv) RMB4,432,000 and (v) nil) respectively.

13. RIGHT-OF-USE ASSETS

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Land use rights	**402,871**	419,036
Buildings	**37,127**	38,656
Office	**1,724**	3,088
	441,722	460,780

14. FINANCE LEASE RECEIVABLES

The Group entered into finance leasing arrangements as a lessor for certain equipment and aircrafts to its lessees. All interest rates inherent in the leases are determined at the contract date over the lease terms.

(i) The minimum lease receivables are set out below:

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Amounts receivable under finance leases		
Within 1 year	**899,696**	1,611,768
After 1 year but within 2 years	**346,918**	401,303
After 2 years but within 3 years	**267,287**	297,306
After 3 years but within 4 years	**50,584**	270,613
After 4 years but within 5 years	**148,500**	87,621
Gross investment in leases	**1,712,985**	2,668,611
Less: Unearned finance income	**(202,958)**	(266,810)
Present value of minimum lease payment receivables	**1,510,027**	2,401,801
Less: Allowance for impairment losses	**(267,072)**	(259,225)
	1,242,955	2,142,576
Analysed for reporting purposes as:		
Current assets	**490,305**	1,226,508
Non-current assets	**752,650**	916,068
	1,242,955	2,142,576

The following table presents the amounts included in profit or loss:

	Fifteen months ended 31 March 2024 *RMB'000*	Year ended 31 December 2022 *RMB'000*
Finance income on the net investment in finance lease	**180,582**	207,567

The Group's finance lease arrangements do not include variable payments.

The average term of finance leases entered into ranged from 2 to 5 years (31 December 2022: ranged from 2 to 5 years).

(ii) Movements of allowance for impairment losses on finance lease receivables are as follows:

	31 March 2024			
	Individual provisions as 12-month ECL ("12m ECL") *RMB'000*	**Individual provision as lifetime ECL not credit-impaired** *RMB'000*	**Individual provision as lifetime ECL credit-impaired** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023	**42,153**	**—**	**217,072**	**259,225**
Changes due to finance lease receivables recognised in the opening balance that have:				
— Transferred to lifetime expected credit loss ("**ECL**") not credit impaired	**(2,117)**	**2,117**	**—**	**—**
— Transferred to lifetime ECL ("**Lifetime ECL**") credit-impaired	**(13,838)**	**—**	**13,838**	**—**
Provided for the period *(Note)*	**10,474**	**50,796**	**—**	**61,270**
Reversal for the period *(Note)*	**(4,391)**	**—**	**(48,066)**	**(52,457)**
Foreign currency translation	**—**	**(966)**	**—**	**(966)**
Balance at 31 March 2024	**32,281**	**51,947**	**182,844**	**267,072**
Expected loss rate	**3.42%**	**23.60%**	**52.93%**	**17.69%**

	31 December 2022			
	Individual provisions as 12m ECL *RMB'000*	Individual provision as lifetime ECL not credit-impaired *RMB'000*	Individual provision as lifetime ECL credit-impaired *RMB'000*	Total *RMB'000*
As at 1 January 2022	2,787	235	257,467	260,489
Changes due to finance lease receivables recognised in the opening balance that have:				
— Transferred to 12m ECL	26,980	(75)	(26,905)	—
— Transferred to Lifetime ECL credit-impaired	(152)	(149)	301	—
Provided for the year *(Note)*	38,459	—	26,200	64,659
Reversal for the year *(Note)*	(25,921)	(11)	(39,991)	(65,923)
Balance at 31 December 2022	42,153	—	217,072	259,225
Expected loss rate	2.13%	—	51.05%	10.79%

Note: There has been no change in the estimation techniques or significant assumptions made for both period/year in assessing the loss allowance for the finance lease receivables.

(iii) The following is a credit quality analysis of finance lease receivables. In the event that an instalment repayment of a finance lease receivables is past due, the entire outstanding balance of the finance lease receivables is classified as past due.

According to the change in the level of credit risk compared with the level at initial adoption, finance lease receivables are classified into 12m ECL, Lifetime ECL not credit-impaired and lifetime ECL credit-impaired.

	31 March 2024			31 December 2022		
	Present value of finance lease receivables ***RMB'000***	**Expected credit losses** ***RMB'000***	**Carrying amount** ***RMB'000***	Present value of finance lease receivables *RMB'000*	Expected credit losses *RMB'000*	Carrying amount *RMB'000*
12m ECL	**944,534**	**(32,281)**	**912,253**	1,976,622	(42,153)	1,934,469
Lifetime ECL not credit-impaired *(Note a)*	**220,071**	**(51,947)**	**168,124**	—	—	—
Lifetime ECL credit-impaired *(Note b)*	**345,422**	**(182,844)**	**162,578**	425,179	(217,072)	208,107
	1,510,027	**(267,072)**	**1,242,955**	2,401,801	(259,225)	2,142,576

Notes:

(a) The Group presumes that the credit risk on a finance lease receivable has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has transferred the 12m ECL of finance lease receivables into lifetime ECL not credit-impaired when contractual payments are past due more than 30 days and within 90 days.

(b) When contractual payments are past due more than 90 days, the Group comprehensively considers the value of underlying assets, current and forecasts of general economic conditions of the industry in which the lessees operate and assessment of the ability of the lessees to fulfill their contractual cash flow obligations, to determine whether the finance lease receivables are credit-impaired. The Group has transferred the lifetime ECL not credit-impaired finance lease receivables into lifetime ECL credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that finance lease receivables have occurred.

(iv) Deposits from finance lease customers are used for security purposes. Deposits from finance lease contracts are refundable to customers in full by end of the lease period according to the terms of the lease contracts. When the lease contract expires, the lessor must return the full lease deposits to the lessee. The balance of deposits from finance lease customers can also be used to settle outstanding lease payments for the corresponding lease contract.

	31 March 2024	31 December 2022
	RMB'000	*RMB'000*
The amounts of deposits from finance lease customers	**88,749**	171,227
Analysed for reporting purposes as:		
Current liabilities	**33,247**	96,181
Non-current liabilities	**55,502**	75,046
	88,749	171,227

(v) As at 31 March 2024 and 31 December 2022, the annual internal rate of return and average yield of finance lease receivables are as follows:

	31 March 2024	31 December 2022
	RMB'000	*RMB'000*
Annual internal rate of return	**3.70%~12.65%**	3.77%~12.55%
Average annual internal rate of return	**8.06%**	7.17%

(vi) As at 31 March 2024 and 31 December 2022, the carrying amounts of floating rate of return finance lease receivables and fixed rate of return finance lease receivables are as follows:

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Analysed for reporting purposes as:		
Floating rate of return	**314,501**	779,959
Fixed rate of return	**928,454**	1,362,617
	1,242,955	2,142,576

As at 31 March 2024, the floating rates of return of finance lease receivables were with reference to the benchmark interest rate of the People's Bank of China ("**PBOC Rate**") or the Secured Overnight Financing Rate ("**SOFR**") (31 December 2022: PBOC Rate). The rates of return of finance lease receivables were adjusted periodically with reference to the PBOC Rate or SOFR (31 December 2022: PBOC Rate).

15. TRADE AND OTHER RECEIVABLES

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Trade receivables	**8,233**	549
Prepaid expenses	**241**	1,457
Expenses paid on behalf of customers	**65,008**	45,330
Deductible value-added tax	**14,872**	8,752
Short-term loan receivables	**241,091**	280,961
Interest receivables	**13,063**	2,441
Other receivables	**3,867**	1,025
Subtotal	**346,375**	340,515
Less: Allowance for impairment losses	**(59,947)**	(44,238)
	286,428	296,277
Analysed for reporting purposes as:		
Current assets	**284,290**	295,806
Non-current assets	**2,138**	471
	286,428	296,277

Students are required to pay tuition fees and boarding fees in advance for the upcoming school years, which normally commences in September of the year. The trade receivables represent other tuition and services fees receivable from students who have applied other tuition and services during school year. There is no significant concentration of credit risk with a number of individual students.

As at 31 March 2024, short-term loan receivables to independent parties are unsecured, with guarantee, carry interests ranged from 15% to 24% per annum (31 December 2022: 7.8% to 24%) and are repayable at an agreed date. No impairment loss has been recognised as at 31 March 2024 and 31 December 2022.

An ageing analysis of the trade receivables as at 31 March 2024 and 31 December 2022, based on the transaction date and net of loss allowance, is as follows:

	31 March 2024	31 December 2022
	RMB'000	*RMB'000*
Within 30 days	**8,233**	549

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. The Group considers the credit risk and days past due of the trade receivables to measure the expected credit losses.

Trade receivables as at 31 March 2024 and 31 December 2022 were not past due and had no recent history of default. The expected credit losses were assessed to be minimal at 31 March 2024 and 31 December 2022.

Movements of allowances for impairment losses of other receivables are as follows:

	31 March 2024	31 December 2022
	RMB'000	*RMB'000*
At beginning of the period/year	**44,238**	37,538
Provided for the period/year	**15,634**	4,764
Foreign currency translation	**75**	1,936
At end of the period/year	**59,947**	44,238

As at 31 March 2024, the aircraft maintenance and some other miscellaneous expenses paid on behalf of customers amounted to approximately RMB65,008,000 (31 December 2022: RMB45,330,000) are credit-impaired financial assets and the ECL is provided at an amount equal to lifetime ECL of approximately RMB59,947,000 (31 December 2022: RMB44,238,000). The Group measures the loss allowance for remaining other receivables at an amount equal to 12m ECL.

16. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and deferred tax liabilities of the same taxable entity have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Deferred tax assets	**77,299**	91,454
Deferred tax liabilities	**—**	(2,397)
	77,299	89,057

Movements in balances of deferred tax assets and liabilities

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Balance at beginning of the period/year	**89,057**	94,964
Charge to profit or loss *(Note 9)*	**(11,758)**	(5,907)
Balance at end of the period/year	**77,299**	89,057

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Financial asset at FVTPL comprises:		
Listed bond investment	**184,550**	83,000

The listed bond investment represents bonds listed in the PRC which is held for short-term trading purpose.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Financial assets at FVTOCI comprise:		
Unlisted funds	**181,653**	—

19. BANK BALANCES

	31 March 2024 RMB'000	31 December 2022 RMB'000
Bank balances	**191,446**	225,832
Less: Pledged bank balances	**—**	(100,000)
Cash and cash equivalents	**191,446**	125,832

Bank balances include demand deposits and short-term bank deposits for the purpose of meeting the Group's short term cash commitment. The demand deposits carry floating interest rate based on daily bank deposit rates (2022: floating interest rate based on daily bank deposit rates for demand deposits) as at 31 March 2024. The short-term bank deposits carry fixed rate ranging from 3.38% to 5.30% per annum (2022: nil) as at 31 March 2024.

During the year ended 31 December 2022, the pledged bank balances represent deposits pledged to banks for bills payables. Deposits amounting to RMB100,000,000 have been pledged to secure bills payables and are therefore classified as current assets. The Group cannot use them until the related transactions are matured and released. The pledged bank balances carry fixed interest rate of 2.25% per annum. During the fifteen months ended 31 March 2024, the pledged bank balances are released.

20. TRADE, BILLS AND OTHER PAYABLES

	Notes	31 March 2024 RMB'000	31 December 2022 RMB'000
Current			
Trade payables		**13,296**	4,239
Deposit received		**525**	450
Government grants	*a*	**34,841**	34,434
Miscellaneous advances received from students	*b*	**1,817**	12,899
Other payables and accruals		**19,283**	10,806
Other tax payables		**46,830**	7,935
Payables for purchase of property and equipment		**13,145**	22,327
Payables for salary		**21,024**	29,905
Payables for scholarship	*c*	**104**	2,748
Payables to employees	*d*	**4,259**	14,084
Rental income received in advances	*e*	**2,373**	3,681
Bills payables	*f*	**5,112**	100,000
Consideration payable	*g*	**163,379**	291,870
		325,988	535,378

	Note	31 March 2024 RMB'000	31 December 2022 RMB'000
Non-current			
Consideration payable	*g*	**—**	152,647

Notes:

a) The grants are mainly related to the grants received from the government for the purpose of compensating the expenses arising from conducting research by teachers and students. The grants are received on behalf of teachers and students and distributed to teachers and students when the related activities are completed. Government grants received for undistributed amount are included in trade and other payables.

b) The advances represented expenses relating to textbooks, insurance, etc. collected from students which will be paid on behalf of students.

c) The Group receives subsidies from different parties for distribution to students as scholarships.

d) The payables represented employees benefit payables and funding to the employees.

e) The advances represented rental income received in advances from tenants based on the terms of tenancy agreements entered into.

f) The bills payable for acquisition of leased assets are repayable within one year and bear a fixed interest rate at 2.25% per annum (2024: nil) as at 31 December 2022. Such bills payable were aged within one year.

g) The considerable payable represented the sum of discounted consideration payables and related interest payable to the seller of the 70% of the interest of Yantai Nanshan University. The payable will be settled on agreed dates.

An ageing analysis of the trade payables as at 31 March 2024 and 31 December 2022, based on the invoice date.

	31 March 2024	31 December 2022
	RMB'000	*RMB'000*
Within 1 year	**13,296**	4,239

21. CONTRACT LIABILITIES

The Group recognised the revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 March 2024.

22. DEFERRED INCOME

Deferred income from finance lease is amortised over the lease period and recognised as revenue using effective interest method.

23. BORROWINGS

	31 March 2024 RMB'000	31 December 2022 RMB'000
Unguaranteed and unsecured borrowings	**31,399**	329,325
Secured borrowing	**44,718**	—
Guaranteed and secured borrowing	**71,837**	—
Total	**147,954**	329,325
Represented by:		
Borrowing from banks	**20,938**	98,086
Other borrowings *(note i)*	**127,016**	231,239
Total	**147,954**	329,325
Represented by:		
Carrying amount repayable		
Within one year	**76,299**	308,475
More than one year, but not exceeding two years	**10,642**	20,850
More than two years, but not exceeding five years	**61,013**	—
	147,954	329,325
Less: amounts under current liabilities	**(76,299)**	(308,475)
Non-current liabilities	**71,655**	20,850

Notes:

i. Other borrowings represented by:

(a) unguaranteed and unsecured borrowings amounted to RMB10,461,000 (2022: RMB231,239,000) at a fixed rate of 5.00% per annum (2022: fixed rate of 4.51% per annum) from independent parties within 4 years (2022: 3 years) durations as at period ended 31 March 2024;

(b) guaranteed and secured borrowing amounted to RMB71,837,000 (2022: nil) at variable rate of 3 months SOFR plus 2.90% per annum (2022: nil) from an independent party within 3 years (2022: nil) as at period ended 31 March 2024. The borrowing is guaranteed by the Company. The borrowing is secured by the shares of a subsidiary; and

(c) unguaranteed but secured borrowing amounted to RMB44,718,000 (2022: nil) at variable rate of 3 months SOFR plus 3.36% per annum (2022: nil) from an independent party within 10 months (2022: nil) as at period ended 31 March 2024. The borrowing is secured by the shares of a subsidiary.

ii. The exposure of the Group's fixed-rate borrowings and the contractual maturity dates are as follows:

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Fixed-rate borrowings:		
Within one year	**20,938**	308,475
More than one year, but not exceeding two years	**—**	20,850
More than two years, but not exceeding five years	**10,461**	—
	31,399	329,325

In addition, the Group has variable-rate borrowings which carry interest at 3 months SOFR.

The exposure of the Group's variable-rate borrowings and the contractual maturity dates are as follows:

	31 March 2024 *RMB'000*	31 December 2022 *RMB'000*
Variable-rate borrowings:		
Within one year	**55,361**	—
More than one year, but not exceeding two years	**10,642**	—
More than two years, but not exceeding five years	**50,552**	—
	116,555	—

The ranges of effective interest rates (which approximate to contractual interest rates) on the Group's borrowings are as follows:

	31 March 2024	31 December 2022
Fixed-rate borrowing	**3.60%–5.00%**	4.10%–6.71%
Variable-rate borrowing	**8.27%–8.96%**	Nil

24. ACQUISITION OF A SUBSIDIARY

On 18 August 2022, the Group acquired 70% of the interests of Yantai Nanshan University at a consideration of RMB566,000,000. This acquisition has been accounted for using the acquisition method. The amount of gain on bargain purchase arising as a result of the acquisition was approximately RMB270,483,000. Yantai Nanshan University is engaged in providing private higher education services. Yantai Nanshan University was acquired so that the Group can tap into the PRC higher education market for diversifying and expand the Group's business in addition to leasing business.

Consideration transferred

	RMB'000
Cash paid	105,000
Consideration payable	461,000
Total purchase consideration	566,000
Interest payable	5,900
Less: Fair value change of consideration payable and interest payable	(32,741)
	539,159

Gain on bargain purchase:

	RMB'000
Consideration transferred	539,159
Plus: Non-Controlling interests (30% of Yantai Nanshan University)	346,990
Less: Fair value of identifiable net assets acquired	(1,156,632)
Gain on bargain purchase arising on acquisition	(270,483)

The non-controlling interests (30%) in Yantai Nanshan University recognised at the acquisition date was measured by reference to the fair value of the non-controlling interests and amounted to approximately RMB346,990,000. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

- assumed pre-tax discount rate of 17.10% and 16.10% for brand name and student base respectively;
- assumed long-term sustainable growth rate of 3%; and
- assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in Yantai Nanshan University.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW/REVIEW

Since the start of 2023, the cross-border traffic of the People's Republic of China (the "**PRC**") has fully resumed. Although the overall business environment has continued to shake off the aftereffects of the COVID-19 pandemic (the "**Pandemic**") and the economy is gradually recovering, it is still hindered by various uncertainties. The country's economy is undergoing structural changes and the market is having adjustments. According to the National Bureau of Statistics of the PRC, China's annual GDP reached RMB121.0 trillion, representing a year-on-year increase of 3%. Apart from certain industries, for instance EV and high tech industries, business activities in other industries have generally slowed down and market sentiment has become much more cautious.

The Company is in a favourable position absorbing changes and to capture the overall growth of the domestic economy through its dual-track strategy, namely operating in both the higher education and leasing business segments, which are complementary to each other.

In August 2022, the Group completed the acquisition of 70% equity interests in Yantai Nanshan University* (煙台南山學院) ("**Yantai Nanshan University**"). In order to mitigate the above-mentioned business risks and expand the Group's finance and operating leasing business, in May 2023, the Group expanded its leasing business into the shipping segment and formed Union Shipping Fund I L.P. (友聯航運一期基金有限合夥) (the "**Partnership**"), a partnership mainly focusing on the acquisition of shares and interests in special purpose vehicles that hold ships or maritime vessels. For further details in relation to the formation of the Partnership, please refer to the announcement of the Company dated 10 July 2023.

Continuing the profitable trend from the previous year, and benefiting from the completion of the acquisition of Yantai Nanshan University in 2022, the Group has since then consolidated the financial data of Yantai Nanshan University. The Group recorded profit of approximately RMB182.8 million for the Reporting Period.

Higher Education

According to the National Bureau of Statistics and the Ministry of Education of the PRC, China's total revenue of the higher education industry increased from RMB997.3 billion in 2016 to RMB1,382.7 billion in 2020, representing a compound annual growth rate (CAGR) of approximately 8.5%. It is expected that the total revenue of the higher education industry in China will continue to grow in the future. As the school-age population aged 18 to 21 in higher education has started to recover in 2023, the enrolment of higher education is also expected to increase steadily. Compared with the data in 2020, the enrolment rate of higher education in China lagged behind that of major developed countries. Only approximately 54.4% of the college-aged population in

China are enrolled in higher education institutions, compared to an average of approximately 65.6% and 88.8% of college-aged population in France and the United States of America, respectively for the same period, which all pointed to the huge potential of the higher education industry in China.

In terms of policy, on 14 May 2021, the State Council released the Implementation Rules for the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法實施條例》), which became effective on 1 September 2021 ("**2021 Implementation Rules**"), to further promote the development of private education and encourage enterprises to establish or participate in the establishment of private schools for vocational education in accordance with the law by means of sole proprietorship, joint venture and cooperation. In addition, private schools may enjoy the preferential tax policies as stipulated by the PRC government, and local governments may provide lands through various means. These policies have provided private higher education industry with a definite direction of encouragement and the foundation for development, and further confirmed the strategic foresight of the Group's management.

The Group's Yantai Nanshan University, located in Longkou City, Shandong Province, the PRC (中國山東省龍口市), is a private institution of higher education that provides undergraduate and junior college diploma programmes approved by the Ministry of Education of the PRC. In 2018, the Yantai Nanshan University was recognised as one of the Model Colleges of Experimental Innovation and Entrepreneurship in Shandong Province (山東省創新創業典型經驗高校) by the Department of Human Resources and Social Security of the Shandong Province (山東省人力資源和社會保障廳). Yantai Nanshan University, as an application-oriented higher education institution, collaborates closely with enterprises in various industries to promote and adhere to "Integration of industry and education; Cooperation of school and enterprise (產學融合、校企合作)", offers 49 undergraduate programmes and 40 junior college diploma programmes under a total of 30 faculties, and strives to improve its students' practical training and career prospects.

In particular, Yantai Nanshan University actively conducts long-term cooperation with its partners, accumulates education resources on design of majors, curriculum formulation and off-campus internships, etc. via close communication, and updates and consolidates majors and curriculums contents to create an education environment that combines practical training with academic studies which include, but not limited to, internships, workplace simulation trainings and participation at external practical training bases that Yantai Nanshan University has set up with its school-enterprise collaboration partners. This provides practical training opportunities for students to get prepared with a solid grasp of the applicable skills, and prepares its students for future development after graduation. For instance, Yantai Nanshan University established Nanshan Aluminium Industrial College* (南山鋁業產業學院) and Nanshan Culture and Tourism Industrial College* (南山文旅產業學院) in October 2020 to enhance the integration of industry and education and enhance its innovation of talent training model. In addition, based on the strategic cooperation agreement entered into between the Company and Nanshan Yulong

Petrochemical Co., Ltd.* (南山裕龍石化有限公司) in April 2021, Yantai Nanshan University expects to offer more choices to college-aged population and graduates, and more service talents to enterprises.

In the past few school years, the number of student admission of Yantai Nanshan University maintained a stable growth and the total number of student enrollments has been on a rising trend. The total number of students enrolled in the school years 2021/2022, 2022/2023, 2023/2024 and 2024/2025 was 29,047, 33,809, 34,958 and 39,093, respectively. As compared with the school years mentioned above, the range of listed tuition fees of undergraduate programmes and that of junior college diploma programmes has remained at approximately upwards of RMB15,800 and upwards of RMB9,800 respectively.

The Group completed the transaction in relation to the acquisition of 70% equity interests in Yantai Nanshan University on 18 August 2022. The financial income and financial position of Yantai Nanshan University have been included in the consolidated financial statements of the Company since the same date according to the 1st set of the Structured Contracts (as defined in the circular of the Company dated 3 August 2022). For details, please refer to the circular of the Company dated 3 August 2022 and the announcements of the Company dated 6 July 2022 and 18 August 2022.

Therefore, the fluctuation of the Group's financial data during the Reporting Period was largely due to the full-period impact since consolidating the results of Yantai Nanshan University from 18 August 2022 onwards and the change in the year-end date which extended the current financial period to fifteen months.

As mentioned above, the financial results of Yantai Nanshan University has been consolidated into the consolidated financial statements of the Company since 18 August 2022. To demonstrate the scale of operation of Yantai Nanshan University, its relevant financial information is as follows:

	Statement of profit or loss (for the fifteen months ended 31 March 2024) *RMB' million*	**Statement of profit or loss (for the period between 18 August 2022 and 31 December 2022)** *RMB' million*
Revenue	606.543	159.934
Profit before tax	195.965	39.112

Along with the continuous economic development, the demand for higher education is expected to continue to increase, as supported by the focus on pursuing higher levels of academic qualifications based on the society's overall social, economic, and technological development along with the people's increasing income and wealth and increasing spending on education in China, which, together with the long-term competitive strength of Yantai Nanshan University, the Group's higher education business segment will provide a stable source of income for its growth and will be beneficial for its future financial position.

Leasing

Since 2022, the finance leasing industry in China has entered the key period of transformation and development. With the issuance of various policies, the regulation of finance leasing has become clearer, and with the clean-up of the finance leasing industry in China and consolidation of finance leasing companies in various provinces and municipalities, the path ahead for the future development of finance leasing companies which truly serves the economy has become more lucid.

The three-year transitional period set out in the Interim Measures for the Supervision and Administration of Financial Leasing Companies* (《融資租賃公司監督管理暫行辦法》) issued by the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) in 2020 has expired. In October 2023, the State Financial Supervision and Administration Bureau (國家金融監督管理總局) issued the Notice on Standardised Operation and Compliance Management of Financial Leasing Companies* (《金融租賃公司規範經營和合規管理的通知》). It continued to focus on regulatory requirements covering the issues and risks of finance leasing companies, focusing on due diligence, management of leased assets and capital investment, with an aim to promote finance leasing companies to focus on their main business and serve the real economy; optimise the leasing business structure to ensure and safeguard sustainable development of the industry. Such developments provided more certain supervision indicators, and led finance leasing companies to pay more attention to compliance management and the improvement in the risk management capabilities, which are beneficial to a healthier and more sustainable development in the industry as a whole.

In terms of data, as at the end of September 2023, the national balance of finance leasing contracts amounted to approximately RMB5.76 trillion, representing a continuous decrease from RMB5.85 trillion as at the end of 2022, RMB6.21 trillion as at the end of 2021, RMB6.50 trillion as at the end of 2020 and RMB6.65 trillion as at the end of 2019. As at the end of September 2023, the total number of finance leasing companies in China was approximately 9,170 (as at the end of 2022: approximately 9,840; as at the end of 2021: approximately 11,180). As the leasing industry continued to be consolidated, the competition in finance leasing further intensified.

As mentioned above, since the start of 2023, the PRC's cross-border traffic has fully resumed. Although the overall business environment has continued to shake off the aftereffects of the Pandemic and the economy is gradually recovering, it is still hindered by various uncertainties. Hence, the finance leasing industry still faces challenges.

The customers served by the Group are mostly in the healthcare industry and aviation industry. In 2022, the business environment in the PRC remained stable, therefore certain lessees, particularly those in the healthcare industry, have sufficient cash flow to make timely repayments, hence the Group was not required to make significant net impairment provision on finance lease receivables during the Reporting Period.

Consistent with the practices in previous years, the Group's management has been proactively deploying various means to recover the Group's finance lease receivables, including but not limited to instituting legal proceedings, in order to protect its rights and entitlements under the relevant finance lease agreements.

Maintaining the profitable trend and scale from the previous year, the Group's finance and operating lease business recorded revenue of approximately RMB205.2 million during the Reporting Period, with profit before tax of approximately RMB125.9 million.

The Reporting Period is currently under the "14th Five-Year Plan" ("**14th Five-Year**") in China. China's manufacturing industry is undergoing transformation and equipment upgrading, and evolution from traditional manufacturing to digital and intelligent manufacturing. It is expected to promote a new round of rapid growth in the future. As such, the demand for financing will remain strong. While development in the healthcare and energy sectors continues, investments in the transportation and infrastructure segments are also picking up.

References are made to the announcements of the Company dated 10 July 2023 and 27 February 2024, with the loosening COVID-19 restrictions, it is expected that the global economy will gradually recover and the worldwide demand for crude oil, liquefied natural gas (LNG), various metals and chemicals will grow gradually in the foreseeable future, thereby leading to an increasing demand for the transportation of such raw materials by way of shipping.

As such, the Group expanded its leasing business into the shipping segment. Through its investment in the Partnership, two bulk carriers were acquired during the Reporting Period. The Group's expansion of its leasing business into the shipping segment will enable the Group to capture opportunities in the market, provide synergy and allow the Group to strengthen its business network and further explore business opportunities in leasing business segments. The Group also believes the acquisitions of the vessels can broaden and strengthen the revenue bases of the Group. For further details in relation to the acquisition of vessels, please refer to the announcements of the Company dated 27 February 2024 and 29 February 2024.

Driven by the expansion of international trade and e-commerce, the management is also of the view that the long-term market outlook for the shipping market is expected to grow steadily. In the short term, although weakening in conditions in China's property or financial sectors would harm demand for shipping, a longer than expected crisis in the Red Sea and continued Panama Canal transit restrictions will however likely strengthen the market in general. Sailing distances have lengthened due to the re-routing away from the Red Sea and Panama Canal.

In general, finance leasing is one of the common medium- and long-term financing tools in the manufacturing industry, therefore, the Group will continue to cultivate relationships with potential customers in key industries. In addition, the overall penetration rate of leasing in the Chinese market is still far lower than that of European and American markets, demonstrating a relatively large potential for industry development. Overall, the Board is of the view that the demand for finance leasing increased during the Reporting Period as it continues to provide financial flexibility for various investments and business operation. The finance leasing industry has a huge potential and a very bright prospect. Thus, the Board intends to further expand the Group's finance leasing and related businesses in sectors including healthcare, transportation, energy and infrastructure.

The Group will continue to pay close attention to the market changes in the leasing industry, adjust its business strategies in a timely manner, expand and diversify its business scope, actively adjust the speed of business development, give priority to risk prevention and control at appropriate times, and strengthen the project approval committee's role in project selection. The Group is committed to improving and enhancing the level of asset management, diversifying customer and project categories, improving the quality of its cashflows, reducing overall asset risk, and developing its business by adhering to the principle of "quality over quantity", making steady progress and actively seeking opportunities amid changes.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly derived from income generated from higher education and finance and operating leasing businesses. Revenue generated from the Group's higher education business was mainly from (i) tuition fees and (ii) boarding fees, and all of such revenue was generated in the PRC. The Group's revenue from its leasing business derived from interest receivable and the services included sale-leaseback and direct finance leasing and rendering vessel chartering. Revenue of the Group for the Reporting Period increased by approximately 120.1% from approximately RMB368.8 million for FY2022 to approximately RMB811.8 million for the Reporting Period.

The increase in revenue was mainly because of the revenue generated from Yantai Nanshan University of the Group having been consolidated into the financial statements of the Group from 18 August 2022 onwards upon completion of the acquisition of Yantai Nanshan University on the even date as detailed in the announcement of the Company dated 18 August 2022.

Costs of services

The Group's costs of services increased from approximately RMB112.8 million for FY2022 to approximately RMB370.4 million for the Reporting Period, which were mainly derived from the operations of Yantai Nanshan University.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB441.3 million for the Reporting Period and a gross profit margin of approximately 54.4%, as compared to the gross profit of approximately RMB256.0 million for FY2022, representing an increase of approximately 72.4%.

Other income, gains or losses

Other income, gains or losses of the Group, which primarily derived from (i) government grants; (ii) net exchange gains; (iii) rental income; (iv) investment and interest income and (v) others, increased from approximately RMB28.2 million for FY2022 to approximately RMB82.7 million for the Reporting Period. The main reason for the increase was due to the significant increase in exchange gains, rental income and investment and interest income.

Administrative expenses

Administrative expenses of the Group primarily included staff costs, rental expenses, legal and professional fees, auditors' remuneration and daily office expenses. For the Reporting Period, the administrative expenses amounted to approximately RMB120.2 million as compared to approximately RMB52.8 million for FY2022. This increase was mainly a result of the inclusion of the operation and result of Yantai Nanshan University into the consolidated financial statements of the Company upon completion of the acquisition of Yantai Nanshan University.

Finance costs

Finance costs of the Group were primarily derived from borrowings, lease liabilities, imputed interest on deposits from finance lease customers and consideration payable. The finance costs of the Group decreased by approximately 30.1% from approximately RMB77.0 million for FY2022 to approximately RMB53.8 million for the Reporting Period.

Profit for the Reporting Period

Profit for the Reporting Period of the Group decreased from approximately RMB372.1 million for FY2022 to approximately RMB182.8 million for the Reporting Period, representing a decrease of approximately 50.9%. The decrease in net profit was mainly due to the one-off gain amounted to approximately RMB270 million from the acquisition of the 70% interest in Yantai Nanshan University which was recorded in the Group's consolidated financial statements for FY2022, while there was no such income during the Reporting Period. For more details on the acquisition, please refer to the announcements of the Company dated 6 July 2022 and 18 August 2022, as well as the circular of the Company dated 3 August 2022.

However, should the above-mentioned effect of this one-off gain in FY2022 and any relevant tax effect be disregarded, the net profit of the Company for FY2022 would be approximately RMB102 million. Comparing such net profit to that of the Reporting Period, net profit for the Reporting Period increased by approximately 79.8%.

Dividend

The Board did not recommend payment of any final dividend to shareholders for the Reporting Period (31 December 2022: nil).

Liquidity, financial resources and capital resources

As at 31 March 2024, the cash and cash equivalents of the Group amounted to approximately RMB191.4 million (31 December 2022: approximately RMB125.8 million). Working capital (current assets less current liabilities) and the total equity of the Group as at 31 March 2024 amounted to approximately RMB434.1 million (31 December 2022: approximately RMB563.6 million) and approximately RMB2,801.0 million (31 December 2022: approximately RMB2,598.0 million), respectively.

As at 31 March 2024, the balance of borrowings of the Group amounted to RMB148.0 million (31 December 2022: RMB329.3 million). As at 31 March 2024, the Group's borrowings due within one year amounted to approximately RMB76.3 million (31 December 2022: approximately RMB308.5 million) and the Group's borrowings due after one year amounted to approximately RMB71.7 million (31 December 2022: approximately RMB20.9 million).

As at 31 March 2024, the gearing ratio of the Group (dividing the total indebtedness by total equity and indebtedness as at the end of the period) was approximately 5.0% (31 December 2022: approximately 11.3%). Such decrease was mainly due to the decrease in borrowings as compared with the scale of the Group's business and the settlement of borrowings.

Finance lease receivables

Finance lease receivables of the Group comprise mainly (i) gross amount of finance lease receivables; offset by (ii) unearned finance income; and (iii) allowance for impairment losses. As at 31 March 2024, the respective carrying amounts of such components of the finance lease receivables amounted to (i) approximately RMB1,713.0 million; (ii) approximately RMB203.0 million; and (iii) approximately RMB267.1 million (as at 31 December 2022, the respective carrying amounts of such components of the finance lease receivables amounted to (i) approximately RMB2,668.6 million; (ii) approximately RMB266.8 million; and (iii) approximately RMB259.2 million).

The finance lease receivables of the Group decreased by approximately 42.0% from RMB2,142.6 million for the FY2022 to RMB1,243.0 million for the fifteen months ended 31 March 2024.

The allowances for impairment losses of the Group increased by approximately 3.0% from approximately RMB259.2 million as at 31 December 2022 to approximately RMB267.1 million as at 31 March 2024.

Background information of the lessees which was relevant to the impairment recorded during the Reporting Period

Two customers in the aviation industry (31 December 2022: eight of which were in the healthcare industry and one of which was in the aviation industry) were unable to repay the relevant rental fees for the Reporting Period. Accordingly, the Group made provision for impairment under IFRS 9 — Financial Instruments to reflect the outstanding sum during the Reporting Period.

The factors, events and circumstances leading to the reversal of impairment loss

Consistent with practices in previous financial years, during the Reporting Period, the Group has assessed the general ageing of finance lease receivables and took prudent measures to recover the outstanding rental fee. Such measures included demanding repayments by telephone calls and physical visits, as well as instituting legal proceedings, etc.

With the improving business environment in the PRC, the lessees, particularly those in the healthcare industry, are facilitated to make timely repayments, which led to a net reversal in impairment losses on finance lease receivables for the Reporting Period.

The Board is of the view that the reversal of impairment losses for the Reporting Period is fair and reasonable because (a) it is in line with the relevant accounting policies under the IFRSs; and (b) it is in conformity with the market situation and reflecting the Company's situation.

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

The Group's finance leasing business adopts a three-stage model to measure expected credit losses in accordance with the requirements of the new financial instrument standards. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since the initial recognition. The Group calculates the provision of loss based on 12-month expected credit loss, unless the credit risk has increased significantly since the initial recognition, the Group recognises the existence of expected credit loss. The assessment of whether the expected credit loss of the duration should be recognised is based on the substantial increase in the probability or risk of default since the initial recognition. The expected credit loss model and the estimation or calculation formula of relevant parameters for finance lease receivables are as follows:

ECL (Expected Credit Loss) = EAD x PD x LGD x DF

EAD (Exposure at Default): Exposure at Default is the present value of minimum lease payment receivable minus security deposit

PD (Probability of Default): Probability of Default refers to the possibility that the borrower cannot repay the principal and interest of the financial lease or perform relevant obligations according to the contract requirements within a certain period of time in the future. The probability of default is the base for calculating the expected loss of finance lease receivables. The Group will base on the measurement method of its internal credit rating historical data and consider the rating of the companies according to the credit rating historical data accumulated over a long period of time, including past repayment records, current and previous financial data and leased property value, etc, by taking the average value of historical probability of default as the corresponding default probability of such companies under different credit ratings.

LGD (Loss Given Default): Loss Given Default is an estimate of loss arising on default, which is obtained by mapping the main scale of external rating. The regulatory reference value and peer practice under the primary credit risk method are adjusted in combination with the Company's business characteristics. The LGD in the Group's impairment model is set based on the regulatory reference value, the LGD of peers, and the fact that the Company's collection strength will be lower than that of banks and financial institutions in combination with expert experience.

DF (Discount Factor): $1/(1+EIR)^{t-1}$, where EIR is the effective interest rate of the contract, and t is the remaining term.

Based on the IFRS, the Group made a relatively reasonable estimation on the recovery of future funds from a prudent perspective, and provided an appropriate amount of impairment losses allowance.

In case that certain lessees failed to repay on time, the Group adopted actions, like active on-site collection or legal actions to minimise the chance of making impairment allowance. Further, the Group deployed different means to recover impaired finance lease receivables. Please refer to the Company's announcement dated 27 May 2020 in relation to, among others, the audited annual results for the financial year ended 31 December 2019 and the paragraph headed "The Company's measures of recovering the impaired finance lease receivables" below for further details. With the measures taken by the Group and the timely repayment of certain lessees due to the improving business environment, particularly those in the healthcare industry, no significant allowances for impairment losses for the Reporting Period was required.

The Company's measures of recovering the impaired finance lease receivables

The Company classifies the overdue repayment cases into three categories and deploys different means (subject to the travel restrictions imposed due to the Pandemic) to recover the impaired finance lease receivables accordingly, details of which are summarised as follows:

1. category 1: 30 days or less past due — the Company demands repayment by telephone and physically visiting the customers, to negotiate a deadline for the customers to repay all overdue amounts;

2. category 2: 30 to 90 days past due — the Company enhances the recovery method by demanding repayment by telephone and physically visiting the customers frequently, as well as issuing pre-action letters to the customers to recover overdue amounts; and

3. category 3: 90 days or more past due — the Company will issue pre-action letters and institute legal proceedings against the relevant customers to recover outstanding sums as well as penalties, liquidated damages and other expenses as permitted under the laws of the PRC. The Company may also negotiate a new repayment schedule with the relevant customers to recover the outstanding sums abovementioned, and even dispose of the leased assets and demand the difference between the sale proceeds and the outstanding sums from the relevant customers.

Finance lease commitments

As at 31 March 2024, the Group had no finance lease commitments (31 December 2022: nil).

Employees and remuneration policy

As at 31 March 2024, the Group employed 1,920 full time employees (31 December 2022: 1,950) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB255.4 million for the Reporting Period (31 December 2022: approximately RMB79.1 million).

The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees with reference to the performance of the Group, the performance of the employees and the prevailing market rates. Other various benefits, such as medical and retirement benefits, are also provided to employees. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company. Please refer to the paragraph headed "Share Option Scheme" in this announcement for details.

RISK MANAGEMENT

As a company operating in the higher education business and in the finance and operating leasing business, serving different industries, the Group assumes various risks in its business operations, including credit, liquidity, marketing, compliance, legal, operational and reputational risks, among which the main risks faced by the higher education business include human resources, enrollment and market risks; while its leasing business is primarily exposed to credit risk.

To properly manage these risks faced by its higher education business, Yantai Nanshan University (as defined as the "**College**" in this paragraph) has established the following risk management structures and measures:

— The board of the College is generally responsible for making strategic decisions about the budget, investments, acquisitions and future development of the College. It is also responsible for reviewing and approving any significant business decisions that involve material risks, such as the expansion of the College into new areas, the increase of tuition fees and boarding fees, the construction of the college and the decision to establish significant business partnerships with third parties to develop new educational programmes;

— The principal is the person who makes decisions for the College. Under the instruction of the board of the College, the principal, assisted by and together with the vice principals and the head of the different departments, is responsible for the continuous risk management of the College. The principal shall make decisions on remedial measures for serious incidents or behaviour that violate the College's internal control policies reported to it. The materials in relation to such incidents shall be filed for record, which include incident reports, records of detection and inspection, inspection report, inspection advice, inspection decisions and their materials. The College will also learn from the experience of the incidents to find its deficiencies and refer to such materials for the guidance of its future work; and

— The College maintains insurance coverage, which the College believes that is in line with customary practice in the education industry of the PRC, including the public liability insurance.

With respect to the credit risk faced by its finance and operating leasing business, the Group has developed a comprehensive risk management system and controls risks through measures including due diligence on customers, independent information review and a multi-level approval process.

The Group strives to balance business development, risk management and operation efficiency. The Group has established comprehensive risk management and internal control processes to deal with various risks relating to its finance and operating leasing business. Its risk management processes are tailored to the characteristics of its business operations, with a focus on managing risks through comprehensive customer due diligence, independent information review and multi-level approval process. Its risk management processes also include a continuous review process after a finance and operating leasing project is approved. The asset management team reviews the leased assets on a regular basis, including performing on-site visits to inspect the status of the leased asset. This continuous review process enables the Group to identify any potential default of its customers and take remedial actions to enhance the security of its assets at an early stage.

The Group measures and monitors the asset quality of its finance lease receivables by voluntarily adopting a five-category classification with reference to guidelines promulgated by the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) relating to asset quality for financial institutions under its regulation as follows:

- Pass. There is no sufficient reason to doubt that the lease payments will not be paid by the lessee in full on a timely basis. Pass asset has certain characteristics, for example, the lease payments have always been repaid in full on a timely manner or overdue for less than or equal to 90 days.

- Special Mention. Even though the lessee has been able to pay the lease payments in a timely manner, there are some factors that could adversely affect its ability to pay, such as that the financial position of the lessee has worsened or its net cash flow has become negative, but there are sufficient guarantees or collaterals underlying the finance lease agreement. Special Mention asset has certain characteristics, for example, the payments have been overdue for more than 90 days but less than or equal to 150 days.

- Substandard. The lessee's ability to pay is in obvious question as it is unable to make its payments in full with its operating revenue, and the Group is likely to incur losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Substandard asset has certain characteristics, for example, the lease payments have been overdue for more than 150 days but less than or equal to 210 days.

- Doubtful. The lessee's ability to pay is in absolute question as it is unable to make lease payments in full, and the Group is likely to incur significant losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Doubtful asset has certain characteristics, for example, the lease payments have been overdue for more than 210 days but less than or equal to 270 days.

- Loss. After taking all possible steps or going through all necessary legal procedures, lease payments remain overdue or only a very limited portion has been recovered. Loss asset has certain characteristics, for example, the lease payments have been overdue for more than 270 days.

At the same time, the Group assesses its provisions using an appropriate ECL model based on the relevant requirements of IFRS and its internal provision procedures and guidelines upon consideration of factors such as the nature and characteristics of its industry-specific customers, credit record, economic conditions and trends, history of write-offs, payment delinquencies, the value of the assets underlying the leases and the availability of collateral or guarantees. The Group will regularly assess the ECL model in accordance to actual loss of financial assets and adjust when necessary.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liabilities (31 December 2022: nil).

USE OF PROCEEDS FROM ISSUE OF EQUITY SECURITIES

References are made to the announcements of the Company dated 30 November 2022 (the "**Placing Announcements**") and 14 December 2022, respectively. Unless otherwise defined herein, capitalised terms in this section shall have the same meanings as those defined in the Placing Announcements.

On 14 December 2022, the Company completed the placing of new shares of the Company and the subscription of new shares of the Company. An aggregate of 47,160,000 Placing Shares have been successfully placed at the Placing Price of HK$3.52 per Placing Share to not less than six Placees pursuant to the terms and conditions of the Placing Agreement. An aggregate of 143,754,000 Subscription Shares have been allotted and issued to the Subscribers at the Subscription Price of HK$3.52 per Subscription Share pursuant to the terms and conditions of the each of the Subscription Agreements. The Placing Price is the same as the Subscription Price being HK$3.52 per Placing Share or Subscription Share and representing: (i) a discount of approximately 19.82% to the closing price of HK$4.39 per Share as quoted on the Stock Exchange on the date of the Placing Agreement and the Subscription Agreements; and (ii) a discount of approximately 16.19% to the average closing prices of HK$4.20 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement and the Subscription Agreements. The net proceeds from the Placing and the Subscription would be used on the Group's leasing business. Net proceeds from the Placing and Subscription (net of commissions payable to the Placing Agent and other costs, expenses and expenses arising from the Placing and Subscription) amounted to HK$669.6 million, and have been fully utilised as at 31 March 2024 (as at 31 December 2022: HK$417.0 million utilised).

For the avoidance of doubt, no net proceeds from the Placing and the Subscription was applied as consideration for the acquisition of Yantai Nanshan University.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 20 February 2019 which became effective on 15 March 2019. A summary of the principal terms of the Share Option Scheme was set out in Appendix V to the prospectus of the Company dated 28 February 2019.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

The basis of eligibility of any participant to the grant of any share option (the "**Share Option**") shall be determined by the Board (or as the case may be, including, where required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of the Group.

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of Share Option to Directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of a Share Option to any participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the Share Option to be granted under the Share Option Scheme is 150,000,000 in total. There was no Share Option outstanding under the Share Option Scheme nor was any Share Option granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Change of executive Director

With effect from 26 April 2024, Mr. Qiao Renjie has resigned as an executive Director and Ms. Liu Meina ("**Ms. Liu**") has been appointed as an executive Director. Ms. Liu shall be entitled to an annual remuneration of RMB163,680 which shall include her emoluments for other non-director positions she currently holds in the Company and any other amounts that she is entitled to receive (such as director's fee). For further details in relation to the appointment of Ms. Liu, please refer to the announcement of the Company dated 26 April 2024.

OUTLOOK AND PLANS

Looking forward to 2024, although hindered by various uncertainties, the Board still estimates that the economy in the PRC will gradually improve. The Company's higher education and leasing businesses are well-positioned to capture the overall growth in the domestic economy. Please refer to the section headed "Business Overview" in this announcement for further details.

Yantai Nanshan University has a long-term competitive advantage of "Integration of industry and education; Cooperation of school and enterprise (產學融合、校企合作)" and belongs to an industry encouraged by the PRC government policy. In addition, there is a strong demand for the higher education industry, and the relevant business is expected to maintain a stable development. The Company will deepen its existing partnership, continue to organise and design more advanced applied disciplines, as well as develop cooperations between upstream, downstream and other new enterprises.

As the leasing industry continued to be consolidated, the regulation of finance leasing has become clearer, the path ahead of the future development for finance leasing companies which truly serves the economy has become more lucid, and the upgrading equipment brought by the continuous digitalisation and intelligence in the manufacturing industry, all of them continue to bring opportunities to the finance leasing industry, and industry supervision has provided a more favourable business environment for the overall health and sustainable development of the industry. The Group's finance lease business will adapt to market changes, seize opportunities in the market and its business by adhering to the principle of "quality over quantity", and make steady progress in its expansion.

The Group will continue to explore domestic or overseas expansion of its existing businesses and locate suitable acquisition targets (including overseas vocational education, higher education and shipping projects), particularly those businesses or projects that offer excellent potential, provide stable cash flow or natural hedges of financial liquidity or other advantages or synergies, to enrich the Group's existing higher education and lease business.

The Group will continue to focus on its internal control and risk management based on the principles of risk prevention and asset monitoring reinforcement, strengthening internal management and improving various systems, while continuing to steadily promote its business development, expansion and diversification.

The Board will strive for new breakthroughs in terms of industry and geographic coverage by improving the corporate governance mechanism; and on the condition of compliance with the Listing Rules, strengthening its internal control, enhancing asset management capability, further forging a professional and high-quality talent team to seize development opportunities and actively explore new customers (including expanding to new industries outside of the existing customer base of the Group). Meanwhile, the Group will also endeavour to maintain the long-term relationship with existing customers and explore opportunities to deepen cooperation with quality customers, in order to achieve steady and long-term development of the Group's higher education and leasing businesses.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on Thursday, 22 August 2024. A notice convening the Annual General Meeting will be published and dispatched to the shareholders of the Company in due course according to the requirements of the Listing Rules. The register of members of the Company will be closed from Monday, 19 August 2024 to Thursday, 22 August 2024 (both dates inclusive) for the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all properly 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, 16 August 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "**Model Code**"). The Company will periodically issue notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has made specific enquiry of the Directors and all of the Directors confirmed that they have complied with the Model Code throughout the Reporting Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. Throughout the Reporting Period, the Company had complied with all code provisions in the CG Code and had adopted most of the recommend best practices set out in the CG Code.

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. Liu Xuewei, Mr. Liu Changxiang and Mr. Jiao Jian. The Audit Committee has reviewed the Group's consolidated financial statements for the Reporting Period.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement profit or loss and other comprehensive income and the related notes thereto for the period ended 31 March 2024 as set out in this announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited ("**Shinewing**"), to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by Shinewing in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Shinewing in this announcement.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.aiel-holdings.com) and the Stock Exchange (www.hkexnews.hk), respectively. The annual report of the Company for the fifteen months ended 31 March 2024 will be despatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 20 June 2024

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

* *For identification purposes only*