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

ANNUAL REPORT 2024/25

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CORPORATE INFORMATION

COMPANY NAME

Alliance International Education Leasing Holdings Limited

STOCK CODE

1563

BOARD OF DIRECTORS

Executive Directors

Mr. LI Luqiang *(Chief Executive Officer and (with effect from 18 July 2025) Chairman of the Board)*
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)* (resigned on 17 July 2025)
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

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, One Hennessy
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 BANKS

Agricultural Bank of China
Bank of China
Bank of Ningbo
China Construction Bank Corporation, Longkou Branch
China CITIC Bank

CHAIRMAN'S STATEMENT

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Alliance International Education Leasing Holdings Limited (the "**Company**"), I hereby present to the shareholders of the Company (the "**Shareholders**") the annual report of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 (the "**Reporting Period**").

In 2024, the overall business environment remains stable, however, risks of global geopolitical and supply chain still pose uncertainty for various industries, with many enterprises experiencing fluctuations in operational performance.

Since the completion of the acquisition of 70% interests in Yantai Nanshan University (煙台南山學院) ("**Yantai Nanshan University**") in August 2022, the Company is in a favourable position to capture the overall growth of the domestic economy through its dual-track strategy, namely operating in both the higher education and finance leasing business segments, which are complementary to each other.

In line with the direction of national policy development, where enterprises are encouraged to participate in the establishment of private schools for vocational education, Yantai Nanshan University 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)". Yantai Nanshan University expects to offer more choices to college-aged population and graduates, and more service talents to enterprises.

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.

With the loosening of 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 gradually increase in the foreseeable future, thereby leading to an increasing demand for the transportation of such raw materials by way of shipping.

The Group will continue to pay close attention to the market changes, adjust its business strategies in a timely manner, expand and diversify its business scope, improve and enhance the level of asset management, diversify customer and project categories, improving the quality of its cashflows, reduce overall asset risk, and develop its business by adhering to the principle of "quality over quantity", make steady progress and actively seek opportunities amid changes.

Finally, on behalf of the Board, I would like to express our sincere gratitude towards the Shareholders, business partners, customers and all staff of the Group for their continuous support. The Company will endeavour to improve the Group's performance, expand its business scope and create greater value for the Shareholders and all stakeholders in the society.

Song Jianbo
Chairman
Alliance International Education Leasing Holdings Limited

26 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In 2024, the overall business environment remains stable, however, risks of global geopolitical and supply chain still pose uncertainty for various industries. According to the National Bureau of Statistics of the People's Republic of China (the "**PRC**"), China's GDP of 2024 exceeded RMB130 trillion for the first time, reaching RMB134.9 trillion, representing an increase of approximately 5.0% over the same period last year. The leasing and business services industry maintained double-digit growth, representing an increase of approximately 10.4% over the same period last year. Despite the continued growth of the data mentioned above, China and the global economy are still facing huge uncertainties, with many enterprises experiencing fluctuations in operational performance. Additionally, financial leasing companies are readjusting their business plans and expanding into emerging sectors to avoid certain high-risk industries, so as to enhance their competitiveness. The emergence of foreign financial leasing companies has further intensified market competition.

The Company is in a favourable position to absorb 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**"). 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 RMB63.1 million for the Reporting Period.

Higher Education

According to the 2024–2035 master plan on building China into a leading country in education (教育強國建設規劃綱要(2024–2035年)) issued by the Central State Council (中央國務院), it set forth educational policy goals for the next decade, specifying that education spending should account for more than 4% of GDP, that general public budget education expenditures should increase year by year, and that efforts will be made to gradually expand the scope of free education. 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. The enrolment rate of higher education in China lagged behind that of major developed countries. Only approximately 54.4% of the college-age population in China are enrolled in higher education institutions, compared to an average of approximately 66% and 89% of college-aged population in France and the United States of America, respectively, 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 50 undergraduate programmes and 38 junior college diploma programmes under a total of 42 faculties and divisions, and strives to improve its students' practical training and career prospects.

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 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 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.

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. The Group's higher education business contributed to revenue of approximately RMB562.2 million 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 September 2024, the National Financial Regulatory Administration (國家金融監督管理總局) revised and issued the Administrative Measures for Financial Leasing Companies (金融租賃公司管理辦法), guiding financial leasing companies to adhere to the function of combining financing and asset utilisation, and to provide specialised financial services. The main revisions of the new regulations include improvements to the major investor policy, strengthening the supervision of business classification, enhancing corporate governance oversight, reinforcing risk management, standardising cross-border financial leasing operations, and refining business operational rules. With the continuous improvement and tightening of regulatory policies, financial leasing companies need to place greater emphasis on compliant operations, strengthen internal management and risk control, and ensure stable business development.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of data, by the end of 2023, the total asset scale of financial leasing companies in our country reached RMB4.18 trillion, an increase of 10.49% year-on-year. Despite a slowdown in growth, the overall scale continues to expand steadily. As at the end of 2023, the total number of finance leasing companies in China was approximately 8,846, reflecting a significant decrease of nearly 1,000 compared to the end of 2022. As the leasing industry continued to be consolidated and leading to a process of elimination the weak, resulting in the competition in finance leasing further intensified. Compared to developed countries like those in Europe and America, the proportion of assets covered by the leasing industry ranges from 15% to 30% of the total fixed assets in general. Whereas, China's leasing penetration rate remains at around 5%, indicating significant development potential and growth opportunities in the country.

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. 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.

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.

With the loosening COVID-19 restrictions, it was expected that the global economy would gradually recover and the worldwide demand for crude oil, liquefied natural gas (LNG), various metals and chemicals would 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 from 2023. Through its investment in a partnership, vessels were acquired. 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.

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 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 ("**PAC**")'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.

During the Reporting Period, the Group's finance and operating leasing business contributed to the revenue of approximately RMB172.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was 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 was derived from interest receivable and the services in relation to sale-leaseback, direct finance leasing and rendering vessel chartering. Revenue of the Group for the year decreased by approximately 9.5% from approximately RMB811.8 million for the fifteen months ended 31 March 2024 to approximately RMB734.8 million for the year ended 31 March 2025.

Costs of services

The Group's costs of services increased from approximately RMB370.4 million for the fifteen months ended 31 March 2024 to approximately RMB423.4 million for the year ended 31 March 2025, 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 RMB311.3 million for the year ended 31 March 2025 and a gross profit margin of approximately RMB42.4%, as compared to the gross profit of approximately RMB441.3 million for the fifteen months ended 31 March 2024, representing a decrease of approximately 29.5%. The decrease in gross profit margin was primarily due to instability in the overall economic and business environment, which led to fluctuations and decrease in the gross profit margin of leasing projects.

Other income, gains or losses

Other income, gains or losses of the Group, which were primarily derived from (i) government grants; (ii) net exchange gains; (iii) rental income; and (iv) investment and interest income, decreased from approximately RMB82.7 million for the fifteen months ended 31 March 2024 to approximately RMB77.9 million for the year ended 31 March 2025. The decrease was mainly due to the decrease in government grants and sales of education materials.

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 year ended 31 March 2025, the administrative expenses amounted to approximately RMB102.8 million as compared to approximately RMB120.2 million for the fifteen months ended 31 March 2024. This decrease was mainly due to the impact of a change of financial year end date. The reporting period ended 31 March 2025 covered a period of twelve months, whereas the reporting period ended 31 March 2024 covered a period of fifteen months.

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 63.9% from approximately RMB53.8 million for the fifteen months ended 31 March 2024 to approximately RMB19.4 million for the year ended 31 March 2025. The decrease in finance costs was mainly due to decrease in imputed interest on consideration payable and deposits from finance lease customers, and settlement of borrowings which led to a reduction in interest expense.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the year

Profit for the year of the Group decreased from approximately RMB182.8 million for the fifteen months ended 31 March 2024 to approximately RMB63.1 million for the year ended 31 March 2025, representing a decrease of approximately 65.5%. The decrease in net profit was mainly due to (i) net provision for impairment losses recognised on finance lease and other receivables as the expected credit loss increased due to fluctuations in economic and business environment during the Reporting Period; and (ii) the impact of a change of financial year end date, with the reporting period ended 31 March 2024 covering a period of fifteen months as compared to the Reporting Period which covered a period of only twelve months. As at the date of this report, the Group has been engaging in discussions and negotiations for mutually agreeable repayment schedules with the aim to recover the outstanding receivable balances. Further, with reference to previous years balance of provision for impairment loss, the Group has recovered majority of the receivables provided over the years.

Dividend

The Board did not recommend payment of any final dividend to shareholders for the year ended 31 March 2025 (31 March 2024: nil).

Liquidity, financial resources and capital resources

As at 31 March 2025, the cash and cash equivalents of the Group amounted to approximately RMB60.9 million (31 March 2024: approximately RMB191.4 million). Working capital (current assets less current liabilities) and the total equity of the Group as at 31 March 2025 amounted to approximately RMB417.3 million (31 March 2024: approximately RMB434.1 million) and approximately RMB2,897.9 million (31 March 2024: approximately RMB2,801.0 million), respectively. As at 31 March 2025, the balance of borrowings of the Group amounted to RMB88.8 million (31 March 2024: RMB148.0 million). As at 31 March 2025, the Group's borrowings due within one year amounted to approximately RMB26.9 million (31 March 2024: approximately RMB76.3 million) and the Group's borrowings due after one year amounted to approximately RMB61.9 million (31 March 2024: approximately RMB71.7 million). As at 31 March 2025, the gearing ratio of the Group (dividing the total indebtedness by total equity and indebtedness as at the end of the period) was approximately 3.0% (31 March 2024: approximately 5.0%). 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 2025, the respective carrying amounts of such components of the finance lease receivables amounted to (i) approximately RMB1,763.1 million (31 March 2024: approximately RMB1,713.0 million); (ii) approximately RMB246.2 million (31 March 2024: approximately RMB203.0 million); and (iii) approximately RMB220.4 million (31 March 2024: approximately RMB267.1 million). The finance lease receivables of the Group increased by approximately 4.3% from approximately RMB1,243.0 million as at 31 March 2024 to approximately RMB1,296.4 million as at 31 March 2025. The allowances for impairment losses of the Group decreased by approximately 17.5% as at 31 March 2025.

As at 31 March 2025, the total outstanding amount of finance lease receivables of the Group was approximately RMB1,296.4 million, out of which approximately RMB615.0 million was current asset and approximately RMB681.5 million was non-current asset (as at 31 March 2024, the total outstanding amount of finance lease receivables of the Group was approximately RMB1,243.0 million, out of which approximately RMB490.3 million was current asset and approximately RMB752.7 million was non-current asset).

The finance lease receivables carry interest rates from 5.2% to 8.0% (31 March 2024: from 4.8% to 12.7%) per annum and are repayable within an average term of 3 to 9 years (31 March 2024: 2 to 5 years).

As at 31 March 2025, the finance lease receivables of approximately RMB1,296.4 million (31 March 2024: approximately RMB1,243.0 million) were due from 18 customers (31 March 2024: 19 customers), all in respect of sale and leaseback transactions. All of the 18 customers were corporations with principal amounts ranging from approximately RMB10.8 million to approximately RMB309.4 million (31 March 2024: ranging from approximately RMB0.2 million to approximately RMB445.8 million). The outstanding amounts owed by the largest customer and the five largest customers accounted for approximately 22.9% and 69.2% (31 March 2024: approximately 34.1% and 76.5%) respectively, of the Group's total outstanding amount of finance lease receivables as at 31 March 2025.

The following table sets forth the breakdown of finance lease receivables by industries of the customers as at 31 March 2025 and 31 March 2024:

Industry of customer	31 March 2025 *(RMB'000)*	31 March 2024 *(RMB'000)*
Public infrastructure	721,112	860,052
Aviation	289,430	263,758
Healthcare	258,997	98,873
Other industries	26,900	20,272
Total:	1,296,439	1,242,955

In terms of the outstanding amount of finance lease receivables as at 31 March 2025, public infrastructure industry accounted for approximately 55.6% (31 March 2024: approximately 69.1%), aviation industry accounted for approximately 22.3% (31 March 2024: approximately 21.3%), healthcare industry accounted for approximately 20.0% (31 March 2024: approximately 7.9%) and other industries accounted for approximately 2.1% (31 March 2024: approximately 1.7%).

Approximately 94.7% of the outstanding amount of finance lease receivables as at 31 March 2025 (31 March 2024: approximately 35.1%) carry security. The finance lease receivables are not usually secured by guarantees.

The ageing analysis of the outstanding amount of finance lease receivables as at 31 March 2025 and 31 March 2024 is set out in Note 18(i) to the consolidated financial statements.

The allowances for impairment losses of the Group decreased by approximately 17.5% from approximately RMB267.1 million as at 31 March 2024 to approximately RMB220.4 million as at 31 March 2025.

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

Two customers in the aviation industry (31 March 2024: two of which were 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, in the financial year ended 31 March 2025, 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 year ended 31 March 2025.

The Board is of the view that the reversal of impairment losses for the year ended 31 March 2025 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 reflective of 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) = $EAD \times PD \times LGD \times DF$

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 cases that certain lessees failed to repay on time, the Group adopted actions such as 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 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 year ended 31 March 2025 were 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 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.

Short-term loan receivables

As at 31 March 2025, the total outstanding amount of short-term loan receivables of the Group was approximately RMB299.3 million (31 March 2024: approximately RMB241.1 million). The short-term loans were granted to four corporate borrowers (31 March 2024: three), with principal amounts ranging from approximately RMB43.4 million to approximately RMB152.3 million (31 March 2024: ranging from approximately RMB42.8 million to approximately RMB149.1 million). The short-term loan receivables to independent third parties carry interests ranged from 5.5% to 24% (31 March 2024: range from 15% to 24%) per annum, and are repayable within terms from approximately 6 months to 14 months (31 March 2024: approximately 6 months to 14 months). The short-term loan receivables with amount of approximately RMB53.8 million is secured, the remaining short-term loan receivables are unsecured and guaranteed.

The outstanding amounts owed by the four borrowers (31 March 2024: three) accounted for approximately 50.9%, 18.0%, 16.6% and 14.5% respectively of the Group's total outstanding short-term loan receivables balance as at 31 March 2025 (31 March 2024: approximately 61.9%, 20.3% and 17.8%).

Reasons for granting each of the short-term loans

The interest rates adopted of short-term loans were higher than the prevailing market deposit interest rates. The Group believed it could maximise the net profit of the Group rather than idling the funds at banks with minimal interests while looking for suitable finance lease projects, and provide a positive impact on the cash flow of the Group.

An internal valuation was performed by the Company to determine the amount of the impairment of the short-term loans.

Short-term loan receivables are analysed by the remaining period to contractual maturity date as follows:

	31 March 2025 (RMB'000)	31 March 2024 (RMB'000)
Less than three months	53,837	198,278
Three months to six months	—	42,813
Overdue	245,491	—
	299,328	241,091

Impairment losses recognised on other receivables

During the year ended 31 March 2025, the Group recognised impairment loss on other receivables of approximately RMB163.6 million, with approximately RMB155.4 million of which relating to short-term loan receivables and relevant interest receivables.

Reasons for and circumstances leading to the impairment

Due to volatility in the economic and business environment during the Reporting Period, certain borrowers were not able to repay the relevant loans on time. As at 31 March 2025, the respective loan balances had been past due for over 90 days. While the Company has made continuous efforts to pursue the recovery of the outstanding amounts from the borrowers through ongoing communication and follow-up actions such as issuing demand letters to borrowers, and seeking legal advice from the Company's legal advisers, in view of their respective repayment status as at 31 March 2025, the relevant loans have been classified as stage 3 overdue loan cases and considered as credit-impaired.

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

In accordance with the requirements of IFRS 9, the Group has adopted the ECL model on the IFRS 9 basis, which is the prescribed framework under IFRS 9 for estimating credit losses, to assess the recoverability of its short-term loan receivables as at 31 March 2025.

The ECL was calculated based on the following formula which is consistent with IFRS 9:

$$ECL = EAD \times PD \times LGD \times FLF$$

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

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

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

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

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

Short-term Loan	Name of Borrower	Currency	Book Amount	Amount in RMB	PD	FLF	LGD	ECL rate	ECL RMB
1	Borrower A	USD	25,575,881	183,588,789	100.0%	104%	53%	54.99%	100,964,238
2	Borrower B	USD	7,492,865	53,785,284	100.0%	104%	53%	54.99%	29,579,095
3	Borrower C	USD	8,636,763	61,996,412	100.0%	104%	39%	40.05%	24,831,297
			41,705,509	299,370,485					155,374,630

Note: Exchange rate for the conversion of USD to RMB: 7.18

There were no significant changes in the inputs or assumptions from those previously adopted.

The Company elected to adopt the ECL model under IFRS 9 to assess the recoverability of its short-term loan receivables as at 31 March 2025. This decision was based on several key considerations:

(a) IFRS 9 mandates the use of the ECL approach for financial assets measured at amortised cost, including loan receivables. The approach ensures alignment with international accounting standards and regulatory expectations on risk recognition and transparency.

(b) Loss Given Default (LGD) was benchmarked against Moody's historical recovery rates, providing objective market data and comparability across similar exposures. This supports the integrity and justification of the valuation assumptions used.

(c) The Forward-Looking Factor (FLF) incorporates regression analysis based on macroeconomic indicators (PRC GDP, inflation, M2), aligning with IFRS 9's requirement to embed forward-looking information in impairment assessment. This ensures that credit risk is evaluated not just in static terms, but in relation to projected economic conditions that may influence borrower repayment capacity.

(d) By discounting expected losses to present value, the ECL model appropriately reflects the economic impact of future cash shortfalls. This treatment ensures fair presentation of financial assets and obligations on the balance sheet.

There were no subsequent changes in the valuation method used.

Measures for recovering the impaired short-term loan receivables

The Company has undertaken and/or is planning the following measures for recovering the impaired short-term loan receivables:

(a) **Demands against borrowers:** The Company has made continuous efforts to pursue the recovery of the outstanding amounts from the borrowers through ongoing communication and follow-up actions such as issuing demand letters to borrowers.

(b) **Engagement of external legal counsel:** The Company has formally engaged external legal advisers to provide advice on possible enforcement actions against the borrowers and guarantors, to issue legal opinions and explain and communicate the legal and costs implications to the members of the Board on the above. This includes reviewing potential litigation options and assessing the costs and benefits of commencing legal proceedings in the relevant jurisdictions.

(c) **Demands against guarantors:** In addition to demands made directly to the borrowers, the Company has issued formal demands to the ultimate beneficial owners of the borrowers acting as guarantors, requesting immediate repayment under the personal guarantees.

(d) **Asset tracing and verification:** The Company is considering engaging external service providers to conduct asset searches on the guarantors to assess their financial position and ability to meet the guaranteed obligations.

(e) **Negotiation of repayment plans:** The Company remains open to negotiating structured repayment arrangements with the borrowers and guarantors, where appropriate, to facilitate partial or staged recovery of the outstanding sums.

(f) **Financial aspects:** The Company engaged in active discussions with auditor to update the overdue status and communicate on the accounting treatment to provide up-to-date information in the consolidated financial statements of the Company. Regular reminders are issued to business units on the impact of overdue amounts and impairment provisions on the consolidated financial statements.

The Board is monitoring and will continue to monitor the progress of recovery actions and to ensure that material developments are escalated in a timely manner.

Finance lease commitments

As at 31 March 2025, the Group had no finance lease commitments (31 March 2024: nil).

Employees and remuneration policy

As at 31 March 2025, the Group employed 2,206 full-time employees (31 March 2024: 1,920) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB262.4 million for the year ended 31 March 2025 (31 March 2024: approximately RMB255.4 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 section headed "Share Option Scheme" below for further details.

Charges on group assets

Save as disclosed in note 28 to the consolidated financial statement of the Company in this report, none of the Group's assets were charged as security for any liabilities as at 31 March 2025.

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liabilities (31 March 2024: nil).

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 paragraph headed "Report of the Directors — Share Option Scheme" in this report.

EVENTS AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 March 2025 and up to the date of this annual report.

OUTLOOK AND PLANS

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.

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 Rules Governing the Listing of Securities on the Stock Exchange (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.

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 (including sale of treasury shares (as defined under the Listing Rules)).

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. LI Luqiang (李璐強), aged 56, is an executive Director, the chief executive officer of the Company and the chairman of the Board. He was appointed to the Board as a Director on 13 January 2016 and was designated as an executive Director on 20 June 2018. He is primarily responsible for strategic planning and overall management of the Group, overseeing the business operations, finance and human resources. Mr. Li Luqiang has been a director and general manager of Nanshan Financial Leasing (Tianjin) Co., Ltd.* (南山融資租賃（天津）有限公司) ("**Nanshan Leasing**") since January 2014.

Mr. Li Luqiang has over 20 years of experience in the finance leasing industry. From July 1995 to July 2001, Mr. Li Luqiang worked at the business department of International Union Leasing Co., Ltd. (友聯國際租賃有限公司), where he was responsible for financial analysis, risk management, business development and collection of lease payments. Between February 2004 and May 2007, Mr. Li Luqiang worked for Guangcai Investment Group* (光彩事業投資集團), an investment and asset management company, as the vice president of Investment Department, responsible for investor relationship and corporate governance. Mr. Li Luqiang served as executive president in Fenghui Leasing Co., Ltd. (豐匯租賃有限公司) from December 2008 to December 2009. At that time, he was mainly responsible for management of leasing business. Prior to joining the Group, he worked for Chengtong Financial Leasing Company Limited (誠通融資租賃有限公司), and served as the leasing business director from January 2010 to March 2013. At that time, he was primarily responsible for financing and leasing business.

In July 1991, Mr. Li Luqiang obtained a bachelor degree of Engineering in Mechanical Design and Manufacturing from Beijing Union University (北京聯合大學) in Beijing, PRC. He obtained a master of commerce degree in international professional accounting and a master of commerce degree in finance from the University of New South Wales in Sydney, Australia, in October 2001 and October 2002, respectively. He was admitted as an associate of CPA Australia in October 2001 and became a certified practising accountant of CPA Australia in August 2006.

Mr. Li has been appointed as the chairman of the Board with effect from 18 July 2025. For further details, please refer to the announcement of the Company dated 17 July 2025.

Mr. LIU Zhenjiang (劉鎮江), aged 42, is an executive Director. He was appointed to the Board on 6 September 2021.

Mr. Liu Zhenjiang has been the Director of Risk Management of the Group since April 2019, mainly responsible for the legal compliance and risk management of proposed projects, drafting and review of transaction documents, and overseeing the Group's internal controls and compliance. He is also the supervisor of several subsidiaries of the Company, namely International Alliance Financial Leasing (Shenzhen) Co., Ltd.* (友聯國際融資租賃（深圳）有限公司), Nanshan Leasing, Beijing Nanshan Jinchuang Information Consulting Co., Ltd. (北京南山金創信息諮詢有限公司) and Tianjin Rongjin Enterprise Management & Consulting Co., Ltd. (天津融金企業管理諮詢有限公司). Mr. Liu Zhenjiang has over ten years of experience in the legal profession and worked as in-house legal counsels of a few private companies in the PRC before joining the Group.

Mr. Liu Zhenjiang obtained a bachelor's degree of Laws from Peking University in September 2007, and was granted his legal professional qualification issued by the Ministry of Justice of the PRC in March 2010.

BIOGRAPHICAL DETAILS OF DIRECTORS

Ms. LIU Meina (劉美娜), aged 42, is an executive Director of the Company. She was appointed to the Board as a Director on 26 April 2024.

She graduated from Qingdao University with a bachelor's degree in textile engineering in 2005 and subsequently a master's degree in textile engineering in 2008. She has extensive experience in research and development of textile products and education in the People's Republic of China. Over her 15 years of teaching tenure, she has consistently focused on applied talent development and research related to functional textile innovation. She has authored and published three ministerial-level planning textbooks, earning recognition with one award for outstanding ministerial-level textbooks and eight awards for teaching excellence in textiles from Textile Vision Science & Education Foundation (紡織之光科技教育基金會). Her contributions were acknowledged by the China National Textile and Apparel Council (中國紡織工業聯合會), which named her a "2022 Contributor to Talent Development in the Chinese Textile Industry" (2022中國紡織行業人才建設貢獻人物). In 2008, she joined Yantai Nanshan University (煙台南山學院) as a teacher and became the acting dean of the School of Textile Science and Engineering (Industrial) in 2021, and has subsequently taken the position as the dean of School of Textiles and Clothing in 2023. Currently, Ms. Liu Meina is responsible for the teaching and research work of the University.

Mr. YUEN Kin Shan (袁建山), aged 43, is an executive Director and was appointed to the Board as a Director on 9 January 2023. He joined the Company as chief financial officer in September 2020. He was then appointed as the company secretary and an authorised representative of the Company in December 2020. Mr. Yuen Kin Shan is also a director of Hong Kong Alliance Financial Leasing Co., Limited, a wholly-owned subsidiary of the Company.

Mr. Yuen Kin Shan has over 10 years of experience in auditing, accounting, financial management and corporate finance. Mr. Yuen Kin Shan has obtained a bachelor of commerce degree in finance and accounting from the University of New South Wales in Australia in October 2003 and a master degree of business administration from The Hong Kong University of Science and Technology in August 2017. He is also a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

NON-EXECUTIVE DIRECTOR

Mr. SONG Jianbo (宋建波), aged 54, was the chairman of the Board and a non-executive Director up until his resignation with effect from 17 July 2025. He was appointed to the Board as a Director on 9 January 2023. He has held various positions of a number of companies established in the People's Republic of China over the years. For instance, he is a chairman of the board of directors of Nanshan Group since February 2015. In March 1993, he joined Shandong Nanshan Aluminium Co., Ltd.* (山東南山鋁業股份有限公司) ("**Nanshan Aluminium**"), which is listed on the Shanghai Stock Exchange (stock code: 600219). During his tenure at Nanshan Aluminium, Mr. Song Jianbo had been a director, the vice chairman of the board of directors, the general manager and the chairman of the board of directors. For the last three years, Mr. Song Jianbo had been a director of Nanshan Aluminium until November 2021.

Mr. Song Jianbo graduated from Beijing International Studies University (北京第二外國語學院) majoring in English in June 1990 and completed a tertiary college online course on economic management of Jilin University (吉林大學) in January 2015.

Mr. Song resigned as a non-executive Director, the chairman of the Board and chairman of the strategic investment committee of the Company with effect from 17 July 2025. For further details, please refer to the announcement of the Company dated 17 July 2025.

Mr. Song Jianbo is the spouse of Ms. Sui Yongqing, one of the controlling shareholders of the Company ("**Controlling Shareholders**").

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. JIAO Jianbin (焦建斌), aged 29, is a non-executive Director. He was appointed to the Board as a Director on 16 September 2020 and was designated as a non-executive Director on the same day.

Prior to joining the Group, Mr. Jiao Jianbin worked at Hongkong Hongke Development Co., Limited (香港宏科發展有限公司) and Xinjin Investment Holding Limited (信金投資控股有限公司), and was involved in different areas of work including foreign and domestic trade and sales, research on overseas investment projects, industry analysis and market forecasts. In April 2020, Mr. Jiao Jianbin is appointed as a director of TC Concord Securities Limited (天宸康合證券有限公司), principally responsible for business operation of the company.

Mr. Jiao Jianbin joined the Group on 5 August 2020 and has been the legal representative of Youlian International Financial Leasing (Shenzhen) Co., Ltd.* (友聯國際融資租賃(深圳)有限公司) since August 2020. He is responsible for providing supervision on direction of its business development, cross-border finances, financial reviews, providing suggestions on the overall improvement on its services and management, and scrutinising its compliance with reference to 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), which was newly issued by The China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) in mid-2020. Mr. Jiao Jianbin also made recommendations on the operations and management of the Group from the legal and compliance perspectives. He also reviewed the progress and performance of the Group's management. Further, he reviewed and provided advices on the current mechanisms and helped develop strategies in the areas of expansion plan in business type and source of revenue.

Mr. Jiao Jianbin obtained a degree of Bachelor of Science from the New York University Leonard N. Stern School of Business in January 2020 with a Business major and Mathematics and Computer Science minor.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Changxiang (劉長祥), aged 70, is an INED. He was appointed to the Board on 20 February 2019. He is mainly responsible for providing independent advice to the Group.

Mr. Liu Changxiang has over 30 years of experience in the banking and finance leasing industry. Mr. Liu Changxiang served as a representative and chief representative of the Tokyo representative office of China Construction Bank from December 1993 to December 1999, responsible for liaising with various government departments and financial institution in Japan and conducting industry research. For the period from April 2000 to April 2015, Mr. Liu Changxiang worked for JIC Leasing Company Limited (中建投租賃股份有限公司), formerly known as International Union Leasing Co. Ltd (友聯國際租賃有限公司), under the assignment of China Construction Bank and was assumed the role of deputy general manager and director one after the other. From April 2015 to April 2017, he was dispatched by the company to participate in the establishment of JIC Leasing (Shanghai) Co., Limited (中建投租賃(上海)股份有限公司) and was responsible for its comprehensive operational management.

Mr. Liu Changxiang graduated from Beijing Normal University in January 1982 with a bachelor's degree in Japanese literature.

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. LIU Xuewei (劉學偉), aged 54, is an INED. He was appointed to the Board on 20 February 2019. Mr. Liu Xuewei is mainly responsible for providing independent advice to the Group.

Mr. Liu Xuewei is a certified public accountant and certified public valuer in China. He has over 20 years of experience in accounting. Mr. Liu Xuewei served as the operation manager of Yantai office of Shandong Huide Certified Public Accountants* (山東匯德會計師事務所有限公司) from January 2004 to March 2013. Mr. Liu Xuewei has been a partner of Hexin Certified Public Accountants LLP in Shandong (和信會計師事務所(特殊普通合夥)) and the head of its Zhifu branch in Yantai, Shandong since April 2013, responsible for the management and operations of its Zhifu branch.

In July 1992, Mr. Liu Xuewei graduated from Jiangxi College of Finance and Economics (江西財經學院) (now Jiangxi University of Finance and Economics (江西財經大學)) in Nanchang, PRC with a bachelor degree of Economics in Finance.

Mr. JIAO Jian (焦健), aged 51, is an INED. He was appointed to the Board on 20 February 2019. Mr. Jiao Jian is mainly responsible for providing independent advice to the Group.

Mr. Jiao Jian worked for Inner Mongolia Jian Zhong Law Firm (內蒙古建中律師事務所) from September 1996 to December 2006, where he had been a partner of the firm since October 2000. Mr. Jiao Jian has been a partner of Beijing Zhongzhou Law Firm (北京市中洲律師事務所) since December 2006, and is primarily responsible for corporate, securities and finance-related projects.

In July 1996, Mr. Jiao Jian graduated from China University of Political Science and Law (中國政法大學) in Beijing, PRC with a bachelor degree of law. He was accredited as a PRC lawyer by the Ministry of Justice of China in June 1998.

Mr. SHEK Lai Him Abraham (石禮謙) (alias Abraham Razack) ("**Mr. Shek**"), aged 80, is an INED. He was appointed to the Board on 28 July 2021. Mr. Shek is mainly responsible for providing independent advice to the Group.

Mr. Shek is an independent non-executive director of China Resources Building Materials Technology Holdings Limited (stock code: 1313), Chuang's China Investments Limited (stock code: 298), Chuang's Consortium International Limited (stock code: 367), Cosmopolitan International Holdings Limited (stock code: 120), CSI Properties Limited (stock code: 497), Everbright Grand China Assets Limited (stock code: 3699), Far East Consortium International Limited (stock code: 35), ITC Properties Group Limited (stock code: 199), Lai Fung Holdings Limited (stock code: 1125), Shin Hwa World Limited (formerly know as Landing International Development Limited) (stock code: 582), CTF Services Limited (formerly know as NWS Holdings Limited) (stock code: 659), Paliburg Holdings Limited (stock code: 617) and Hao Tian International Construction Investment Group Limited (stock code: 1341), and the chairman and a non-executive director of JY Grandmark Holdings Limited (stock code: 02231), all of which are companies listed on the Stock Exchange. He is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust (stock code: 2778)) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust (stock code: 1881)), both trusts are listed on the Stock Exchange.

During the last three years from the date of this report, Mr. Shek was an independent non-executive director of Lifestyle International Holdings Limited (stock code: 1212) (privatised on 20 December 2022), and Country Garden Holdings Company Limited (stock code: 2007) (retired on 15 March 2024), the chairman and an executive director of Goldin Financial Holdings Limited (stock code: 530) (was delisted on 31 October 2023), all of which is/were listed companies in Hong Kong.

Mr. Shek graduated from the University of Sydney and obtained a Bachelor of Arts Degree in May 1969, a Diploma in Education in March 1970 and a Juris Doctor degree at City University of Hong Kong in June 2022. He was appointed as a Justice of the Peace in 1995 and was awarded the Silver Bauhinia Star and the Gold Bauhinia Star by the government of the Hong Kong Special Administrative Region (the "**HKSAR**") in 2007 and 2013, respectively. Mr. Shek served as a member of the HKSAR Legislative Council representing the Real Estate and Construction Functional Constituency for the period between October 2000 and December 2021. From January 2017 up until 31 December 2022, Mr. Shek was also a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. Mr. Shek is currently an honorary member of Court of The Hong Kong University of Science & Technology, a member of the Court of City University of Hong Kong and Court Member of Hong Kong Metropolitan University.

Taking into consideration the abovementioned positions held by Mr. Shek, the Board is of the view that Mr. Shek will be able to devote sufficient time to the Company due to his ample knowledge and experience of serving as an independent non-executive director. Furthermore, except for Mr. Shek's appointment in Goldin Financial Holdings Limited (was delisted on 31 October 2023, stock code: 530), Mr. Shek's appointment in the positions held by him in all the abovementioned listed companies are non-executive in nature, and do not require his participation in their day-to-day operation and management.

Ms. XING Li (邢莉), aged 34, is an independent non-executive Director and was appointed as a member of the board of Directors on 9 January 2023. Since 2011, Ms. Xing Li had worked in various security companies. She was a director of each of HY International Holdings Limited and New Asia Ferrell Asset Management Limited, and has been serving as a responsible officer of Huayu Securities Limited for intermittent periods since 2021. New Asia Ferrell Asset Management Limited is a corporation licensed to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**"), and Huayu Securities Limited is a corporation licensed to carry on Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the SFO.

Ms. Xing Li obtained her Bachelor's degree in Finance from the Southwestern University of Finance and Economics in July 2011 and a Master of Science in Corporate Governance and Directorship from the Hong Kong Baptist University in July 2014.

BIOGRAPHICAL DETAILS OF DIRECTORS

GENERAL

Save as disclosed in this report, none of the Directors:

(i) held any other positions in the Company or other members of the Group as at the date of this report;

(ii) had any other relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company as at the date of this report;

(iii) held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this report; and

(iv) has any other interest in the Shares within the meaning of Part XV of the SFO or is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, there were no other matters with respect to the appointment of the Directors that needs to be brought to the attention of shareholders of the Company and there was no information relating to the Directors that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as at the date of this report.

CORPORATE GOVERNANCE REPORT

The Board hereby presents to the Shareholders the corporate governance report for the period from 1 April 2024 to 31 March 2025 (i.e. the Reporting Period).

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. For the Reporting Period, the Board has performed the corporate governance duties which include the following: (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct applicable to employees and Directors; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company under the Listing Rules. The Company was in compliance with the CG Code during the Reporting Period and up to the date of publication of the annual report except from the deviation from code provision C.2.1 of the CG Code which is explained in the section headed "CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER" below in this report. In addition, the Board has established mechanism to ensure independent views and input are available to the Board and the implementation and effectiveness of such mechanism on an annual basis.

CORPORATE CULTURE

Vision

The Company strives to become an industry-leading international and professional multi-business company with distinctive features, and bears the mission of fulfilling social responsibilities, creating value for shareholders, providing a platform for employees and assisting industrial development.

Culture

The Board establishes the Company's purpose, values and strategy and satisfies itself that these and the Company's culture are aligned. In particular, the Board and the management create the culture of the Company in the following aspects:

- Assisting through financing; mutual benefit through cooperation — Finance leasing achieves the purpose of "financing 'through' financing the object". The Company aims to broaden and provide new financing channels for enterprises. The Company gathers domestic and overseas high-quality resources, meeting customers' personalised financing needs, optimising capital structure and striving to create value for customers.

- Integration of industry and education; education with synergy — Take full advantage of advanced enterprises in running education, and absorb excellent corporate culture and promote better development of education.

- People-oriented — With rich industry experience and professionalism, build a complete management system with customers, investors and employees to achieve convenient, fast, smooth and effective information communication.

- Give back to society — Build a harmonious investment relationship, promote the development of the industrial economy through value sharing, closely follow the national strategy, and serve the people's livelihood with integrity. Strive to realise the harmonious development of the company, society and environment.

These core cultural values guide the Group's strategy, ensuring continuous growth and service excellence, fostering a commitment to lifelong learning, cost-effective solutions, and unwavering dedication to quality, and are the cornerstones of the Group's success.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Board Composition

The composition of the Board and its changes during the Reporting Period and up to the date of this report are as follows:

Executive Directors

Mr. LI Luqiang *(Chief Executive Officer and (with effect from 18 July 2025) Chairman of the Board)*
Mr. LIU Zhenjiang
Mr. QIAO Renjie (resigned on 26 April 2024)
Ms. LIU Meina (appointed on 26 April 2024)
Mr. YUEN Kin Shan

Ms. LIU Meina, a newly appointed director on 26 April 2024, obtained the legal advice under Rule 3.09D of the Listing Rules on 26 April 2024 and confirmed she understood her obligations as a director of a listed issuer.

Non-Executive Directors

Mr. SONG Jianbo *(Chairman of the Board)* (resigned on 17 July 2025)
Mr. JIAO Jianbin

Independent Non-Executive Directors

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

Responsibilities of the Board

The functions and duties of the Board include, but are not limited to, convening general meetings, reporting on the performance of the Group at general meetings, implementing resolutions passed at general meetings, formulating business and investment plans, preparing annual budget and final accounts, preparing proposals on profit distribution and increasing or decreasing the registered capital, as well as exercising other authorities, functions and responsibilities in accordance with the articles of association of the Company. The biographies of the Directors are set out on pages 19 to 24 of this report under the section headed "Biographical Details of Directors".

None of the members of the Board are related to one another or have any financial, business, family or other material or relevant relationships with each other.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. The chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The chief executive officer is responsible for the management of the day-to-day operations and the implementation of the approved strategies of the Group.

Mr. Song Jianbo, who was appointed as the chairman of the Board ("**Chairman**") on 9 January 2023, had been responsible for, including but not limited to, the management and operations of the Board. On the other hand, Mr. Li Luqiang, the executive Director and the chief executive officer (the "**CEO**") of the Company, is responsible for carrying out the policies of the Board, takes the lead in the Group's operations and business development, and focuses on the daily management and operations generally during the year ended 31 March 2025.

Accordingly, the Board considers that, during the Reporting Period, the balance of power and authority between the Board and the management of the Company was not impaired and that power was not concentrated in any one individual.

Following the resignation of Mr. Song Jianbo as the non-executive Director and the Chairman on 17 July 2025, Mr. Li Luqiang has been appointed as the Chairman with effect from 18 July 2025. For further details, please refer to the Company's announcement dated 17 July 2025.

Considering Mr. Li Luqiang's extensive experience in the finance leasing industry, and considering his roles in the general management and supervising day-to-day business operations of the Group, the Board believes that vesting the roles of both the Chairman and the CEO in Mr. Li Luqiang can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 in Part 2 of the CG Code is appropriate in such circumstances and that there are sufficient checks and balances in place, which comprises experienced and high calibre individuals and adequate independent element in the composition of the Board.

NON-EXECUTIVE DIRECTOR

Each of Mr. Song Jianbo and Mr. Jiao Jianbin, the non-executive Director, renewed the letter of appointment with the Company for a term of three years commencing from 24 May 2023, subject to termination by either party giving one month's written notice and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's articles of association and the Listing Rules.

Mr. Song resigned as a non-executive Director, the chairman of the Board and chairman of the strategic investment committee of the Company with effect from 17 July 2025. For further details, please refer to the announcement of the Company dated 17 July 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times complied with Rules 3.10(1), (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors ("**INEDs**") representing at least one-third of the Board with at least one of them has possessed relevant professional qualifications or accounting or related financial management expertise. A written annual confirmation of their independence satisfied with guidelines set out in Rule 3.13 of the Listing Rules have been received from each of the INEDs and the Company considers each of them to be independent. The Company is of the opinion that its INEDs with their wide spectrum of knowledge and extensive business experience, will objectively scrutinise the Company's performance. Each of the INEDs will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his independence. The INEDs are also subject to rotation at annual general meetings pursuant to the articles of association of the Company.

The Company will maintain an updated list of its Directors identifying their roles and functions on websites of the Company and the Stock Exchange. INEDs are identified in all corporate communications that disclose the names of Directors.

Each of the INEDs has entered into a letter of appointment for a term of three years, which is subject to termination by either party giving one month's to three months' written notice and retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

Each of Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Shek Lai Him Abraham has entered into a letter of appointment with the Company for a renewed term of three years commencing from 22 August 2024, Mr. Jiao Jian has entered into a letter of appointment with the Company for a renewed term of three years commencing from 24 May 2023 and Ms. Xing Li has entered into a letter of appointment with the Company for a term of three years commencing from 9 January 2023. The appointments of Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Jiao Jian are subject to termination by either party giving three months' written notice and the appointments of Mr. Shek Lai Him Abraham and Ms. Xing Li are subject to termination by either party giving one month's written notice. All of the said appointments are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's articles of association and the Listing Rules.

APPOINTMENT AND ROTATION OF DIRECTORS

Pursuant to articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

BOARD MEETINGS, GENERAL MEETINGS AND ATTENDANCE

In accordance with Code Provision C.5.1 of the CG Code, at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through other electronic means of communication. The Chairman has at least annually held one meeting with the INEDs without the presence of the other Directors, in which the INEDs could share their views and raise any issues in the absence of other Directors and the management.

During the Reporting Period, four Board meetings and two general meetings were held and the attendance record of each Director is set out in the table below:

Directors	Attended/Eligible to attend the Board meeting(s)	Attended/Eligible to attend the general meeting(s)
Mr. LI Luqiang	4/4	2/2
Mr. LIU Zhenjiang	4/4	2/2
Mr. QIAO Renjie (resigned on 26 April 2024)	N/A	N/A
Ms. LIU Meina (appointed on 26 April 2024)	4/4	2/2
Mr. YUEN Kin Shan	4/4	2/2
Mr. SONG Jianbo (resigned on 17 July 2025)	4/4	2/2
Mr. JIAO Jianbin	4/4	2/2
Mr. LIU Changxiang	4/4	2/2
Mr. LIU Xuewei	4/4	2/2
Mr. JIAO Jian	4/4	2/2
Mr. SHEK Lai Him Abraham	4/4	2/2
Mr. XING Li	4/4	2/2

ROLE AND RESPONSIBILITIES OF THE DIRECTORS AND DELEGATION TO MANAGEMENT

The Board has overall responsibility for the leadership and control of the Group, including the responsibilities for the formulation of long-term strategies, and appointing and supervising senior management to ensure that the operation of the Company is conducted in accordance with the objective of the Group; and is collectively responsible for directing and supervising the Group's affairs.

The Board directly, and indirectly through its committees, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Group. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Group are delegated to the management.

The Board endeavours for having a balanced composition of executive Directors, non-executive Directors and INEDs to maintain a strong independent element on the Board and to bring independent view and inputs from the Directors. All of the members and chairmen of the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") of the Company are INEDs.

The INEDs are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. The Nomination Committee shall assess the independence of the candidates who are to be appointed as INEDs as well as the INEDs who are to be re-elected with reference to the independence guidelines set out in Rule 3.13 of the Listing Rules to ensure that they can exercise independent judgment and fulfil their roles as INEDs.

The INEDs shall not have any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Fees to INEDs are in the form of cash payment with additional fees payable to reflect membership or chairmanship of the Board committees. None of the INEDs receives equity-based remuneration with performance-related elements.

All Directors, including non-executive Directors and INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors are committed to devote sufficient time and attention to the affairs of the Company.

All Directors have full and timely access to all the information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. All Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company. As such, the Board considered the Company has established the mechanism to ensure independent views and input are available to the Board, and the implementation and effectiveness of the mechanism is effective throughout the year.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Company has adopted a memorandum on respective functions of the board of directors and the management and corporate governance function of the board of directors, which set out delegation of functions to management, including management and day-to-day operation of the Group. The delegated functions and responsibilities will be reviewed by the Board from time to time. Approval has to be obtained from the Board prior to enter into any notifiable transaction or connected transaction for the Company under the Listing Rules.

BOARD COMMITTEES

The Company has established the following committees under the Board: the strategic investment committee (the "**Strategic Investment Committee**"), the Audit Committee, the Remuneration Committee and 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 (resigned on 17 July 2025)), 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 was set up since 16 January 2023. No meetings of the Strategic Investment Committee have been held during the Reporting Period.

To streamline the board structure, with effect from 18 July 2025, the Strategic Investment Committee was dissolved. Following the dissolution of the Strategic Investment Committee, its functions would be taken up by the Board, and each of Mr. Jiao Jianbin and Mr. Yuen Kin Shan ceased to be members of the Strategic Investment Committee.

Audit Committee

The Audit Committee has three members, namely Mr. LIU Xuewei (劉學偉) (Chairman), Mr. JIAO Jian (焦健) and Mr. LIU Changxiang (劉長祥), all of whom are INEDs. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statement and supervise the financial reporting process, internal control system and risk management system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

During the Reporting Period, the Company has held three meetings of Audit Committee and all three members of the Audit Committee attended all meetings. The Audit Committee has reviewed with the external auditors the accounting principles and practices adopted by the Group, internal controls and financial reporting matters, interim and annual results of the Group of the Reporting Period and proposed adoption of the same by the Directors. The Audit Committee also reviewed the risk management, internal control design and effectiveness of the internal audit function of the Company during the Reporting Period. 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 Board has adopted the recommendation from the Audit Committee.

Remuneration Committee

The Remuneration Committee has three members, namely Mr. LIU Changxiang (劉長祥) (Chairman), Mr. JIAO Jian (焦健) and Mr. LIU Xuewei (劉學偉), all of whom are INEDs. The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- reviewing and approving senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
- making recommendations to the Board on determining the remuneration packages of individual executive Directors and senior management which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment;
- making recommendations to the Board on the remuneration of the non-executive Directors;
- reviewing and/or approving matters relating to share option schemes under Chapter 17 of the Listing Rules; and
- reviewing the terms of executive Directors' service contracts from time to time.

During the Reporting Period, the Company has held three meetings of Remuneration Committee and all three members of the Remuneration Committee attended all meetings. The Remuneration Committee had reviewed the current remuneration of all of the Directors and made recommendations to the Board. The Board has adopted the recommendations from the Remuneration Committee.

Nomination Committee

The Nomination Committee has three members, namely Mr. LIU Xuewei (劉學偉) (Chairman), Mr. JIAO Jian (焦健) and Mr. LIU Changxiang (劉長祥), all of whom are INEDs. 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 has held two meetings of Nomination Committee and all three members of the Nomination committee attended all meetings. During the Reporting Period, the Nomination Committee had reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and nomination policy (including but not limited to selecting and recommending candidates for directorship based on the gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service of candidates), as well as made recommendations to the Board on appointment, re-election and succession planning of Directors.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors and officers in respect of any legal actions taken against the Directors and officers that may arise out of the corporate activities. The insurance coverage will be reviewed on an annual basis.

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 (the "**Model Code**") 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.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Induction materials and relevant guideline materials regarding the duties and responsibilities of being a director, the relevant laws and regulations applicable to directors, duty of disclosure of interests and business in the Group are provided to newly appointed Directors shortly upon their appointment as Directors to ensure appropriate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the Reporting Period, the Company provided training to the Directors. Particulars of Directors' attendance at the said training course and their participation in continuous professional development activities during the Reporting Period are summarised as follows:

Name of Director	Reading materials on the topics related to regulations	Attending training courses on the topics related to regulations in September 2024
Executive Directors		
Mr. LI Luqiang	✔	✔
Mr. LIU Zhenjiang	✔	✔
Mr. QIAO Renjie (resigned on 26 April 2024)	N/A	N/A
Ms. LIU Meina (appointed on 26 April 2024)	✔	✔
Mr. YUEN Kin Shan	✔	✔
Non-Executive Directors		
Mr. SONG Jianbo (resigned on 17 July 2025)	✔	✔
Mr. JIAO Jianbin	✔	✔
Independent Non-Executive Directors		
Mr. LIU Changxiang	✔	✔
Mr. LIU Xuewei	✔	✔
Mr. JIAO Jian	✔	✔
Mr. SHEK Lai Him Abraham	✔	✔
Ms. XING Li	✔	✔

All Directors are also encouraged to attend relevant training courses at the Company's expense. During the Reporting Period, all Directors have been required to provide the Company with their training records.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings of the Company. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

The aggregated remuneration paid to and/or entitled by the Directors for the Reporting Period was RMB5.9 million. For further details (including but not limited to the remuneration of each of the Directors), please refer to note 14(a) to the consolidated financial statements of the Company in this report.

SENIOR MANAGEMENT'S REMUNERATION

Remuneration payable to senior management (excluding Directors) for the Reporting Period within or below the band of HKD1,000,000 comprises one individual and no individuals fall within the HKD1,000,001 to HKD1,500,000 band. For further details, please refer to note 14(b) to the consolidated financial statements.

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The performance and remuneration of the external auditors of the Company, SHINEWING (HK) CPA Limited ("**SHINEWING**" or the "**Auditor**"), have been reviewed by the Audit Committee. The remuneration paid/payable to SHINEWING during the Reporting Period is set out as follows:

Amount of Fees

	RMB'000
Audit services	1,400
Non-audit services	
— agreed-upon procedures on the interim financial statements for the six months ended 30 September 2024	210

DIRECTORS' AND AUDITORS' RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Company for each financial year with a true and fair view of the financial position of the Group.

The Directors consider that the Company's consolidated financial statements are prepared in accordance with all statutory requirements and appropriate accounting standards are applied consistently.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The statement by the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorised disposition through implementation of a set of internal control procedures. Internal control procedures are intended to manage significant risks in the Group's business activities and bring them to an acceptable level. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

1. Board of Directors' Responsibilities

The Board recognises its responsibility for the risk management and internal control systems and reviewing their adequacy and effectiveness. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The Board conducts annual review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions.

2. Risk Management Process

The risk management process is cascaded throughout the Group, from the Board level to management level.

Project approval committee was established in March 2014 and it directly reports to the Board. The primary duties of the PAC are to formulate and monitor the implementation of the Group's major risk management policies and systems. It is in charge of reviewing the feasibility, risk prevention and mitigation measures of finance leasing projects.

Senior management and department heads are required to identify, evaluate and manage risks associated with business operations on an on-going basis with defined parameters, and record these in the risk registers. For each risk identified, management assesses their root causes, consequences and mitigating controls. Such assessment takes into account of the (i) probability of risk occurrence and (ii) degree of potential loss. The result of the assessment is summarised on a risk register and is reviewed by the Board. It is mandatory for this process to be conducted at least once a year.

Apart from the risk management process, the legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

3. Corporate Governance Function

The Board and senior management are responsible for performing duties on corporate governance and compliance functions as set out below:

i) developing and reviewing the Group's policies and practices on corporate governance;

ii) reviewing and monitoring the training and continuous professional development of directors and senior management;

iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;

iv) developing, reviewing and monitoring the code of conduct applicable to employees and directors; and

v) reviewing the Group's compliance with the CG Code and disclosure in the corporate governance report of the Company.

The Group had provided Directors with trainings, development programs and/or updates regarding the legal and regulatory requirements applicable to the business operations of the Group. For further details, please refer to paragraph headed "Corporate Governance Report — Continuous professional development of Directors" above.

4. Internal Audit Function

The Board conducts a review on the Group's internal control system on an annual basis. During the Reporting Period, the Group engaged an outsourced internal control consultant to review the Group's internal control system for the Reporting Period and no significant risk and control deficiencies were identified.

The internal control review covered the following areas:

i) Risk management process

ii) Risk assessment process

iii) Compliance on the Appendix C of the Listing Rules, including without limitation to:

A. Directors

- Board
- Chairman and Chief Executive
- Composition of Board
- Appointment, re-election and removal
- Nomination committee
- Directors' responsibilities
- Provision and use of information

B. Directors and Senior Management Remuneration

- Remuneration, disclosure and composition

C. Accountability and Audit

- Financial reporting
- Risk management and internal control
- Audit committee

D. Delegation by the Board

- Management function
- Board Committees
- Corporate governance function

E. Shareholders' communication

- Effective communication
- Decision making by voting

F. Company Secretary

5. Confirmation from the Board and the Audit Committee on the Group's Risk Management and Internal Control

The Board and the Audit Committee have conducted a review on and are satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the Reporting Period. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks). From the review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

The Group will continue to strengthen its internal control system in order to maintain proper corporate governance and safeguard the interest of its shareholders.

NOMINATION POLICY

The Company has also adopted the director nomination policy (the "**Director Nomination Policy**").

The Director Nomination Policy sets out the nomination criteria of a proposed candidate, including without limitation to the following: (i) qualifications including professional qualifications, skills, knowledge and experience, requirements of INED; (ii) character and integrity; (iii) diversity in all aspects, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service; (iv) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; (v) independence of the proposed INEDs in accordance with the Listing Rules; and (vi) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Director Nomination Policy also sets out the following nomination procedure:

i) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.

ii) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate's personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate's consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.

iii) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

iv) In the context of shareholders' nomination of any proposed candidate for election as a Director, the Nomination Committee shall refer to the "Procedures for a shareholder to propose a person for election as a director", which is available on the Company's website.

v) The Board shall have the final decision on all matters relating to its recommendations of candidates to stand for election at a general meeting, the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board.

During the Reporting Period, the Nomination Committee has performed the following major tasks:

i) Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company with due regard for the benefits of diversity on the Board;

ii) Recommendation of the re-appointment of those Directors standing for re-election at the annual general meeting; and

iii) Assessment of the independence of all the INEDs.

For further details, please refer to the paragraph headed "Corporate Governance Report — Board committee — Nomination Committee" above.

WHISTLEBLOWING POLICY

The Company has established a Policy and Procedures for Employees Raising Possible Improprieties which are dedicated to establishing a proper channel for employees to voice out their concerns, in particular, those related to possible improprieties in financial reporting, internal control, risk management and other matters. Employees of all ranks can report any inappropriate or unethical behaviour to the responsible manager by phone, email or letter while the identity of whistle-blowers will be kept confidential. The whistleblowing policy also applies to those who deal with the Company (e.g. customers and suppliers).

The Group will take all necessary steps and reasonable remedial measures once the reported conduct is verified. The policy stipulates that a committee involving independent non-executive Directors be formed to investigate any concerns raised by the employees, customers and/or suppliers, monitor the investigation progress and determine the follow-up actions. During the Reporting Period, the Group arranged an anti-corruption training for directors and senior management. The training topic revolved around the code of business conduct, bribery and the directors' code on gifts and hospitality, in order to enhance the ethical and integrity awareness of directors and senior management.

ANTI-CORRUPTION POLICY

The Company has in place Anti-fraud Management Measures to provide guidance and regulations to all employees including Directors, senior management, middle management and other employees. The Anti-fraud Management Measures promote clean, diligent and fair work ethics and prevent any misconduct that may damage the Group's economic interests.

The Anti-fraud Management Measures support the compliance of the Company with anti-corruption related laws and regulations, including but not limited to the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong). Any form of corruption such as bribery, extortion and embezzlement of public funds are prohibited.

ASSESSMENT OF BOARD INDEPENDENCE

The Company has established a mechanism to ensure independent views and input are available to the Board. INEDs may express their views through formal or informal channels in an open and candid manner as well as in a confidential manner. The implementation and effectiveness of such mechanism will be reviewed on an annual basis.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of diversity at Board level and has commitment to diversity at all levels through consideration of a number of factors, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service and any other factors that the Board may consider relevant and applicable from time to time. The Board adopted a board diversity policy on 20 February 2019. The Board will review this policy at least on an annual basis to ensure its effectiveness.

During the Reporting Period, the Nomination Committee reviewed the board diversity policy of the Company, as well as the composition and the diversity of the Board. The Nomination Committee considers that the Board has achieved Board diversity in most aspects other than gender diversity. The Board is also aware of the composition as at 31 March 2025 and the benefits of achieving an appropriate balance of gender diversity at the Board level by making reference to stakeholders' expectations and international and local recommended best practices. The Board has achieved a measurable objective of appointing at least one female director by 31 December 2024. Two female Directors, Ms. Xing Li and Ms. Liu Meina had been appointed as Directors on 9 January 2023 and 26 April 2024 respectively.

In addition to the Board level, the Company promotes gender diversity in all levels of its employees. 1,410 of its 2,206 full-time employees (including senior management) as at 31 March 2025 are female, which represented 64% of total number of employees. Accordingly, the Board considered the Company has achieved gender diversity in respect of the Board and across the workforce.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends, including the proposal of declaration and/or payment of dividend and determination of the dividend amount. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out below, interim and/or special dividends may be proposed and/or declared by the Board in its sole and absolute discretion during a financial year and any final dividends for a financial year will be subject to the shareholders' approval.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

(a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;

(b) the amount of distributable reserves of the Company;

(c) the expected capital requirements and future expansion plans of the Group;

(d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(e) the statutory and regulatory restrictions;

(f) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;

(g) the Shareholders' interests; and

(h) other factors that the Board deems relevant.

COMPANY SECRETARY

Mr. Yuen Kin Shan ("**Mr. Yuen**") has been appointed as the company secretary of the Company on 30 December 2020. During the Reporting Period, Mr. Yuen has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantial issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

The Company engages with its shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has established a shareholders' communication policy with the objective of ensuring that its shareholders' views and concerns are appropriately addressed, and that they will have equal and timely access to the information about the Company in order to enable its shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company, and the Board reviews the implementation and effectiveness of the policy regularly each year. Under this policy, the Company communicates with its shareholders and the investment community mainly through: (i) the holding of annual general meetings and other general meetings; (ii) the timely publication of the Company's announcements, interim and annual financial reports, and/or circulars as required under the Listing Rules; (iii) constitutional documents of the Company and Board committee; and (iv) the availability of all the disclosures submitted to the Stock Exchange and any of the Company's corporate communications and publications on the Company's website at http://www.aiel-holdings.com. Through aforementioned means of communication, especially the timely updates and other additional information of the Group's business as publicly accessible, the Board considered the Shareholders' Communication Policy of the Company has been properly implemented during the Reporting Period and to be effective.

Shareholders and investors are welcomed to visit the Company's website to raise enquiries through the Investor Relations Department whose contact details are available on the Company's website and the section headed "Corporate Information" of this report.

The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the articles of association of the Company and the Listing Rules and shareholders are encouraged to attend and participate in general meetings. The Chairman and the chairman of the Board committees, or their delegates and the external auditors will attend the annual general meeting to answer any questions from shareholders. Notice of the annual general meeting, setting out details of each proposed resolution, voting procedures and other relevant information, will be sent to all shareholders not less than 21 clear days and not less than 20 clear business days prior to the date of the meeting.

Procedures for shareholders to convene extraordinary general meetings

Pursuant to Article 58 of the articles of association of the Company, any one or more shareholder(s) holding at the date of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the board of directors or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition (the "**Requisition**").

The Requisition shall be made either in hard copy form by post to the Company's principal place of business in Hong Kong at Unit 2602, 26th Floor, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong for the attention of the Board of Directors/Company Secretary or via email to IR@aiel-holdings.com.

If the Board does not within 21 days from the date of deposit of the Requisition proceed to convene the meeting to be held within two months after the deposit of Requisition, the requisitionist(s) themselves, and all reasonable expenses incurred by the requisitionist(s) shall be reimbursed to them by the Company.

Procedures for shareholders to put through proposals at general meetings

Any shareholder who wishes to put forward proposals at a general meeting of the Company shall submit such proposals to the Board in writing for the Board's consideration either via mail to the Company's principal place of business in Hong Kong at Unit 2602, 26th Floor, One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong for the attention of the Board of Directors/Company Secretary or via email to IR@aiel-holdings.com not less than 14 days and not less than 10 clear business days prior to the date of the general meeting.

Procedures for shareholders to put forward enquiries to the Board

To put forward any enquiries to the Board, shareholders shall send their written enquiries to the Company. The Company will normally not deal with verbal or anonymous enquiries.

Address:	Unit 2602, 26th Floor, One Hennessy, No.1 Hennessy Road, Wan Chai, Hong Kong for the attention of the Board of Directors/Company Secretary
Email:	IR@aiel-holdings.com

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders shall contact the Company's Hong Kong branch share registrar and transfer office as follows:

Address:	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email:	is-enquiries@vistra.com
Tel:	(852) 2980 1333
Fax:	(852) 2810 8185

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses, where appropriate, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Constitutional Documents

The amended and restated memorandum and articles of association of the Company (i.e. the Existing M&A) was adopted on 20 February 2019 and took effect from 15 March 2019.

The Company further amended and adopted a second amended and restated memorandum and articles of association by special resolution on 14 February 2023 for the purpose of (i) conforming with the core shareholder protection standards as set out in Appendix A1 (the then Appendix 3) to the Listing Rules and other latest legal and regulatory requirements under the Listing Rules and applicable laws of the Cayman Islands; and (ii) incorporating certain housekeeping amendments. For further details, please refer to the announcements of the Company dated 17 January 2023 and the circular of the Company dated 27 January 2023. The Company's second amended and restated memorandum and articles of association is available on the websites of the Company and the Stock Exchange.

There was no change to the Company's memorandum and articles of association during the Reporting Period.

REPORT OF THE DIRECTORS

The Directors are pleased to present the annual report for the year ended 31 March 2025 (the "**Reporting Period**").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in offering private higher education and finance and operating lease services. Details of the principal activities and other particulars of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income in this report. The Board did not recommend the payment of any final dividend for the end of the Reporting Period nor there is any arrangement under which a shareholder has waived or agreed to waive any dividends.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties the Group faces are set out under the section headed "MANAGEMENT DISCUSSION AND ANALYSIS" of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, are set out on page 146. This summary does not form part of the audited consolidated financial statements.

CUSTOMERS AND SUPPLIERS

For the Reporting Period, the Group's five largest customers accounted for approximately 15.2% (31 March 2024: approximately 12.95%) of the Group's total revenue and the largest customer accounted for approximately 4.4% (31 March 2024: approximately 3.97%) of total revenue.

Due to the nature of the business, the Group does not have any significant contribution from major suppliers during the normal course of business. However, the Group relied substantially on interest-bearing borrowings and asset-backed securities to operate business and has established strong relationships with various financial institutions.

Save as disclosed under the paragraph headed "Report of the Directors — Connected Transactions" in this report, as far as the Directors are aware, none of the Directors or any of their close associates, or any shareholders (which, to the knowledge of the Directors, owns more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers and suppliers for the Reporting Period.

REPORT OF THE DIRECTORS

PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property and equipment are set out in note 15 to the consolidated financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 March 2025 are set out in note 28 to the consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period and up to the date of this report.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 30 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group for the Reporting Period are set out in note 37 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Companies Act (As Revised) of the Cayman Islands, the share premium account may be applied by the Company to pay distribution or dividends to shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company shall be able to pay its debts as they fall due in the ordinary course of business. As at 31 March 2025, the Company's reserves available for distribution amounted to approximately RMB1,803.6 million (31 March 2024: RMB1,803.6 million). Such amount includes the Company's share premium.

PRE-EMPTIVE RIGHTS

The Shares are not subject to any pre-emptive or similar rights under Companies Act (As Revised) of the Cayman Islands or pursuant to the articles of association of the Company.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the year ended 31 March 2025 and up to the date of this report were:

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

Pursuant to Articles 84(1) and (2) of articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election at the annual general meeting.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 19 to 24 of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who was proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 14 to the consolidated financial statements.

DIVIDEND

The Board did not recommend the payment of any final dividend for the Reporting Period (31 March 2024: nil).

MANAGEMENT CONTRACTS

As at 31 March 2025, other than contracts of service with Directors or any persons engaged in full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

EMOLUMENT POLICY

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, market competitiveness, individual performance, dedication and achievement. The Company has also adopted the Share Option Scheme as an incentive to Directors and eligible employees, details of the Share Option Scheme is set out in the paragraph headed "Report of the Directors — Share Option Scheme" in this report.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the businesses of the Group or has any conflict of interests with the Group.

DEED OF NON-COMPETITION

As disclosed in the prospectus of the Company dated 28 February 2019, each of Ms. Sui Yongqing and Union Capital Pte. Ltd., the Controlling Shareholders, had entered into a deed of non-competition (the "**Deed of Non-competition**") in favour of the Company (for itself and as trustee of its subsidiaries), pursuant to which each of the Controlling Shareholders would not, and would procure her/its close associates and/or the companies controlled by her/it (other than members of the Group) not to, directly or indirectly, either on her/its own account or in conjunction with or on behalf of any person, firm or company, partnership, joint venture, or other contractual arrangement, among other things, whether directly or indirectly, for profit or not, carry on, participate or be engaged in, invest in, acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise and whether for interest, return or otherwise) or provide any form of assistance to any business which is or may be similar to or in competition with the business carried on or contemplated to be carried on by any member of the Group from time to time, including but not limited to the provision of finance leasing and related advisory services.

Each of the Controlling Shareholders had provided a written declaration (the "**Declaration**") to the Company confirming that she/it had duly complied with the terms of the Deed of Non-competition during the Reporting Period.

The INEDs had received and reviewed the Declaration. In determining whether the terms of the Deed of Non-competition were duly complied with by and enforceable against the Controlling Shareholders during the Reporting Period, the INEDs had reviewed and observed the following:

(a) each of the Controlling Shareholders had made the Declaration declaring that she/it had fully complied with the Deed of Non-competition during the Reporting Period;

(b) no competing business was reported by the Controlling Shareholders during the Reporting Period; and

(c) no particular situation rendered the full compliance and enforcement of the Deed of Non- competition being questionable.

In view of the above, the INEDs were satisfied that the terms of the Deed of Non-competition were duly complied with by and enforceable against each of the Controlling Shareholders during the Reporting Period.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Under the articles of association of the Company, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

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

As at 31 March 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to in that section, or which were 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	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%

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 the 31 March 2025, none of the Directors and chief executive of the Company 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 Divisions 7 and 8 of Part XV of the SFO or to the Securities Dealing Code.

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

So far as the Directors are aware, as at 31 March 2025, the following parties (other than the Directors and chief executive of the Company as disclosed above) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under 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%

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 and so far as the Directors are aware, none of the substantial shareholders or other persons, other than the Directors and chief executive of the Company had any interests or short positions in the Shares or underlying Shares which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO as at 31 March 2025.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Connected persons

Nanshan Group is owned as to 51% by the village member committee of the Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, PRC* (龍口市東江街道南山村民委員會) and 49% by Mr. Song Jianbo, a Director and the husband of Ms. Sui Yongqing (隋永清) ("**Ms. Sui**"), a Controlling Shareholder. For the purpose of the connected transaction rules, the Directors considered Nanshan Group to be deemed connected persons under Rule 14A.21 of the Listing Rules.

Further, (i) Longkou Nanshan (as defined below) is owned as to approximately 83.3% by Mr. Song Zuowen (宋作文), and 16.7% by Ms. Lv Shuling (呂淑玲), the mother-in-law of Ms. Sui and the spouse of Mr. Song Zuowen, (ii) Nanshan Development is owned as to approximately 63.7% by Mr. Song Zuowen, and (iii) Longkou Management is owned as to 70.0% by Mr. Song Zuowen and 30.0% by Ms. Lv Shuling. As such, Longkou Nanshan (as defined below), Nanshan Development and Longkou Management are associates of Mr. Song Zuowen pursuant to the Listing Rules and are therefore connected persons of the Company.

Accordingly, the transactions under the contractual arrangements and the framework agreements below will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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 announcements of the Company dated 6 July 2022 and 18 August 2022, respectively and the circular of the Company dated 3 August 2022. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the aforementioned announcements and 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.

- 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.

- Yantai Nanshan University, in collaboration with the Korea-China International Education Association, has launched an international exchange program for associate degree students advancing to undergraduate studies, and for international master's students advancing to doctoral programs. Starting from October 2024 and lasting for three years, the program includes: full-time associate degree students at Yantai Nanshan University studying at Korean universities for two years after graduation to obtain a Korean bachelor's degree in majors such as Business Administration, Early Childhood Education, etc.; and faculty members with master's degrees studying at Korean universities for two to two and a half years to obtain a doctoral degree in majors such as Public Administration and Education.

- Yantai Nanshan University, in cooperation with the Domestic and foreign college entrance education consulting (Skylab Consulting Group) and Qingdao Qingyan Consulting Services Co., Ltd., has launched an academic certification program starting from January 2025 and lasting for three years. The program includes full-time associate and undergraduate students at Yantai Nanshan University studying at Korean universities for one to two years after graduation to obtain Korean bachelor's or master's degrees; and Korean high school graduates studying at Yantai Nanshan University for four years to obtain a bachelor's degree from Yantai Nanshan University.

- Yantai Nanshan University, in collaboration with Kibun Co., Ltd., has launched a short-term internship program in Japan starting from April 2025 and lasting for one year. Third-year pre-graduation students from the Food Science Department of Yantai Nanshan University will intern at Kibun Co., Ltd. for three to four months. Upon completion, they will receive a certificate of internship from the Japanese side and return to China.

- Yantai Nanshan University, in cooperation with Rey Juan Carlos University in Spain, has launched an international exchange program for undergraduate students progressing to master's degrees, starting from May 2025 and lasting for five years. The program includes full-time undergraduate students at Yantai Nanshan University studying at Rey Juan Carlos University for one year after graduation to obtain a master's degree in E-Commerce from Spain.

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; 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 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. The completion of the Acquisition took place on 18 August 2022. Upon the Completion, the financial results of Yantai Nanshan University have been consolidated to the consolidated financial statements of the Group.

Given that Mr. Song Zuowen and Nanshan Group are connected persons of the Company, the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company applied for a waiver from strict compliance with (i) the requirement of fixing the term of the Contractual Arrangements and having a term not exceeding three years under Rule 14A.52 of the Listing Rules; and (ii) the requirement of setting an annual cap for the Contractual Arrangements under Rule 14A.53 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange.

Upon completion of the Acquisition on 18 August 2022 and the entering into of the 1st set of Structured Contracts on 18 August 2022, Mr. Song Zuowen remained as the sole registered school sponsor of Yantai Nanshan University and the Group gained effective control over the finance and operations of Yantai Nanshan University. Under these arrangements, the Group is entitled, through its indirect wholly-owned subsidiary, Longkou Zhimin, to enjoy 70.0% of the economic benefits generated by Yantai Nanshan University, in proportion to its contractual interest.

Following completion of the acquisition, the financial results of Yantai Nanshan University have been consolidated into the Group's consolidated financial statements. Yantai Nanshan University is therefore treated as an indirect subsidiary of the Group for accounting and disclosure purposes. The 1st set of Structured Contracts remain effective and will continue until superseded by the entering into of the 2nd set of Structured Contracts upon the establishment of the Designated School Sponsor and approval having been obtained for the Designated School Sponsor to become the sole school sponsor of Yantai Nanshan University. As the Designated School Sponsor has not yet been established and the 2nd set of Structured Contracts have yet to be entered into as at the date of this report, the 1st set of Structured Contracts remain subsisting during and at the end of the Reporting Period.

For further details of the Contractual Arrangements, please refer to the announcements of the Company dated 6 July 2022 and 18 August 2022, respectively and the circular of the Company dated 3 August 2022.

Continuing Connected Transactions in relation to the Framework Supply Agreements and the Framework Procurement Agreements (collectively, the "Framework Agreements"), and the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements (collectively, the "2025 Framework Agreements")

Framework Agreements

References are made to the announcements of the Company dated 6 July 2022, 18 August 2022 and 11 August 2023, respectively, and the circulars of the Company dated 3 August 2022 and 26 September 2023. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the aforementioned announcements and circulars.

On 6 July 2022 (after trading hours), Yantai Nanshan University entered into (a) the Framework Supply Agreements which include Framework Supply Agreement I, Framework Supply Agreement II, Framework Supply Agreement III and Framework Supply Agreement IV, with each of Nanshan Group, Longkou Nanshan (new) Investment Development Co., Ltd.* (龍口新南山投資發展有限公司) ("**Longkou Nanshan**"), Longkou Nanshan (new) Enterprise Management Co., Ltd.* (龍口新南山企業管理有限公司) ("**Longkou Management**") and Shandong Nanshan Construction Development Co., Ltd.* (山東南山建設發展股份有限公司) ("**Nanshan Development**"), respectively; and (b) the Framework Procurement Agreements which include Framework Procurement Agreement I, Framework Procurement Agreement II and Framework Procurement Agreement III, with each of Nanshan Group, Longkou Nanshan and Nanshan Development (collectively, the "**Framework Agreements**").

Framework Supply Agreements

Pursuant to the Framework Supply Agreements, Yantai Nanshan University agreed to provide the services including staff training services, venue rental services, catering services, and other types of services to be agreed by the relevant parties in writing from time to time to Nanshan Group, Longkou Nanshan, Longkou Management and Nanshan Development and their respective subsidiaries and/or associates during the term of the Framework Supply Agreements.

The term of the Framework Supply Agreements commenced upon completion of the acquisition of effective control in Yantai Nanshan University and had expired on 31 December 2024.

The annual caps for the Framework Supply Agreements for the five months ended 31 December 2022 and the years ended 31 December 2023 and 2024 are RMB3.0 million, RMB4.35 million and RMB4.8 million, respectively. During the year ended 31 December 2024, the total transaction amount under the Framework Supply Agreements was within the annual caps and amounted to approximately RMB1.9 million.

Framework Procurement Agreements

Pursuant to the Framework Procurement Agreements, Yantai Nanshan University will procure the (a) goods including clothes such as staff uniforms, furniture and fixtures, gifts and souvenirs, gasoline, petrol and diesel and other products; and (b) services including repairing and maintenance services, campus sanitary and cleaning services, gardening services, venue rental services, laboratory testing services, catering services and accommodation services and other types of goods and services to be agreed by the relevant parties in writing from time to time from Nanshan Group, Longkou Nanshan and Nanshan Development and their respective subsidiaries and/or associates during the term of the Framework Procurement Agreements.

The term of the Framework Procurement Agreements commenced upon completion of the acquisition of effective control in Yantai Nanshan University and had expired on 31 December 2024.

The annual caps for the Framework Procurement Agreements for the five months ended 31 December 2022 and the years ended 31 December 2023 and 2024 are RMB18.5 million, RMB60.0 million and RMB70.0 million, respectively. During the year ended 31 December 2024, the total transaction amount under the Framework Procurement Agreements was within the annual caps and amounted to approximately RMB61.2 million.

2025 Framework Agreements

References are made to the announcements of the Company dated 4 November 2024 and 7 November 2024, respectively and the circular of the Company dated 21 November 2024. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the aforementioned announcements and circular.

As the Framework Agreements (effective upon the completion of the acquisition of Yantai Nanshan University) had expired on 31 December 2024, and Yantai Nanshan University, Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management intended to continue the continuing connected transactions contemplated thereunder after the said expiry, on 4 November 2024 (after trading hours), Yantai Nanshan University entered into the 2025 Framework Supply Agreements and the 2025 Framework Procurement Agreements with each of Nanshan Group, Nanshan Development, Longkou Nanshan and Longkou Management (as the case may be) to renew the continuing connected transactions contemplated under the Framework Agreements on substantially similar terms, save with regards to the term and the annual caps thereunder.

2025 Framework Supply Agreements

The principal terms of the 2025 Framework Supply Agreements are summarised as follows:

Date: 4 November 2024 (after trading hours) for the 2025 Framework Supply Agreements

Parties:

(1) For the 2025 Framework Supply Agreement I, the parties are Yantai Nanshan University and Nanshan Group;

(2) For the 2025 Framework Supply Agreement II, the parties are Yantai Nanshan University and Longkou Nanshan;

(3) For the 2025 Framework Supply Agreement III, the parties are Yantai Nanshan University and Longkou Management; and

(4) For the 2025 Framework Supply Agreement IV, the parties are Yantai Nanshan University and Nanshan Development.

Subject matter: Pursuant to the 2025 Framework Supply Agreements, Yantai Nanshan University agrees to provide the services including staff training services, venue rental services, catering services, and other types of services to be agreed by the relevant parties in writing from time to time to Nanshan Group, Longkou Nanshan, Longkou Management and Nanshan Development and their respective subsidiaries and/or associates during the term of the 2025 Framework Supply Agreements.

Term: Effective from 1 January 2025 to 31 March 2027

Annual caps: The annual caps for the 2025 Framework Supply Agreements for the three months ended 31 March 2025 and the two years ending 31 March 2026 and 2027 are set out below:

	For the three months ended 31 March 2025 *(RMB'000)*	**For the year ending 31 March 2026** *(RMB'000)*	**For the year ending 31 March 2027** *(RMB'000)*
2025 Framework Supply Agreements	1,250	5,000	5,750

During the three months ended 31 March 2025, the total transaction amount under the 2025 Framework Supply Agreements was within the annual cap and amounted to approximately RMB0.1 million.

2025 Framework Procurement Agreements

The principal terms of the 2025 Framework Procurement Agreements are summarised as follows:

Date: 4 November 2024 (after trading hours) for the 2025 Framework Procurement Agreements

Parties:
(i) For the 2025 Framework Procurement Agreement I, the parties are Yantai Nanshan University and Nanshan Group;

(ii) For the 2025 Framework Procurement Agreement II, the parties are Yantai Nanshan University and Longkou Nanshan; and

(iii) For the 2025 Framework Procurement Agreement III, the parties are Yantai Nanshan University and Nanshan Development.

Subject matter: Pursuant to the 2025 Framework Procurement Agreements, Yantai Nanshan University will procure the (a) goods including clothes such as staff uniforms, furniture and fixtures, gifts and souvenirs, gasoline, petrol and diesel and other products; and (b) services including repairing and maintenance services, campus sanitary and cleaning services, gardening services, venue and property rental services with term of lease not exceeding one year, laboratory testing services, catering services and accommodation services, and other types of goods and services to be agreed by the relevant parties in writing from time to time from Nanshan Group, Longkou Nanshan and Nanshan Development and their respective subsidiaries and/or associates during the term of the 2025 Framework Procurement Agreements.

Term: Effective from 1 January 2025 to 31 March 2027

Annual caps: The annual caps for the 2025 Framework Procurement Agreement for the three months ended 31 March 2025 and the two years ending 31 March 2026 and 2027 are set out below:

	For the three months ended 31 March 2025 *(RMB'000)*	For the year ending 31 March 2026 *(RMB'000)*	For the year ending 31 March 2027 *(RMB'000)*
2025 Framework Procurement Agreements	23,410	110,620	115,420

During the three months ended 31 March 2025, the total transaction amount under the 2025 Framework Procurement Agreements was within the annual cap and amounted to approximately RMB20.4 million.

Continuing Connected Transactions under the Finance Leasing Framework Agreement (the "Finance Leasing Framework Agreement")

References are made to the announcement of the Company dated 4 November 2022 in relation to the Initial Finance Leasing Framework Agreement and the announcement of the Company dated 14 December 2022 in relation to, among others, the Supplemental Finance Leasing Framework Agreement, and the circular of the Company dated 19 December 2022. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the aforementioned announcements and circular.

Date:	4 November 2022 for the Initial Finance Leasing Framework Agreement (which is supplemented by the Supplemental Finance Leasing Framework Agreement dated 14 December 2022)
Parties:	(1) the Company (for itself and its direct and indirect subsidiaries); and (2) Nanshan Group Co., Ltd.* (南山集團有限公司) (for itself and its direct and indirect subsidiaries).
Subject matter:	The leased assets under the Finance Leasing Framework Agreement include healthcare equipment, engineering vehicles or equipment, equipment used in power stations as well as carriers such as aircraft and vessels for transport of goods and/or passengers. Also the Company will provide Finance Leasing Service in relation to the Leased Assets by way of, including but not limited to, sale-leaseback service and direct finance leasing service: (1) under sale-leaseback service, the Group will purchase the Leased Assets from Nanshan Group, and then the Group will lease such Leased Assets back to Nanshan Group for an agreed term and will receive the rental fees on a periodic basis and the refundable security deposit (if applicable); (2) under the direct finance leasing service, the Group will purchase the Leased Assets from the relevant supplier upon the instructions of Nanshan Group, and then the Group will lease such Leased Assets to Nanshan Group for an agreed term and will receive the rental fees on a periodic basis and the refundable security deposit (if applicable); and (3) other forms of finance leasing arrangements recognised under the PRC law and the laws applicable to the Individual Agreements. The rental fees to be received by the Group for the leasing of the Leased Assets to Nanshan Group represent the principal amounts and interest income.
Term:	Effective for three years from 1 January 2023
Annual caps:	The annual caps for the Finance Leasing Framework Agreement for the years ended/ending 31 December 2023, 2024 and 2025 are set out below:

	For the year ended 31 December 2023 *(RMB'000)*	For the year ended 31 December 2024 *(RMB'000)*	For the year ended 31 December 2025 *(RMB'000)*
New Individual Agreements	1,043,000	1,095,000	1,150,000
Total (maximum aggregate balance of all outstanding finance leases)	2,135,178	2,437,909	2,649,854

During the year ended 31 December 2024, the aggregate principal amount and interest income of the New Individual Agreements was within the annual cap and amounted to approximately RMB634.3 million.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the Auditor to report on the Group's continuing connected transactions and the Auditor has confirmed that the Group's continuing connected transactions are in accordance with Rule 14A.56 of the Listing Rules and has issued an assurance report containing their findings and conclusions accordingly.

The INEDs have confirmed that the continuing connected transactions are in accordance with Rule 14A.55 of the Listing Rules. Specifically, the INEDs have reviewed the continuing connected transactions and have confirmed that the continuing connected transactions entered into by the Group were in the ordinary and usual course of its business, on normal commercial terms or on terms no less favourable than those available to or from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole. Further, the INEDs have reviewed the relevant Structured Contracts and the Contractual Arrangements thereunder, and have confirmed that, with respect to the Contractual Arrangements: (i) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the 1st set of Structured Contracts and that 70.0% of the economic benefits generated by the Target Entities have been substantially retained by the Group; (ii) no dividends or other distributions have been made by the Target Entities to the holders of their equity interests (where applicable) which are not otherwise subsequently assigned or transferred to the Group; and (iii) no new contracts were entered into, renewed or reproduced between the Group and the Target Entities during the Reporting Period.

The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of each of the connected transactions and continuing connected transactions set out above. The Board also confirms that the Company has followed the policies and guidelines as set out in the Stock Exchange's Guidance Letter GL73–14 during the Reporting Period.

Details of material related party transactions entered into by the Group are set out in note 33 to the consolidated financial statements. Except for those described in this paragraph of "Connected Transactions" above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with, none of those related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

The Auditor has confirmed that each of the Group's continuing connected transactions contemplated under the Structured Contracts, the Framework Agreements, the 2025 Framework Agreements and the Finance Leasing Framework Agreement is in accordance with Rule 14A.56 of the Listing Rules where nothing has come to its attention that causes it to believe that the said continued connected transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions;

(iv) have exceeded the caps as stipulated in the relevant agreements governing the transactions; and

(v) with respect to the continuing connected transactions under the Contractual Arrangements, dividends or other distributions have been made by Yantai Nanshan University to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

The Auditor has issued an assurance report of each of the said transactions containing their findings and conclusions accordingly.

RELATED PARTY TRANSACTIONS

Related party transactions during the Reporting Period were disclosed in note 33 to the consolidated financial statements. They include the following connected transactions under the Listing Rules:

(i) Regarding the finance lease income generated from Nanshan Group and its subsidiaries, together with the finance lease receivables from Nanshan Group and its subsidiaries, the corresponding transactions were within the scope of the Finance Leasing Framework Agreement that had been approved by the independent shareholders of the Company, as well as reviewed annually by the INEDs and auditors according to Chapter 14A of the Listing Rules;

(ii) Regarding the services received from and provided to Longkou Nanshan, Nanshan Development and their subsidiaries, the corresponding transactions were within the scope of the Framework Supply Agreements, Framework Procurement Agreements, 2025 Framework Supply Agreements and 2025 Framework Procurement Agreements that had been approved by the independent shareholders of the Company, as well as reviewed annually by the INEDs and auditors according to Chapter 14A of the Listing Rules; and

(iii) Regarding the remuneration of key management personnel of the Group, the corresponding transactions were exempted from the connected transaction requirement according to Rule 14.95 of the Listing Rules.

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 Listing Rules, the INEDs) 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.

The total number of shares issued and to be issued upon exercise of Share Options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

A Share Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of a Share Option to the Company on acceptance of the offer for the grant of a Share Option is HKD1.00. There is no minimum period for which a Share Option must be held before it can be exercised.

The exercise price shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which a Share Option is offered to a Participant (the "**Offer Date**"), which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date; and (iii) the nominal value of a share on the date of grant of the Share Option, provided that in the event of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cent.

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. The number of Share Options available for grant under the Share Option Scheme was 150,000,000 as at 1 January 2023, 31 March 2024, 1 April 2024 and 31 March 2025, respectively. As at the date of the Company's annual report for the period ended 31 March 2024, as at 31 March 2025, and as at the date of this report, the total number of Shares available for issue under the Share Option Scheme was 150,000,000 in total, respectively, which does not exceed 10% of all the shares in issue as at the listing date on 15 March 2019 and representing approximately 8.87% of the issued share capital of the Company (excluding treasury shares) as at the date of the Company's annual report for the period ended 31 March 2024, as at 31 March 2025, and as at the date of this report.

In any event, any grant of the Share Options under the Share Option Scheme shall comply with Chapter 17 of the Listing Rules taking effect from 1 January 2023.

The Company by resolution in a general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Share Option will be offered but Share Option granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

PENSION SCHEMES

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a defined contribution pension scheme centrally operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The only obligation of the Company with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong) ("**MPF Scheme**") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

DONATIONS

No charitable and other donations were made by the Group during the Reporting Period.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group maintains good corporate governance and operates with integrity through abidance by relevant laws and regulations, industry rules and business ethics. For the Reporting Period and up to the date of this report, the Company had not been and was not a party to any material legal, arbitral or administrative proceedings, and the Company was not aware of any pending or threatened legal, arbitral or administrative proceedings against the Company or any of the Directors which could have a material adverse effect on the Company's operations or financial condition.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group recognises the importance of environmental protection and adopts stringent measures for environmental protection in order to ensure compliance to the prevailing environmental protection laws and regulations.

Given the nature of operations of the Group, the Group believes the Group is not subject to material environmental liability risk or compliance costs.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the "Environmental, Social and Governance Report", which are issued by the Company on the same date of this annual report.

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 Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

No significant event after the year ended 31 March 2025 is noted.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries, its subsidiaries or its holding companies was a party or were parties and in which a Director or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

During the Reporting Period, there was no contract of significance between the Company or its holding company or any of its subsidiaries and any controlling shareholder or any of its subsidiaries.

During the Reporting Period, none of the Company or any of its subsidiaries has entered into any contract of significance for the provision of services by any controlling shareholders or any of its subsidiaries.

REPORT OF THE DIRECTORS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other plans for material investments or capital assets as at 31 March 2025.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Company's listed securities.

BUSINESS REVIEW

Detailed business review and outlook and plans are set out in the section of "Management Discussion and Analysis" in this report from pages 4 to 18. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liabilities (31 March 2024: nil).

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" from pages 25 to 41 of this report.

AUDITOR

The consolidated financial statements for Reporting Period were audited by SHINEWING and they have issued an unqualified opinion. SHINEWING shall retire and, being eligible, offer themselves for re-appointment at the annual general meeting. A resolution to reappoint SHINEWING as auditors of the Company and to authorise the Directors to fix the auditors' remuneration will be proposed at the forthcoming annual general meeting.

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

Hong Kong, 26 June 2025

INDEPENDENT AUDITOR'S REPORT

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TO THE MEMBERS OF ALLIANCE INTERNATIONAL EDUCATION LEASING HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Alliance International Education Leasing Holdings Limited and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 65 to 145, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended 31 March 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit loss provision of finance lease receivables

Refer to accounting policy on pages 87 to 90 and Notes 4, 18 and 32 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We identified the expected credit loss ("ECL") provision of finance lease receivables as a key audit matter as finance lease receivables are material to the Group, and the management of the Group exercises significant judgements on whether credit risk of a finance lease receivable has increased significantly since initial recognition, whether a finance lease receivable is credit-impaired, and estimation in key inputs used for measuring ECL, which including probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). As at 31 March 2025, the carrying amount of finance lease receivables, net of ECL provision, was approximately RMB1,296,439,000. The Group adopted IFRS 9 Financial Instruments and recognised accumulated impairment losses on finance lease receivables of approximately RMB220,440,000 on the basis of ECL as at 31 March 2025.	Our procedures in relation to ECL provision of finance lease receivables included: • Understanding the ECL model used by the Group; • Evaluating the reasonableness of critical assumptions and methods applied in the ECL model; • Performing credit review of finance lease receivables to determine if for a finance lease receivable, its credit risk has increased significantly since initial recognition or is credit-impaired, and reasonableness of expected future cash flows from the lessees, guarantors, or disposal of underlying assets to determine LGD; and • Evaluating the disclosures regarding the impairment assessment of finance lease receivables in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguard applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lee Shun Ming.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Lee Shun Ming
Practising Certificate Number: P07068

Hong Kong
26 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	For the year ended 31 March 2025 RMB'000	For the fifteen months ended 31 March 2024 RMB'000
Revenue	6	**734,760**	811,782
Cost of services		**(423,434)**	(370,437)
Gross profit		**311,326**	441,345
Other income, gains or losses	7	**77,940**	82,664
Selling and distribution expenses		**(19,206)**	(19,593)
Administrative expenses		**(102,822)**	(120,159)
Finance costs	8	**(19,441)**	(53,841)
Provision of impairment losses recognised on financial assets, net	9	**(116,264)**	(24,447)
Profit before tax	10	**131,533**	305,969
Income tax expense	11	**(68,473)**	(123,213)
Profit for the year/period		**63,060**	182,756
Other comprehensive income:			
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		**17,897**	8,590
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**15,942**	(5,948)
Other comprehensive income for the year/period		**33,839**	2,642
Total comprehensive income for the year/period		**96,899**	185,398
Profit for the year/period attributable to:			
Owners of the Company		**26,263**	140,110
Non-controlling interests		**36,797**	42,646
		63,060	182,756
Total comprehensive income for the year/period			
Owners of the Company		**60,102**	142,752
Non-controlling interests		**36,797**	42,646
		96,899	185,398
Earnings per share			
(Expressed in RMB Yuan per share)			
Basic and diluted	13	**0.0155**	0.0829

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	31 March 2025 RMB'000	31 March 2024 RMB'000
Non-current assets			
Property and equipment	15	**981,337**	1,034,875
Right-of-use assets	16	**421,380**	441,722
Intangible assets	17	**27,176**	36,717
Finance lease receivables	18	**681,484**	752,650
Financial assets at fair value through other comprehensive income	23	**199,550**	181,653
Other receivables	19	**5,791**	2,138
Deferred tax assets	20	**57,896**	77,299
Fixed bank deposits	24	**270,000**	—
Deposits for acquisition of property and equipment	19	**26,306**	—
		2,670,920	2,527,054
Current assets			
Inventories	21	**1,270**	1,702
Finance lease receivables	18	**614,955**	490,305
Financial assets at fair value through profit or loss	22	**163,590**	184,550
Trade and other receivables	19	**263,420**	284,290
Bank balances	24	**60,866**	191,446
		1,104,101	1,152,293
Current liabilities			
Trade, bills and other payables	25	**280,639**	325,988
Deposits from finance lease customers	18	**30,602**	33,247
Lease liabilities	16	**6,130**	6,883
Contract liabilities	26	**241,166**	217,120
Income tax payables		**99,470**	55,034
Deferred income	27	**1,855**	3,620
Borrowings	28	**26,918**	76,299
		686,780	718,191
Net current assets		**417,321**	434,102
Total assets less current liabilities		**3,088,241**	2,961,156
Capital and reserves			
Share capital	30	**11**	11
Reserves		**2,442,079**	2,381,977
Equity attributable to owners of the Company		**2,442,090**	2,381,988
Non-controlling interests		**455,815**	419,018
Total equity		**2,897,905**	2,801,006
Non-current liabilities			
Deposits from finance lease customers	18	**44,694**	55,502
Lease liabilities	16	**23,578**	29,710
Other payables	25	**56,600**	—
Deferred income	27	**3,111**	3,283
Borrowings	28	**61,912**	71,655
Deferred tax liabilities	20	**441**	—
		190,336	160,150
		3,088,241	2,961,156

The consolidated financial statements on pages 65 to 145 were approved and authorised for issue by the board of directors on 26 June 2025 and are signed on its behalf by:

Mr. Li Luqiang
Director

Mr. LIU Zhenjiang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	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* *(note i)*	*RMB'000* *(note ii)*	*RMB'000* *(note iii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	11	1,803,611	(42,520)	26,201	2,985	—	448,948	2,239,236	358,724	2,597,960
Profit for the period	—	—	—	—	—	—	140,110	140,110	42,646	182,756
Other comprehensive (expense) income for the period	—	—	—	—	(5,948)	8,590	—	2,642	—	2,642
Total comprehensive (expense) income for the period	—	—	—	—	(5,948)	8,590	140,110	142,752	42,646	185,398
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	17,648	17,648
Transfer to statutory surplus	—	—	—	13,672	—	—	(13,672)	—	—	—
At 31 March 2024	11	1,803,611	(42,520)	39,873	(2,963)	8,590	575,386	2,381,988	419,018	2,801,006

	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* *(note i)*	*RMB'000* *(note ii)*	*RMB'000* *(note iii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 April 2024	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 year	—	—	—	—	—	—	26,263	26,263	36,797	63,060
Other comprehensive income for the year	—	—	—	—	15,942	17,897	—	33,839	—	33,839
Total comprehensive income for the year	—	—	—	—	15,942	17,897	26,263	60,102	36,797	96,899
Transfer to statutory surplus	—	—	—	18,516	—	—	(18,516)	—	—	—
At 31 March 2025	11	1,803,611	(42,520)	58,389	12,979	26,487	583,133	2,442,090	455,815	2,897,905

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 Group 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	31 March 2025 *RMB'000*	31 March 2024 *RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**131,533**	305,969
Adjustments for:		
Depreciation of property and equipment	**84,741**	93,161
Depreciation of right-of-use assets	**20,221**	24,282
Amortisation of intangible assets	**9,541**	11,919
Loss on disposal of property and equipment	**78**	216
Investment and interest income	**(52,632)**	(40,814)
Net exchange gains	**(12,139)**	(12,581)
Finance costs	**19,441**	53,841
Net impairment losses recognised on financial assets	**116,264**	24,447
Operating cash flows before movements in working capital	**317,048**	460,440
Decrease in finance lease receivables	**5,806**	891,774
Increase in trade and other receivables	**(36,765)**	(35,108)
Decrease in inventories	**432**	311
Increase (decrease) in trade and other payables	**7,181**	(80,899)
Decrease in deposits from finance lease customers	**(20,618)**	(100,409)
Increase (decrease) in contract liabilities	**24,046**	(75,118)
Decrease in deferred income	**(1,937)**	(31,676)
Cash generated from operations	**295,193**	1,029,315
Income tax paid	**(4,193)**	(73,447)
Net cash from operating activities	**291,000**	955,868

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	31 March 2025 RMB'000	31 March 2024 RMB'000
INVESTING ACTIVITIES			
Purchases of financial asset at fair value through profit or loss		**(5,285,538)**	(4,200,943)
Purchase of financial assets at fair value through other comprehensive income		**—**	(173,063)
Proceeds from disposal of financial asset at fair value through profit or loss		**5,306,498**	4,099,393
Increase in short-term loan receivables		**(53,837)**	(443,573)
Repayment from short-term loan receivables		**—**	483,443
Placement of fixed bank deposits		**(270,000)**	—
Purchase of property and equipment		**(53,709)**	(305,771)
Withdrawal from pledged bank deposits		**—**	100,000
Net cash outflow from acquisition of a subsidiary		**—**	(300,900)
Investment and interest income		**1,211**	30,192
Proceeds from disposal of property and equipment		**—**	1,597
Net cash used in investing activities		**(355,375)**	(709,625)
FINANCING ACTIVITIES			
Repayments of borrowings		**(59,124)**	(471,445)
Interest paid for borrowings		**(8,069)**	(28,798)
Repayments of lease liabilities		**(6,885)**	(6,500)
Interest paid for lease liabilities		**(1,586)**	(2,276)
Proceeds from borrowings		**—**	305,000
Capital injection from non-controlling shareholders		**—**	17,648
Net cash used in financing activities		**(75,664)**	(186,371)
Net (decrease) increase in cash and cash equivalents		**(140,039)**	59,872
Cash and cash equivalents at beginning of the year/period		**191,446**	125,832
Effects of foreign exchange rate changes		**9,459**	5,742
Cash and cash equivalents at end of the year/period	*24*	**60,866**	191,446

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 and principal place business of the Company and disclosed in the corporate information section to the annual report. 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 (hereinafter collectively referred to as 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 principal activities of the subsidiaries are set out in Note 35.

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 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 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 cover the audited figures of the financial period from 1 January 2023 to 31 March 2024 which may not be comparable with the amounts shown for the current year.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Application of amendments to IFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") which are effective for the Group's financial year beginning on 1 April 2024:

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

The application of the amendments to IFRS Accounting Standards 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.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]

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

The directors of the Company anticipate that, except as describe below, the application of other new and amendments to IFRS Accounting Standards will have no material impact on the financial performance and the financial position of the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

The consolidated financial statements 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control of the service is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties and sales related taxes.

The Group recognises revenue when the specific criteria have been met for the following activities:

Tuition and boarding fees received from customers are generally paid in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the periods of the applicable program. The portion of tuition and boarding payments received from customers but not earned is recorded as a contract liability and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year or semester.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other education service fees from the provision of other education services to students are collected in advance on a lump sum basis. Revenue is recognised proportionately over the periods of the applicable program.

Revenue arising from service is recognised at a point in time when the services are completed.

Revenue relates to lease refer to the accounting policy in respect of lease.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised and included in "other income, gains or losses" and "finance costs" in profit or loss using the effective interest method respectively.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date or acquisition date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee *(Continued)*

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease liabilities

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee *(Continued)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from the commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee *(Continued)*

Lease modification (Continued)

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Finance lease income is recognised and included in revenue.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies IFRS 15 *Revenue from contracts with customers* ("IFRS 15") to allocate the consideration under the contract to each component. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

For operating lease

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessor *(Continued)*

Lease modification (Continued)

For finance lease

The Group accounts for a change in the lease payments of a finance lease as a lease modification, that is not accounted for as a separate lease, in accordance with the requirements of IFRS 9. If the change represents a substantial modification, the finance lease receivables of the original lease are derecognised and a derecognition gain or loss calculated using the revised lease payments discounted at the rate used for the head lease is recognised in profit or loss on the date of the modification. If the change does not represent substantial modification, the Group shall continue to recognise in which such carrying amount will be calculated at the present value of the modified contractual cash flows discounted at the finance lease receivables' original discount rate. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the effective date of modification.

Sale and leaseback transactions

The Group acts as a buyer-lessor

For a transfer of asset that does not satisfy the requirements of IFRS 15 to be accounted for as a sale of asset, the Group as a buyer-lessor does not recognise the transferred asset and recognises a finance lease receivable equal to the transfer proceeds within the scope IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits

In the reporting period in which an employee has rendered services, the Group recognises the employee benefits expenses for those services in profit or loss.

Retirement benefit costs

Payments to the government-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income tax* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxation entity by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

Current and deferred tax are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Property and equipment

Property and equipment are stated in the consolidated statement of financial position at costs less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property and equipment.

Depreciation is recognised so as to write off the cost of items of property and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Intangible asset with indefinite useful life is carried at cost less any subsequent accumulated impairment losses.

Impairment losses on property and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment losses on property and equipment, right-of-use assets and intangible assets *(Continued)*

If the recoverable amount of property and equipment, right-of-use assets and intangible assets (or a cash-generating unit) are estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of property and equipment, right-of-use assets and intangible assets are not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost (debt instruments) (Continued)

Amortised cost and effective interest method *(Continued)*

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "other income, gains or losses" line item (Note 7).

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income, gains or losses' line item in profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

(a) Investments in equity instruments are classified at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition.

(b) Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in 'other income, gains or losses'. Fair value is determined in the manner described in Note 32.

A financial asset is held for trading if:

(a) it has been acquired principally for the purpose of selling it in the near term; or

(b) on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including finance lease receivables, trade and other receivables and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for finance lease receivables and trade receivables.

The ECL on finance lease receivables are estimated using credit risk grades as a primary input into the determination of the term structure of the probability of default for exposures. The Group gathers performance and default information about lessees' credit risk exposures, with reference to the regions and the type of equipment under finance lease arrangement.

The ECL on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk *(Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any recoveries made are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The ECL on finance lease receivables are estimated using credit risk grades as a primary input into the determination of the term structure of the probability of default for exposures. The Group gathers performance and default information about lessees' credit risk exposures, with reference to the regions and the type of equipment under finance lease arrangement.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a finance lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

Measurement and recognition of ECL

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including deposits from finance lease customers, trade, bills and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Fair value measurement

The Group measures its financial assets including financial assets at FVTPL and financial assets at FVTOCI at the end of each reporting period. When measuring fair value, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

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.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Bank balances

In the consolidated statement of financial position, bank balances comprise cash (i.e. demand deposits), bank balances and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are made based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The followings are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Income taxes

According to the Implementation Rules for the Law for Promoting Private Education ("Implementing Rules"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatment. The Implementing Rules provide that the private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, and relevant authorities under the State Council of the PRC may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. However, as of the date of this report, no separate policies, regulations or rules have been introduced by the authorities in this regard.

Significant judgement is required in interpreting the relevant tax rules and regulation so as to determine whether the Group is subject to enterprise income tax. This assessment relies on estimates and assumptions and may involve a series of judgement about future events with reference to historical tax returns filed to the local tax authority, tax compliance confirmation from local tax authority and the legal advice from the Group's external legal advisor. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

Intangible asset with indefinite useful lives

The Group's management considers that the brand name for all practical purposes have indefinite useful lives and are therefore not amortised until its useful lives is determined to be finite. The brand name is tested for impairment annually.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainties

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful lives and residual values of property and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property and equipment of similar nature and functions.

If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

Impairment of property and equipment, right-of-use assets and intangible assets (excluded brand name)

The Group assessed whether there are any indicators of impairment for property and equipment, right-of-use assets and intangible assets (excluded brand name) at the end of reporting periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating units ("CGUs") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 March 2025, the carrying amount of property and equipment, right-of-use assets and intangible assets (excluded brand name) was approximately RMB981,337,000, RMB421,380,000 and RMB12,963,000 (31 March 2024: RMB1,034,875,000, RMB441,722,000 and RMB22,504,000) respectively. No impairment loss was recognised for the year/period ended 31 March 2025 and 31 March 2024.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainties *(Continued)*

Impairment assessment of intangible asset with indefinite useful life

The Group recognised intangible asset in acquisition of business, which requires estimation on discount rates and growth rates for student numbers, tuition fee, boarding fee and costs of services in respect of the acquisition. Furthermore, determine whether brand name with indefinite useful life is impaired requires an estimation of the recoverable amount of the CGUs to which brand name has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the present value of the future cash flows expected to arise from the CGUs containing brand name using suitable discount rates. Key assumptions and estimates include the discount rates, growth rates for student numbers, tuition fee, boarding fee and costs of services used in the value in use calculations. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise.

As at 31 March 2025, the carrying amount of brand name was approximately RMB14,213,000 (31 March 2024: RMB14,213,000). No impairment loss was recognised for the year/period ended 31 March 2025 and 31 March 2024. Details of the calculation of recoverable amounts are disclosed in Note 17.

Estimated impairment of finance lease receivables

Management of the Group estimates the amount of loss allowance for ECL on finance lease receivables based on the credit risk of the respective financial instrument. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

As at 31 March 2025, the carrying amount of finance lease receivables amounted to approximately RMB1,296,439,000 (31 March 2024: RMB1,242,955,000), net of loss allowance of approximately RMB220,440,000 (31 March 2024: RMB267,072,000).

Estimated impairment of trade and other receivables (excluded prepaid expenses, non-refundable deposit and deductible value-added tax)

The impairment for trade and other receivables is based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical credit loss experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

At 31 March 2025, the carrying value of trade and other receivables is approximately RMB240,510,000 (31 March 2024: RMB271,315,000), net of loss allowance of approximately RMB223,587,000 (31 March 2024: RMB59,947,000).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainties *(Continued)*

Income taxes

There are certain transactions and activities for which the ultimate tax determination is subject to the final approval of annual tax return the group entities filed with relevant tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

As at 31 March 2025, deferred tax assets of approximately RMB57,896,000 (31 March 2024: RMB77,299,000) have been recognised. The current income tax expense and deferred income tax expense for the period ended 31 March 2025 are approximately RMB48,629,000 and RMB19,844,000 (31 March 2024: RMB111,455,000 and RMB11,758,000) respectively.

5. 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 operation 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 year ended 31 March 2025

	Private higher education services *RMB'000*	Finance and operating leasing *RMB'000*	Total *RMB'000*
REVENUE			
External sales	**562,163**	**172,597**	**734,760**
Segment profit	**122,928**	**15,095**	**138,023**
Unallocated other income, gains or losses			**4,578**
Unallocated administrative expenses			**(8,384)**
Unallocated finance costs			**(2,684)**
Profit before tax			**131,533**

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. 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 chief operating decision maker, for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Segment assets		
Private higher education services	**1,298,211**	1,289,625
Finance and operating leasing	**2,081,530**	2,114,649
Total segment assets	**3,379,741**	3,404,274
Unallocated corporate assets	**395,280**	275,073
Consolidated assets	**3,775,021**	3,679,347
Segment liabilities		
Private higher education services	**396,375**	379,450
Finance and operating leasing	**212,470**	244,679
Total segment liabilities	**608,845**	624,129
Unallocated corporate liabilities	**268,271**	254,212
Consolidated liabilities	**877,116**	878,341

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(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, deferred tax liabilities and income tax payable.

Other segment information

For the year ended 31 March 2025

	Private higher education services *RMB'000*	Finance and operating leasing *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets *(note)*	**28,835**	**17**	**—**	**28,852**
Investment and interest income	**12,124**	**39,483**	**1,025**	**52,632**
Impairment losses recognised on financial assets	**—**	**116,264**	**—**	**116,264**
Depreciation and amortisation	**79,565**	**33,649**	**1,289**	**114,503**
Loss on disposal of property and equipment	**76**	**2**	**—**	**78**
Finance costs	**1,523**	**15,234**	**2,684**	**19,441**

5. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the fifteen months ended 31 March 2024

	Private higher education services *RMB'000*	Finance and operating leasing *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets *(note)*	49,800	260,957	238	310,995
Investment and interest income	14,631	25,397	786	40,814
Impairment losses recognised on financial assets	—	24,447	—	24,447
Depreciation and amortisation	124,069	3,697	1,596	129,362
Loss on disposal of property and equipment	216	—	—	216
Finance costs	2,094	31,803	19,944	53,841

Note: Non-current assets excluded financial instruments and deferred tax assets.

Geographical information

The Group's operations are located in the PRC and Hong Kong.

All of the Group's revenue is arising from the PRC for both year/period. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets	
	31 March 2025 ***RMB'000***	31 March 2025 *RMB'000*
PRC	**1,924,011**	2,123,566
Hong Kong	**213,672**	142,398
	2,137,683	2,265,964

Note: Non-current assets excluded financial instruments and deferred tax assets.

5. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

Geographical information *(Continued)*

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Customer A[1]	**N/A[#]**	87,537

[1] Revenue from this customer including revenue generated from its subsidiaries from finance and operating leasing segment.

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. 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 year/period is as follows:

	Notes	**For the year ended 31 March 2025** *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by services lines			
Tuition fees	*a*	**510,950**	550,193
Boarding fees	*a*	**47,142**	49,637
Other education service fees	*b*	**4,071**	6,713
		562,163	606,543
Revenue from other source			
Finance lease services		**111,901**	184,972
Operating lease rental income		**60,696**	20,267
		734,760	811,782

6. REVENUE *(Continued)*

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

	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Timing of revenue recognition		
Over time	**562,163**	606,543

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.

7. OTHER INCOME, GAINS OR LOSSES

	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Government grants *(note)*	**494**	5,415
Net exchange gains	**12,139**	12,581
Rental income	**13,267**	16,118
Sales of education materials	**(4,013)**	3,385
Investment and interest income	**52,632**	40,814
Loss on disposal of property and equipment	**(78)**	(216)
Others	**3,499**	4,567
	77,940	82,664

7. OTHER INCOME, GAINS OR LOSSES *(Continued)*

Note: Government grants represent local governments' offer for the refund of value-added tax of approximately RMB5,001,000 (2025: nil) to enterprises in the finance leasing industry for the period ended 31 March 2024. Subsidies of approximately RMB494,000 (2024: RMB414,000) from the local governments are to support private higher education businesses for the year ended 31 March 2025. The government grants are one-off in nature with no specific conditions.

8. FINANCE COSTS

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Interest expense on:		
— Borrowings	**8,069**	13,872
— Imputed interest on deposits from finance lease customers	**7,165**	17,931
— Imputed interest on consideration payable	**2,621**	19,762
— Lease liabilities	**1,586**	2,276
	19,441	53,841

9. PROVISION OF IMPAIRMENT LOSSES RECOGNISED ON FINANCIAL ASSETS, NET

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
(Provision of) reversal of provision of impairment losses recognised on:		
Finance lease receivables *(Note 18)*	**47,302**	(8,813)
Other receivables *(Note 19)*	**(163,566)**	(15,634)
	(116,264)	(24,447)

Details of impairment assessment are set out in Note 32.

10. PROFIT BEFORE TAX

	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Profit before tax has been arrived at after charging:		
Directors' remuneration *(Note 14)*	**5,859**	7,832
Salaries, bonus and other employee benefits	**215,789**	206,482
Retirement benefits schemes contributions	**40,710**	41,131
Total staff costs	**262,358**	255,445
Auditor's remuneration	**1,400**	1,950
Depreciation of property and equipment	**84,741**	93,161
Depreciation of right-of-use assets	**20,221**	24,282
Amortisation of intangible assets	**9,541**	11,919

11. INCOME TAX EXPENSE

	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Current income tax		
PRC Enterprise Income Tax ("EIT") *(note a)*	**48,629**	113,631
Overprovision in prior year		
PRC EIT	**—**	(2,176)
Deferred income tax expense *(Note 20)*	**19,844**	11,758
	68,473	123,213

11. INCOME TAX EXPENSE *(Continued)*

The income tax expense for the period/year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Profit before tax	**131,533**	305,969
Tax at the statutory rate of 25% (2024: 25%)	**32,883**	76,493
Tax effect of income not taxable for tax purpose	**(37,153)**	(6,771)
Tax effect of expenses not deductible for tax purpose	**70,748**	45,809
Utilisation of tax losses previously not recognised	**(1)**	—
Effect of unused tax losses not recognised as deferred tax assets	**1,317**	1,288
PRC withholding tax	**—**	7,906
Overprovision in prior year	**—**	(2,176)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**679**	664
Income tax expense for the year/period	**68,473**	123,213

The unused tax losses not recognised as at 31 March 2025 and 31 March 2024 are analysed as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Unused tax losses not recognised as deferred tax assets	**42,527**	34,545
Potential tax benefit @25% for the PRC entities	**—**	1
Potential tax benefit @16.5% for Hong Kong entity	**7,017**	5,700

The expiry dates of the unused tax losses not recognised as at 1 April 2024 and 31 March 2025 are listed as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Year 2028 for PRC entities	**—**	1
Year 2029 for PRC entities	**—**	1
Indefinite for Hong Kong entity	**42,527**	34,543
	42,527	34,545

11. INCOME TAX EXPENSE *(Continued)*

Notes:

(a) PRC Enterprise Income Tax

The income tax provision of the Group in respect of its operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the reporting period, based on the existing legislation, interpretations and practices in respect thereof.

According to the Implementing Rules, private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. This involves assessment including critical judgement as disclosed in Note 4.

Pursuant to the PRC Enterprise Income Tax and its Implementation Regulation, non-PRC resident enterprises are levied withholding tax at 10% (unless reduced by tax treaties/arrangements) on dividends receivable from PRC enterprises for profits earned since 1 January 2008.

(b) Hong Kong Profits Tax

Hong Kong Profits Tax rate is 16.5%. No Hong Kong Profits Tax was provided for as there was no estimated assessable profits that was subject to Hong Kong Profits Tax during both years.

(c) Cayman Islands Income Tax

The Company is incorporated under the laws of the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

(d) British Virgin Islands ("BVI") Income Tax

The subsidiaries indirectly held by the Company are incorporated under the laws of BVI as an exempted company with limited liability under the Companies Law of the BVI and are not subject to BVI income tax.

12. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

13. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Profit for the year/period attributable to the owners of the Company	**26,263**	140,110
Number of shares		
Weighted average number of shares in issue ('000)	**1,690,914**	1,690,914

13. EARNINGS PER SHARE *(Continued)*

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the year/period ended 31 March 2025 and 31 March 2024.

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors and Chief Executive

Details of the emoluments paid or payable by the Group to the directors and Chief Executive of the Company (including emoluments for services as employees of the group entities) for the period/year are as follows:

	Directors' fees *RMB'000*	Salaries *RMB'000*	Retirement benefits *RMB'000*	Other social welfare *RMB'000*	Total *RMB'000*
For the year ended 31 March 2025					
Executive directors					
Mr. Li Luqiang *(note i)*	—	1,738	179	—	1,917
Mr. Liu Zhenjiang	—	449	162	—	611
Mr. Yuen Kin Shan *(note ii)*	—	1,182	16	—	1,198
Ms. Liu Meina *(note v)*	—	152	60	—	212
Mr. Qiao Renjie *(note iv)*	—	11	4	—	15
Non-executive director					
Mr. Song Jianbo *(note ii)*	275	—	—	—	275
Mr. Jiao Jianbin	110	—	—	—	110
Independent non-executive directors					
Mr. Liu Changxiang	165	—	—	—	165
Mr. Liu Xuewei	165	—	—	—	165
Mr. Jiao Jian	165	—	—	—	165
Mr. Shek Lai Him Abraham	916	—	—	—	916
Ms. Xing Li *(note ii)*	110	—	—	—	110
	1,906	3,532	421	—	5,859

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors and Chief Executive *(Continued)*

	Directors' fees *RMB'000*	Salaries *RMB'000*	Retirement benefits *RMB'000*	Other social welfare *RMB'000*	Total *RMB'000*
For the fifteen months ended 31 March 2024					
Executive directors					
Mr. Li Luqiang *(note i)*	—	2,817	212	—	3,029
Mr. Liu Zhenjiang	—	612	192	—	804
Mr. Luo Zhenming *(note iii)*	—	129	—	—	129
Mr. Yuen Kin Shan *(note ii)*	—	1,446	20	—	1,466
Mr. Qiao Renjie *(note iv)*	—	194	65	—	259
Non-executive director					
Mr. Song Jianbo *(note ii)*	134	—	—	—	134
Mr. Jiao Jianbin	134	—	—	—	134
Independent non-executive directors					
Mr. Liu Changxiang	204	—	—	—	204
Mr. Liu Xuewei	204	—	—	—	204
Mr. Jiao Jian	204	—	—	—	204
Mr. Shek Lai Him Abraham	1,131	—	—	—	1,131
Ms. Xing Li *(note ii)*	134	—	—	—	134
	2,145	5,198	489	—	7,832

Notes:

(i) Mr. Li Luqiang was the Chief Executive of the Company for the year/period ended 31 March 2025 and 31 March 2024. His remunerations disclosed above cover his role as the Chief Executive of the Company.

(ii) Mr. Song Jianbo, Mr. Yuen Kin Shan and Ms. Xing Li were appointed as non-executive director, executive director and independent non-executive director in January 2023 respectively.

(iii) Mr. Luo Zhenming was resigned on 15 December 2023.

(iv) Mr. Qiao Renjie was resigned on 26 April 2024.

(v) Ms. Liu Meina was appointed as executive director on 26 April 2024.

14. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors and Chief Executive *(Continued)*

There was no arrangement under which directors of the Company or the Chief Executive waived or agreed to waive any remuneration during the year/period ended 31 March 2025 and 31 March 2024.

The executive directors' remunerations shown above were for their services in connection with the management of the affairs of the Company and the Group and their services as a director of the Group. The independent non-executive directors and non-executive directors' remunerations shown above were for their services as a director of the Group.

(b) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group for the year ended 31 March 2025, included four (2024: three) directors whose remunerations are reflected in the analysis presented above. The remunerations payable to the remaining one (31 March 2024: two) non-director individuals during the year/period ended 31 March 2025 and 31 March 2024 are as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Salaries	**639**	1,962
Retirement benefits	**33**	250
	672	2,212

The number of the one (2024: two) highest paid non-director individuals fell within the following bands are set out below:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Nil to Hong Kong dollars ("HKD") 1,000,000	**1**	1
HKD1,000,001 to HKD1,500,000	**—**	1

During the year/period ended 31 March 2025 and 31 March 2024, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15. PROPERTY AND EQUIPMENT

	Property and buildings *RMB'000*	Education equipment *RMB'000*	Furniture and other equipment *RMB'000*	Motor vehicles *RMB'000*	Vessels *RMB'000*	Total *RMB'000*
COST						
At 1 January 2023	783,070	25,625	22,418	4,681	—	835,794
Additions	2,676	25,555	24,375	2,208	250,957	305,771
Disposals	(3,787)	(2,403)	(8,428)	(366)	—	(14,984)
At 31 March 2024 and 1 April 2024	**781,959**	**48,777**	**38,365**	**6,523**	**250,957**	**1,126,581**
Additions	**5,592**	**10,926**	**12,115**	**219**	**—**	**28,852**
Disposals	**(38)**	**(108)**	**(1,812)**	**(83)**	**—**	**(2,041)**
Exchange difference	**—**	**—**	**—**	**—**	**2,829**	**2,829**
At 31 March 2025	**787,513**	**59,595**	**48,668**	**6,659**	**253,786**	**1,156,221**
ACCUMULATED DEPRECIATION						
At 1 January 2023	9,453	836	1,178	249	—	11,716
Charge for the period	43,732	4,978	30,624	1,017	12,810	93,161
Elimination on disposals	(3,550)	(1,382)	(8,093)	(146)	—	(13,171)
At 31 March 2024 and 1 April 2024	**49,635**	**4,432**	**23,709**	**1,120**	**12,810**	**91,706**
Charge for the period	**27,100**	**4,597**	**9,299**	**922**	**42,823**	**84,741**
Elimination on disposals	**(36)**	**(92)**	**(1,757)**	**(78)**	**—**	**(1,963)**
Exchange difference	**—**	**—**	**—**	**—**	**400**	**400**
At 31 March 2025	**76,699**	**8,937**	**31,251**	**1,964**	**56,033**	**174,884**
CARRYING VALUES						
At 31 March 2025	**710,814**	**50,658**	**17,417**	**4,695**	**197,753**	**981,337**
At 31 March 2024	732,324	44,345	14,656	5,403	238,147	1,034,875

The above items of property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values, as follows:

Property and buildings	20–40 years
Education equipment	5–15 years
Furniture and other equipment	3–5 years
Leasehold improvements (included in furniture and other equipment)	Shorter of lease term or 3 years
Motor vehicles	8 years
Vessels	Shorter of 22–24 years or the anticipated remaining useful lives of the used vessels

As at 31 March 2024, there are properties with a carrying amount of approximately RMB91,257,000 located in the PRC of which the Group is in the process of obtaining the ownership certificates. The ownership certificates have been obtained in current year.

16. LEASES

The Group as a lessee

Lump sum payments were made upfront to acquire certain land use rights from the government with lease terms of 50 years, and no ongoing payments will be made under the terms of these land leases. The land use rights are amortised on a straight-line basis over lease terms as stated in the relevant land use right certificates. The Group also has lease arrangements for buildings, office and staff quarters. The lease terms were ranged from two to ten years.

(i) Right-of-use assets

	31 March 2025 *RMB'000*	31 March 2024 *RMB'000*
Land use rights	**389,933**	402,871
Buildings	**31,125**	37,127
Office	**322**	1,724
	421,380	441,722

Additions to the right-of-use assets for the year ended 31 March 2024 amounted to approximately RMB5,224,000 (2025:nil), due to new leases of dormitories for students.

None of these leases include extension options and variable lease payment terms.

(ii) Lease liabilities

	31 March 2025 *RMB'000*	31 March 2024 *RMB'000*
Non-current	**23,578**	29,710
Current	**6,130**	6,883
	29,708	36,593

	31 March 2025 *RMB'000*	31 March 2024 *RMB'000*
Amounts payable under lease liabilities:		
Within one year	**6,130**	6,883
After one year but within two years	**4,380**	6,132
After two years but within five years	**14,059**	13,534
After five years	**5,139**	10,044
	29,708	36,593
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(6,130)**	(6,883)
Amount due for settlement after 12 months	**23,578**	29,710

During the year ended 31 March 2024, the Group entered into a new lease agreement in respect of renting dormitories for students and recognised lease liability of approximately RMB5,224,000 (2025:nil).

16. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(iii) Amounts recognised in profit or loss

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Depreciation expense on right-of-use assets		
— Land use rights	**12,938**	16,165
— Buildings	**6,003**	6,531
— Office	**1,280**	1,586
	20,221	24,282
Interest expense on lease liabilities	**1,586**	2,276
Expense relating to short-term leases	**1,973**	2,667

(iv) Others

At 31 March 2025 and 31 March 2024, the Group has no committed lease agreements not yet commenced.

During the year ended 31 March 2025, the total cash outflow for leases amounted to approximately RMB10,444,000 (2024: RMB11,443,000).

The Group as a lessor

The Group leases its properties, consisting certain portion of buildings and 2 vessels held by the Group as the owner under operating leases.

As at 31 March 2025 and 31 March 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	31 March 2025 *RMB'000*	31 March 2024 *RMB'000*
Within one year	**74,174**	73,023
After one year but within two years	**48,272**	72,965
After two years but within three years	**2,259**	40,682
After three years but within four years	**40**	—
After four years but within five years	**7**	—
	124,752	186,670

17. INTANGIBLE ASSETS

	Brand name RMB'000 note (a)	Student base RMB'000 note (b)	Computer software RMB'000 note (c)	Total RMB'000
COST				
At 1 January 2023, 31 March 2024 1 April 2024 and 31 March 2025	**14,213**	**36,755**	**3,515**	**54,483**
AMORTISATION				
At 1 January 2023	—	3,424	2,423	5,847
Charge for the period	—	11,479	440	11,919
At 31 March 2024 and 1 April 2024	**—**	**14,903**	**2,863**	**17,766**
Charge for the year	**—**	**9,189**	**352**	**9,541**
At 31 March 2025	**—**	**24,092**	**3,215**	**27,307**
CARRYING VALUES				
At 31 March 2025	**14,213**	**12,663**	**300**	**27,176**
At 31 March 2024	14,213	21,852	652	36,717

Notes:

(a) Brand name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The brand name will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

As at 31 March 2025, the recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and discount rate of 14.58% (2024: 17.58%). The CGU's cash flows beyond the five-year period are extrapolated using a steady 3.00% (2024: 3.00%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include growth rates for student numbers, tuition fee, boarding fee and costs of services, such estimation is based on the unit's past performance and the management's expectations for the market development.

Management of the Group determines that there is no impairment of brand name for year/period ended 31 March 2025 and 31 March 2024.

(b) The student base represents the registered and existing students of Yantai Nanshan University that were acquired by the Group during the year ended 31 December 2022. The students are expected to pay tuition and boarding fees until their graduation. The student base will be generating income for schools in the tuition periods, thus it is identified as an intangible asset based on its fair value on the acquisition date.

The student base is amortised using the straight-line method over the respective period until the graduation of the existing students.

No impairment loss was recognised for the year/period ended 31 March 2025 and 31 March 2024.

17. INTANGIBLE ASSETS *(Continued)*

Notes: (Continued)

(c) Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 10 years.

No impairment loss was recognised for the year/period ended 31 March 2025 and 31 March 2024.

18. 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 2025 ***RMB'000***	31 March 2024 *RMB'000*
Amounts receivable under finance leases		
Within one year	**871,293**	899,696
After one year but within two years	**458,205**	346,918
After two years but within three years	**162,657**	267,287
After three years but within four years	**29,409**	50,584
After four years but within five years	**28,727**	148,500
After five years	**212,824**	—
Gross investment in leases	**1,763,115**	1,712,985
Less: unearned finance income	**(246,236)**	(202,958)
Present value of minimum lease payment receivables	**1,516,879**	1,510,027
Less: allowance for impairment losses	**(220,440)**	(267,072)
	1,296,439	1,242,955
Analysed for reporting purposes as:		
Current assets *(note)*	**614,955**	490,305
Non-current assets	**681,484**	752,650
	1,296,439	1,242,955

Note: During the year ended 31 March 2025, the Group has sued some of the lessees for the overdue payment and they are disposing the certain aircrafts for recovering the finance lease receivables and expected to be completed within one year. The Group classified the finance lease receivables as current assets.

18. FINANCE LEASE RECEIVABLES *(Continued)*

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

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

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Finance income on the net investment in finance lease	**107,466**	180,582

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

The average term of finance leases entered into ranged from 3 to 9 years (31 March 2024: ranged from 2 to 5 years).

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

	31 March 2025			
	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 April 2024	**32,281**	**51,947**	**182,844**	**267,072**
Changes due to finance lease receivables recognised in the opening balance that have:				
— Transferred to Lifetime ECL credit-impaired	**—**	**(51,947)**	**51,947**	**—**
Provided (reversal) for the year, net *(note)*	**11,340**	**—**	**(58,642)**	**(47,302)**
Foreign currency translation	**—**	**—**	**670**	**670**
Balance at 31 March 2025	**43,621**	**—**	**176,819**	**220,440**
Expected loss rate	**4.41%**	**N/A**	**33.48%**	**14.53%**

18. FINANCE LEASE RECEIVABLES *(Continued)*

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

	31 March 2024			
	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 2023	42,153	—	217,072	259,225
Changes due to finance lease receivables recognised in the opening balance that have:				
— Transferred to Lifetime ECL not credit-impaired	(2,117)	2,117	—	—
— Transferred to Lifetime ECL credit-impaired	(13,838)	—	13,838	—
Provided (reversal) for the period, net *(note)*	6,083	50,796	(48,066)	8,813
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%

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

18. FINANCE LEASE RECEIVABLES *(Continued)*

(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 2025			31 March 2024		
	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	**988,690**	**(43,621)**	**945,069**	944,534	(32,281)	912,253
Lifetime ECL not credit-impaired *(note a)*	**—**	**—**	**—**	220,071	(51,947)	168,124
Lifetime ECL credit-impaired *(note b)*	**528,189**	**(176,819)**	**351,370**	345,422	(182,844)	162,578
	1,516,879	**(220,440)**	**1,296,439**	1,510,027	(267,072)	1,242,955

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.

18. FINANCE LEASE RECEIVABLES *(Continued)*

(iv) Deposits from finance lease customers are used for security purposes. Deposits from finance lease contracts are refundable to customers in full by the 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 2025 ***RMB'000***	31 March 2024 *RMB'000*
The amounts of deposits from finance lease customers	**75,296**	88,749
Analysed for reporting purposes as:		
Current liabilities	**30,602**	33,247
Non-current liabilities	**44,694**	55,502
	75,296	88,749

(v) As at 31 March 2025 and 31 March 2024, the annual internal rate of return and average yield of finance lease receivables are as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Annual internal rate of return	**5.20%–8.00%**	4.75%–12.65%
Average annual internal rate of return	**6.23%**	8.06%

(vi) As at 31 March 2025 and 31 March 2024, the carrying amounts of floating rate of return finance lease receivables and fixed rate of return finance lease receivables are as follows:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Analysed for reporting purposes as:		
Floating rate of return	**273,720**	314,501
Fixed rate of return	**1,022,719**	928,454
	1,296,439	1,242,955

As at 31 March 2025, 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") (2024: PBOC Rate or SOFR). The rates of return of finance lease receivables were adjusted periodically with reference to the PBOC Rate or SOFR (2024: PBOC Rate or SOFR).

19. TRADE AND OTHER RECEIVABLES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Trade receivables *(note i)*	**8,663**	8,233
Prepaid expenses	**1,073**	241
Expenses paid on behalf of customers	**67,826**	65,008
Deductible value-added tax	**27,628**	14,872
Short-term loan receivables *(note ii)*	**299,328**	241,091
Interest receivables	**64,484**	13,063
Deposits of acquisition of property and equipment	**26,306**	—
Other receivables	**23,796**	3,867
Subtotal	**519,104**	346,375
Less: Allowance for impairment losses	**(223,587)**	(59,947)
	295,517	286,428
Analysed for reporting purposes as:		
Current assets	**263,420**	284,290
Non-current assets	**32,097**	2,138
	295,517	286,428

Note:

(i) 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.

(ii) As at 31 March 2025, short-term loan receivables to independent parties carry interests ranged from 5.5% to 24% per annum (2024: 15% to 24%) per annum, and are repayable at an agreed date. Short-term loan receivables with amount of approximately RMB53,800,000 is secured, the remaining short-term loan receivables are unsecured and guaranteed.

An ageing analysis of the trade receivables as at 31 March 2025 and 31 March 2024, based on the transaction date and net of loss allowance, is as follows:

	31 March 2025 RMB'000	31 March 2024 RMB'000
Within 30 days	**8,663**	8,233

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, 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 2025 and 31 March 2024 were not past due and had no recent history of default. The expected credit losses were assessed to be minimal at 31 March 2025 and 31 March 2024.

19. TRADE AND OTHER RECEIVABLES *(Continued)*

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

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
At beginning of the year/period	**59,947**	44,238
Provided for the year/period	**163,566**	15,634
Foreign currency translation	**74**	75
At end of the year/period	**223,587**	59,947

As at 31 March 2025, the aircraft maintenance and some other miscellaneous expenses paid on behalf of customers amounted to approximately RMB67,826,000 (2024: RMB65,008,000) are classified as credit-impaired and the ECL is measured at an amount equal to lifetime ECL of approximately RMB67,826,000 (2024: RMB59,947,000). As at 31 March 2025, some of the short-term loan receivables with interest receivables amounted to approximately RMB299,370,000 (2024: nil) are classified as credit-impaired and the ECL is measured at an amount equal to lifetime ECL of approximately RMB155,375,000 (2024: nil). The Group measures the ECL for remaining other receivables at an amount equal to 12m ECL of approximately RMB386,000 (2024: nil).

20. 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 2025 ***RMB'000***	31 March 2024 *RMB'000*
Deferred tax assets	**57,896**	77,299
Deferred tax liabilities	**(441)**	—
	57,455	77,299

Movements in balances of deferred tax assets and liabilities

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Balance at beginning of the year/period	**77,299**	89,057
Charge to profit or loss *(Note 11)*	**(19,844)**	(11,758)
Balance at end of the year/period	**57,455**	77,299

20. DEFERRED TAX *(Continued)*

Movements in balances of deferred tax assets and liabilities *(Continued)*

	Deductible (taxable) temporary difference		Deferred tax assets (liabilities)	
	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*	**31 March 2025** ***RMB'000***	31 March 2024 *RMB'000*
Allowance for impairment	**192,983**	246,941	**48,247**	61,736
Unearned finance lease income	**43,519**	47,292	**10,880**	11,823
Accrued interest expenses	**—**	4,804	**—**	1,201
Deferred income from finance lease	**(4,934)**	(5,540)	**(1,234)**	(1,385)
Unused tax losses	**—**	15,698	**—**	3,924
Lease liabilities	**29,708**	36,593	**7,398**	9,004
Right-of-use assets	**(31,447)**	(36,593)	**(7,836)**	(9,004)
	229,829	309,195	**57,455**	77,299

At 31 March 2025, no deferred tax has been recognised in respect of temporary differences associated with undistributed earnings of PRC subsidiaries amounted to RMB542,404,000 (31 March 2024: RMB378,141,000) because the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

21. INVENTORIES

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Raw materials	**1,248**	1,333
Finished goods	**22**	369
	1,270	1,702

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Financial asset at FVTPL comprises:		
Listed bond investment	**163,590**	184,550

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

The fair value of these investments is disclosed in Note 32.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 March 2025 RMB'000	31 March 2024 RMB'000
Financial assets at FVTOCI comprise:		
Unlisted funds	**199,550**	181,653

The fair value of these funds is disclosed in Note 32.

24. BANK BALANCES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Bank balances	**330,866**	191,446
Less: fixed bank deposits	**(270,000)**	—
Cash and cash equivalents	**60,866**	191,446

Bank balances include demand deposits and fixed bank deposits for the purpose of meeting the Group's commitment. The demand deposits carry floating interest rate based on daily bank deposit rates (2024: floating interest rate based on daily bank deposit rates for demand deposits) as at 31 March 2025. The fixed bank deposits carry fixed rate 2.65% per annum (2024: nil) with maturity up to 2027 as at 31 March 2025.

25. TRADE, BILLS AND OTHER PAYABLES

	Notes	31 March 2025 RMB'000	31 March 2024 RMB'000
Current			
Trade payables		**11,391**	13,296
Deposit received		**527**	525
Government grants	*a*	**43,972**	34,841
Miscellaneous advances received from students	*b*	**7,044**	1,817
Other payables and accruals		**9,337**	19,283
Other tax payables		**47,629**	46,830
Payables for purchase of property and equipment		**14,594**	13,145
Payables for salary		**26,756**	21,024
Payables for scholarship	*c*	**104**	104
Payables to employees	*d*	**4,041**	4,259
Rental income received in advances	*e*	**436**	2,373
Bills payables		**5,408**	5,112
Consideration payable	*f*	**109,400**	163,379
		280,639	325,988

25. TRADE, BILLS AND OTHER PAYABLES *(Continued)*

	Note	31 March 2025 RMB'000	31 March 2024 RMB'000
Non-current			
Consideration payable	f	**56,600**	—

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 considerable payable represented the sum of discounted consideration payable 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. For the details of the consideration, please refer to section "Letter from the Board" in circular dated on 2 August 2022.

An ageing analysis of the trade payables as at 31 March 2025 and 31 March 2024, based on the invoice date.

	31 March 2025 RMB'000	31 March 2024 RMB'000
Within 1 year	**11,391**	13,296

26. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 March 2025 are expected to be recognised within one year:

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Tuition fees	**220,820**	198,377
Boarding fees	**20,346**	18,743
	241,166	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 recognised 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.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
At beginning of the year/period	**217,120**	292,238
Increase due to tuition, boarding fees and other education service fees received, including amounts recognised as revenue during the year/period	**590,528**	536,141
Revenue recognised that was included in contract liabilities at the beginning of the year/period	**(217,120)**	(292,238)
Revenue recognised that was not included in contract liabilities at the beginning of the year/period	**(345,043)**	(314,305)
Refund to students	**(4,319)**	(4,716)
At the end of the year/period	**241,166**	217,120

27. DEFERRED INCOME

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

28. BORROWINGS

	31 March 2025 RMB'000	31 March 2024 RMB'000
Unguaranteed and unsecured borrowings	—	31,399
Unguaranteed and secured borrowings	**26,918**	44,718
Guaranteed and secured borrowings	**61,912**	71,837
Total	**88,830**	147,954
Represented by:		
Borrowing from bank *(note i)*	—	20,938
Other borrowings *(note ii)*	**88,830**	127,016
Total	**88,830**	147,954
Represented by:		
Carrying amount repayable		
Within one year	**26,918**	76,299
More than one year, but not exceeding two years	**61,912**	10,642
More than two years, but not exceeding five years	—	61,013
	88,830	147,954
Less: amounts under current liabilities	**(26,918)**	(76,299)
Non-current liabilities	**61,912**	71,655

Notes:

i. Borrowing from bank

As at 31 March 2024, unguaranteed and unsecured bank borrowing amounted to RMB20,938,000 at a fixed rate of 3.60% per annum within 1 year. The amount is fully repaid during the year ended 31 March 2025.

ii. Other borrowings represented by:

(a) unguaranteed and unsecured borrowing amounted to RMB10,461,000 at a fixed rate of 5.00% per annum from independent parties within 4 years as at 31 March 2024. The borrowing is fully early repaid during the year ended 31 March 2025;

(b) guaranteed and secured borrowing amounted to RMB61,912,000 (2024: RMB71,837,000) at variable rate of 3 months SOFR plus 2.90% per annum (2024: SOFR plus 2.90% per annum) from an independent party repayable by installments within 2 years (2024: 3 years) as at 31 March 2025. 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 RMB26,918,000 (2024: RMB44,718,000) at variable rate of 3 months SOFR plus 3.05% per annum (2024: SOFR plus 3.36% per annum) from an independent party repayable by installments within 2 years (2024: within 10 months) as at year ended 31 March 2025. The borrowing is secured by the shares of a subsidiary.

28. BORROWINGS *(Continued)*

Notes: (Continued)

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

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Fixed-rate borrowings:		
Within one year	**—**	20,938
More than one year, but not exceeding two years	**—**	—
More than two years, but not exceeding five years	**—**	10,461
	—	31,399

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

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Variable-rate borrowings:		
Within one year	**26,918**	55,361
More than one year, but not exceeding two years	**61,912**	10,642
More than two years, but not exceeding five years	**—**	50,552
	88,830	116,555

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

	31 March 2025 ***RMB'000***	31 March 2024 *RMB'000*
Fixed-rate borrowing	**N/A**	3.60%–5.00%
Variable-rate borrowing	**7.25%–7.71%**	8.27%–8.96%

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As 1 January 2023	(329,325)	(37,869)	(367,194)
Financing cash flows *(note)*	195,243	8,776	204,019
Addition on lease liabilities	—	(5,224)	(5,224)
Finance cost recognised	(13,872)	(2,276)	(16,148)
As 31 March 2024	(147,954)	(36,593)	(184,547)

	Borrowings ***RMB'000***	**Lease liabilities** ***RMB'000***	**Total** ***RMB'000***
As 1 April 2024	**(147,954)**	**(36,593)**	**(184,547)**
Financing cash flows *(note)*	**67,193**	**8,471**	**75,664**
Finance cost recognised	**(8,069)**	**(1,586)**	**(9,655)**
As 31 March 2025	**(88,830)**	**(29,708)**	**(118,538)**

Note: The cash flows represent the proceeds from borrowings, repayments of borrowings, repayments of lease liabilities and interests paid for borrowings and lease liabilities in consolidated statement of cash flows.

30. SHARE CAPITAL OF THE COMPANY

Details of authorised and issued share capital of the Company are as follows:

	Number of shares		
	Ordinary	Total	USD
Authorised			
1 January 2023, 31 March 2024, 1 April 2024 and 31 March 2025	50,000,000,000	50,000,000,000	50,000

	Number of shares			
	Ordinary	Total	USD	RMB
Issued				
As at 1 January 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,690,914,000	1,690,914,000	1,691	11,366

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in Note 28, net of bank balances and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure regularly and consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance the overall capital structure through new share issues and financing through new borrowings.

32. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	31 March 2025 RMB'000	31 March 2024 RMB'000
Financial asset:		
Financial assets at FVTPL	**163,590**	184,550
Financial assets at FVTOCI	**199,550**	181,653
Financial assets at amortised cost	**571,376**	462,761
Financial liabilities:		
Financial liabilities at amortised cost	**453,300**	513,488

Financial risk management objectives and policies

The Group's major financial instruments include financial asset at FVTPL, financial assets at FVTOCI, trade and other receivables, fixed bank deposits, bank balances, trade, bills and other payables, deposits from finance lease customers and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group has certain bank balances denominated in foreign currencies, i.e. currencies other than the functional currency of the subsidiaries of the Company, which expose the Group to currency risk. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The Group is mainly exposed to the currency risk arising from HKD and USD.

The carrying amounts of the Group's foreign currency dominated monetary assets at the end of the reporting period are as follows:

	Assets	
	31 March 2025 RMB'000	31 March 2024 RMB'000
HKD	**64,764**	58,216
USD	**4,341**	48,717

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Currency risk *(Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the relevant foreign currencies against RMB. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit and other equity where HKD and USD strengthen 5% (2024: 5%) against the RMB. For a 5% (2024: 5%) weakening of HKD and USD against the RMB, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

The table below indicates impacts on post-tax profit or loss and equity of a 5% (2024: 5%) appreciation or depreciation of all other currencies against RMB, respectively.

	HKD		USD	
	For the year ended 31 March 2025	For the fifteen months ended 31 March 2024	**For the year ended 31 March 2025**	For the fifteen months ended 31 March 2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Profit or loss				
5% appreciation	**2,429**	2,183	**163**	1,827
5% depreciation	**(2,429)**	(2,183)	**(163)**	(1,827)
Equity				
5% appreciation	**2,429**	2,183	**163**	1,827
5% depreciation	**(2,429)**	(2,183)	**(163)**	(1,827)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year/period.

Interest rate risk

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing market interest rates on floating-rate finance lease receivables (Note 18), floating-rate bank balances (Note 24) and floating-rate borrowings (Note 28). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and SOFR and PBOC rate arising from the Group's HKD and RMB denominated finance lease receivables.

The Group is exposed to fair value interest rate risk in relation to fixed-rate finance lease receivables, fixed-rate pledged bank balance, fixed-rate short-term loan receivables (included in trade and other receivables), bills payables, deposits from customers and bank and other borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate levels and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Interest rate risk *(Continued)*

The Group's exposure to cash flow interest rate risk in relation to bank balances and floating-rate borrowings is minimal.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable-rate finance lease receivables and variable-rate borrowings. The analysis is prepared assuming the amount of variable-rate finance lease receivables and variable-rate borrowings that were outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (31 March 2024: 50 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from floating-rate bank balances is insignificant.

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Impact on profit after tax		
+50 basis point	**1,418**	1,877
–50 basis point	**(1,418)**	(1,877)

Credit risk

Private higher education business

The Group's exposure to credit risk mainly arises from granting credit to students for tuition and boarding fee, and from third party for other education services.

All of the Group's trade and other receivables have no collateral. The Group assessed the credit quality of the counterparties by taking into account their financial position, credit history, forward-looking information and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

Finance lease business

The Group's credit risk is primarily the risk of the lessee unable to meet its contractual obligations. The Group's main income generating activity is supplying finance leasing service to customers and therefore credit risk is a principal risk. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Finance lease business *(Continued)*

Credit risk management

The Group's risk management department is responsible for managing the Group's credit risk by:

- Ensuring that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS and relevant supervisory guidance.

- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from lessees, to perform robust ongoing credit assessment of lessees and to continually monitor exposures against internal risk limits.

- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location etc.

- Developing and maintaining the Group's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.

- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.

- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

- Establishing a sound credit risk accounting assessment and measurement process that provides it with tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Internal credit risk ratings

In order to minimise credit risk, the Group has tasked its risk management department to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of lessee are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. When the credit risk increases, the credit risk grades may be changed and result in the increase of the risk of default. Each counterparty is categorised to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect latest information. The monitoring procedures followed are both general and tailored to the type of exposure.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Finance lease business *(Continued)*

Internal credit risk ratings (Continued)

The following data are typically used to monitor the Group's exposures:

- Payment record, including payment ratios and ageing analysis;
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For corporate exposures: information obtained by periodic review of customer files including audited financial statements, market data etc.

The Group uses credit risk grades as a primary input into the determination of the term structure of the probability of default ("PD") for exposures. The Group gathers performance and default information about lessees' credit risk exposures, with reference to the regions and the type of equipment under finance lease arrangement.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit risk are effective, meaning that significant increase in credit risk is identified when the asset becomes 30 days past due. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group uses external information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities, such as gross domestic product growth rates, unemployment rates and inflation rates, etc.

Measurement of ECL

The key inputs used for measuring ECL are PD, loss given default ("LGD") and exposure at default ("EAD").

As explained above, these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Finance lease business *(Continued)*

Measurement of ECL (Continued)

PD is an estimate of the probability of default over a given time horizon. It is estimated as at a point in time. 12-month PD calculation is based on external rating and internal rating models, developed by the Group, in which the Group assessed using rating tools tailored to the various categories of counterparties and exposures. These internal rating models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors, and further adjusted to take into account estimates of future conditions that will impact 12-month PD. Life time PD is calculated on the basis of 12-month PD as well as considering the contractual maturities of risk exposures and the marginal default probability.

LGD is an estimate of the loss arising on default. It is determined based on the current practical experiences generally used in the financial industry by considering the factors including but not limited to the fair value of collaterals obtained or deposits received, and further adjusted to take into account estimated future conditions.

EAD is an estimate of the exposure at a future default date, representing future repayments of principal and interest and deposits.

Significant increase in credit risk

As explained in Note 3, the Group monitors all financial assets (including trade and other receivables, bank balances and finance lease receivables) that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12m ECL.

Finance lease receivables

The Group manages, limits, and controls the concentration of credit risks and, as far as possible, avoids risks concentration on single lessee, industry or region. The Group's finance lease receivables analysed by industry sectors that the customers are in are as follows:

	31 March 2025		31 March 2024	
	Amount *RMB'000*	**Proportion** *%*	Amount *RMB'000*	Proportion *%*
Public infrastructure	**721,112**	**55.62**	860,052	69.19
Healthcare	**258,997**	**19.98**	98,873	7.96
Aviation	**289,430**	**22.33**	263,758	21.22
Others	**26,900**	**2.07**	20,272	1.63
	1,296,439	**100.00**	1,242,955	100.00

The Group manages customer limits to optimise the credit risk structure. The Group performs pre-project analysis of the lessee's ability to repay principal and interest, real-time supervision of the lessee's actual repayment status during the project to manage credit risks.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Finance lease receivables *(Continued)*

Relevant information with regard to the exposure of credit risk and ECL for finance lease receivables as at 31 March 2025 and 31 March 2024 are set out in Note 18.

Other specific management and mitigation measures include:

(a) Guarantee

The Group has developed a series of policies to mitigate credit risk, including obtaining collateral/pledge, security deposit and guarantee from an enterprise or individual.

According to the characteristics of the finance lease, the Group has the ownership of the asset under the finance lease during the lease term. The Property Law of PRC stipulates the four powers and functions of ownership: possession, usage, benefit and punishment; it also stipulates that the owner has the right to establish usufructuary right and security interest over his own realty or chattel. Therefore, the Property Law protects the Group's effective rights. In the event of default, the Group is entitled to retrieve the asset.

In addition, the Group requests a third party guarantee or collateral from certain lessees, depending on the lessee's credit status and credit risk degree of the finance lease. The management evaluates the capability of the guarantor, the ownership and value of the mortgage and pledge and the feasibility of realising the mortgage and pledge.

(b) Insurance on the asset of the finance lease

For finance lease, the ownership of the underlying asset belongs to the Group before the expiry of the lease, but the risks and rewards in operational use and maintenance have been transferred to the lessee. Therefore, if any accidents occur to the asset, the lessee should immediately report them to the insurance company and notify the Group, provide accident report with relevant documents and settle claims with the insurance company.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group's trade receivables mainly represents the trade receivables from students for tuition and boarding fee, third parties for other services.

For the trade receivables from third parties, the counterparties are due from a number of individual students and corporate and management considers the credit risk is not high. The Group maintains frequent communications with the counterparties. Management has closely monitored the credit qualities and the collectability of these receivables and considers that the expected credit risks of them are minimal in view of the history of cooperation with them and supportable forward-looking information.

The management writes off trade receivables when there is no reasonable expectations of recovering the trade receivables. The management assesses the expected loss rate every year. The expected credit losses were assessed to be minimal at the end of the 31 March 2025.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Trade receivables *(Continued)*

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100% of the total trade receivable as at 31 March 2025. The concentration of credit risk is limited due to the student base being large and unrelated.

Bank balances

Bank balances are determined to have low credit risk at as 31 March 2025 and 31 March 2024. The credit risk on bank balances is limited because the counterparties are reputable banks, and the risk of inability to pay or redeem at the due date is low. The expected credit losses were assessed to be minimal as at 31 March 2025 and 31 March 2024.

Other receivables

The directors of the company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year/period ended 31 March 2025 and 31 March 2024. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. Especially the following indicators are incorporated:

- Internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of the counterparty and change in the operating results of the counterparty.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's exposure to credit risk

In order to minimise credit risk, the Group has maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is drawn from the Group's own trading records to rate its customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

Other receivables *(Continued)*

The Group's exposure to credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL — not credit-impaired
Default	Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The Group regularly reviews the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for forward-looking macroeconomic data.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk *(Continued)*

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The tables have been prepared using the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay. The maturity dates for other non-derivative financial liabilities and lease liabilities are based on the agreed repayment dates. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	31 March 2025							
	Weighted average effective interest rate	Less than 1 month	1 to 3 month	4 to 12 months	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities								
Trade, bills and other payables (exclude consideration payable)	—	35,902	24,825	62,447	—	—	123,174	123,174
Consideration payable	—	—	—	109,400	56,600	—	166,000	166,000
Deposits from finance lease customers	1.75%	14,245	5,625	2,911	62,996	—	85,777	75,296
Borrowings	7.30%	1,350	6,782	19,233	65,622	—	92,987	88,830
Total		51,497	37,232	193,991	185,218	—	467,938	453,300
Lease liabilities	4.59%	117	348	6,828	21,428	5,300	34,051	29,708

	31 March 2024						
	Weighted average effective interest rate	Less than 1 month	1 to 3 month	3 to 12 months	1 to 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities							
Trade, bills and other payables (exclude consideration payable)	—	—	93,343	20,063	—	113,406	113,406
Consideration payable	4.82%	—	—	167,695	—	167,695	163,379
Deposits from finance lease customers	3.62%	18,680	4,987	9,580	67,942	101,189	88,749
Borrowings	5.95%	4,283	16,036	65,194	85,625	171,138	147,954
Total		22,963	114,366	262,532	153,567	553,428	513,488
Lease liabilities	4.59%	127	368	8,086	34,050	42,631	36,593

32. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk *(Continued)*

The amounts included above arise from variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instrument that is measured at fair value at the end of each reporting period for recurring measurement, grouped into Level 1 and 2 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	31 March 2025		31 March 2024	
	Level 1	**Level 2**	Level 1	Level 2
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Financial assets at FVTPL				
Listed bond investment	**163,590**	**—**	184,550	—
Financial assets at FVTOCI				
Unlisted funds	**—**	**199,550**	—	181,653

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

Financial instrument	Fair value hierarchy	**Fair value as at 31 March 2025** ***RMB'000***	Fair value as at 31 March 2024 *RMB'000*	Valuation technique and key inputs
Listed bond investment	Level 1	**163,590**	184,550	Quoted bid prices in an active market
Unlisted funds	Level 2	**199,550**	181,653	Quoted prices from fund administrators

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

33. 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 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	*note 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	*note ii*
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	*note iii*

Notes:

(i) One of the key management of Nanshan Group is Mr. Song Jianbo, whose wife 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 and Ms. Lv Shuling ("Ms. Lv"). Ms. Sui is the daughter-in-law of Mr. Song Zuowen and Ms. Lv.

(iii) Nanshan Development is wholly owned by Mr. Song Zuowen, Nanshan Group and Ms. Sui.

33. RELATED PARTY TRANSACTIONS *(Continued)*

Transactions with related parties

During the year/period, group entities entered into the following transactions with related parties that are not members of the Group:

	Notes	**For the year ended 31 March 2025** *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Nanshan Group and its subsidiaries:			
— Finance lease income generated from	*vii*	**61,596**	87,537
— Rental expense paid to	*i*	**843**	1,140
— College operating services received	*ii, vii*	**53,686**	8,732
— Education services provided	*iii, vii*	**1,864**	264
— Purchase of inventories	*iv*	**1,051**	3,895
— Purchase of property and equipment	*iv*	**658**	—
— Sales of property and equipment	*vi*	**21**	278
— Interest expense on lease liabilities	*v*	**1,410**	1,992
Longkou Nanshan and its subsidiaries:			
— College operating services received	*ii, vii*	**15,902**	40,759
— Education services provided	*iii, vii*	**94**	458
— Sales of property and equipment	*vi*	**—**	387
— Purchase of inventories	*iv*	**3,244**	5,034
Nanshan Development and its subsidiaries:			
— Purchase of property and equipment	*iv*	**—**	9,886
— Sales of property and equipment	*vi*	**—**	2
— College operating services received	*ii, vii*	**—**	15,426
— Education services provided	*iii, vii*	**—**	30

Notes:

(i) During the year/period ended 31 March 2025 and 31 March 2024, the Group entered into 1-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 purchase of inventories and property and equipment were made according to the mutually agreed terms.

(v) The interest on lease liabilities was charged at rates 4.65% (2024: 4.65%) per annum.

(vi) The sales of property and equipment were made according to the mutually agreed terms.

(vii) Some of these transactions are regarded as disclosable continuing connected transactions, pursuant to Chapter 14A of the Listing Rules. The disclosures regarded by Chapter 14A of the Listing Rules are disclosed in the annual report.

33. RELATED PARTY TRANSACTIONS *(Continued)*

Transactions with related parties *(Continued)*

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 31 March 2025, the carrying amount of such lease liabilities is approximately RMB27,540,000 (31 March 2024: RMB31,067,000). During the year ended 31 March 2025, the Group made lease payment of RMB5,300,000 (31 March 2024: RMB5,300,000) to the related companies.

Finance lease receivables from related parties

	For the year ended 31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Nanshan Group and its subsidiaries	**714,295**	805,372

Compensation of key management personnel

The remunerations of key management personnel of the Group during the year/period were as follows:

	31 March 2025 *RMB'000*	For the fifteen months ended 31 March 2024 *RMB'000*
Basic salary, allowances and other benefit	**6,077**	9,305
Employer's contribution to pension schemes	**454**	739
	6,531	10,044

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

34. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

34. RETIREMENT BENEFITS PLANS *(Continued)*

As stipulated by rules and regulations in the PRC, the Group in the PRC is required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

The total expense recognised in profit or loss of RMB41,131,000 for the year ended 31 March 2025 (2024: RMB41,620,000) contributions payable to these plans by the Group at rates specified in the rules of the plans. All contributions due in respect of the years ended have been paid to the plans.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

35.1 General information of subsidiaries

Details of the principal subsidiaries with limited liability directly and indirectly held by the Company as at 31 March 2025 and 31 March 2024 are set out below:

Name of subsidiary	Place of incorporation/ establishment and place of operation	Class of shares held	Issued share/ paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Group				Principal activities
				31 March 2025		31 March 2024		
				Direct	**Indirect**	Direct	Indirect	
World Alliance Co., Ltd,	BVI	Ordinary shares	USD105,000,001	**100%**	**—**	100%	—	Investment holding
Hong Kong Alliance Financial Leasing Co., Ltd	Hong Kong	Ordinary shares	HK$813,750,001	**—**	**100%**	—	100%	Investment holding
Baoqing Alliance Ltd	BVI	Ordinary shares	USD50,000	**—**	**100%**	—	100%	Finance leasing
Baoying Alliance Ltd	BVI	Ordinary shares	USD50,000	**—**	**100%**	—	100%	Finance leasing
Nanshan Financial Leasing (Tianjin) Co., Ltd *(note i)*	Tianjin, PRC	Ordinary shares	USD132,033,065	**—**	**100%**	—	100%	Finance leasing
Beijing Nanshan Jinchuang Information Consulting Co., Ltd. *(note ii)*	Beijing, PRC	Ordinary shares	RMB2,000,000	**—**	**100%**	—	100%	Consulting
Tianjin Rongjin Enterprise Management & Consulting Co., Ltd *(note ii)*	Tianjin, PRC	Ordinary shares	RMB2,000,000	**—**	**100%**	—	100%	Consulting
深圳建信德信息諮詢有限公司 *(note ii)*	Shenzhen, PRC	Ordinary shares	RMB1,000,000	**—**	**100%**	—	100%	Finance leasing
友聯國際融資租賃(深圳)有限公司 *(note ii)*	Shenzhen, PRC	Ordinary shares	HK$330,000,000	**—**	**100%**	—	100%	Finance leasing
New River Ventures Limited	BVI	Ordinary shares	USD1	**100%**	**—**	100%	—	Investment holding
Cheer Manor Limited	Hong Kong	Ordinary shares	HKD 1	**—**	**100%**	—	100%	Investment holding
龍口智民教育諮詢服務有限公司 *(notes ii)*	Shandong, PRC	Ordinary shares	RMB1,000,000	**—**	**100%**	—	100%	Investment holding
Yantai Nanshan University *(notes iii)*	Shandong, PRC	Ordinary shares	RMB200,000,000	**—**	**70%**	—	70%	Private higher education
Leading Elite International Limited	BVI	Ordinary shares	USD1	**100%**	**—**	100%	—	Finance leasing
Union Shipping Fund I L.P. *(note iv)*	Cayman Island	*note iv*	*note iv*	**—**	**86%**	—	86%	Equity Investment

The directors are of the opinion that a complete list of subsidiaries of the Company will be of excessive length and therefore the above list contains only the particulars of subsidiaries which principally affects the results or assets of the Group.

None of the subsidiaries had issued any debt securities as at the end of the year/period.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

35.1 General information of subsidiaries *(Continued)*

Notes:

i) The company is a wholly foreign owned enterprise established in the PRC with limited liability under PRC law.

ii) These companies are corporate-owned enterprises established in the PRC with foreign investment with limited liability under PRC law.

iii) The subsidiary is a university established in the PRC.

iv) The Group holds certain financial interests in such limited partnership and acts as its general partner to exercise control over its operations according to the partnership agreement. The Group's financial interests in the limited partnership expose the Group to significant variable return and such partnership is regarded as a consolidated structured entity of the Group. The effective equity interest in the subsidiary represents the equity interest held directly or indirectly by the Group. During the period ended 31 March 2024, RMB17,468,000 was injected by a limited partner as non-controlling interest.

35.2 Details of non wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		For the year ended 31 March 2025	For the fifteen months ended 31 March 2024	**For the year ended 31 March 2025**	For the fifteen months ended 31 March 2024	**For the year ended 31 March 2025**	For the fifteen months ended 31 March 2024
				RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Yantai Nanshan University	Shangdong, PRC	**30%**	30%	**35,922**	42,763	**437,409**	401,487
Individually immaterial subsidiaries with non-controlling interest				**875**	(117)	**18,406**	17,531
				36,797	42,646	**455,815**	419,018

Summarised financial information in respect of each of the Group's non wholly-owned subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

35.2 Details of non wholly-owned subsidiaries that have material non-controlling interests *(Continued)*

	Yantai Nanshan University	
	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Current assets	**412,393**	484,471
Non-current assets	**1,504,032**	1,263,934
Current liabilities	**(434,817)**	(380,756)
Non-current liabilities	**(23,578)**	(29,359)
Equity attributable to owners of the Company	**1,020,621**	936,803
Non-controlling interests	**437,409**	401,487

	Yantai Nanshan University	
	For the year ended 31 March 2025 ***RMB'000***	For the fifteen months ended 31 March 2024 *RMB'000*
Revenue	**558,092**	603,318
Profit for the year/period	**119,740**	142,543
Profit attributable to owners of the Company	**83,818**	99,780
Profit attributable to the non-controlling interests	**35,922**	42,763
Profit for the year/period	**119,740**	142,543

36. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB5,224,000 (2025: nil), in respect of new lease arrangement for dormitories for students.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	31 March 2025 RMB'000	31 March 2024 RMB'000
Non-current assets			
Interest in subsidiaries		**924,820**	924,820
Right-of-use assets		**322**	1,723
Equipment		**11**	20
		925,153	926,563
Current assets			
Prepayment and other receivables		**479**	2,490
Amounts due from subsidiaries	*(a)*	**914,698**	828,233
Bank balances		**14,433**	96,334
		929,610	927,057
Current liabilities			
Other payables		**2,012**	3,321
Lease liabilities		**349**	1,351
Amounts due to subsidiaries	*(a)*	**163,623**	155,025
		165,984	159,697
Net current assets		**763,626**	767,360
Total assets less current liabilities		**1,688,779**	1,693,923
Capital and reserves			
Share capital		**11**	11
Reserves		**1,688,768**	1,693,562
Total equity		**1,688,779**	1,693,573
Non-current liability			
Lease liabilities		**—**	350
		1,688,779	1,693,923

Note:

(a) The amounts due from (to) subsidiaries are unsecured, interest-free and repayable on demand.

Movement in the Company's reserves

	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	1,803,611	(107,441)	1,696,170
Loss and total comprehensive expense for the period	—	(2,608)	(2,608)
At 31 March 2024 and 1 April 2024	**1,803,611**	**(110,049)**	**1,693,562**
Loss and total comprehensive expense for the year	**—**	**(4,794)**	**(4,794)**
At 31 March 2025	**1,803,611**	**(114,843)**	**1,688,768**

SUMMARY OF FINANCIAL INFORMATION

Key profit or loss items *(RMB thousand)*	**For the year ended 31 March 2025**	Period from 1 January 2023 to 31 March 2024	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
Revenue	**734,760**	811,782	368,796	231,843	248,046
Finance cost	**(19,441)**	(53,841)	(76,984)	(89,793)	(128,821)
Profit before income tax	**131,533**	305,969	415,019	122,856	12,817
Profit for the year/period	**63,060**	182,756	372,120	78,899	16,610

Key statement of financial position items *(RMB thousand)*	**For the year ended 31 March 2025**	Period from 1 January 2023 to 31 March 2024	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
Non-current assets	**2,670,920**	2,527,054	2,341,487	1,092,093	1,495,892
Current assets	**1,104,101**	1,152,293	1,833,159	1,344,441	1,613,614
Current liabilities	**686,780**	718,191	1,269,519	360,500	1,165,533
Total equity	**2,897,905**	2,801,006	2,597,960	1,273,474	1,195,450
Non-current liabilities	**190,336**	160,150	307,167	802,560	748,523

Return to shareholders	**For the year ended 31 March 2025**	Period from 1 January 2023 to 31 March 2024	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
Return on total assets *(Note 1)*	**1.7%**	5.0%	8.9%	3.2%	0.5%
Return on equity *(Note 2)*	**2.2%**	6.5%	14.3%	6.2%	1.4%
Earnings per share					
— Basic (RMB Yuan per share)	**0.0155**	0.0829	0.2388	0.0526	0.0111

Notes:

1. From year 2021, return on total assets is derived from dividing profit for the year by total assets as at the end of the year and multiplied by 100%. For year 2020 and before, return on total assets is derived from dividing profit for the year by the average of total assets as at the beginning and the end of the year and multiplied by 100%.

2. From year 2021, return on equity is derived from dividing profit for the year by total equity as at the end of the year and multiplied by 100%. For year 2020 and before, return on equity is derived from dividing profit for the year by the average of total equity as at the beginning and the end of the year and multiplied by 100%.