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ALLIANCE INTERNATIONAL EDUCATION LEASING HOLDINGS LIMITED

友聯國際教育租賃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1563)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2026**

FINANCIAL HIGHLIGHTS

- For the year ended 31 March 2026, profit for the year amounted to approximately RMB61.3 million, as compared with the profit of approximately RMB63.1 million for the year ended 31 March 2025.
- For the year ended 31 March 2026, revenue amounted to approximately RMB753.6 million, representing an increase of approximately 2.6% as compared with that of approximately RMB734.8 million for the year ended 31 March 2025.
- For the year ended 31 March 2026, profit before tax amounted to approximately RMB88.2 million, compared with the profit before tax of approximately RMB131.5 million for the year ended 31 March 2025.
- As at 31 March 2026, total assets amounted to approximately RMB3,746.6 million, representing a decrease of approximately 0.8% as compared with that of approximately RMB3,775.0 million as at 31 March 2025.
- As at 31 March 2026, total shareholders' equity amounted to approximately RMB2,939.4 million, representing an increase of approximately 1.4% as compared with that of approximately RMB2,897.9 million as at 31 March 2025.
- For the year ended 31 March 2026, the return on equity was approximately 2.1%.
- For the year ended 31 March 2026, the return on total assets was approximately 1.6%.

The board (the “**Board**”) of directors (the “**Directors**”) of Alliance International Education Leasing Holdings Limited (the “**Company**”) is pleased to present the results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026 (the “**Reporting Period**” or the “**year**”) and the comparative figures for the year ended 31 March 2025 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	<i>Notes</i>	Year ended 31 March 2026 RMB’000	Year ended 31 March 2025 RMB’000
Revenue	4	753,643	734,760
Cost of services		(458,634)	<u>(423,434)</u>
Gross profit		295,009	311,326
Other income, gains or losses	5	(11,272)	77,940
Selling and distribution expenses		(16,696)	(19,206)
Administrative expenses		(116,469)	(102,822)
Finance costs	6	(12,614)	(19,441)
Provision of impairment losses recognised on financial assets, net	7	(49,732)	<u>(116,264)</u>
Profit before tax	8	88,226	131,533
Income tax expense	9	(26,928)	<u>(68,473)</u>
Profit for the year		61,298	<u>63,060</u>
Other comprehensive income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Net fair value gain on financial assets at fair value through other comprehensive income		<u>—</u>	<u>17,897</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(19,784)	<u>15,942</u>
Other comprehensive (expense)/income for the year		(19,784)	<u>33,839</u>
Total comprehensive income for the year		41,514	<u>96,899</u>

	Year ended 31 March 2026	Year ended 31 March 2025
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year attributable to:		
Owners of the Company	44,862	26,263
Non-controlling interests	16,436	36,797
	<u>61,298</u>	<u>63,060</u>
Total comprehensive income for the year		
Owners of the Company	25,078	60,102
Non-controlling interests	16,436	36,797
	<u>41,514</u>	<u>96,899</u>
Earnings per share (Expressed in RMB Yuan per share)		
Basic and diluted	<i>11</i> <u>0.0265</u>	<u>0.0155</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

		31 March 2026	31 March 2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property and equipment	<i>12</i>	935,564	981,337
Right-of-use assets	<i>13</i>	405,383	421,380
Intangible assets		18,734	27,176
Finance lease receivables	<i>14</i>	738,517	681,484
Financial assets at fair value	<i>17</i>	171,777	199,550
Other receivables	<i>15</i>	7,014	5,791
Deferred tax	<i>16</i>	54,785	57,896
Fixed bank deposits	<i>18</i>	245,000	270,000
Deposits for acquisition of property and equipment	<i>15</i>	—	26,306
		<u>2,576,774</u>	<u>2,670,920</u>
Current assets			
Inventories		2,730	1,270
Finance lease receivables	<i>14</i>	607,024	614,955
Financial assets at fair value	<i>17</i>	146,005	163,590
Trade and other receivables	<i>15</i>	82,041	263,420
Bank balances	<i>18</i>	332,011	60,866
		<u>1,169,811</u>	<u>1,104,101</u>
Current liabilities			
Trade, bills and other payables	<i>19</i>	244,426	280,639
Deposits from finance lease customers	<i>14</i>	41,314	30,602
Lease liabilities		6,229	6,130
Contract liabilities	<i>20</i>	248,004	241,166
Income tax payables		107,431	99,470
Deferred income	<i>21</i>	1,217	1,855
Borrowings	<i>22</i>	62,985	26,918
		<u>711,606</u>	<u>686,780</u>
Net current assets		<u>458,205</u>	<u>417,321</u>
Total assets less current liabilities		<u><u>3,034,979</u></u>	<u><u>3,088,241</u></u>

		31 March 2026 RMB'000	31 March 2025 RMB'000
	<i>Notes</i>		
Capital and reserves			
Share capital		11	11
Reserves		2,467,157	2,442,079
		<hr/>	<hr/>
Equity attributable to owners of the Company		2,467,168	2,442,090
Non-controlling interests		472,251	455,815
		<hr/>	<hr/>
Total equity		2,939,419	2,897,905
		<hr/>	<hr/>
Non-current liabilities			
Deposits from finance lease customers	<i>14</i>	13,281	44,694
Lease liabilities		20,665	23,578
Other payables	<i>19</i>	56,600	56,600
Deferred income	<i>21</i>	255	3,111
Borrowings	<i>22</i>	4,318	61,912
Deferred tax liabilities	<i>16</i>	441	441
		<hr/>	<hr/>
		95,560	190,336
		<hr/>	<hr/>
		3,034,979	3,088,241
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

2. 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 2025:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IAS 21 in the current year has had no material effect on the Group’s financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

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 ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ 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. SEGMENT INFORMATION

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

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

1. Private higher education services — provision of tuition services, student accommodation services and other education services; and
2. Finance and operating leasing — provision of sale-leaseback and direct finance leasing services and rendering vessel chartering.

Segment revenue and results

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

For the year ended 31 March 2026

	Private higher education services <i>RMB'000</i>	Finance and operating leasing <i>RMB'000</i>	Total <i>RMB'000</i>
REVENUE			
External sales	<u>593,021</u>	<u>160,622</u>	<u>753,643</u>
Segment profit	<u>94,854</u>	<u>2,231</u>	97,085
Unallocated other income, gains or losses			177
Unallocated administrative expenses			(8,892)
Unallocated finance costs			<u>(144)</u>
Profit before tax			<u><u>88,226</u></u>

For the year ended 31 March 2025

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

4. REVENUE

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

		Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by services lines			
Tuition fees	<i>a</i>	539,452	510,950
Boarding fees	<i>a</i>	50,000	47,142
Other education service fees	<i>b</i>	3,569	4,071
		593,021	562,163
Revenue from other source			
Finance lease services		97,683	111,901
Operating lease rental income		62,939	60,696
		753,643	734,760

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

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Timing of revenue recognition		
Over time	593,021	562,163

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

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

5. OTHER INCOME, GAINS OR LOSSES

	Year ended 31 March 2026 <i>RMB'000</i>	Year ended 31 March 2025 <i>RMB'000</i>
Government grants (<i>Note</i>)	4,739	494
Net exchange (losses)/gains, net	(6,891)	12,139
Rental income	4,018	13,267
Loss on fair value change of financial assets at fair value	(28,330)	—
Sales of education materials	(2,902)	(4,013)
Investment and interest income	14,084	52,632
Loss on disposal of property and equipment	(105)	(78)
Others	4,115	3,499
	<u>(11,272)</u>	<u>77,940</u>

Note: Subsidies of approximately RMB4,739,000 (2025: RMB494,000) from the local governments are to support private higher education businesses for the year ended 31 March 2026. The government grants are one-off in nature with no specific conditions.

6. FINANCE COSTS

	Year ended 31 March 2026 <i>RMB'000</i>	Year ended 31 March 2025 <i>RMB'000</i>
Interest expense on:		
— Borrowings	5,790	8,069
— Imputed interest on deposits from finance lease customers	5,384	7,165
— Imputed interest on consideration payable	—	2,621
— Lease liabilities	1,440	1,586
	<u>12,614</u>	<u>19,441</u>

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

	Year ended 31 March 2026 <i>RMB'000</i>	Year ended 31 March 2025 <i>RMB'000</i>
(Provision)/reversal of impairment losses recognised on:		
Finance lease receivables	(332)	47,302
Other receivables	(49,400)	(163,566)
	<u>(49,732)</u>	<u>(116,264)</u>

8. PROFIT BEFORE TAX

	Year ended 31 March 2026 <i>RMB'000</i>	Year ended 31 March 2025 <i>RMB'000</i>
Profit before tax has been arrived at after charging:		
Directors' remuneration	5,636	5,859
Salaries, bonus and other employee benefits	223,656	215,789
Retirement benefits schemes contributions	41,997	40,710
	<u>271,289</u>	<u>262,358</u>
Total staff costs		
Auditor's remuneration	1,197	1,400
Depreciation of property and equipment	133,519	84,741
Depreciation of right-of-use assets	20,520	20,221
Amortisation of intangible assets	9,523	9,541
	<u>164,759</u>	<u>135,903</u>

9. INCOME TAX EXPENSE

	Year ended 31 March 2026 <i>RMB'000</i>	Year ended 31 March 2025 <i>RMB'000</i>
Current income tax		
PRC Enterprise Income Tax ("EIT")	27,752	48,629
Overprovision in prior years		
PRC EIT	(3,935)	—
Deferred income tax expense (<i>Note 16</i>)	3,111	19,844
	<u>26,928</u>	<u>68,473</u>

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026, nor has any dividend been proposed since the end of the Reporting Period (2025: nil).

11. EARNINGS PER SHARE

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

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Profit for the year attributable to the owners of the Company	<u>44,862</u>	<u>26,263</u>
Number of shares Weighted average number of shares in issue ('000)	<u>1,690,914</u>	<u>1,690,914</u>

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the years ended 31 March 2026 and 2025.

12. PROPERTY AND EQUIPMENT

Property and equipment consist of (i) property and buildings, (ii) education equipment, (iii) furniture and other equipment, (iv) motor vehicles, and (v) vessels and the carrying amounts at 31 March 2026 are (i) RMB705,308,000, (ii) RMB49,819,000, (iii) RMB37,335,000, (iv) RMB1,062,000 and (v) RMB142,040,000 (31 March 2025: (i) RMB710,814,000, (ii) RMB50,658,000, (iii) RMB17,417,000, (iv) RMB4,695,000 and (v) RMB197,753,000) respectively.

13. RIGHT-OF-USE ASSETS

	31 March 2026 RMB'000	31 March 2025 RMB'000
Land use rights	377,007	389,933
Buildings	25,746	31,125
Office	<u>2,630</u>	<u>322</u>
	<u>405,383</u>	<u>421,380</u>

14. FINANCE LEASE RECEIVABLES AND DEPOSITS FROM FINANCE LEASE CUSTOMERS

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 2026 RMB'000	31 March 2025 RMB'000
Amounts receivable under finance leases		
Within 1 year	763,410	871,293
After 1 year but within 2 years	406,132	458,205
After 2 years but within 3 years	171,040	162,657
After 3 years but within 4 years	23,424	29,409
After 4 years but within 5 years	22,828	28,727
After 5 years	382,245	212,824
	<hr/>	<hr/>
Gross investment in leases	1,769,079	1,763,115
Less: unearned finance income	(201,327)	(246,236)
	<hr/>	<hr/>
Present value of minimum lease payment receivables	1,567,752	1,516,879
Less: allowance for impairment losses	(222,211)	(220,440)
	<hr/>	<hr/>
	1,345,541	1,296,439
	<hr/> <hr/>	<hr/> <hr/>
Analysed for reporting purposes as:		
Current assets	607,024	614,955
Non-current assets	738,517	681,484
	<hr/>	<hr/>
	1,345,541	1,296,439
	<hr/> <hr/>	<hr/> <hr/>

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

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Finance income on the net investment in finance lease	97,683	107,466
	<hr/>	<hr/>

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

The average term of finance leases entered into ranged from 3 to 11 years (31 March 2025: ranged from 3 to 9 years).

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

	31 March 2026			
	Individual provision as 12-month ECL (“12m ECL”) RMB’000	Individual provision as lifetime ECL not credit-impaired RMB’000	Individual provision as lifetime ECL credit-impaired RMB’000	Total RMB’000
As at 1 April 2025	43,621	—	176,819	220,440
Changes due to finance lease receivables recognised in the opening balance that have:				
Transferred to Lifetime ECL (“Lifetime ECL”) credit-impaired	299	—	(299)	—
Provided/(reversal) for the year, net (Note)	11,195	—	(10,863)	332
Foreign currency translation	—	—	1,439	1,439
As at 31 March 2026	<u>55,115</u>	<u>—</u>	<u>167,096</u>	<u>222,211</u>
Expected loss rate	<u>4.67%</u>	<u>N/A</u>	<u>43.09%</u>	<u>14.17%</u>
	31 March 2025			
	Individual provision 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
As at 31 March 2025	<u>43,621</u>	<u>—</u>	<u>176,819</u>	<u>220,440</u>
Expected loss rate	<u>4.41%</u>	<u>N/A</u>	<u>33.48%</u>	<u>14.53%</u>

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

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

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

	31 March 2026			31 March 2025		
	Present value of finance lease receivables <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Present value of finance lease receivables <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
12m ECL	1,179,997	(55,115)	1,124,882	988,690	(43,621)	945,069
Lifetime ECL credit-impaired <i>(Note b)</i>	387,755	(167,096)	220,659	528,189	(176,819)	351,370
	<u>1,567,752</u>	<u>(222,211)</u>	<u>1,345,541</u>	<u>1,516,879</u>	<u>(220,440)</u>	<u>1,296,439</u>

Notes:

- (a) The Group presumes that the credit risk on a finance lease receivable has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has transferred the 12m ECL of finance lease receivables into lifetime ECL not credit-impaired when contractual payments are past due more than 30 days and within 90 days.
- (b) When contractual payments are past due more than 90 days, the Group comprehensively considers the value of underlying assets, current and forecasts of general economic conditions of the industry in which the lessees operate and assessment of the ability of the lessees to fulfill their contractual cash flow obligations, to determine whether the finance lease receivables are credit-impaired. The Group has transferred the lifetime ECL not credit-impaired finance lease receivables into lifetime ECL credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that finance lease receivables have occurred.

- (iv) Deposits from finance lease customers are used for security purposes. Deposits from finance lease contracts are refundable to customers in full by 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 2026 RMB'000	31 March 2025 RMB'000
The amounts of deposits from finance lease customers	<u>54,595</u>	<u>75,296</u>
Analysed for reporting purposes as:		
Current liabilities	41,314	30,602
Non-current liabilities	<u>13,281</u>	<u>44,694</u>
	<u>54,595</u>	<u>75,296</u>

- (v) As at 31 March 2026 and 2025, the annual internal rate of return and average yield of finance lease receivables are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Annual internal rate of return	5.20%~8.46%	5.20%~8.00%
Average annual internal rate of return	<u>6.83%</u>	<u>6.23%</u>

- (vi) As at 31 March 2026 and 2025, the carrying amounts of floating rate of return finance lease receivables and fixed rate of return finance lease receivables are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Analysed for reporting purposes as:		
Floating rate of return	257,225	273,720
Fixed rate of return	<u>1,088,316</u>	<u>1,022,719</u>
	<u>1,345,541</u>	<u>1,296,439</u>

As at 31 March 2026, 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") (2025: PBOC Rate or SOFR). The rates of return of finance lease receivables were adjusted periodically with reference to the PBOC Rate or SOFR (2025: PBOC Rate or SOFR).

15. TRADE AND OTHER RECEIVABLES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Trade receivables	3,915	8,663
Prepaid expenses	596	1,073
Expenses paid on behalf of customers	44,687	67,826
Deductible value-added tax	4,666	27,628
Short-term loan receivables and interest receivable	272,304	360,087
Bank interest receivables	4,948	3,725
Other receivables	29,405	23,796
Deposits for acquisition of property and equipment	—	26,306
	<hr/>	<hr/>
Subtotal	360,521	519,104
Less: Allowance for impairment losses	(271,466)	(223,587)
	<hr/>	<hr/>
	89,055	295,517
	<hr/> <hr/>	<hr/> <hr/>
Analysed for reporting purposes as:		
Current assets	82,041	263,420
Non-current assets	7,014	32,097
	<hr/>	<hr/>
	89,055	295,517
	<hr/> <hr/>	<hr/> <hr/>

An ageing analysis of the trade receivables as at 31 March 2026 and 2025, based on the transaction date and net of loss allowance, is as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Within 30 days	3,027	8,663
31–60 days	533	—
61–90 days	355	—
	<u>3,915</u>	<u>8,663</u>

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 2026 and 2025 were not past due and had no recent history of default. The expected credit losses were assessed to be minimal at 31 March 2026 and 2025.

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
At beginning of the year	223,587	59,947
Provided for the year	49,400	163,566
Foreign currency translation	(1,521)	74
At end of the year	<u>271,466</u>	<u>223,587</u>

As at 31 March 2026, the aircraft maintenance and some other miscellaneous expenses paid on behalf of customers amounted to approximately RMB44,687,000 (2025: RMB67,826,000) are classified as credit-impaired and the ECL is measured at an amount equal to lifetime ECL of approximately RMB44,687,000 (2025: RMB67,826,000). As at 31 March 2026, the short-term loan receivables with interest receivables amounted to approximately RMB272,304,000 (2025: RMB299,370,000) are classified as credit-impaired and the ECL is measured at an amount equal to lifetime ECL of approximately RMB206,003,000 (2025: RMB155,375,000). The Group measures the ECL for remaining other receivables at an amount equal to 12m ECL of approximately RMB20,776,000 (2025: RMB386,000).

16. DEFERRED TAX

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
Deferred tax assets	54,785	57,896
Deferred tax liabilities	<u>(441)</u>	<u>(441)</u>
	<u>54,344</u>	<u>57,455</u>

Movements in balances of deferred tax assets and liabilities

	31 March 2026 RMB'000	31 March 2025 RMB'000
Balance at beginning of the year	57,455	77,299
Charge to profit or loss (<i>Note 9</i>)	<u>(3,111)</u>	<u>(19,844)</u>
Balance at end of the year	<u>54,344</u>	<u>57,455</u>

17. FINANCIAL ASSETS AT FAIR VALUE

	31 March 2026 RMB'000	31 March 2025 RMB'000
Current		
Investments in wealth management products	146,005	163,590
Non-current		
Unlisted funds (<i>Note</i>)	<u>171,777</u>	<u>199,550*</u>
	<u>317,782</u>	<u>363,140</u>

The above investments are classified as financial assets at fair value.

The unlisted funds were intended to be held for strategic purposes.

Note: As at 31 March 2026, the Group had investments in two (2025: two) private funds registered in the Cayman Islands. During the year ended 31 March 2026, the administrator and/or investment manager of one of the funds, with a carrying amount of RMB88,238,000, are not being cooperative with the Group and the management of the Company was unable to obtain any statement or updated financial information concerning the fund. Therefore, the management of the Group is unable to assess the fair value of such fund, nor determine if there any loss of such fund accruing to the Group as at 31 March 2026. As such, there was no fair value change ascribed to such fund for the year ended 31 March 2026. Up to the date of these consolidated financial statements, the Group is in the process of seeking legal advice to formulate the next steps.

* Previously classified as financial assets at fair value through other comprehensive income and classification amended to conform with current year's classification.

18. BANK BALANCES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Bank balances	577,011	330,866
Less: fixed bank deposit	(245,000)	(270,000)
	332,011	60,866

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 (2025: floating interest rate based on daily bank deposit rates for demand deposits) as at 31 March 2026. The fixed bank deposits carries fixed rate 1.75%–2.65% per annum (2025: 2.65% per annum) with maturity up to 2028 as at 31 March 2026.

19. TRADE, BILLS AND OTHER PAYABLES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Current		
Trade payables	12,785	11,391
Deposit received	414	527
Government grants	37,730	43,972
Miscellaneous advances received from students	7,037	7,044
Other payables and accruals	24,560	9,337
Other tax payables	598	47,629
Payables for purchase of property and equipment	15,707	14,594
Payables for salary	25,876	26,756
Payables for scholarship	24	104
Payables to employees	4,112	4,041
Rental income received in advances	515	436
Bills payables	5,668	5,408
Consideration payable	109,400	109,400
	<u>244,426</u>	<u>280,639</u>
	31 March 2026 RMB'000	31 March 2025 RMB'000
Non-current		
Consideration payable	<u>56,600</u>	<u>56,600</u>

An ageing analysis of the trade payables as at 31 March 2026 and 2025, based on the invoice date.

	31 March 2026 RMB'000	31 March 2025 RMB'000
Within 1 year	<u>12,785</u>	<u>11,391</u>

20. CONTRACT LIABILITIES

The Group recognised the revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 March 2026 are expected to be recognised within one year.

21. DEFERRED INCOME

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

22. BORROWINGS

	31 March 2026 <i>RMB'000</i>	31 March 2025 <i>RMB'000</i>
Unguaranteed and secured borrowings	—	26,918
Guaranteed and secured borrowings	<u>67,303</u>	<u>61,912</u>
Total	<u><u>67,303</u></u>	<u><u>88,830</u></u>
Represented by:		
Borrowing from banks (<i>note i</i>)	7,623	—
Other borrowings (<i>note ii</i>)	<u>59,680</u>	<u>88,830</u>
Total	<u><u>67,303</u></u>	<u><u>88,830</u></u>
Represented by:		
Carrying amount repayable		
Within one year	62,985	26,918
More than one year, but not exceeding two years	<u>4,318</u>	<u>61,912</u>
	67,303	88,830
Less: amounts under current liabilities	<u>(62,985)</u>	<u>(26,918)</u>
Non-current liabilities	<u><u>4,318</u></u>	<u><u>61,912</u></u>

Notes:

i. Borrowing from banks

As at 31 March 2026, guaranteed and secured bank borrowing amounted to RMB7,623,000 at a fixed rate of 4.59% per annum, repayable by installments within 3 years.

ii. Other borrowings represented by:

- (a) guaranteed and secured borrowing amounted to RMB49,301,000 (2025: RMB61,912,000) at variable rate of 3 months SOFR plus 2.90% per annum (2025: SOFR plus 2.90% per annum) from an independent party repayable by installments within 1 year (2025: within 2 years) as at 31 March 2026. The borrowing is guaranteed by the Company and secured by the shares of a subsidiary; and
- (b) As at 31 March 2026, the unguaranteed but secured borrowing amounted to RMB10,379,000 (2025: RMB26,918,000) at variable rate of 3 months SOFR plus 3.05% per annum from an independent party repayable by installments within 2 years. The borrowing is secured by the shares of a subsidiary.

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
Fixed-rate borrowings:		
Within one year	3,305	—
More than one year, but not exceeding two years	4,318	—
	<u>7,623</u>	<u>—</u>

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
Variable-rate borrowings:		
Within one year	59,680	26,918
More than one year, but not exceeding two years	—	61,912
	<u>59,680</u>	<u>88,830</u>

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

	31 March 2026	31 March 2025
Fixed-rate borrowing	4.15%	N/A
Variable-rate borrowing	<u>6.59%~7.38%</u>	<u>7.25%~7.71%</u>

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2026.

Qualified Opinion

In our opinion, except for possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, 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 IASB and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

As at 31 March 2026, the Group had investments in two unlisted private funds established in the Cayman Islands classified as financial asset at fair value.

As disclosed in note 22 to the consolidated financial statements, management of the Group was unable to obtain the necessary information to determine the fair value of one of the funds (the "**Fund**") with a carrying amount of approximately RMB88,238,000.

We were unable to obtain sufficient appropriate audit evidence to assess the fair value of the Fund as at 31 March 2026. In addition, we were unable to obtain direct confirmation to confirm the Group's interests in the Fund. Given these scope limitations, there were no alternative audit procedures that we could perform to satisfy ourselves as to the valuation and existence of the Group's investment in the Fund as at 31 March 2026, and the absence of changes in fair value of the Fund for the year ended 31 March 2026.

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**"), as applicable to audits of consolidated financial statements of public interest entities. We have also 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In 2025, the overall business environment remains stable, though risks from global geopolitical tensions and supply chain disruptions continue to create uncertainties across various industries. According to the National Bureau of Statistics of the PRC, China's GDP reached RMB140.2 trillion, representing an increase of approximately 3.7% over the same period last year. The leasing and business services industry maintained double-digit growth, representing an increase of approximately 10.3% 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, finance leasing companies are re-adjusting their business plans and expanding into emerging sectors to avoid certain high-risk industries, so as to enhance their competitiveness. The emergence of foreign finance 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% 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 diversify 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 RMB61.3 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 remains lower than that of major developed countries. Only approximately 60.8% of the

college-age population in China are enrolled in higher education institutions, compared with approximately 70% in France and the United States of America, which pointed to the growth 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 44 faculties and divisions, and strives to improve its students' practical training and career prospects. Furthermore, by upgrading its facilities and equipment and strengthening its faculty team, Yantai Nanshan University is committed to delivering quality educational programmes to its students and top talent for the society.

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 2022/2023, 2023/2024, 2024/2025 and 2025/2026 was 33,809, 34,958, 39,093 and 38,930 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 RMB593.0 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.

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) in late 2024. The revisions of the regulations improves and tightens the supervisory guidelines on business classification, corporate governance, and risk control. With the implementation of the revised regulatory policies, finance leasing companies need to place greater emphasis on compliant operations, strengthen internal management and risk control, and ensure stable business development.

In terms of data, by the end of 2024, the total asset scale of finance leasing companies in our country reached RMB4.58 trillion, an increase of 9.6% year-on-year. Despite a slowdown in growth, the overall scale continues to expand steadily. The first half of 2025, the total number of finance leasing companies in China was approximately 7,020, reflecting a significant decrease of nearly 331 compared to the end of 2024. 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 12%, 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 management of the Group 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.

2025 marked the conclusion of the "14th Five-Year Plan" in China, and 2026 as the inaugural year of the "15th Five-Year Plan." China's manufacturing industry transformation and upgrading continues and is evolving towards highly automated, green, and secure production ecosystems. It is expected to drive a new wave of growth in the coming years. As such, the demand for financing is expected to remain strong.

The Group expanded its leasing business into the shipping segment since 2023. Through its investment in a partnership, vessels were acquired. The Group's expansion of its leasing business into the shipping segment 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'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 RMB160.6 million.

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 increased by approximately 2.6% from approximately RMB734.8 million for the year ended 31 March 2025 to approximately RMB753.6 million for the year ended 31 March 2026.

Costs of services

The Group's costs of services increased from approximately RMB423.4 million for the year ended 31 March 2025 to approximately RMB458.6 million for the year ended 31 March 2026, which were mainly derived from the operations of Yantai Nanshan University. The increase in cost of services was primarily attributable to: (i) the renovation and upgrading of school facilities and equipment and (ii) an increase in salary from expanding the faculty team.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB295.0 million for the year ended 31 March 2026 and a gross profit margin of approximately RMB39.1%, as compared to the gross profit of approximately RMB311.3 million for the year ended 31 March 2025, representing a decrease of approximately 5.2%. 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 a gain of approximately RMB77.9 million for the year ended 31 March 2025 to a loss of approximately RMB11.3 million for the year ended 31 March 2026. The decrease was mainly due to the decrease in investment and interest income and the impact of a change of fair value of a financial asset.

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 2026, the administrative expenses amounted to approximately RMB116.5 million as compared to approximately RMB102.8 million for the year ended 31 March 2025. This increase in was mainly due to increase in staff costs.

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 35.1% from approximately RMB19.4 million for the year ended 31 March 2025 to approximately RMB12.6 million for the year ended 31 March 2026. 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.

Profit for the year

Profit for the year of the Group decreased from approximately RMB63.1 million for the year ended 31 March 2025 to approximately RMB61.3 million for the year ended 31 March 2026, representing a decrease of approximately 2.8%.

Dividend

The Board did not recommend payment of any final dividend to shareholders of the Company for the year ended 31 March 2026 (31 March 2025: nil).

Liquidity, financial resources and capital resources

As at 31 March 2026, the cash and cash equivalents of the Group amounted to approximately RMB332.0 million (31 March 2025: approximately RMB60.9 million). Working capital (current assets less current liabilities) and the total equity of the Group as at 31 March 2026 amounted to approximately RMB458.2 million (31 March 2025: approximately RMB417.3 million) and approximately RMB2,939.4 million (31 March 2025: approximately RMB2,897.9 million), respectively.

As at 31 March 2026, the balance of borrowings of the Group amounted to RMB67.3 million (31 March 2025: RMB88.8 million). As at 31 March 2026, the Group's borrowings due within one year amounted to approximately RMB63.0 million (31 March 2025: approximately RMB26.9 million) and the Group's borrowings due after one year amounted to approximately RMB4.3 million (31 March 2025: approximately RMB61.9 million).

As at 31 March 2026, the gearing ratio of the Group (dividing the total indebtedness by total equity and indebtedness as at the end of the period) was approximately 2.2% (31 March 2025: approximately 3.0%). 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 2026, the respective carrying amounts of such components of the finance lease receivables amounted to (i) approximately RMB1,769.1 million (31 March 2025: approximately RMB1,763.1 million); (ii) approximately RMB201.3 million (31 March 2025: approximately RMB246.2 million); and (iii) approximately RMB222.2 million (31 March 2025: approximately RMB220.4 million). The finance lease receivables of the Group increased by approximately 3.8% from RMB1,296.4 million as at 31 March 2025 to RMB1,345.5 million as at 31 March 2026. The allowances for impairment losses of the Group increased by approximately 0.8% as at 31 March 2026.

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

Five customers in the aviation and healthcare industry (31 March 2025: 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 impairment loss

Consistent with practices in previous financial years, in the financial year ended 31 March 2026, 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.

The Board is of the view that the impairment losses for the year ended 31 March 2026 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:

$$\text{ECL (Expected Credit Loss)} = \text{EAD} \times \text{PD} \times \text{LGD} \times \text{DF}$$

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

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

In case that certain lessees failed to repay on time, the Group adopted actions 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 in this announcement 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 2026 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.

Finance lease commitments

As at 31 March 2026, the Group had no finance lease commitments (31 March 2025: nil).

Employees and remuneration policy

As at 31 March 2026, the Group employed 2,464 full-time employees (31 March 2025: 2,206) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB271.3 million for the year ended 31 March 2026 (31 March 2025: approximately RMB262.4 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 in this announcement for details.

RISK MANAGEMENT

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

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

- The board of the College is generally responsible for making strategic decisions about the budget, investments, acquisitions and future development of the College. It is also responsible for reviewing and approving any significant business decisions that involve material risks, such as the expansion of the College into new areas, the increase of tuition fees and boarding fees, the construction of the college and the decision to establish significant business partnerships with third parties to develop new educational programmes;
- The principal is the person who makes decisions for the College. Under the instruction of the board of the College, the principal, assisted by and together with the vice principals and the head of the different departments, is responsible for the continuous risk management of the College. The principal shall make decisions on remedial measures for serious incidents or behaviour that violate the College’s internal control policies reported to it. The materials in relation to such incidents shall be filed for record, which include incident reports, records of detection and inspection, inspection report, inspection advice, inspection decisions and their materials. The College will also learn from the experience of the incidents to find its deficiencies and refer to such materials for the guidance of its future work; and
- The College maintains insurance coverage, which the College believes that is in line with customary practice in the education industry of the PRC, including the public liability insurance.

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

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

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

- Pass. There is no sufficient reason to doubt that the lease payments will not be paid by the lessee in full on a timely basis. Pass asset has certain characteristics, for example, the lease payments have always been repaid in full on a timely manner or overdue for less than or equal to 90 days.
- Special Mention. Even though the lessee has been able to pay the lease payments in a timely manner, there are some factors that could adversely affect its ability to pay, such as that the financial position of the lessee has worsened or its net cash flow has become negative, but there are sufficient guarantees or collaterals underlying the finance lease agreement. Special Mention asset has certain characteristics, for example, the payments have been overdue for more than 90 days but less than or equal to 150 days.
- Substandard. The lessee's ability to pay is in obvious question as it is unable to make its payments in full with its operating revenue, and the Group is likely to incur losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Substandard asset has certain characteristics, for example, the lease payments have been overdue for more than 150 days but less than or equal to 210 days.
- Doubtful. The lessee's ability to pay is in absolute question as it is unable to make lease payments in full, and the Group is likely to incur significant losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Doubtful asset has certain characteristics, for example, the lease payments have been overdue for more than 210 days but less than or equal to 270 days.

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

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

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any material contingent liabilities (31 March 2025: 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 Appendix V to the prospectus of the Company dated 28 February 2019.

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

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

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of Share Option to Directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of a Share Option to any participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the Share Option to be granted under the Share Option Scheme is 150,000,000 in total.

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 an 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.

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 April 2025 and 31 March 2026, respectively. As at the date of the Company's annual report for the year ended 31 March 2025, and as at the date of this announcement, 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 year ended 31 March 2025 and as at the date of this announcement.

In any event, any grant of the Share Options under the Share Option Scheme shall comply with Chapter 17 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 21 May 2026 and 12 June 2026 (the “**Major Transaction Announcements**”), pursuant to which, among others, Union Fund I GP, being an indirect wholly-owned subsidiary of the Company, is the general partner of the Union Shipping Fund I L.P., and SPV2, being a special purpose vehicle wholly owned by the Union Shipping Fund I L.P., entered into certain transactions in relation to the disposal of the Vessel, which includes (1) the Novation Agreement entered into by SPV2 with XH Navigator and Fond Marine, pursuant to which, SPV2 has assumed all the obligations and liabilities and has had the benefit of all the rights and claims of XH Navigator under the Original Charter for the Vessel; and (2) the Bareboat Charter entered into by SPV2 with XH Navigator in relation to the bareboat chartering of the Vessel. Unless otherwise defined herein, capitalised terms in this section shall have the same meanings as those defined in the Major Transaction Announcements.

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the amount of the Settlement Amount in respect of the transaction is more than 25% but less than 75%, the transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For details, please refer to the Major Transaction Announcements.

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" above in this announcement for further details.

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

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

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

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

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

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

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “**Annual General Meeting**”) will be held on Thursday, 27 August 2026. A notice convening the Annual General Meeting will be published and dispatched to the shareholders of the Company in due course according to the requirements of the Listing Rules. The register of members of the Company will be closed from Monday, 24 August 2026 to Thursday, 27 August 2026 (both dates inclusive) for the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 21 August 2026. The record date to determine shareholders' entitlement to attend and vote at the Annual General Meeting will be Thursday, 27 August 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a securities dealing code (the “**Securities Dealing Code**”) regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. The Company will periodically issue notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of the Company's 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 announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. The Company was in compliance with the CG Code during the Reporting Period and up to

the date of this announcement except from the deviation from code provision C.2.1 of the CG Code. The Company had adopted most of the recommend best practices as set out in the CG Code.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the Company’s audited annual consolidated results for the year ended 31 March 2026, and confirms that save for the qualified opinion (the “**Qualified Opinion**”) as disclosed in the section headed “Extract of Independent Auditor’s Report” of this announcement, the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. In relation to the Qualified Opinion, the Audit Committee has held a meeting with SHINEWING (HK) CPA Limited (“**Shinewing**”), the independent auditor of the Company and the management to understand the Qualified Opinion and the judgment made by the Management. Based on the discussion with the auditor and the management, the Audit Committee agreed with the Qualified Opinion. The annual results for the year ended 31 March 2026 are audited by Shinewing, in accordance with IFRS Accounting Standards issued by the IASB.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this announcement have been agreed by Shinewing to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Period. The work performed by Shinewing in this respect did not constitute an assurance engagement in accordance with ISAs, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Shinewing in this announcement.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.aiel-holdings.com) and the Stock Exchange (www.hkexnews.hk), respectively. The annual report of the Company for the year ended 31 March 2026 will be despatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 24 June 2026

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

** For identification purposes only*