



**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

INTERIM REPORT 2024

CONTENTS

2	Corporate Information
3	Management Discussion and Analysis
11	Other Information
17	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
18	Condensed Consolidated Statement of Financial Position
19	Condensed Consolidated Statement of Changes in Equity
20	Condensed Consolidated Statement of Cash Flows
21	Notes to the Condensed Consolidated Interim Financial Information

CORPORATE INFORMATION

COMPANY NAME

Alliance International Education Leasing Holdings Limited

STOCK CODE

1563

BOARD OF DIRECTORS

Executive Directors

Mr. LI Luqiang (*Chief Executive Officer*)
Mr. LIU Zhenjiang
Mr. QIAO Renjie (resigned on 26 April 2024)
Ms. LIU Meina (appointed on 26 April 2024)
Mr. YUEN Kin Shan

Non-Executive Directors

Mr. SONG Jianbo (*Chairman of the Board*)
Mr. JIAO Jianbin

Independent Non-Executive Directors

Mr. LIU Changxiang
Mr. LIU Xuewei
Mr. JIAO Jian
Mr. SHEK Lai Him Abraham
Ms. XING Li

AUDIT COMMITTEE

Mr. LIU Xuewei (*Chairman*)
Mr. LIU Changxiang
Mr. JIAO Jian

REMUNERATION COMMITTEE

Mr. LIU Changxiang (*Chairman*)
Mr. LIU Xuewei
Mr. JIAO Jian

NOMINATION COMMITTEE

Mr. LIU Xuewei (*Chairman*)
Mr. LIU Changxiang
Mr. JIAO Jian

STRATEGIC INVESTMENT COMMITTEE

Mr. SONG Jianbo (*Chairman*)
Mr. JIAO Jianbin
Mr. YUEN Kin Shan

COMPANY SECRETARY

Mr. YUEN Kin Shan

REGISTERED OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2602, 26th Floor,
No.1 Hennessy Road
Wan Chai
Hong Kong

COMPANY WEBSITE

www.aiel-holdings.com

AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditor
17/F, Chubb Tower, Windsor House
311 Gloucester Road, Causeway Bay
Hong Kong

HONG KONG LEGAL ADVISOR

Stevenson, Wong & Co. in association with AllBright
Law (Hong Kong) Offices LLP
Solicitors, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
Bank of Ningbo
China Construction Bank Corporation, Longkou Branch
Shanghai Pudong Development Bank Co., Ltd., Tianjin Branch

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In 2024, the overall business environment has continued to shake off the aftereffects of the COVID-19 pandemic (the “**Pandemic**”) and the economy is gradually recovering. According to the National Bureau of Statistics of the PRC, China’s GDP in the first half of 2024 reached RMB61.7 trillion, representing an increase of approximately 5.0% over the same period last year. For leasing and business services industry, China’s GDP even reached RMB2.2 trillion, representing an increase of approximately 9.8% over the same period last year.

Alliance International Education Leasing Holdings Limited (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 Company and its subsidiaries (collectively, the “**Group**”) completed the acquisition of 70% equity interests in Yantai Nanshan University* (煙台南山學院) (“**Yantai Nanshan University**”). The Group has since then consolidated the financial results of Yantai Nanshan University into the Group’s consolidated financial statements.

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 a partnership, which mainly focuses on the acquisition of shares and interests in special purpose vehicles that hold ships or maritime vessels.

Continuing the profitable trend from the previous year, the Group recorded profit of approximately RMB129.1 million for the six months ended 30 September 2024 (the “**Reporting Period**”).

Higher Education

According to the National Bureau of Statistics and the Ministry of Education of the PRC, China’s total national education funding in 2023 was RMB6.5 trillion, representing an increase of 5.3% over the year of 2022. Of which, the total investment in higher education was RMB1.8 trillion, representing an increase of 7.6% over the year of 2022. 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.

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 59 undergraduate programmes and 44 junior college diploma programmes under a total of 64 faculties and divisions, and strives to improve its students’ practical training and career prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's higher education business contributed revenue and profit before tax of the Group of approximately RMB261.7 million and RMB116.0 million, respectively, during the Reporting Period.

Finance and Operating 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.

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.

The customers served by the Group are mostly in the healthcare industry and aviation industry. 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.

During the Reporting Period, the Group's finance and operating leasing business contributed to the revenue and profit before tax of the Group of approximately RMB72.9 million and RMB33.0 million, respectively.

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 finance and operating 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 12.2% from RMB298.2 million for the six months ended 30 June 2023 to RMB334.7 million for the Reporting Period.

Costs of services

The Group's costs of services amounted to RMB179.1 million for the Reporting Period (six months ended 30 June 2023: RMB127.0 million), which were mainly derived from the operations of Yantai Nanshan University.

Gross profit and gross profit margin

The Group recorded a gross profit of RMB155.6 million for the Reporting Period with approximately 46.5% of gross profit margin, as compared to the gross profit of RMB171.2 million for the six months ended 30 June 2023, representing a decrease of approximately 9.1%.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income, gains or losses

Other income, gains or losses of the Group, which were primarily derived from (i) government grants; (ii) exchange gain/loss; (iii) rental income and (iv) investment and interest income, decreased from RMB49.6 million for the six months ended 30 June 2023 to RMB36.2 million for the Reporting Period.

Administrative expenses

Administrative expenses of the Group primarily included staff costs, rental expenses, legal and professional fees, auditor's remuneration and daily office expenses. For the Reporting Period, the administrative expenses of the Group amounted to approximately RMB48.6 million (six months ended 30 June 2023: RMB32.4 million), representing approximately 14.5% of the total revenue of the Group (six months ended 30 June 2023: 10.9%).

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 58.0% from RMB33.0 million for the six months ended 30 June 2023 to RMB13.9 million for the Reporting Period.

In particular, balance of total borrowings of the Group decreased from RMB232.7 million as at 30 June 2023 to RMB113.6 million as at 30 September 2024. Such decrease had led to the decrease in finance costs during the Reporting Period as mentioned above.

Profit for the Reporting Period

Profit for the Reporting Period of the Group decreased from RMB153.8 million for the six months ended 30 June 2023 to RMB129.1 million for the Reporting Period, representing a decrease by RMB24.7 million. The main reason of the decrease is mainly due to a decrease in net exchange gain and a decrease in impairment losses reversed on financial assets.

Dividend

The Board does not recommend payment of any interim dividend for the Reporting Period (for the six months ended 30 June 2023: nil).

Liquidity, financial resources and capital resources

As at 30 September 2024, the cash and cash equivalents of the Group amounted to RMB632.7 million (31 March 2024: RMB191.4 million). Working capital (current assets less current liabilities) and the total equity of the Group as at 31 March 2024 amounted to RMB707.2 million (31 March 2024: RMB434.1 million) and RMB2,910.2 million (31 March 2024: RMB2,801.0 million), respectively.

As at 30 September 2024, the balance of borrowings of the Group amounted to RMB113.6 million (31 March 2024: RMB148.0 million). As at 30 September 2024, the Group's borrowings due within one year amounted to RMB53.3 million (31 March 2024: RMB76.3 million) and the Group's borrowings due after one year amounted to RMB60.3 million (31 March 2024: RMB71.7 million).

As at 30 September 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 3.8% (31 March 2024: approximately 5.0%). Such decrease was mainly due to the decrease in the borrowings as compared with the scale of the Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance lease receivables

Finance lease receivables of the Group consisted of (i) gross amount of finance lease receivables; (ii) unearned finance income; and (iii) allowances for impairment losses. As at 30 September 2024, the respective carrying amounts of each of the above amounted to (i) RMB1,741.2 million; (ii) RMB265.4 million; and (iii) RMB252.4 million, respectively. The finance lease receivables of the Group slightly decreased by approximately 1.6% from RMB1,243.0 million as at 31 March 2024 to RMB1,223.5 million as at 30 September 2024.

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

Five customers (two of which were in the healthcare industry, one of which was in the aviation industry and two of which were in the public infrastructure industry) were unable to repay the relevant rental fees for the Reporting Period (31 March 2024: two customers were in the aviation industry). 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, in 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 but not limited to 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 net provision of impairment losses for the Reporting Period is fair and reasonable because (a) it is in line with the relevant accounting policies under IFRS; 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 and the Company's measures of recovering the impaired finance lease receivables

Consistent with the practices of the Group's annual financial statements for the fifteen months ended 31 March 2024, there has been no change to the methods and basis used in determining the amount of the impairment and the Group considers that the measures of recovering the impaired finance lease receivables remain effective.

Employees and remuneration policy

As at 30 September 2024, the Group employed 2,325 full-time employees (31 March 2024: the Group employed 1,920 full-time employees) for its principal activities. Employees' benefits expenses (including the Directors' emoluments) amounted to approximately RMB77.9 million for the Reporting Period (for the six months ended 30 June 2023: approximately RMB88.6 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 individual employees and prevailing market rates. Other type of benefits, such as medical and retirement benefits, are also provided. 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 section headed "Share Option Scheme" below for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant investments

The Company did not have any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group) during the Reporting Period.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Foreign exchange risk

The Group receives majority of payments from customers in Renminbi and majority of the Group's revenue and costs are also denominated in Renminbi. The Group may need to convert and remit Renminbi into foreign currencies for the payment of dividends, if any, to holders of shares of the Company (the "**Shares**").

The Group assets and liabilities are mainly denominated in Renminbi, United States dollar and Hong Kong dollar. The Group is therefore exposed to foreign exchange risk arising from currency exposures, primarily in respect to the Renminbi. The management closely monitors the foreign exchange movements and determines the appropriate hedging activities when necessary.

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 finance and operating 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, are responsible for the continuous risk management of the College. The principal shall make decisions on remedial measures for serious incidents or behaviour that violates 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 by 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.

MANAGEMENT DISCUSSION AND ANALYSIS

At the same time, the Group assesses its provisions using an appropriate expected credit loss (“**ECL**”) model based on the relevant requirements of International Financial Reporting Standards 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 30 September 2024, the Group did not have any material contingent liabilities (31 March 2024: Nil).

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained a sufficient public float for the issued Shares as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

EVENTS AFTER THE REPORTING PERIOD

Renewal of continuing connected transactions in relation to the 2025 Framework Agreements

References are made to the announcement of the Company dated 4 November 2024 and 7 November 2024, respectively (collectively, the “**CCT Renewal Announcements**”) and the circular of the Company dated 21 November 2024 (the “**Circular**”). Unless otherwise defined herein, capitalised terms in this section shall have the same meanings as those defined in the CCT Renewal Announcements and Circular.

As the Existing Framework Agreements will expire on 31 December 2024, the Board has announced and is expected to renew the continuing connected transactions contemplated under the Existing Framework Supply Agreements and Existing Framework Procurement Agreements.

In respect of the renewal of annual caps of the continuing connected transactions in relation to the framework procurement agreements for the three months ending 31 March 2025 and the years ending 31 March 2026 and 2027 (the “**Renewal of Annual Caps**”), the Renewal of Annual Caps is subject to the approval by the Independent Shareholders of the Company, which will be obtained at an EGM of the Company. A notice convening the EGM, to be held on 12 December 2024, together with the proxy form was despatched to the Shareholders on 21 November 2024.

For details, please refer to the CCT Renewal Announcements and Circular.

OUTLOOK AND PLANS

Looking forward, although hindered by various uncertainties, the Board still estimates that the economy in the PRC will gradually improve. The Group’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 report for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

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 partnerships, 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 continue to be consolidated, the regulation of finance leasing has become clearer, the path ahead of the future development for finance leasing companies that truly serves the economy has become more lucid, and the continuous digitalisation and intelligence in the manufacturing industry has brought upgrades in equipment, all of which continue to bring opportunities to the finance leasing industry, whilst 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 long-term relationships 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.

OTHER INFORMATION

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 C1 to the Listing Rules. From the beginning of the Reporting Period up to the date of this report, 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.

BOARD COMMITTEES

The Company has established the following committees under the Board: the strategic investment committee (the “**Strategic Investment Committee**”), the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company. The committees operate in accordance with the terms of reference established by the Board. The terms of reference of the Strategic Investment Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee are posted on the websites of the Company and the Stock Exchange.

Strategic Investment Committee

The Strategic Investment Committee has three members, namely Mr. SONG Jianbo (宋建波) (Chairman and non-executive Director), Mr. JIAO Jianbin (焦建斌) (non-executive Director) and Mr. YUEN Kin Shan (袁建山) (executive Director). The Strategic Investment Committee is responsible for the Company’s investment strategy, monitoring the implementation and reporting the same to the Board.

The Strategic Investment Committee has been set up since 16 January 2023. No meeting of the Strategic Investment Committee has been held during the Reporting Period.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee has three members, namely Mr. LIU Xuewei (劉學偉), Mr. JIAO Jian (焦健) and Mr. LIU Changxiang (劉長祥). Mr. LIU Xuewei (劉學偉), an independent non-executive Director (“**INED**”), has been appointed as the chairman of the Audit Committee, and has the appropriate professional qualifications required under the Listing Rules. The primary duties of the Audit Committee include providing supervision over the Group’s financial reporting process and internal controls.

During the Reporting Period, the Company has held two meetings of Audit Committee in June 2024 and July 2024 and all three members of the Audit Committee attended all meetings. The Audit Committee has reviewed the internal controls and results of the Group for the fifteen months ended 31 March 2024 and proposed adoption of the same by the Directors. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and risk management and other matters.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the Reporting Period and this report.

OTHER INFORMATION

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee has three members, namely Mr. LIU Changxiang (劉長祥), Mr. JIAO Jian (焦健) and Mr. LIU Xuewei (劉學偉). Mr. LIU Changxiang (劉長祥), an INED, has been appointed as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangements.

During the Reporting Period, the Company held two meetings of Remuneration Committee in April 2024 and July 2024 and all three members of the Remuneration Committee attended the meetings. During the meeting in April 2024, the Remuneration Committee had approved and recommended to the Board the remuneration entitled by Ms. LIU Meina (劉美娜) as an executive Director with effect from 26 April 2024. In addition, during the meeting in July 2024, the Remuneration Committee had reviewed the current remuneration of some of the Directors and made recommendations to the Board. The Board has adopted the recommendations from the Remuneration Committee.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee has three members, namely Mr. LIU Xuewei (劉學偉), Mr. JIAO Jian (焦健) and Mr. LIU Changxiang (劉長祥). Mr. LIU Xuewei (劉學偉), an INED, has been appointed as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointments of the Directors, assess the independence of the INEDs, take up references and consider related matters. During the Reporting Period, the Company held two meetings of Nomination Committee in April 2024 and July 2024 and all three members of the Nomination Committee attended the meetings. During the meeting in April 2024, the Nomination Committee had approved and recommended to the Board the appointment of Ms. LIU Meina (劉美娜) as an executive Director. In addition, during the meeting in July 2024, the Nomination Committee had reviewed the independence of the INEDs and made recommendations of directors for election in the annual general meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a securities dealing code (the “**Securities Dealing Code**”) 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 C3 to the Listing Rules. 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 to ascertain whether they have complied with or whether there has been any non-compliance with the required standard set out in the Securities Dealing Code and all the Directors confirmed that they have complied with the Securities Dealing Code throughout the period from the beginning of the Reporting Period up to the date of this report.

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

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

OTHER INFORMATION

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 for the Reporting Period.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests or short positions of the Directors and chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO as defined below) which will be required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into the register referred to in that section, or which will be required, pursuant to the Securities Dealing Code, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, were as follows:

Long positions in Shares/underlying Shares of Directors and chief executive of the Company

Name of Director/ chief executive	Capacity/nature of interest	Number and class of Shares ⁽¹⁾	Percentage of interest in the Company
Mr. Li Luqiang (李璐強)	Interested in controlled corporation ⁽²⁾	3,531,797 Shares (L)	0.21%
Mr. Song Jianbo ⁽³⁾	Interest of spouse	768,475,221 Shares (L)	45.45%

OTHER INFORMATION

Notes:

- (1) The letter "L" denotes the person's long positions in the Shares.
- (2) The Company is owned as to approximately 0.21% by RongJin Enterprise Management & Consulting Co., Ltd. ("**RongJin**"). RongJin is wholly-owned by Mr. Li Luqiang. Mr. Li Luqiang is therefore deemed to be interested in the Shares in which RongJin is interested pursuant to the SFO.
- (3) Mr. Song Jianbo is the spouse of Ms. Sui Yongqing, a substantial shareholder of the Company. Mr. Song Jianbo is therefore deemed to be interested in the Shares in which Ms. Sui Yongqing is interested pursuant to the SFO.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executives of the Company and/or any of their respective associates had any interest and short position in the Shares, underlying Shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, the following parties (other than the Directors and chief executive of the Company as disclosed above) had interests of 5% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares/underlying Shares

Name of substantial shareholders	Capacity/nature of interest	Number and class of Shares ⁽¹⁾	Percentage of interest in the Company
Union Capital Pte. Ltd. (" Union Capital ")	Beneficial owner	768,475,221 Shares (L)	45.45%
Ms. Sui Yongqing ⁽²⁾	Interest in controlled corporation	768,475,221 Shares (L)	45.45%
Mr. Song Jianbo ⁽³⁾	Interest of spouse	768,475,221 Shares (L)	45.45%
PA Investment Funds SPC (" PA Investor ") ⁽⁴⁾	Beneficial owner	135,001,120 Shares (L)	7.98%
Ping An of China Securities (Hong Kong) Company Limited ⁽⁴⁾	Interest in controlled corporation	135,001,120 Shares (L)	7.98%
Ping An Securities Co., Ltd. ⁽⁴⁾	Interest in controlled corporation	135,001,120 Shares (L)	7.98%
Ping An Trust Co., Ltd. ⁽⁴⁾	Interest in controlled corporation	135,001,120 Shares (L)	7.98%
Ping An Insurance (Group) Company of China, Ltd. (" Ping An Insurance ") ⁽⁴⁾	Interest in controlled corporation	135,001,120 Shares (L)	7.98%

OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long positions in the Shares.
- (2) Union Capital is wholly-owned by Ms. Sui Yongqing. Ms. Sui Yongqing is therefore deemed to be interested in the Shares in which Union Capital is interested pursuant to the SFO.
- (3) Mr. Song Jianbo is the spouse of Ms. Sui Yongqing. Mr. Song Jianbo is therefore deemed to be interested in the Shares in which Ms. Sui Yongqing is interested pursuant to the SFO.
- (4) PA Investor was established as a segregated portfolio company and 100% of the management shares in PA Investor are owned by Ping An of China Securities (Hong Kong) Company Limited (中國平安證券(香港)有限公司) which was, in turn wholly-owned by Ping An Securities Co., Ltd.* (平安證券股份有限公司), which was then owned by Ping An Insurance as to approximately 40.96% and owned by Ping An Trust Co., Ltd. (平安信託有限責任公司) as to approximately 55.7%, which was owned by Ping An Insurance as to approximately 99.9%. Ping An of China Securities (Hong Kong) Company Limited, Ping An Securities Co., Ltd., Ping An Trust Co., Ltd. and Ping An Insurance are therefore be deemed, or taken to be interested in the Shares in which PA Investor is interested pursuant to the SFO.

Save as disclosed above, the Company had not been notified of any other interests or short positions being held by any substantial shareholder in the Shares or underlying Shares as at 30 September 2024.

Continuing Connected Transactions in relation to the contractual arrangements (“Contractual Arrangements”) contemplated under the Structured Contracts (comprising the 1st set of Structured Contracts and the 2nd set of Structured Contract) (“Structured Contracts”)

References are made to the announcement of the Company dated 6 July 2022 (the “**Contractual Arrangements CCT Announcement**”) and the circular of the Company dated 3 August 2022 (the “**Circular**”). Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the Contractual Arrangements CCT Announcement and the Circular.

In relation to the interpretation of “Sino-foreign cooperation” under the Regulation on Sino-Foreign Cooperation in Operating Schools (中外合作辦學條例) and its implementation rules, the foreign investor in a Sino-foreign joint venture private school which provides higher education mainly for PRC students (a “**Sino-Foreign Joint Venture Private School**”) must be a foreign educational institution with relevant qualification that provides high quality education (the “**Qualification Requirement**”). As at the date of this report, the PRC legal advisers of the Company have advised that there are no implementation measures or specific guidance promulgated on the Qualification Requirement in accordance with the existing PRC laws. Since there are no implementing measures or specific guidance on the Qualification Requirement, it is therefore not practicable for the Group to seek to apply to reorganise education institutions of Yantai Nanshan University as a Sino-Foreign Joint Venture Private School.

Notwithstanding that there are no implementing measure or specific guidance on the Qualification Requirement and that the Education Authority will not approve Yantai Nanshan University to be a Sino-Foreign Joint Venture Private School with a legal person status as discussed above, as at the date of this report, the Group has taken the following steps to demonstrate the commitment to working toward the compliance with the Qualification Requirement:

- Yantai Nanshan University and Kyungwoon University of Korea (“**Kyungwoon University**”) have jointly held an international exchange program where international junior college student may be promoted to undergraduate school. The program would commence from May 2024 for a period of five years, the program allows fulltime junior college students of Yantai Nanshan University to study for one year at Kyungwoon University after graduation, earning a Korean undergraduate degree in fields such as nursing and healthcare, aviation services, or mechanical engineering.

OTHER INFORMATION

- Yantai Nanshan University has reached a cooperation agreement with the International Human Resources Education Foundation and signed a framework agreement. The program would commence from October 2024 for a period of three years, this program enables Yantai Nanshan University students to participate in short-term study visits to Japanese higher education institutions during their winter and summer vacations.
- Yantai Nanshan University has also established a partnership with Xi'an Tian Mei Education Science and Technology Co., Ltd. signing a framework agreement for cooperation. The program would commence from November 2024 for a period of five years, this program allows Yantai Nanshan University students to undertake summer internships in the United States.

In order to maintain Yantai Nanshan University's business operations while complying with the PRC laws and regulations, pursuant to the Acquisition Agreement: (i) prior to completion of the Acquisition ("**Completion**"), Longkou Zhimin shall enter into the 1st set of Structured Contracts (as detailed below); and (ii) after (a) the establishment of the Designated School Sponsor and (b) approval having been obtained for the Designated School Sponsor to become the sole school sponsor of Yantai Nanshan University after Completion, Longkou Zhimin shall enter into the 2nd set of Structured Contracts (as detailed below). As part of the Acquisition arrangement, Longkou Zhimin entered into the Structured Contracts in order for the Group to gain effective control over Yantai Nanshan University and enjoy 70.0% of the economic benefits generated by Yantai Nanshan University through the Contractual Arrangements, such that the financial results of Yantai Nanshan University could be consolidated to the consolidated financial statements of the Company.

CHANGE IN DIRECTOR'S INFORMATION

Change in director's information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

On 26 April 2024, Mr. QIAO Renjie (喬仁潔) has resigned as an executive Director and Ms. LIU Meina (劉美娜) has been appointed as an executive Director. For further details, please refer to the announcement of the Company dated 26 April 2024.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the condensed consolidated interim financial information and this report and is of the opinion that such information complies with applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 20 November 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended	
		30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Revenue	4	334,661	298,208
Cost of services		(179,066)	(126,991)
Gross profit		155,595	171,217
Other income, gains or losses	5	36,233	49,575
Selling and distribution expenses		(5,383)	(2,323)
Administrative expenses		(48,637)	(32,435)
Finance costs	6	(13,873)	(33,034)
Impairment losses reversed on financial assets, net	7	14,029	41,579
Profit before income tax	8	137,964	194,579
Income tax expense	9	(8,848)	(40,783)
Profit for the period		129,116	153,796
Other comprehensive expense for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation		(19,938)	(4,436)
Total comprehensive income for the period		109,178	149,360
Profit for the period attributable to:			
Owners of the Company		103,208	126,680
Non-controlling interests		25,908	27,116
		129,116	153,796
Total comprehensive income for the period			
Owners of the Company		83,270	122,244
Non-controlling interests		25,908	27,116
		109,178	149,360
Earnings per share	11		
(Expressed in RMB Yuan per share)			
Basic and diluted		0.0610	0.0749

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Non-current assets			
Property and equipment	12	998,903	1,034,875
Right-of-use assets	13	432,102	441,722
Intangible assets		31,935	36,717
Finance lease receivables	14	646,892	752,650
Financial asset at fair value through other comprehensive income	21	179,539	181,653
Other receivables	15	2,085	2,138
Deferred tax assets		72,909	77,299
		2,364,365	2,527,054
Current assets			
Inventories		5,485	1,702
Finance lease receivables	14	576,558	490,305
Financial asset at fair value through profit or loss	21	127,460	184,550
Trade and other receivables	15	368,453	284,290
Bank balances	16	632,652	191,446
		1,710,608	1,152,293
Current liabilities			
Trade and other payables	17	417,604	325,988
Deposits from finance lease customers		14,898	33,247
Lease liabilities	13	8,061	6,883
Contract liabilities	18	451,705	217,120
Income tax payables		53,664	55,034
Deferred income		4,119	3,620
Borrowings	19	53,308	76,299
		1,003,359	718,191
Net current assets		707,249	434,102
Total assets less current liabilities		3,071,614	2,961,156
Capital and reserves			
Share capital	20	11	11
Reserves		2,465,247	2,381,977
Equity attributable to owners of the Company		2,465,258	2,381,988
Non-controlling interests		444,926	419,018
Total equity		2,910,184	2,801,006
Non-current liabilities			
Deposits from finance lease customers		69,202	55,502
Lease liabilities	13	28,413	29,710
Deferred income		3,484	3,283
Borrowings	19	60,331	71,655
		161,430	160,150
		3,071,614	2,961,156

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Share reserve	Surplus reserve	Translation reserve	Retained profits	Subtotal			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		(Note (i))	(Note (ii))	(Note (iii))						
At 1 January 2023 (audited)	11	1,803,611	(42,520)	26,201	2,985	448,948	2,239,236	358,724	2,597,960	
Profit for the period	—	—	—	—	—	126,680	126,680	27,116	153,796	
Other comprehensive expense for the period	—	—	—	—	(4,436)	—	(4,436)	—	(4,436)	
Profit and total comprehensive (expenses) income for the period	—	—	—	—	(4,436)	126,680	122,244	27,116	149,360	
At 30 June 2023 (unaudited)	11	1,803,611	(42,520)	26,201	(1,451)	575,628	2,361,480	385,840	2,747,320	

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Share reserve	Surplus reserve	Translation reserve	Revaluation reserve	Retained profits	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		(Note (i))	(Note (ii))	(Note (iii))						
At 1 April 2024 (audited)	11	1,803,611	(42,520)	39,873	(2,963)	8,590	575,386	2,381,988	419,018	2,801,006
Profit for the period	—	—	—	—	—	—	103,208	103,208	25,908	129,116
Other comprehensive expense for the period	—	—	—	—	(19,938)	—	—	(19,938)	—	(19,938)
Total comprehensive (expense) income for the period	—	—	—	—	(19,938)	—	103,208	83,270	25,908	109,178
Transfer to statutory surplus	—	—	—	3,762	—	—	(3,762)	—	—	—
At 30 September 2024 (unaudited)	11	1,803,611	(42,520)	43,635	(22,901)	8,590	674,832	2,465,258	444,926	2,910,184

Notes:

- (i) Share premium represented the difference between the shareholders' contribution and issued capital.
- (ii) Share reserve represented the difference between the nominal value of the issued share capital of the Company and its subsidiaries and the net assets value of the subsidiaries of the Group, upon completion of the group reorganisation.
- (iii) Under the People's Republic of China (the "PRC") Law, subsidiaries of the Company established in the PRC are required to transfer 10% of their net profit determined under the generally accepted accounting principles in the PRC to a non-distributable statutory reserve. Statutory surplus reserve can be used to make up for previous year's losses or converted into additional capital. When the balance of such reserve reaches 50% of the capital, any further appropriation is optional.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Net cash from operating activities	468,880	539,465
Investing activities		
Investment and interest income	14,627	7,382
Proceeds from disposal of financial asset at fair value through profit or loss	2,600,539	1,351,997
Purchases of financial asset at fair value through other comprehensive income	—	(173,063)
Purchases of financial asset at fair value through profit or loss	(2,543,449)	(1,307,997)
Withdrawal from restricted bank balances	—	100,000
Increase in short-term loan receivables	(19,825)	—
Payment of consideration payable	—	(295,000)
Purchases of property and equipment	(7,803)	(5,022)
Net cash from (used in) investing activities	44,089	(321,703)
Financing activities		
Proceeds from borrowings	—	305,000
Repayments of borrowings	(50,579)	(404,460)
Repayments of lease liabilities	(119)	(355)
Interest paid for borrowings	(324)	(7,875)
Interest paid for lease liabilities	(854)	(62)
Net cash used in financing activities	(51,876)	(107,752)
Net increase in cash and cash equivalents	461,093	110,010
Cash and cash equivalents at beginning of the period	191,446	125,832
Effects of foreign exchange rate changes	(19,887)	6,606
Cash and cash equivalents at end of the period, representing bank balances	632,652	242,448

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 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, 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 (the “**Stock Exchange**”) with the stock code of 1563.

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 condensed 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.

2. BASIS OF PREPARATION

Pursuant to a resolution of the board of directors of the Company 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 condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of change in equity, condensed consolidated statement of cash flows and related notes cover a six-month period from 1 January 2023 to 30 June 2023 which may not be comparable with the amounts shown for the current period.

The condensed consolidated interim financial information of the Group for the six months ended 30 September 2024 (the “**Reporting Period**”) have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the fifteen months ended 31 March 2024, except as described below.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of amendments to International Financial Reporting Standards (“IFRSs”)

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB which are effective for the Group’s financial year beginning 1 April 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the interim period 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 condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

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 is as follows:

	For the six months ended	
	30 September 2024 RMB’000 (Unaudited)	30 June 2023 RMB’000 (Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by services lines		
Tuition fees <i>(note)</i>	239,212	201,693
Boarding fees <i>(note)</i>	22,515	17,557
	261,727	219,250
Revenue from other source		
Finance lease services	42,560	78,958
Operating lease rental income	30,374	—
	72,934	78,958
	334,661	298,208

Note:

During the six months ended 30 September 2024 and 30 June 2023, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue from contracts with customers by timing of recognition

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Timing of revenue recognition		
Over time	261,727	219,250

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

The tuition fees, boarding fees and other education service 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.

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 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.

The following table presents revenue and profit information regarding the Group's operating segments for the six months ended 30 September 2024 and 30 June 2023.

For the six months ended 30 September 2024 (unaudited)

	Private higher education services RMB'000	Finance and operating leasing RMB'000	Total RMB'000
REVENUE			
External sales	261,727	72,934	334,661
Segment profit	115,994	32,982	148,976
Unallocated other income, gains or losses			10,694
Unallocated administrative expenses			(18,782)
Unallocated finance costs			(2,924)
Profit before tax			137,964

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Transaction price allocated to the remaining performance obligations for contracts with customers *(Continued)*

For the six months ended 30 June 2023 (unaudited)

	Private higher education services <i>RMB'000</i>	Finance and operating leasing <i>RMB'000</i>	Total <i>RMB'000</i>
REVENUE			
External sales	219,250	78,958	298,208
Segment profit	82,712	92,545	175,257
Unallocated other income, gains or losses			44,208
Unallocated administrative expenses			(7,891)
Unallocated finance costs			(16,995)
Profit before tax			194,579

Segment profit represents the profit earned by each segment without allocation of certain other income, gains or losses, central administration costs, directors' emoluments, depreciation of certain property and equipment and right-of-use assets and certain finance costs. This is the measure reported to the executive directors of the Company, being the CODM, for the purposes of resources allocation and performance assessment.

	30 September 2024 <i>RMB'000</i> (Unaudited)	31 March 2024 <i>RMB'000</i> (Audited)
Segment assets		
Private higher education services	1,265,349	1,289,625
Finance and operating leasing	1,828,838	2,114,649
Total segment assets	3,094,187	3,404,274
Unallocated corporate assets	980,786	275,073
Consolidated assets	4,074,973	3,679,347
Segment liabilities		
Private higher education services	765,523	379,450
Finance and operating leasing	386,524	244,679
Total segment liabilities	1,152,047	624,129
Unallocated corporate liabilities	12,742	254,212
Consolidated liabilities	1,164,789	878,341

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Transaction price allocated to the remaining performance obligations for contracts with customers *(Continued)*

For the six months ended 30 June 2023 (unaudited) *(Continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property and equipment, certain right-of-use assets, deferred tax assets, certain other receivables and bank balances; and
- all liabilities are allocated to operating segments other than certain other payables, certain lease liabilities and income tax payable.

Information about major customers

No revenue from customers contribute over 10% of the total revenue for both reporting period.

5. OTHER INCOME, GAINS OR LOSSES

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Net exchange gain	2,187	25,608
Investment and interest income	14,627	15,539
Rental income	6,501	5,338
Government grants <i>(Note)</i>	493	522
Others	12,425	2,568
	36,233	49,575

Note: Government grants represent local governments' offer for the refund of value-added tax of approximately RMB493,000 (six months ended 30 June 2023: RMB522,000) to enterprises in the finance leasing industry. The government grants are one-off in nature with no specific conditions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

6. FINANCE COSTS

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Interest expense on:		
— Imputed interest on consideration payables	2,874	13,851
— Borrowings	7,285	10,672
— Imputed interest on deposits from finance lease customers	2,860	7,633
— Lease liabilities	854	878
Total	13,873	33,034

7. IMPAIRMENT LOSSES REVERSED ON FINANCIAL ASSETS, NET

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Impairment losses reversed (recognised) on		
— Finance lease receivables	14,029	42,347
— Other receivables	—	(768)
Total	14,029	41,579

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2024 and 30 June 2023 are the same as those followed in the preparation of the Group's annual financial statements for the fifteen months ended 31 March 2024.

During six months ended 30 September 2024, the Group reversed a net amount of approximately RMB14.0 million (six months ended 30 June 2023: RMB42.3 million) impairment allowance, primarily derived from provision for impairment loss of finance lease receivables amounting to RMB38.1 million (six months ended 30 June 2023: RMB40.1 million), due to the increase in credit risk for certain finance lease receivables, while being offset by a reversal of impairment loss of finance lease receivables amounting to RMB52.1 million (six months ended 30 June 2023: RMB82.4 million), due to the improvement of financial conditions and repayment of finance lease receivables of certain finance lease customers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

8. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Directors' remuneration		
— Salaries and bonus	2,293	3,010
— Social welfare	188	67
Salaries, bonus and other employee benefits	75,402	85,508
Total staff costs	77,883	88,585
Depreciation of property and equipment	43,753	18,813
Depreciation of right-of-use assets	9,620	8,675
Amortisation of intangible assets	4,783	4,733
Loss on written off of property and equipment	22	216
Lease payments under operating leases:		
— Short-term leases	787	998

9. INCOME TAX EXPENSE

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
PRC Enterprise Income Tax		
— Current period	4,458	24,649
Deferred tax — Current period (Note)	4,390	16,134
	8,848	40,783

Note: During both periods, the deferred income tax was mainly recognised as deductible temporary differences arising from the impairment losses under expected credit loss ("ECL") model and taxable temporary differences arising from PRC withholding tax.

10. DIVIDENDS

No dividend has been paid or proposed by the Company for the six months ended 30 September 2024 and 30 June 2023 nor has any dividend been proposed since the end of the Reporting Period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended	
	30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Profit		
Profit for the purpose of basic and diluted earnings per share	103,208	126,680

	For the six months ended	
	30 September 2024 '000	30 June 2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,690,914	1,690,914

There is no difference between basic and diluted earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2024 and 30 June 2023.

12. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired assets with a cost of approximately RMB7,803,000 (six months ended 30 June 2023: RMB7,291,000).

Equipment with a carrying amount of approximately RMB22,000 (six months ended 30 June 2023: RMB216,000) were written off by the Group during the six months ended 30 September 2024, resulting in a net loss on written off of approximately RMB22,000 (six months ended 30 June 2023: RMB216,000).

13. LEASES

(i) Right-of-use assets

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Land use rights	396,993	402,871
Buildings	34,125	37,127
Office	984	1,724
	432,102	441,722

(ii) Lease liabilities

As at 30 September 2024, the carrying amount of lease liabilities was approximately RMB36,474,000 (31 March 2024: RMB36,593,000).

During the six months ended 30 September 2024 and 30 June 2023, the Group did not extend any lease agreement that should be recognised as right-of-use assets and lease liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

14. FINANCE LEASE RECEIVABLES

The minimum lease receivables are set out below:

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Amounts receivable under finance leases		
Within 1 year	800,134	899,696
After 1 year but within 2 years	411,670	346,918
After 2 years but within 3 years	261,628	267,287
After 3 years but within 4 years	67,772	50,584
After 4 years but within 5 years	192,249	148,500
Over 5 years	7,792	—
Gross investment in leases	1,741,245	1,712,985
Less: unearned finance income	(265,374)	(202,958)
Present value of minimum lease payment receivables	1,475,871	1,510,027
Less: allowance for impairment losses	(252,421)	(267,072)
	1,223,450	1,242,955
Analysed for reporting purposes as:		
Current assets	576,558	490,305
Non-current assets	646,892	752,650
	1,223,450	1,242,955

Movements of allowances for impairment losses on finance lease receivables are as follows:

	For the six months ended 30 September 2024			
	Individual provision 12-month ECL ("12m ECL") RMB'000	Individual provision lifetime ECL not credit- impaired RMB'000	Individual provision as lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 April 2024 (audited)	32,281	51,947	182,844	267,072
Provided for the period (Note)	23,424	—	14,651	38,075
Reversal for the period (Note)	(393)	—	(51,711)	(52,104)
Foreign currency translation	—	(622)	—	(622)
Balance at 30 September 2024 (unaudited)	55,312	51,325	145,784	252,421
Expected loss rate	6.64%	25.03%	33.26%	17.10%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

14. FINANCE LEASE RECEIVABLES *(Continued)*

	For the six months ended 30 June 2023			
	Individual provisions 12 months ECL <i>RMB'000</i>	Individual provision lifetime ECL not credit-impaired <i>RMB'000</i>	Individual provision as lifetime ECL credit-impaired <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2023 (audited)	42,153	—	217,072	259,225
Changes due to finance lease receivables recognised in the opening balance that have:				
— Transferred to 12 months ECL	10,116	—	(10,116)	—
— Transferred from Lifetime ECL credit-impaired	(1,901)	—	1,901	—
Provided for the period <i>(Note)</i>	—	—	40,066	40,066
Reversal for the period <i>(Note)</i>	(46,561)	—	(35,852)	(82,413)
Foreign currency translation	(1,164)	—	—	(1,164)
Balance at 30 June 2023 (unaudited)	2,643	—	213,071	215,714
Expected loss rate	0.21%	—	53.65%	13.01%

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

14. FINANCE LEASE RECEIVABLES (Continued)

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 12 months ECL, lifetime ECL not credit-impaired and lifetime ECL credit-impaired.

	As at 30 September 2024 (Unaudited)			As at 31 March 2024 (Audited)		
	Present value of finance lease receivables			Present value of finance lease receivables		
	Expected credit losses	Carrying amount		Expected credit losses	Carrying amount	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
12 months ECL	832,496	(55,312)	777,184	944,534	(32,281)	912,253
Lifetime ECL not credit-impaired	205,045	(51,325)	153,720	220,071	(51,947)	168,124
Lifetime ECL credit-impaired	438,330	(145,784)	292,546	345,422	(182,844)	162,578
	1,475,871	(252,421)	1,223,450	1,510,027	(267,072)	1,242,955

Notes:

- (i) 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 12 months 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.
- (ii) 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

15. TRADE AND OTHER RECEIVABLES

	30 September 2024 <i>RMB'000</i> (Unaudited)	31 March 2024 <i>RMB'000</i> (Audited)
Trade receivables	7,206	8,233
Prepaid expenses	3,891	241
Expenses paid on behalf of customers	58,049	65,008
Deductible value-added tax	29,258	14,872
Short-term loan receivables	270,898	241,091
Interest receivables	4,389	13,063
Other receivables	56,719	3,867
Subtotal	430,410	346,375
Less: allowance for impairment losses	(59,872)	(59,947)
	370,538	286,428
Analysed for reporting purposes as:		
Current assets	368,453	284,290
Non-current assets	2,085	2,138
	370,538	286,428

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 applied other tuition and services during school year. There is no significant concentration of credit risk with a number of individual students.

Short-term loan receivables to independent parties are unsecured, with guarantee, carry interests ranged from 15% to 24% per annum (31 March 2024: 15% to 24% per annum) and repayable at an agreed date. No impairment loss has been recognised as at 30 September 2024 and 31 March 2024.

An ageing analysis of the trade receivables as at 30 September 2024 and 31 March 2024, based on the transaction date and net of loss allowance, is as follows:

	30 September 2024 <i>RMB'000</i> (Unaudited)	31 March 2024 <i>RMB'000</i> (Audited)
Within 30 days	7,206	8,233

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

16. BANK BALANCES

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 as at 30 September 2024 and 31 March 2024. The short-term bank deposits carry fixed rate ranging from 2.98% to 5.31% per annum (31 March 2024: 3.38% to 5.30% per annum) as at 30 September 2024.

17. TRADE AND OTHER PAYABLES

Included in trade and other payables is a trade payable balance of approximately RMB18,365,000 (31 March 2024: RMB13,296,000).

An ageing analysis of the trade payables as at 30 September 2024 and 31 March 2024, based on the invoice date.

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Within 1 year	18,365	13,296

18. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 30 September 2024 and 31 March 2024 are expected to be recognised within one year:

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Tuition fees	409,551	198,377
Boarding fees	42,154	18,743
	451,705	217,120

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition, boarding fees and other education service are recognized proportionately over the relevant periods of the applicable program. The students are entitled to the refund of payments in relation to the proportionate services not yet rendered.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

19. BORROWINGS

During the Reporting Period, the Group has not obtained any new borrowings (six months ended 30 June 2023: RMB305.0 million). The proceeds were used to finance the operation of the Group.

The borrowings include:

- (a) unguaranteed and unsecured borrowings amounted to RMB5,126,000 (31 March 2024: RMB10,461,000) at a fixed rate of 5.00% per annum (31 March 2024: fixed rate of 5.00% per annum) from independent parties within the duration of 4 years (31 March 2024: 4 years) as at 30 September 2024;
- (b) guaranteed and secured borrowings amounted to RMB65,720,000 (31 March 2024: RMB71,837,000) at a variable rate of 3-month Secured Overnight Financing Rate (“SOFR”) plus 2.90% per annum (31 March 2024: variable rate of 3-months SOFR plus 2.90% per annum) from an independent party within 3 years (31 March 2024: 3 years) as at 30 September 2024. The borrowings are guaranteed by the Company and secured by the shares of one of its subsidiaries; and
- (c) unguaranteed but secured borrowings amounted to RMB34,705,000 (31 March 2024: RMB44,718,000) at a variable rate of 3-months SOFR plus 3.36% per annum (31 March 2024: variable rate of 3-month SOFR plus 3.36% per annum) from an independent party within 4 months (31 March 2024: 10 months) as at 30 September 2024. The borrowings are secured by the shares of a subsidiary of the Company.

20. SHARE CAPITAL OF THE COMPANY

	Par value	Number of shares	USD	
Authorised				
At 1 January 2023, 30 June 2023, 31 March 2024, 1 April 2024 and 30 September 2024	USD0.000001	50,000,000,000	50,000	
Issued				
At 1 January 2023, 30 June 2023, 31 March 2024, 1 April 2024 and 30 September 2024	USD0.000001	1,690,914,000	1,691	11,366

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The valuation techniques used by the Group include the discounted cash flow model for finance lease receivables, lease liabilities, financial assets at fair value through other comprehensive income (“**FVTOCI**”), financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets measured at amortised cost. The main parameters used in discounted cash flow model include recent transaction prices, relevant interest yield curves, foreign exchange rates, prepayment rates and counterparty credit spreads.

The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group’s financial assets as at 30 September 2024 and 31 March 2024:

	30 September 2024		31 March 2024	
	Level 1 RMB'000 (Unaudited)	Level 2 RMB'000 (Unaudited)	Level 1 RMB'000 (Audited)	Level 2 RMB'000 (Audited)
Finance asset at FVTPL				
Listed bond investment	127,460	—	184,550	—
Finance asset at FVTOCI				
Unlisted funds	—	179,539	—	181,653

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements and valuation processes *(Continued)*

There were no transfers into or out of Level 1 and 2 of fair value hierarchy during the period.

Financial Instruments	Fair value hierarchy	Fair value as at		Valuation technique and key inputs
		30 September 2024 <i>RMB'000</i>	31 March 2024 <i>RMB'000</i>	
Listed bond investment	Level 1	127,460	184,550	Quoted bid prices in an active market
Unlisted funds	Level 2	179,539	181,653	Quoted prices from fund administrator

Except for the financial asset listed above, the directors of the Company consider that the carrying amounts of financial assets recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

22. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Group and other related parties are disclosed below.

The name and the relationship of other related parties

Name of related parties	Relationship
Nanshan Group Co., Ltd* (南山集團有限公司) (“ Nanshan Group ”) and its subsidiaries	<i>Note (i)</i>
Longkou Nanshan (new) Investment Development Co., Ltd.* (龍口新南山投資發展有限公司) (“ Longkou Nanshan ”) and its subsidiaries	<i>Note (ii)</i>
Shandong Nanshan Construction Development Co., Ltd* (山東南山建設發展股份有限公司) (“ Nanshan Development ”) and its subsidiaries	<i>Note (iii)</i>

Notes:

- (i) One of the key management of Nanshan Group is Mr. Song Jianbo, whose spouse is Ms. Sui Yongqing (“**Ms. Sui**”), the sole shareholder of Union Capital, the ultimate shareholder of the Company.
- (ii) Longkou Nanshan is wholly-owned by Mr. Song Zuowen (“**Mr. Song**”) and Ms. Lv Shuling (“**Ms. Lv**”). Ms. Sui is the daughter-in-law of Mr. Song and Ms. Lv.
- (iii) Nanshan Development is wholly owned by Mr. Song, Nanshan Group and Ms. Sui.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

22. RELATED PARTY TRANSACTIONS (Continued)

Transaction with related parties

During the six months ended 30 September 2024 and 30 June 2023, the Group entered into the following transactions with related parties that are not members of the Group:

	Notes	For the six months ended	
		30 September 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)
Nanshan Group and its subsidiaries:			
— Finance lease income generated from		42,124	23,176
— Rental expense paid to	<i>i</i>	211	944
— Services received	<i>ii</i>	17,890	10,081
— Services provided	<i>iii</i>	1,231	—
— Purchase of inventory	<i>iv</i>	279	119
— Purchase of property and equipment	<i>iv</i>	7	16
— Interest on lease liabilities	<i>v</i>	804	815
Longkou Nanshan and its subsidiaries:			
— Services received	<i>ii</i>	7,503	4,698
— Services provided	<i>iii</i>	39	—
— Purchase of property and equipment	<i>iv</i>	578	—
— Purchase of inventory	<i>iv</i>	1,606	1,780
Nanshan Development and its subsidiaries:			
— Services provided	<i>iii</i>	8	—

Notes:

- (i) During the periods ended 30 September 2024 and 30 June 2023, the Group entered into one-year lease agreements with Nanshan Group and its subsidiaries, for leasing of properties as office premises.
- (ii) The services for the general operation received were charged based on the mutually agreed terms for the purpose of operating college.
- (iii) The other education services provided were charged based on the mutually agreed terms for the purpose of operating college.
- (iv) The purchases of inventory and property and equipment were made according to the mutually agreed terms.
- (v) The interest on lease liabilities was charged at rates of 4.65% per annum.

The Group entered into lease agreements with a ten-year lease in respect of certain buildings from Nanshan Group due to the acquisition of the subsidiary during the year ended 31 December 2022. The amount of rent payable by the Group under the lease is RMB5,300,000 (tax inclusive) per annum. The rent is charged at terms mutually agreed by the parties. As at 30 September 2024, the carrying amount of such lease liabilities is approximately RMB31,029,000 (31 March 2024: RMB31,067,000). During the six months ended 30 September 2024, the Group did not make lease payment to the related companies (six months ended 30 June 2023: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

22. RELATED PARTY TRANSACTIONS *(Continued)*

Finance lease receivables from related parties

	30 September 2024 <i>RMB'000</i> (Unaudited)	31 March 2024 <i>RMB'000</i> (Audited)
Nanshan Group and its subsidiaries	463,623	805,372

Compensation to key management personnel

The remuneration of key management personnel of the Group during the six months ended 30 September 2024 and 30 June 2023 were as follows:

	For the six months ended	
	30 September 2024 <i>RMB'000</i> (Unaudited)	30 June 2023 <i>RMB'000</i> (Unaudited)
Basic salary, allowances and benefits	2,482	3,544
Employer's contribution to pension schemes	255	114
Total	2,737	3,658

The remuneration of key management is determined with reference to the performance of the Group and the individuals.